7374. By Mr. BURTNESS: Petition of Edgar Boyd Post, No. 37, American Legion, Williston, N. Dak., for a total exclusion of immigration law; this not being possible, then a restricted law; to the Committee on Immigration and Naturalization.

7375. By Mr. DALLINGER: Petition of City Council of Boston, Mass., favoring the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

7376. By Mr. FROTHINGHAM: Petition of James M. Curley, for favorable action on ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

7377. By Mr. GALLIVAN: Petition of Boston City Council, urging favorable action on pending ship-subsidy legislation; to the Committee on the Merchant Marine and Fisheries.

7378. By Mr. KAHN: Petition of the Bar Association of San Francisco, urging that an antinarcotic week be proclaimed in 1923; also that an international conference be called, with a view to securing the limitation by treaty of the basic production of poisonous drugs, which constitute a major menace to American life; to the Committee on Foreign Affairs.

7379. By Mr. KISSEL: Petition of the Brunswick-Balke-Collender Co., New York City, N. Y., favoring Senate bill 4303, to amend the joint resolution extending the operation of the immigration act of May 19, 1921; to the Committee on Immigration and Naturalization.

7380. Also, petition of United Singers of Brooklyn, New York City, urging the United States Government to disapprove the acts committed by the French invaders; to the Committee on Foreign Affairs.

7381. Also, petition of Valentine & Co., New York City, N. Y., urging the passage of House bill 12091; to the Committee on the Merchant Marine and Fisheries.

7382. By Mr. LEA of California: Petition of 38 residents of Camptonville, Calif., favoring aboliton of tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

7383. By Mr. SIEGEL: Petition of Woman's Republican Club, New York City, N. Y., urging Congress to limit the import of raw materials from which drugs are made; to the Committee on Foreign Affairs.

7384. Also, petition of Woman's Republican Club, of New York City, N. Y., urging Congress to pass the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

7385. By Mr. SINCLAIR: Petition of the Edgar M. Boyd Post, No. 37, of the American Legion, Williston, N. Dak., for the passage of a total exclusion immigration law; to the Committee on Immigration and Naturalization.

7386. By Mr. TEMPLE: Papers to accompany House bill 14265, a bill granting a pension to Lizzie G. Chapman; to the Committee on Invalid Pensions.

7387. By Mr. TINKHAM: Petition of James M. Curley, mayor of Boston, Mass., urging passage of ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

SENATE.

THURSDAY, *February 22, 1923.*

(Legislative day of Monday, February 19, 1923.)

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

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Secretary will call the roll.

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

Ashurst	Fletcher	Lodge	Reed, Pa.
Ball	France	McCumber	Robinson
Bayard	Frelinghuysen	McKellar	Sheppard
Borah	George	McKinley	Shields
Brandegee	Glass	McLean	Smith
Brookhart	Gooding	McNary	Smoot
Broussard	Hale	Moses	Spencer
Bursum	Harreld	Myers	Stanley
Calder	Harris	Nelson	Sterling
Cameron	Harrison	New	Sutherland
Capper	Heflin	Norbeck	Swanson
Caraway	Hitchcock	Norris	Townsend
Colt	Jones, N. Mex.	Oddie	Underwood
Couzens	Jones, Wash.	Overman	Wadsworth
Culberson	Kellogg	Page	Walsh, Mont.
Cummins	Kendrick	Pepper	Warren
Curtis	Keyes	Phipps	Watson
Dial	King	Poindexter	Weller
Dillingham	Ladd	Pomerene	Williams
Edge	La Follette	Ransdell	Willis
Fernald	Lenroot	Reed, Mo.	

Mr. PHIPPS. I desire to announce that my colleague [Mr. NICHOLSON] is absent on account of illness. I ask that this notice may stand for the day.

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

READING OF WASHINGTON'S FAREWELL ADDRESS.

The PRESIDING OFFICER. Under a standing order of the Senate, agreed to January 24, 1901, it is provided that Washington's Farewell Address shall be read in the Senate on this day immediately following the approval of the Journal. The Senate this morning meets in recess, and there is no Journal to be approved. In pursuance of the order, however, the Vice President, January 9, 1923, designated the junior Senator from Virginia [Mr. GLASS] to read the address. The Chair now recognizes the junior Senator from Virginia for that purpose.

Mr. GLASS read the address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to be proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured that this resolution has not been taken without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this previous to the last election had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust were explained on the proper occasion. In the discharge of this trust I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and every day the increasing weight of years admonishes me more and more that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to

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mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common danger, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to reply for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free

in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what can not be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the dangers of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and it is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissention, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruptions, which finds a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundations of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is neces-

sary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favored nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure

has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views it in the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 14254) to amend the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922.

The message also announced that the House insisted upon its amendments to the bill (S. 2703) to allow the printing and publishing of illustrations of foreign postage and revenue stamps from defaced plates, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VOLSTEAD, Mr. BOIES, and Mr. SUMNERS of Texas were appointed managers on the part of the House at the conference.

ENROLLED BILLS.

The message further announced that the Speaker of the House had signed the following enrolled bills:

S. 462. An act for the relief of Max B. Baldenburg;

S. 851. An act authorizing the Secretary of War to make settlement with the lessees who erected buildings on a five-year lease on the zone at Camp Funston, Kans., and for other purposes;

S. 1829. An act for the relief of Walter Runke;

S. 2563. An act to provide for the completion of the bridge across the Little Colorado River near Leupp, Ariz.;

S. 3083. An act authorizing the Baltimore & Ohio Railroad Co. to construct an elevated railroad siding adjacent to its tracks in the city of Washington;

S. 3350. An act for the relief of Alice M. Gorman;

S. 3611. An act authorizing and directing the Secretary of War to abrogate a contract lease of water power on the Muskingum River;

S. 3614. An act relating to the official bond of the United States marshal for the southern judicial district of the State of New York;

S. 3690. An act for the relief of Lowe Hayden Bibby;

S. 4061. An act authorizing the Secretary of the Interior to enter into an agreement with Toole County irrigation district, of Shelby, Mont., and the Cut Bank irrigation district, of Cut Bank, Mont., for the settlement of the extent of the priority to the waters of Two Medicine, Cut Bank, and Badger Creeks, of the Indians of the Blackfeet Indian Reservation;

S. 4113. An act for the relief of Helene M. Layton;

S. 4187. An act to extend the time for payment of charges due on reclamation projects, and for other purposes;

S. 4310. An act for the relief of the owners of the steamship *Mohican;*

S. 4311. An act for the relief of the owners of the steam lighter *Comport;*

S. 4333. An act for the relief of Howard R. Gurney;

S. 4358. An act to authorize the American Niagara Railroad Corporation to build a bridge across the Niagara River between the State of New York and the Dominion of Canada;

S. 4411. An act granting the consent of Congress to the cities of Minneapolis and St. Paul, Minn., or either of them, to construct a bridge across the Mississippi River in section 17, township 28 north, range 23 west of the fourth principal meridian, in the State of Minnesota;

S. 4468. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the settling of New Netherland, the Middle States, in 1624, by Walloons, French and Belgian Huguenots, under the Dutch West India Co.; and

S. 4522. An act authorizing the Secretary of State to convey certain land owned by the United States in Santiago, Chile, to the municipality of that city, and to acquire or receive in exchange therefor other land located in the said city.

THE MERCHANT MARINE.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington [Mr. JONES] that the Senate proceed to the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

PRICE OF WHEAT.

Mr. GOODING. Mr. President, the Committee on Agriculture and Forestry reported favorably Senate bill 4478. The purpose of the bill is to stabilize the price of wheat. It provides for a corporation with a capital stock of $300,000,000 and a board of three members. The Secretary of Agriculture is made chairman of the board, and the other two members of the board are appointed by the President and confirmed by the Senate.

The bill fixes the price of No. 1 northern spring wheat for the crop of 1923 at $1.75 a bushel at the primary markets of the country and authorizes the board on the 1st of July of 1923 to fix the price for the crop of 1924, and on the 1st of July of 1924 to fix the price for the crop of 1925, and directs the board to prescribe rules and regulations for the administration of the act.

An embargo upon wheat and flour is declared until July 1, 1926. Exception to the embargo is made on wheat to be used for seed purposes, and an exception is also made on in-transit shipments of wheat and flour; also on wheat imported in compliance with the tariff act of 1922, which is used in manufacturing flour for reexport.

The bill authorizes the board to charge 5 cents a bushel for handling charges, so that if the bill becomes a law the farmer will receive $1.70 a bushel for his wheat, less the freight rate and the handling charges at his local elevator.

Mr. President, it is not hard to understand how some Senators shy at this bill or any other bill that has for its purpose the stabilization of the prices of farm products by the Government.

It is unfortunate that the condition of the wheat growers is such as to make it necessary to consider such a measure as this, and I am sure, if I had not been a member of the Agricultural Committee and heard the stories of the hardships and privations that the farmers of this country have suffered in the last three years, I should not be in favor of price fixing by the Government. Nor should I be in favor of this measure if I believed that there was any possible chance for the wheat growers of this country to work out of their present financial condition without aid from the Government.

Or, if the farmers were in any way to blame for their present financial condition, I should not be asking the Government to

assist them, but everywhere the farmer in the last three years has worked harder to make both ends meet than at any time for more than a half century. Everywhere he has practiced thrift and economy only to find, when the harvest was over, that he has not received enough from his year's labor to meet his obligations, and, as I see it, unless the Government does something to stabilize the price of wheat there is grave danger of that branch of agriculture breaking down and becoming demoralized.

Mr. President, the distressing condition of the wheat grower has been brought about by the farmer answering his country's call for more farm products during the war, and by legislation made necessary by the World War, and I shall have no trouble in proving that this Government is responsible, in a large measure, for the losses the farmers have met in the last three years.

I am sure we all remember how the Government demanded that the farmer produce more farm products. He was told that bread would win the war; that we must not only feed our own armies in Europe but the armies of our allies and the citizens of those countries as well. Wheat was thought to be such a mighty factor in the World War that the Food Administrator prescribed a lower grade of flour than the country had been accustomed to use.

The American farmer has never failed to answer his country's call, either in peace or in war, and he answered his country's call for more farm products during the war by increasing the acreage production in this country something over 26,000,000 acres. This, together with the surplus of agricultural products that existed at the time we entered the war, made an overproduction of 40,000,000 acres of crop production more than our consumption. It is this overproduction, together with the unfair, unjust, and unreasonable, and, I am going to say, criminal administration of legislation that Congress passed during the war that has brought about the hardships and privations the country has witnessed upon the American farm in the last three years.

For more than two years now the Agricultural Committee has held extended hearings on different bills that the committee has had under consideration for the relief of agriculture. Numerous witnesses have told of the distressing condition of agriculture in different parts of the country, and all have agreed that unless the Government came to the assistance of the wheat growers and gave Government aid it would be impossible for that branch of agriculture to continue to grow wheat at the present high cost of production.

Mr. President, I am satisfied that if all the Senators could have listened to the stories of the hardships and privations that the farmers have suffered in the last three years they would agree with the Agricultural Committee that the Government owes a debt to the farmers of the country, and especially to the wheat growers, which it can only pay by stabilizing the one great agricultural crop for the next three years, so as to enable the farmers to meet their obligations and continue the production of wheat, which is so essential to the life of the Nation.

One of the saddest stories related to the Agricultural Committee was by Mr. John F. Sinclair, who gave his residence as Minneapolis, Minn., and his business as that of a banker and investor.

The question, "Can the farmers work out of their present financial difficulties?" was submitted by Mr. Sinclair to a number of banks in Minnesota, North Dakota, South Dakota, and Montana, and 291 answers were received. All with the exception of 5 stated that it was impossible for the farmers to work out of their present financial condition with the high cost of production unless something was done by the Government to stabilize the price of wheat.

The saddest part of Mr. Sinclair's story was of the suicides that have taken place upon the farm. He stated that last year there were 30 suicides on the farms in Minnesota, 87 in North Dakota, 32 in South Dakota, and 15 in Montana, making 168 suicides that have taken place on the farms in those four States in the last 12 months.

From all over the country come stories of the hardships and privations upon the farm. Everywhere the story is told of the young men leaving the farm. In one county in Idaho 1,500 young men were reported as leaving the farms last year.

The story was told of children in some parts of the country being forced to go barefooted in winter and being denied the benefits of school because there was so little left from the harvest after freight and expenses were paid that in some cases charity had to be extended to some of the farmers in States where the soil was rich and the harvest abundant. This condition was shown to exist to some extent in most all of the Western States.

R. W. Frazier, testifying as to the condition in North Dakota, said that in Divide County last year there were 18 suicides. All of them were farmers with the exception of one. Mr. Frazier exhibited newspapers showing that in some of the counties in North Dakota more than 75 per cent of all the farms were advertised for delinquent taxes. He said that the farmers in some parts of North Dakota were in such distressing circumstances that when there was a death in the family some member of the family was compelled to make a rough wooden box for burial because there was no money to pay funeral expenses.

Mr. President, a representative of organized labor appeared before the committee in favor of the bill. He stated that organized labor recognized the deplorable condition of agriculture to-day. While the bill might increase the cost of bread to some extent, he said organized labor understood that the farmer had not been given a square deal during the war, because the increased cost of labor and freight rates had of necessity increased the cost of production to the farmer far beyond the price fixed by the Government.

Mr. President, I have listened to many sad stories in my life, but, with the exception of the stories I have listened to that came from Russia, I have never heard anything to compare with the distressing conditions that exist on the farms in some parts of our own country to-day.

Of course, I understand that a great many people look upon legislation of this kind as socialistic, and I know just how they feel about it, because I do not have to go back far in my life—not as far back as when I first took my oath of office as a Senator, a little more than two years ago—to understand how they look upon legislation for stabilizing the price of farm products, and I am sure that I should agree with them if I did not feel that this was an emergency matter to meet a condition that was forced upon the country by the great World War.

Mr. President, after all, when we come to look at legislation that Congress has passed we find that Congress has stabilized about everything, with the exception of the price of farm products, or has sat idly by and permitted great industrial institutions to stabilize the price of their own products, until to-day the cost of production for the wheat grower is so great that he is not able to meet his obligations or to buy the comforts and in many cases the necessities of life.

Let me call the attention of the Senate to a few things of which Congress has stabilized the price through legislation, without any consideration of its effect upon agriculture.

Congress stabilized the price of the labor of 1,700,000 men working upon the railroads by enacting legislation that increased the price of labor on the railroads 106 per cent, and when Congress stabilized the price of 1,700,000 men working on the railroads they stabilized the price of labor in every other industry in the country, and upon the farm as well. In 1918, 1919, and 1920 the farmers in some parts of the country were forced to pay as high as $10 a day for labor to harvest their crops.

Mr. President, the greatest mistake this Government ever made in its history—and I call it a crime—was made when, through the Federal control act and the Esch-Cummins Act, horizontal increases of 65 per cent were made in all freight rates, regardless of how long the haul or how short the haul, or how high or how low the rate was originally, and without any investigation or consideration as to what the farmer's products would bear to carry them to market.

Ever since railroads have been a factor in the commerce of this country freight rates have been made somewhere near what the products would bear to carry them to market. More has always been charged for the high-priced products than for the low-priced products, and more has always been charged on a mileage basis for the short haul than for the long haul. But when the horizontal increase of 65 per cent was made under the Federal control act and the Esch-Cummins Act, the increase on the low-priced products, with one or two exceptions, was the same as the increase on the higher-priced products, and the increase on the long haul was the same as the increase on the short haul. No thought or investigation or consideration was given as to how high the rate was originally or what the low-priced products would bear to carry them to market.

In making these horizontal increases every principle ever used by railroads in the past in making freight rates was ignored.

As a result of these horizontal increases the farmer is forced to pay a very much larger percentage of the market price of his products to carry them to market than the manufactured article is forced to pay under the present system of rate making.

For instance, the farmers of my State pay a freight rate to Chicago of 97 per cent of the market price on their potatoes, 52 per cent of the market price on onions, 36 per cent of the market price on wheat, 15 per cent of the market price on hogs, and 13.2 per cent of the market price on beans. They pay 53 per cent of the market price on hay to Kansas City and a freight rate of 9.3 per cent of the market price on wool to Boston.

For comparison, I find that men's shoes pay a freight rate of 2½ per cent of the wholesale price from Chicago to Idaho and women's shoes 2 per cent. Men's suitings pay 1½ per cent, and cotton goods pay a freight rate of 4 per cent of the wholesale price from New York to Idaho; and ginghams pay a rate of 2½ per cent. On some of the higher-class articles the freight rate is so small that it can only be measured in decimals and has no influence on the selling price of the article.

Mr. President, to-day the farmer is paying vastly more than his share on the upkeep and operation of our railroads. To-day, under these horizontal increases, the farmer is paying 1,500 per cent higher freight rates on the market value of his products than is paid on the manufactured articles I have mentioned.

These horizontal increases are best shown by a comparison of what the farmers paid in dollars and cents on carload lots in 1913 to carry their products to market and what they paid after the horizontal increases of 65 per cent were made.

In describing the rates I am using Idaho merely because I am more familiar with our freight rates there than in other Western States, but there is very little difference in the freight rates in all of the Western States; so what I say about the increases in my State applies to all the Western States and generally to the whole country.

On an 80,000-pound carload of wheat from Idaho to Chicago the freight rate in 1914 was $400; in 1921 it was $596, or an increase of 49 per cent.

On a 24,000-pound carload of hay to Chicago the freight rate in 1914 was $132.50; in 1921 it was $240, an increase of 81 per cent.

On a 24,000-pound carload of fruit to New York the freight rate in 1914 was $300; in 1921 it was $500, an increase of 67 per cent.

On a 26,000-pound carload of cattle to Chicago the freight rate in 1914 was $203.80; in 1921 the rate was $295.10, an increase of 45 per cent.

On a 24,000-pound carload of sacked wool to Boston the freight rate in 1914 was $475.20; in 1921 it was $831.60, an increase of 74 per cent.

On a 32,000-pound car of baled wool to Boston the freight rate in 1914 was $547.20; in 1921 it was $960, an increase of 75 per cent.

On the 1st of January, 1922, there was a horizontal reduction of 10 per cent in freight rates, with the exception of wheat. On wheat the reduction was 13 per cent, but the reduction was so small that it has not given the West any relief.

Mr. President, these excessive freight rates have had a most disastrous effect upon the business interests of my State. Out of 191 banks, we have had 40 failures in the last two years. Within the last 30 days three national banks and one State bank have closed their doors.

On one of our irrigation projects that is rated by the Government as one of the best irrigation projects in the West, 10 out of 11 banks have closed their doors in the last 18 months. These bank failures in Idaho are not due to crop failures or to the exhaustion of the soil, for the average yield of farm products per acre in Idaho is as large, if not larger, than in any other State in the Union. It is a common thing to see a yield of 40 or 50 bushels of wheat to the acre on our irrigated farms, from 60 to 70 bushels of oats or barley, and from 4 to 8 tons of hay. On our irrigated farms we never have a crop failure. When we sow, we always reap a full harvest; but in some cases the greater the yield the less the farmer has when the harvest is over, for at times some of his farm products will not pay the cost of the freight rate to carry them to market.

The President, in his message of December 8, 1922, in speaking of the problems of transportation, recognized very fully the serious condition that existed from the increase of freight rates on low-priced commodities and he had this to say:

> This transportation problem can not be waived aside. The demand for lowered costs on farm products and basic materials can not be ignored. Rates horizontally increased to meet increased wage outlays during the war inflation are not easily reduced. When some very moderate wage reductions were effected last summer there was a 10 per cent horizontal reduction in rates. I sought at that time, in a very informal way, to have railway managers go before the Interstate Commerce Commission and agree to a heavier reduction on farm products and coal and other basic commodities and leave unchanged the freight tariffs which a very large portion of the traffic was able to bear.
>
> Neither the managers nor the commission saw fit to adopt the suggestion, so we have the horizontal reduction too slight to be felt by the higher-class cargoes and too little to benefit the heavy tonnage calling most loudly for relief.

If the President was unable to get the railroad managers and the Interstate Commerce Commission to agree to a more liberal reduction on agricultural products than the higher-priced products of the country, in which the freight rates are so small a factor in comparison with their value, it does not seem to me that there is much hope for a reduction in freight rates on wheat and other farm products.

Mr. President, the farmers of this country believed, when the price-fixing committee was called to Washington for the purpose of fixing the price of wheat at the primary markets of the country, that the price fixed at $2.20 by the committee was to be the minimum and not the maximum price as afterwards fixed by the Grain Corporation.

When the Grain Corporation fixed $2.20 a bushel as the maximum price, the farmer was selling his No. 1 northern spring wheat in Minneapolis for $2.72 a bushel. The next day the farmers were selling their wheat in Minneapolis for $2.20 a bushel.

I made an effort to find out from those in charge of the affairs of the Grain Corporation here in Washington just how much profit the Government made out of handling the farmers' wheat during the war. Those in charge seemed to be able to give but very little information on the subject. I have been advised from other sources, however, that the profit of the Government for handling the farmers' wheat was somewhere between $75,000,000 and $100,000,000.

Mr. President, no other country during the war became a speculator and a profiteer in handling the farmers' products.

While the Canadian Government fixed the price of $2.15 at the primary markets, that Government remitted to the Canadian farmer everything that was received above $2.15 a bushel that his wheat brought upon the market, and in 1919 the Canadian farmer received an average of $2.62 for his wheat, while the farmers on this side had to be satisfied with $2.20 a bushel in 1918 and $2.26 a bushel in 1919.

The English Government fixed a minimum price on wheat, but permitted their farmers to sell their wheat for the full market price and besides paid a bonus to her grain growers of something between $40,000,000 and $50,000,000, and for the year of 1921 paid a bonus equivalent to $14 an acre to her grain growers, which was a return greater than was received by the farmers in some of the States that year per acre for their crop.

The Australian Government fixed a minimum price, but permitted the grain growers of that Commonwealth to receive the full market price, and assisted materially in marketing the grain by carrying much of it to market in ships owned by the Government at a very low freight rate. New South Wales paid to her wheat growers a bonus of something over $4,000,000 over the full market price.

Mr. President, the Governments of Great Britain, Canada, and Australia evidently gave some thought and consideration to the increased cost of production that was forced upon the farmers by the great World War. But our own Government seemed to have been afraid that the farmers would enjoy some prosperity. Through legislation we increased labor upon the railroads 106 per cent and freight rates 65 per cent, and then bound the wheat grower down to $2.20 a bushel, the price first fixed by the Grain Corporation in 1919.

Mr. President, through information furnished me by the Agricultural Department, I find that the actual cost of producing a bushel of wheat on the farm in 1918 was $1.53; in 1919, $2.26; and in 1920, $2.56. This was the actual cost to the farmer without any profits, and before the Government paid the $2.26 for the wheat he had to pay the local charge at his elevator and the freight rate to the primary market.

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

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

Mr. GOODING. I yield.

Mr. HEFLIN. What price did the farmers obtain after the deflation drive was on in 1920?

Mr. GOODING. I have not those prices before me; but at the time the Government ceased buying wheat it was worth $3.07 a bushel, while in November, 1920, the price had been driven down to $1.75 a bushel. Does that answer the Senator's question?

Mr. HEFLIN. Yes. The Senator, I believe, stated that the cost that year to produce wheat was $2.50 a bushel?

Mr. GOODING. Yes; $2.56.

Mr. HEFLIN. And it sold for about $1.75?

Mr. GOODING. About 25 per cent of our wheat is classed as No. 1 Northern; the remainder is No. 2 and No. 3; so it is safe to say that 75 per cent of the wheat, even when the Government paid $2.26 a bushel at the primary markets, brought the farmer at least 20 cents a bushel less than No. 1 Northern wheat.

So it is not strange that millions of our farmers are in a deplorable condition financially. The farmers of America have a right to feel outraged over being forced to sell their products at less than the cost of production and being forced to pay more for their share of the upkeep and operation of our railroads. The burdens are entirely too great. The wheat growers of this country can not go on under the high cost of production with the present price of wheat.

Some branches of agriculture have been materially benefited through a protective tariff. The emergency tariff bill was a godsend to them; it was a life-saver. The permanent tariff bill has also been a mighty factor in helping some branches of agriculture. Even the wheat grower has been materially benefited, for he has received anywhere from 20 to 30 cents a bushel more for his wheat since the emergency tariff bill was passed than the Canadian farmer has received.

Mr. WATSON. Mr. President——

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

Mr. GOODING. Yes.

Mr. WATSON. Over how long a period of time has there been that disparity in the prices of wheat as between this country and Canada?

Mr. GOODING. When the emergency tariff bill was passed No. 1 northern wheat was selling in Canada 5 cents higher than at Minneapolis; but immediately after the passage of the emergency tariff act our farmers received anywhere from 20 to 30 cents a bushel more than the Canadian farmers. For some reason No. 1 northern wheat in Canada—I presume it was because they had newer lands over there and the wheat produced is perhaps of a little higher quality—brings normally anywhere from 5 to 6 cents a bushel more than our No. 1 northern.

Mr. WATSON. How are the prices now?

Mr. GOODING. I have not received the prices in the last few days, but they have been ranging anywhere from 20 to 30 cents a bushel more for the American wheat than the Canadian farmer has been receiving for his wheat.

Mr. President, I think we will all agree that it is impossible to bring about a reduction in freight rates on farm products at this time; and even a liberal reduction in freight rates on wheat will not save the wheat growers from a most appalling disaster. Nothing less, in my judgment, than the stabilization of the price of wheat by the Government at a fair price will give the wheat grower of this country an opportunity to meet his obligations and continue in the production of this most important agricultural crop, that is a vital necessity not only to our own people but to the whole world.

Mr. President, we have never thought in the past that the farmer of this country needed any consideration, and he has had but very little consideration. In fact, it has not been fashionable to stabilize anything that the farmer produces.

If this were the first stabilizing act ever considered by Congress I might feel that I was on dangerous ground, but I find that on April 23, 1918, Congress stabilized the price of silver at $1 an ounce. It was written in the law that the Government should only purchase silver when it was selling at $1 or below a dollar an ounce. When the Pittman Act was passed silver was selling on the markets of this country for 99¼ cents an ounce. It increased steadily in price until November 25, 1919, when it was selling in the markets of this country for $1.37½ an ounce. Silver did not drop to $1 an ounce again until May, 1920.

Under the law the Government protected the miner, and he was permitted to go out into the markets and receive the full benefit of the market price of silver. So the Government did not become a wrecker and a speculator and a profiteer and break down the price of silver, as the Grain Corporation did in the price of wheat.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. GOODING. I yield.

Mr. KENDRICK. I should like to ask the Senator at this point whether or not he has information to show the cost to the Government of stabilizing the price of silver?

Mr. GOODING. No; I have not that information.

Mr. KENDRICK. The Senator has no information that it cost the Government any considerable sum?

Mr. GOODING. I do not understand that it cost the Government any considerable sum. I understand that the Treasury was instructed through the law not to buy it unless it was below a dollar an ounce. I have not looked up that part of it.

The Pittman Act provided that the Government should purchase 208,000,000 ounces of silver. Up to the present time the Government has purchased 152,000,000 ounces of silver, and there are still 56,000,000 ounces to purchase under that act, which is something more than the annual output of our silver mines.

So the Pittman Act will continue to stabilize the price of silver until some time next year. By that time the Pittman Act will have been in force for something over six years. To-day silver is selling on the markets of the country at 66 cents an ounce, but the Government is paying $1 an ounce for domestic silver. So besides stabilizing labor on the railroads and freight rates we have stabilized the price of silver in this country.

Mr. President, I know something about silver mining, and am satisfied that if the Government had not stabilized the price of silver the silver miners of this country would be in the same condition that the wheat growers are to-day, with the only difference that the silver miners can close down their mines but the wheat grower is forced to go on. He can not stop. The lower the price of wheat the more he must try to grow to meet his obligations and to keep the wolf from the door; but some day, unless this Government treats him with more of a spirit of fairness as far as freight rates are concerned, he may conclude to limit his production and let the wolf wait at the other man's door.

Then I find that we are subsidizing the great newspapers and magazines of this country. Every year the Government is forced to pay out of the Treasury $72,000,000 more than it receives for carrying second-class mail.

This Government pays $150,000 every week for carrying an issue of the Saturday Evening Post to its readers, and, in round numbers, it costs the Government $7,800,000 more annually to distribute that magazine than the owners pay to the Government for its transportation. All of the great newspapers and magazines receive the benefit of our postal laws to the extent of $72,000,000 a year, and yet I anticipate that the great newspapers will be the first to charge that this bill is socialistc and dangerous legislation in the extreme.

Every week the Saturday Evening Post receives something over $1,000,000 for advertising. Beyond a doubt it is one of the best pieces of property in America or in the whole world, and yet the Government is subsidizing this one publication to the extent of $7,800,000 a year. Of course, that is not socialistic; and I anticipate, Mr. President, that any Senators or Congressmen who undertake to change our postal laws will be threatened with political destruction by these guardians of the selfish interests of America.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Michigan?

Mr. GOODING. I do.

Mr. TOWNSEND. I desire to state that they not only will be, but they have been. A short time ago some of these publications issued a statement attacking the Joint Postal Commission because of its efforts to determine the cost to the Government of carrying different classes of mail. We had proceeded with that quite successfully to the extent of determining upon a plan, and it would require an appropriation for additional help for a few months to compile the facts after they had been disclosed. These articles came out with an attack upon the commission, saying that the commission had asked for $800,000, when it had not asked for a dollar, not a cent, and had done only what the Congress had directed it to do, namely, to take steps for the purpose of finding out the facts concerning the Post Office Department. So the Senator is absolutely right in his prophecy, because during the late campaign questions came to candidates—they did to me—asking if I would vote to reduce, not to increase but to reduce, the rate already in existence on second-class mail matter, and that it was important that I give my decision in that matter before election day.

Mr. GOODING. I am very thankful to the Senator for contributing that information.

Mr. President, I am not unmindful that we have just passed an appropriation of $56,000,000 for river and harbor improvement. I voted for that appropriation, because I believe in river and harbor improvement; and if we are going to continue to be a factor in the trade of the world, with the overhigh freight

rates on our railroads, then our rivers must play a greater part in the commerce of this country.

Then, again, Mr. President, I find we have stabilized our banks. Congress passed the Federal reserve act, and in that act it destroyed the farmer's credit to a large extent with the banks, for his note was not subject to rediscount with the Federal reserve bank for a length of time that was of any benefit to him.

To-day our Federal reserve banks are rediscounting paper at 4½ per cent. All through the West this money is being loaned back to the farmer at from 8 to 12 per cent. If we are not subsidizing our banks in America to-day through the Federal reserve act, then I do not know what you would call a subsidy.

Then, Mr. President, I am not unmindful that what we have before us at this time is a ship subsidy bill. I anticipate that some of the Senators who will shy at the wheat stabilization bill will vote for a ship subsidy bill. They are quite willing to stabilize freight rates on the ocean and freight rates on railroads, but in a bill that stabilizes the price of wheat they see the horns of socialism.

Mr. President, it will not be any new departure on the part of this Government if this bill should pass stabilizing the price of wheat; but, after all, the light in which the country looks upon legislation of this kind seems to depend upon whose ox is being gored.

Mr. President, we hear much to-day about extending our foreign trade. I quite agree that every effort should be made to extend our trade in the world; but the trouble with continental Europe to-day is that they have been buying too much from this country as a result of the World War, and any extension of our foreign trade, as far as continental Europe is concerned, only means ruin and disaster for those countries.

Mr. President, for 122 years, beginning with 1790, down to and including 1912, the balance of trade in our favor with the world was about $7,000,000,000, and for the last 10 years the balance of trade with the world has been $21,149,097,144. The balance of trade in our favor last year was $1,091,858,054.

Twenty years ago we were happy when the balance of trade in our favor was from one hundred to two hundred million dollars. Now we are not satisfied when the balance of trade is more than a billion dollars a year in our favor.

Mr. President, I do not believe it is going to be possible for this country to maintain the present balance of trade with continental Europe or with the world. It is an unbalanced condition and only means the pauperizing of many of the countries of Europe. If Europe is going to be prosperous, as I see it, our foreign trade is going to grow very much smaller when Europe finally settles down and the war clouds pass away.

Most of this propaganda about extending our foreign trade comes from the importers who want to break down the bars of protection. We are told that we can not sell to Europe unless we permit Europe to sell us.

In the morning paper I see that the imports broke the record yesterday. We collected on imports $2,107,836 on a total valuation of imports of $8,000,000; and this is in New York City alone, I am advised.

Mr. President, speaking of Europe, I do not know of anything they can sell to us in a greater volume than they are at the present time without closing down some of our industries and throwing thousands out of employment, for all of our great industries are overdeveloped.

Take iron and steel. With our present facilities for the production of iron and steel, we can produce in six months, running full force and full time, all the iron and steel we can consume in a year.

Wonderful strides have been made in the production of iron and steel. In 1850 the average annual production of pig iron was 25 tons per man. The average production to-day in some of our mills is from twelve to fourteen hundred tons per man; so we do not need any importations of iron and steel from Europe.

We are vastly overdeveloped in the boot and shoe business. We have something over 1,400 establishments manufacturing boots and shoes. It is said that 25 per cent of our boot and shoe factories, running full time at full capacity, can produce all the boots and shoes needed in the United States in a year, and that the boot and shoe factories of the United States, taken as a whole, operating full time, can produce five pairs of shoes a year for every man, woman, and child in the world who wears our type of shoes.

The window-glass industry has entered into a contract with its employees for continuous operation for 26 weeks each year, leaving the men free to seek other employment for the balance of the year, so our glass factories are also overdeveloped.

The installed capacity of the sawmills of the United States is 117,500,000,000 feet annually, while the maximum production does not exceed 46,000,000,000—an overproduction of 160 per cent in our sawmills.

We have an overproduction also in the meat-packing industry, in the copper industry, in our flour mills, and in the production of automobiles.

The people of the United States to-day are buying about 36,000,000 automobile tires every year. The plants producing automobile tires are equipped to manufacture 60,000,000 tires a year.

We also have an overproduction in the manufacture of woolen and cotton goods.

It is stated on good authority that 25 per cent of our bituminous coal mines, operating with 60 per cent of the men now employed on full time, could meet all our requirements for coal. The same authority says that there are working in the bituminous coal mines from 240,000 to 300,000 men more than are required for an economic production.

If there is any great industry in America that is not overdeveloped, I have not been able to find it.

Mr. President, with all the great over-development of our industries, strange as it may seem, the prices of many of the products of the industries I have mentioned are increasing to-day. To say that there is any competition in many of our great industries is but irony and sarcasm.

If there is a chance for any reduction in the costs of production on the American farm I am unable to find it. Some of our farm products are much higher than pre-war prices. That is especially true of cotton and wool.

The average price of farm products is 112 per cent of the 1913 prices; the average price of all other commodities in the United States is 169 per cent of the 1913 prices. With freight rates 149 per cent of the pre-war prices, and the farmer's dollar with a purchasing power of only 65 per cent of its pre-war value, nothing but Government aid, in my judgment, can save the wheat growers of this country.

Our 10 years pre-war average export of wheat, including flour, was 109,000,000 bushels a year. Our average export of wheat, including flour, for the years 1921 and 1922 was 322,742,107 bushels.

I sometimes wonder what would have happened to the wheat growers of this country if Russia were still as great a factor in the world's production as in pre-war days, when her wheat crop averaged something over 500,000,000 bushels a year.

Russia's pre-war average of exports for 10 years was 136,000,000 bushels of wheat, 124,000,000 bushels of barley, and 65,000,000 bushels of rye, most of which was used for bread. To-day we are sending wheat and corn to Russia to save her children from starvation.

It is said that Russia is again turning her attention to production, but just how long before she will become a factor in the world's market in wheat no man can tell.

Mr. President, if this bill passes it will repay the farmers only in a small way for the losses this Government has forced upon them.

Taking the value of farm products in this country for the year of 1919 as a basis, in the last three years the farm products have suffered a shrinkage of over $16,000,000,000—more than enough to build all the railroads in America and equip them in better conditions than they are to-day.

Mr. STERLING. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. GOODING. I yield.

Mr. STERLING. How would the passage of the bill which the Senator is discussing bring about any compensation to the farmers who do not grow wheat? It pertains only to wheat farmers and stabilizes the price of that one farm product; but, of course, other farmers are corn growers, and those who grow corn as well as other crops exclusively would hardly be benefited by it, and yet they, as well as the wheat growers, were the victims of deflation and curtailment of credit by the Federal Reserve Board.

Mr. GOODING. I will say to the Senator that a protective tariff has helped the corn growers very considerably. The livestock industry of the country is in a prosperous condition and cattle prices are somewhat better. Corn has very materially increased in price. There is no question but what the protection goes far enough to help practically all the farmers in the country, and to help the wheat growers to some extent, but not enough, with the increased cost of production which the Gov-

ernment has forced upon him by increased freight rates, to make it anywhere near what it should be. It is safe to say that the wheat growers last year lost $750,000,000 in producing wheat.

Mr. STERLING. Of course, the wheat grower, as well as the corn grower, is protected by a tariff, but the corn grower pays as much in freight rates as the wheat grower pays.

Mr. McCUMBER. Mr. President, if the Senator from Idaho will allow me——

Mr. GOODING. Certainly.

Mr. McCUMBER. For the information of the Senator from South Dakota I will say that, while the wheat grower to-day is receiving pre-war prices for his product and everything that he purchases is very much more expensive, the corn grower and those who use the corn in fattening hogs and cattle are receiving very much above the pre-war price for their products, and therefore the only class that is suffering very seriously from what the Senator from South Dakota calls deflation, but what I say is a lack of demand for the product, is the raiser of small cereals—wheat, oats, barley, and rye. Those products are to-day in price even below the pre-war basis.

Mr. STERLING. The Senator from North Dakota raises a question of fact about which I am not quite certain. It was my impression that the pre-war price of corn was higher than it has been in the last two or three years, and higher than it is now.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. GOODING. I yield.

Mr. WARREN. I wish to say to my good friend from North Dakota that, so far as cattle are concerned, they should be grouped with wheat, because, while it is true that other grains, or some of them, are better in price than wheat, cattle have been lower at various times than before the war and are to-day.

Mr. GOODING. I want to remind the Senator that the Government did not bind down with iron bands the price of cattle during the war, but it did bind down the wheat growers until they lost billions of dollars. It became a profiteer on the wheat growers' labor while every country on earth protected the wheat growers and they enjoyed the full market price and even paid them a bonus. That is the difference between the wheat grower and the cattle grower. God knows I would like to see the cattle grower receive a better price. He has had a hard struggle for a number of years to produce cattle at a price that has been paid in the markets of this country.

Mr. WARREN. What the Senator said of wheat is true and largely brought about, I fear, by those who undertook to befriend wheat. It is true that the Government took no part in the marketing of cattle, and the cattlemen did not ask to have it done. That was the difference between wheat and cattle. Wheat suffered the most, and, as I said, I do not know how much of it, but certainly some part of it, may be chargeable to the mistaken idea of soliciting the Government in fixing the price.

Mr. GOODING. I think it was a wise act on the part of the Government to call a committee here for the purpose of fixing the price of wheat. I think that was all right, but the trouble was that the Grain Corporation was composed of men who had been speculating in wheat for a lifetime, men who had grown rich in handling wheat. Nobody was on the board who had any sympathy with the wheat grower. It is now claimed that they took advantage of the situation and fixed the price of wheat as a maximum price and not a minimum price, as the farmers had the right to believe was the intention of the price-fixing committee that was called to Washington for that purpose.

Mr. McCUMBER. Not only had the farmer the right to assume that it would be but the law declares that it should be the minimum price, leaving to the demand whatever the maximum price might be, but in the operation of the law those in control made the minimum price the maximum price and prohibited the farmer from the benefit of a rising market.

Mr. LADD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. GOODING. I yield.

Mr. LADD. It has been stated that the interests representing the farmers demanded price fixation during the war. I think that is not correct. I know of no farmers who asked for price fixing of wheat during the war, but I did receive many, many protests, and when I reached North Dakota after the price fixing was established I found an assembly of 3,000 people who were gathered together as the representatives of the farmers of the State for the purpose of protesting against the fixing of the price of wheat. But instead of protesting they accepted it and passed resolutions, and said if the price of wheat was to be fixed they therefore asked that the price of the products which the farmer purchased should be treated in the same manner.

Mr. GOODING. I would like to have the RECORD show that the Senator from North Dakota was a member of the price-fixing committee.

Mr. LADD. Yes; that is true.

Mr. McCUMBER. I am quite certain that my colleague will remember that all Congress attempted to do was to assure that there would be a good price during the war, and in order to assure that they determined upon a minimum price, so that the farmer would plant his crop, as the war might end at any time. Then, instead of making a minimum price, in the operation it was made the maximum price, and the miller who paid more than that price had his license to do business taken away from him, and then the elevator man or speculator who paid a higher price than that would be deprived of his license to do business. So the operation of the law was entirely different from what was intended and what the law declared it should be.

Mr. GOODING. I am grateful to the Senator for contributing that information.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. GOODING. I yield.

Mr. KENDRICK. In connection with the question raised by the Senator from South Dakota [Mr. STERLING] as to the necessity of acting in regard to other farm products, I wish to ask the Senator from Idaho if he does not believe that the effect of establishing a price on wheat that would return to the grower of wheat the cost of production at least would be to bring a more satisfactory and stable price to other farm products?

Mr. GOODING. There is no doubt about that at all. I think if any Senator would take the cost of production and study the question at all he would realize that the wheat grower is losing money every year. He lost fully three-quarters of a billion dollars last year and over two billion in the last four years in the production of wheat because of the high cost of production and freight rates. He can not go on with it. The end is coming. He must stop, and there is no question about that. He can not go on year after year producing at a price that is less than the cost of production. Unless something is done he will have to grow something else. He can not leave the farm.

Not long ago, when we had a case before the Interstate Commerce Commission asking for a reduction of the rates on farm products, one of the commissioners asked why the farmer continued to produce wheat below the cost of production. The farmer can not help himself. There is no other place for him to go. There is no other crop he can grow in some parts of the country. All of his machinery is for wheat growing, and he must of necessity continue in that line of agriculture, and it is well that he should go on. Some day we will not produce enough for our own needs if we continue the policy we have been pursuing. By stabilizing the price of wheat we help every farmer in America. It is one thing, to my mind, that is needed to bring back prosperity to the country. With the farmer's dollar worth only 65 per cent of the pre-war price, when he gets through buying the necessities of life his money is all gone, and he has not been able to buy farming machinery for the last four years. That is the condition that we find among the farmers who have been growing wheat for less than cost for a number of years.

Mr. KENDRICK. May I ask the Senator another question? We have heard a good deal recently about a return to better business conditions and increased prosperity. I want to ask the Senator if he believes that anything like general prosperity can come to the country while the agricultural interests are in such a deplorable condition?

Mr. GOODING. In reply to the Senator I will say that I am not sure. Only one reason for the prosperity in America to-day is on account of our tremendous exports, that have given us a balance of trade in the last 10 years of $21,149,097,144 of exports over imports, as compared with $7,000,000,000 in 122 years. That can not go on. It is impossible to go on. Unless the farmers of the country are given the opportunity to make ends meet and be able to purchase again, there is, in my opinion, no hope for prosperity in America to continue very long.

Mr. President, Senators need not be alarmed about any great overproduction of wheat in this country, for we have passed the peak of production. The farmers have been driven so hard to make a living that they have not been able to give their

lands any rest and but very little fertilizer. Everywhere in the wheat-growing section of America the soil is becoming exhausted, and the yield is growing smaller per acre each year in most of the wheat-producing States. Even the war, that brought about an increase of 26,000,000 acres of farm products, failed to bring about any great increase over the average prewar production.

For the information of Senators, I want to read the wheat production in the United States for the past 10 years:

	Bushels.
1913	763, 380, 000
1914	891, 017, 000
1915	1, 025, 801, 000
1916	636, 318, 000
1917	636, 655, 000
1918	921, 438, 000
1919	934, 265, 000
1920	787, 128, 000
1921	814, 905, 000
1922	856, 211, 000

It will be noted that the peak of all, and I doubt if it will ever be reached in America again until we change our method of farming and the farmers are able to buy more fertilizer and have more intensive farming, was in 1915, when the production was 1,025,801,000 bushels.

Unless something is done to assist the wheat growers in the country there is great danger of our soil becoming exhausted and our yield of wheat being reduced until the country will not produce enough for its own needs.

In discussing the bill with a Senator not long ago, he said that the last thing that Rome did before it went down to destruction was to fix farm prices. I reminded him that it was not the fixing of farm prices that destroyed Rome, but the exhaustion of her soil, for in the last years of the Roman Empire the average production of wheat was only 4 bushels to the acre, and all other farm products in proportion.

Mr. President, this country is going to be just as rich as our soil, for, after all, it is from the soil that comes practically all of our new wealth.

There is an old saying, and I think a very true one, that sometimes great public calamities bring a country to a realization of truths that it will learn in no other way. So if out of the great crisis that has overwhelmed agriculture in the last three years the American people learn that agriculture is the basic industry of our Nation, or, as Henry Clay called it, the soul of the Nation, and that upon agriculture rests the prosperity and the future greatness of this Nation; if out of it all, in the future, this Government will give to agriculture the same careful consideration that has been given to other great industries in the past, then the hardships and privations that agriculture has suffered in the last three years will not have been in vain.

Mr. President, I ask to have printed in the RECORD a telegram transmitting a resolution adopted by a delegation of over 300 business men and wheat growers of eight counties of Idaho and Washington indorsing the bill (S. 4478) to promote agriculture by stabilizing the price of wheat.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LEWISTON, IDAHO, *February 20, 1922.*

Hon. FRANK GOODING,
Senator, Washington, D. C.:

The following resolution was adopted by the delegation of over 800 business men and wheat growers of eight counties of Idaho and Washington, consisting of Asotin, Garfield, and Whitman, in Washington, and Nez Perce, Lewis, Idaho, Clearwater, and Latah Counties in Idaho, called together by the Lewiston Commercial Club at Lewiston, Idaho, this 20th day of February:

"*Resolved*, That we indorse Senate bill 4478, introduced by Senator GOODING in the Senate of the United States and unanimously passed on by the Agricultural Committee, and that we ask our representatives in Congress to use every means at their command to bring about the passage of this bill at the present session. We further express a view that this bill will do more to bring about the general prosperity of the country than any other piece of legislation offered in the past, and as the emergency exists we offer every assistance at our command to help in bringing about the speedy passage of this measure."

CHAS. JANSON, *President.*
ASTOR A. SEABORG, *Secretary.*

FEBRUARY 21, 1923.

REMOVALS FROM BUREAU OF ENGRAVING AND PRINTING.

Mr. McKELLAR. Mr. President, there are several matters I desire to discuss this morning. One of them is the investigation of the discharge of the Bureau of Engraving and Printing employees. Another is the so-called filibuster. A third is the ship subsidy bill itself. A fourth is the filled milk bill. I do not know whether I shall have time to discuss all of these to-day, but I am going to take them up in their order and discuss them as rapidly as I can.

BUREAU OF PRINTING AND ENGRAVING EMPLOYEES.

Sometime ago, to be accurate, on February 5, 1923, the junior Senator from Arkansas [Mr. CARAWAY] introduced the following resolution (S. Res. 432) on the subject of the discharged employees of the Bureau of Engraving and Printing:

"Whereas pursuant to an Executive order of the President of the United States, issued March 31, 1922, and immediately effective, the director and 27 other officials of the Bureau of Engraving and Printing were summarily removed from their positions and stricken from the rolls of the civil service; and

"Whereas it would appear from subsequent investigation that this removal was without just cause; and

"Whereas said removal reflects upon the honor and integrity of the officials so discharged; and

"Whereas those who were given the places from which said employees were removed have been publicly charged as being instrumental in having issued said Executive order; and

"Whereas it would be for the best interest of the service that the whole matter should be made public; and

"Whereas it would be helpful to know the character, reputation, and fitness of those removed and those appointed to succeed them: Now, therefore, be it

"*Resolved*, That the Committee on Civil Service be, and is hereby, directed to inquire into the cause or causes of the removal of said employees; the right of the President to have made the order; the character, reputation, and fitness of the men and women so removed; the power of the President to name their successors; the character, reputation, and fitness of the men and women so designated as their successors, and all other facts and circumstances with reference to the matter, and to report to the Senate its findings and such recommendations as it may see fit before the 1st day of March, 1923.

"The committee is hereby empowered to send for books and papers, to require the attendance of witnesses, to administer oaths, and do all things necessary to carry out the purpose of this resolution.

"That the discharged employees, if they shall desire, may be represented by counsel of their own choosing and by them to be paid. The same privilege, under the same condition, is extended to the director of the bureau and those with him appointed to the places vacated by the said Executive order.

"All expenses not otherwise herein provided for shall be paid out of the contingent expenses of the Senate, such expenses to include a stenographer to be paid not exceeding $1.25 per printed page of said testimony."

Mr. President, whenever an investigation is proposed by a resolution such resolution is referred to the committee of the Senate which is known as the Committee to Audit and Control the Contingent Expenses of the Senate. The purpose of such a resolution being referred to that committee is to ascertain whether or not there is in the contingent fund of the Senate sufficient money to pay for the investigation. In this instance, the resolution submitted by the Senator from Arkansas was very properly referred to the Committee to Audit and Control the Contingent Expenses of the Senate for that purpose. The Civil Service Committee would have jurisdiction over the investigation if it should be ordered, and if an appropriation were not required from the contingent fund of the Senate there would be no point whatsoever in sending the resolution to the Committee to Audit and Control the Contingent Expenses of the Senate, the only function of that committee being, as I have stated, to determine whether or not the Senate has sufficient money at its command to pay for the investigation.

Mr. President, the Committee to Audit and Control the Contingent Expenses of the Senate is presently constituted of the Senator from New York [Mr. CALDER], as its chairman, the Senator from Illinois [Mr. MCCORMICK], the Senator from New Hampshire [Mr. KEYES], the Senator from New Mexico [Mr. JONES], and myself. This resolution was sent to that committee and was kept there for quite a while with no action. Some two weeks ago I went before the committee, of which, I repeat, I am a member, and asked that the resolution be reported out favorably. The chairman of the committee stated that he did not think the resolution should be reported; that he did not think there should be an investigation; that the resolution provided, in effect, for an investigation of the President of the United States, and, therefore, our committee should not furnish the money with which to conduct it.

Later on the chairman of the committee called a meeting of the committee and suggested that the special representative of the Department of Justice, who had conducted the investigation, both before and after the discharges, a man by the

name of Charles B. Brewer, should be summoned before the committee. Well, I said, that was all right, but I thought it was nothing but fair and just that some representative of the discharged employees—just one such representative, if there was going to be only one called for the department—should also be summoned, in order that both sides might be heard, if our committee was going to take the unusual course of investigating into the merits of the case.

That request of mine was denied and Mr. Brewer only was called before the committee.

About that time it was reported in the public prints that Mr. Brewer represented the administration, and would give the committee all the facts upon which the discharges had been made. Since that time a statement has appeared in the Washington Evening Star of day before yesterday which I shall now read. The headlines of the article are as follows:

"Ousted bureau officials will be denied old jobs—President Harding feels no regret over changes and feels matter now closed incident."

The article is as follows:

"President Harding feels no regret over the changes made at the Bureau of Engraving and Printing, has 'laid all his cards' before the Senate Committee on Contingent Expenses, and probably will make no further statement in the matter.

"In making this known at the White House to-day, it was said that the President feels that restoration of the civil-service status of the dismissed employees was sufficient to satisfy their claims, in the absence of any specific charges against them.

"The President was also represented as feeling that it was 'neither possible nor desirable' to restore any of the dismissed chiefs to their positions in the bureau.

"Whether the Senate committee before which the President laid his facts, according to the statement to-day at the White House, will ever make public further details was problematical. It was thought, however, in view of developments to-day, that no more official statement may be expected on the dismissals of March 31, last year.

"Chairman CALDER, of the Senate Committee on Contingent Expenses, following a conference with President Harding at the White House to-day, indicated that the committee might make no report of any kind on the Caraway resolution to investigate the Bureau of Engraving and Printing dismissals.

"Hearings have been concluded, Senator CALDER said, the committee calling in only one witness, Charles B. Brewer, special investigator of the Department of Justice. No witnesses were called to represent the dismissed employees, the Senator said. His committee was sitting in the nature of a 'grand jury,' it was explained, and although having concluded its hearings, had not definitely decided what to do about it.

NO REPORT LIKELY.

"The probability is, however, the Senator intimated, that there will be no report at all. 'It would be a serious thing,' he said, 'to investigate the President.'

"Wide difference of opinion exists in the Senate committee, Senator CALDER admitted, over the value of Brewer's testimony. Senator MCKELLAR, Democrat, Tennessee, member of the committee, has stated that Brewer failed utterly to substantiate the charges upon which it is alleged President Harding based his action.

"Senator MCKELLAR was understood to-day to be still intent on doing further justice to the dismissed employees, and meant to try to get through the committee a proposed bill to pay the dismissed persons all back pay for the time since March 31, when they were let out, and, further, to replace them in positions similar to those from which they were dismissed.

"Whether Senator CALDER conferred with the President over this phase of the situation it was not learned to-day.

"Brewer's testimony impressed members of the committee in various ways, Senator CALDER indicated. The chairman himself had entered the 'grand jury' hearings on the Caraway resolution with an open mind, he said, and had learned from Brewer many valuable things, but added that his mind was still open on the question.

"From confidential sources close to the committee it was learned further to-day that Brewer was not only asked to present his case, but that he was severely cross-examined by members of the committee as to the reasons why he had gathered the charges which were presented to President Harding, and upon which the President acted, without the knowledge and advice of Secretary of the Treasury Mellon.

"Brewer was an early caller at the White House to-day. He refused to discuss his mission there or to make any statement on the Bureau of Engraving matter. Upon leaving the White House he was photographed for the first time since his implication in the bureau matter."

Mr. President, as to what occurred before the committee there seems to be some difference of opinion. I believe it was stated that the deliberations of the committee were to be considered as "executive." As to just what that means I have some doubt; but, inasmuch as other members of the committee have seen fit to discuss the matter and to say that the President had "laid his cards upon the table" before the committee, making the implication very strong that this special investigator, the representative of the Department of Justice, had facts that implicated in some way directly or remotely these employees, I believe that it is my duty to submit, not a statement as to the deliberations of the committee but to submit the outstanding facts in reference thereto.

I am delighted that the chairman of the committee, my good friend the Senator from New York [Mr. CALDER], is present, and I want to say to him now that if I misstate any facts, if I go beyond the bounds in the slightest degree, I want him to correct me.

Mr. President, Mr. Brewer came before the committee and was examined for several hours on two or three different occasions. The members of the committee present were Senators CALDER, KEYES, and myself. There was no charge and not one scintilla of evidence offered by Mr. Brewer against a single one of these discharged employees. Upon cross-examination by me he admitted not only that he had no charge now to make against the dismissed employees or any of them, but that he never had any charge against any one of them, and that if they had been removed, as he knew they had been removed, they had not been removed upon his recommendation. *He made the further statement that he did not have a scintilla of evidence to connect any one of the 27 discharged employees with any wrongful transaction.*

It is fair to say that Mr. Brewer did present a number of bonds which he said were duplicated and which had been issued, and I believe that the Government had paid both the good bond and the bad bond, if one was bad. However, for my part, I do not believe that Mr. Brewer knows whether the so-called duplicated bonds were wrongfully issued or whether the Government was wronged because of their issuance.

Mr. WILLIS. Mr. President——

Mr. MCKELLAR. I hope the Senator will wait until I get through my statement, because I do not want to go beyond it. If the Senator will wait for just a few moments, I will be glad to yield to him.

Mr. Brewer did present one bond especially that seemed to me to be an absolute duplicate of another bond both as to the number of the bond and numbers of the coupons attached. The two bonds bore precisely the same numbers on their face and the coupons also bore exactly the same numbers. What explanation there may be in reference to that, I do not know. Mr. Brewer did not know. He thought the very fact that there were two bonds bearing the same number and that the same numbers appeared on the attached coupons made one fraudulent and the other good, and he may be right about it. I can not say whether he is right or wrong. I have been informed that because these bonds have the same numbers that fact does not necessarily mean that either of the bonds is fraudulent. As to the particular bond which we examined, he said it had come through a perfectly responsible source; that it had been sold by a splendid brokerage firm that stands second to none in this country, a brokerage firm whose word is perfectly good, whose members are Republicans and close to the administration. If they sold a stolen bond they are liable to the Government under the law; and yet no steps have been taken either to collect on the bond if it was fraudulently issued or to ascertain whether the bond was a duplicate other than in number. So that if the particular bond is fraudulent, it could be ascertained by this special examiner of the Department of Justice almost instantly. I suggested that this be ascertained, but not a word or an intimation that any one of these 27 employees had anything whatever to do with that matter.

Then the question very naturally arises, Mr. President, What connection has any one of these 27 employees that were discharged with the duplication of any of such bonds? None that Mr. Brewer knew—not the slightest connection. He made no charges when he was asked the question directly by me. When asked what connection there was between these duplicated bonds, as he called them, and the discharged employees, or any of them, he reiterated the statement that he had no proof against the discharged employees and had no charges to make against them, and had preferred none.

Mr. President, what is the meaning of these dismissals. The meaning, in my judgment, is that some one or more persons with some ax to grind have imposed upon the President of the United States and had him discharge these employees, when, according to the very investigator who investigated it from the beginning and had investigated it before they were discharged, there was not a particle of ground for their discharge.

I served with the President of the United States when he was a Member of this body. I have the highest opinion of his honor and integrity. I believe he is an absolutely honest man. I do not believe that he would knowingly agree that any wrong should be perpetrated upon any official of the Government, however lowly that official might be. I can not find it in my heart to think that merely for the purpose of putting friends in office Warren G. Harding would stoop to take away the character, the good name of his fellow citizens, which good name the Good Book tells us is more to be desired than great riches. I do not believe that the President would do it unless he had been grossly, outrageously imposed upon by men who were seeking to serve their own selfish interests, and I think that is what there is in this contest, Mr. President—that certain gentlemen, desiring the places that these employees had, deliberately put up a job on the President of the United States, and I believe the President was misled into making these discharges.

Mr. President, that is absolutely and conclusively proved by the one single fact that President Harding, in a recent order, restored to the civil service 26 of the 27 discharged employees; and I believe that if he had known that the other one, Mr. Wilmeth, was under civil service, he would have been included in the lot. It shows that the President, when he issued the order restoring these men, did not believe that there was any evidence against them. No man can tell me, from what I know and saw of Mr. Harding when he was a Member of this body, that he would restore to the civil service men and women who were implicated directly or indirectly, nearly or remotely, in the stealing of bonds from the Bureau of Engraving and Printing. I think the President has been imposed upon, and I not only think he has been imposed upon in the past, but I think he is being imposed upon right now by men who are trying to keep positions that they know they ought not to have. I want to give my reasons for this statement.

The public prints of Washington in the latter part of December, I think, stated that there was a conference on a Sunday between this same Mr. Brewer, the investigator, and the President of the United States, and, if my recollection serves me aright, it was stated that the President called Mr. Brewer before him to inquire about these employees; and I believe that Mr. Brewer stated to the President then "I have no proof now, but if you will give me more time I shall yet be able to connect some one or more of these employees with the bond trouble," or the alleged bond trouble; and the President, in the goodness of his heart, gave him the additional time. He was unable to make good, and therefore recently the President issued that order.

To the extent that it did justice, that order was most commendable to the President of the United States. To the extent that it was done, it should have been done; but, Mr. President, the President of the United States should not have stopped where he did. Those 27 employees of the Government in the Bureau of Engraving and Printing are either guilty or they are not guilty. If they are guilty, they never ought to have been restored, any one of them. If they are not guilty, they ought all to have been restored, and restored to the fullest extent. They should first have had their characters, their good names, restored to them. Then they should have had the offices restored to them. And then they should have had all back pay.

[At this point interruptions by Mr. WILLIS and Mr. REED of Missouri took place, which appear later in Mr. MCKELLAR'S speech.]

Mr. MCKELLAR. Mr. President, I am much obliged to the Senator from Missouri for his contribution.

The Senator from Ohio [Mr. WILLIS] was asking my advice about certain bills in which he was interested, other than the ship subsidy bill. I do not know that my advice is worth very much to the Senator, but if I had a number of bills in which I was interested, I believe I would get the ship subsidy bill withdrawn pretty soon if I wanted to get any of those other bills passed at this session.

Now, I was interrupted in the midst of my discussion of an entirely different subject, and I have got to unbuckle my mind long enough to return to it and finish what I desired to say about it. Then I shall come to both the filibuster and the ship subsidy.

When I was interrupted I was speaking of President Harding's dismissal of these 27 employees and his partial restitution. That restitution should be made complete. It should not be partial. Not only is it due to the 27 discharged employees that an investigation be had, but it is due to the good name of the President of the United States that such an investigation be had. The President of the United States is in the peculiar attitude of having been misled by certain friends into issuing an order that never should have been issued. I believe he has been imposed upon, but he must know the facts now, and the responsibility is his. He is in the further attitude of having implied that he discharged 26 of the 27 men in a way that was wholly unwarranted and unjustified, because he never would restore them by Executive order to their civil service status if he believed his action in dismissing them had been justified.

So that I want to say to my distinguished and my very much beloved friend, the junior Senator from New York [Mr. CALDER], that whatever action is taken at this session by the Committee to Audit and Control the Contingent Expenses of the Senate, the investigation can, at best, only be postponed. This great Government of ours is unwilling to do a wrong to its employees.

We are not going to permit it. This Government will not permit it to be done. These men and women have done no wrong. They are honorable men and women. They were discharged without cause, with not a scintilla of proof against them. Discharged between suns, humiliated, disgraced, dishonored without cause. Of course it is just a matter of time when every restitution will be made that can be made by an honorable Government. It ought to be made now. It ought to be cleared up now. If the President, as I believe, was imposed upon by designing or corrupt men to issue the order, it ought to be cleared up at the earliest possible moment. And it is going to be cleared up, as we all know.

One of these 27 men, Doctor Beach, was from my State. A man of higher character and a more honest man or better man perhaps never lived than Doctor Beach—honest as the day is long. His discharge after nearly 30 years of service in the Government broke his heart. He died, and he is in a premature grave to-day because of the injustice that was done to him.

I want to speak of another man who was discharged, Mr. Wilmeth, who was born in my State, but is now a resident of the State of Arkansas, a State represented in part by the Senator who introduced a resolution calling for an investigation, the junior Senator from Arkansas [Mr. CARAWAY].

Mr. Wilmeth started in the employ of the Government at $60 a month as a boy, and by his honesty, efficiency, integrity, and upstanding character, he went up through all the gradations of the civil service, step by step, throughout the years until he became the chief of the Bureau of Engraving and Printing, at a salary of $6,000 per year. He was one of the best and most efficient chiefs of the bureau that ever occupied the place. There was not a scintilla of proof against him, not a discreditable thing about him, and yet he was discharged and turned out and dishonored, and charged with thievery of bonds without a scintilla of evidence to connect him directly or indirectly with it. Will the Congress of the United States stand for that kind of action toward its employees? Will the great Government of the United States stand for that kind of action against its employees? We all know that it will not. Why not do justice and do it now, before some other of these poor employees, like my friend Doctor Beach, may pass into the Great Beyond? Of course, Mr. Wilmeth and all the rest of them should be restored. I want to take another man on the list. By the way, a most remarkable thing happened in reference to the action of the Executive as to this gentleman, Mr. E. H. Ashworth, from Nashville, Tenn., a clean man, a pure man, an efficient man, an upright man. He is a brother-in-law of one of the most distinguished men that Tennessee ever produced, one of the ablest, the late Col. B. A. Enloe. Colonel Ashworth had been in the civil service in the Bureau of Engraving and Printing for 29 years, as I remember. On March 31, last, an examination of his office was completed by a committee of the Treasury Department appointed by the Secretary of the Treasury, consisting of T. H. Braden, S. L'Hommedieu, and John F. Green. His office was found to be absolutely straight, without any fault at all, but worthy of the highest commendation.

At 4 o'clock in the afternoon a copy of the letter prepared by the committee investigating his office, involving all the rolls, dies, and plates, was handed to him, and that splendid gentleman felt that he had been greatly honored by the letter. He felt that life meant a great deal to him on that day when he

left his office at the Bureau of Engraving and Printing. His step was proud, his head was high, because of his consciousness of duty well done and appreciated by his superiors. But he had hardly reached home and his family when the Executive order was issued and served on him separating him in the nighttime from his office. Mr. President, in justice to this faithful employee, this splendid and honest employee, I want to read a copy of the letter which the investigating committee gave him that afternoon just three hours before he was dismissed by the President for alleged implication in the stealing of bonds.

Listen to this, Mr. President:

"MARCH 31, 1922.

"The honorable the SECRETARY OF THE TREASURY.

"SIR: Pursuant to, and in compliance with the instructions of department letter dated the 6th day of January, 1922, your committee consisting of Messrs. T. H. Braden, Samuel L'Hommedieu and John F. Green, appointed by said letter to examine the stock contained in the vault of the custodian of dies, rolls, and plates at the Bureau of Engraving and Printing"—

That was Mr. Ashworths office—

"have the honor to report that the said stock has been examined and checked and your committee submits its report in triplicate herewith.

"Each and every piece of stock, both engraved and otherwise, has been examined and checked by your committee and found to correspond to the records of the custodian of dies, rolls, and plates.

"All the stock which had been canceled in the year of 1921 was destroyed by your committee by causing the same to be melted in the furnaces at the navy yard, with the exception of 25 photonegatives, which, because of their nature, were destroyed at the bureau. The destroyed material consisted of 16,214 pieces and weighed 147,330 pounds. The total stock examined and accounted for was 98,224 pieces.

"Your committee regrets that it found several discrepancies in the records of the comptroller's office"—

In the records of the comptroller's office—

"which were corrected in accordance with the actual plates found in the vault, and made to conform to the records of the custodian.

"Your committee is grateful to both the officials and employees of the bureau alike for the many courtesies shown it and for the splendid cooperation and aid rendered it while engaged in its duties.

"Respectfully,

"T. H. BRADEN.
"S. L'HOMMEDIEU.
"JOHN F. GREEN."

Mr. President, after having received that kind of a letter, certifying that everything within Colonel Ashworth's office had been examined and accounted for, and everything found in exact accord with the records, such little discrepancies as were discovered being entirely in the comptroller's office, in another building, with which Mr. Ashworth had nothing to do, and which were corrected by reference to Mr. Ashworth's books, think of his pride in going home to his family and showing, as he proudly did, that letter approving and commending the management of his office; and then think of what must have been his feelings when, like a bolt out of a clear sky, here came an Executive order, in the nighttime, which order has since been shown to be without the slightest foundation, without a scintilla of evidence to support it, without a charge against the man. Think of what must have been his feelings when he read that order and had to let his family know about it. No wonder when he was talking to me about it a few days ago that the tears welled in his eyes at the great injustice that the greatest Government on earth had done to him, an humble but honest and respected employee of the Government.

Oh, Mr. President, this Congress ought to act in behalf of these men; this committee ought to act on this resolution. It ought to restore not only Colonel Ashworth to his position, but to restore every one of the other 26 employees to their positions. We ought also to pass a bill appropriating the money to pay them their salaries from the time they were discharged to the present. We ought in justice to restore them to their original places in the Government service. If we do less, we shall not only dishonor them with false charges, but we shall dishonor ourselves. If the President, with the proof in the hands of this examiner, does not take that position, he will do much less than I believe he ought to do and much less than I believe he will do. He owes it to himself, he owes it to these employees, he owes it to this Congress, he owes it to the American people to do justice to these men and women who have been wronged. The committee, by a vote of two Republicans to one Democrat, refused to report Senator CARAWAY'S resolution out. I voted to report it out. Senators CALDER and KEYES voted "no."

Mr. President, I should add three fine splendid women, as I have been informed—I do not have the pleasure of knowing any of them, but some of them had been long in the service of the bureau—were dismissed, and several months afterwards were restored, not to their old places but merely to such positions as they could get. They had to work for their living, and they had to take what they could get. They were discharged under circumstances which accused them of theft of bonds, and surely their salaries ought to be restored, and there ought to be made up to them every dollar that they have lost.

I do not know what the women of this country are going to do about it. I was one of those who have believed in the right of women to vote. I voted for woman suffrage in the other House when I was a Member of that body, and I voted for it time and again here. Unless I am very greatly mistaken in the ability and courage of the women, they will demand as a body the restoration of these women who have been injured by this Executive order to their former places, and payment to them all losses in salary. This is as little as can be done. I believe that as to all these employees the Congress should by appropriate legislation express its regret over the injustice done them and take such action as may be necessary to make them whole.

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

Mr. McKELLAR. There has been an interruption, and if the Senator from Washington [Mr. JONES] is willing I shall be delighted to yield for a question.

Mr. WILLIS. The Senator has the floor. I desire to ask the Senator a question about another branch of the subject. I am asking permission to interrupt him only because I am compelled to leave the Chamber.

Mr. McKELLAR. I am glad to yield to the Senator.

Mr. WILLIS. There is no disposition to take the Senator off the floor, I should say.

Mr. McKELLAR. The Senator from Washington has very kindly, in that usually pleasant manner of his, indicated that he does not wish to take me off the floor.

Mr. WILLIS. I understand that the Senator announced that he expected in the course of his remarks to discuss the filibuster that is now going on, and has been going on for some time. Did I correctly understand the Senator in that respect?

Mr. McKELLAR. No; the Senator did not correctly understand me in that respect. If there is a filibuster going on, it seems to be going on upon both sides. It looks as if everybody is taking part in it. It is getting so very popular that Senators on both sides are participating in it. For instance, the distinguished Senator from Massachusetts [Mr. LODGE], the distinguished senior Senator from Idaho [Mr. BORAH], and the distinguished junior Senator from Wisconsin [Mr. LENROOT], all took part in it yesterday. This morning the distinguished junior Senator from Idaho [Mr. GOODING], the distinguished senior Senator from Indiana [Mr. WATSON], and several other Senators on the other side of the Chamber seem to be taking part in it. I will say to the Senator that I have been trying for several days to get an opportunity to discuss the discharge of Bureau of Printing and Engraving employees first, and then to discuss the ship subsidy bill in connection with the so-called filibuster, and I have not been able to get the opportunity. I have been crowded out for two or three days, but I have the floor now, and I hope to discuss it, and I am sorry the Senator is going to leave the Chamber.

Mr. WILLIS. I am not leaving because the Senator is going to make a speech. I am compelled to go, otherwise I should remain.

Mr. McKELLAR. I am glad to have that assurance; but, anyhow, I am sorry the Senator is going to leave the Chamber, because it has been charged that no one has offered a substitute measure of relief for our shipping that is as good as, or better than, the so-called cash subsidy shipping bill. I am going to discuss the substitute that I offered some time ago, and I believe I can prove to the Senator from Ohio that my substitute is infinitely better than the cash subsidy plan that has been proposed by the committee. Does the Senator wish to interrupt me further about it?

Mr. WILLIS. If I may, I should like to.

Mr. McKELLAR. With the understanding that I am not to be taken off my feet, I shall be delighted to yield.

Mr. WILLIS. I wanted to be sure I understood the Senator. I am not seeking now to fix the responsibility for the filibuster. The Senator admits that there is a filibuster going on; or, at any rate, I will put it in this way: It is stated in the press of

the country everywhere, and the people believe, that there is a filibuster. Does the Senator deny that there is a filibuster against the shipping bill?

Mr. McKELLAR. Well, I will put it in this way: Of course what is the definition of a filibuster is rather problematical. A filibuster is a filibuster to those Senators who want to put over certain legislation that they are in favor of, but a filibuster is not a filibuster to those Senators who are opposed to legislation that they do not want passed. [Laughter.] Does that answer the Senator?

Mr. WILLIS. No; that does not answer me. I accept the Senator's definition, though, for the purpose of this inquiry.

Mr. McKELLAR. I think I can cut short what the Senator wants to know, and I will tell him right now——

Mr. WILLIS. What I want to ask the Senator is this——

Mr. McKELLAR. Just one moment; I think I can tell the Senator without his asking the question. *The ship subsidy bill is not going to pass at this session of Congress.*

Mr. WILLIS. That is precisely what I wanted to know.

Mr. McKELLAR. All right. I knew it, and I wanted to give that information to the Senator.

Mr. WILLIS. It has been rumored, and the press has stated, that there is an understanding among a number of Senators, not only that they will vote against the ship subsidy bill but that they will exhaust every parliamentary resource to prevent the ship subsidy bill from coming to a vote. Does the Senator know whether that is a fact?

Mr. McKELLAR. I can not speak for the rest of them, but I want to speak for myself. In my campaign last year in Tennessee I told the people of Tennessee that my opponent was in favor of this ship subsidy bill and that I was against it, and that I was not only going to speak against it, I was not only going to work against it, but I was going to use every means in the power of a Senator to defeat this bill. I am going to carry out that pledge, and I believe the bill is going to be defeated.

Mr. WILLIS. Then the Senator himself admits that whether there may be any others or not, he is one of those who will exhaust every parliamentary resource—and he is a master of those things—to prevent this bill coming to a vote?

Mr. McKELLAR. I have already stated my position to the Senator.

Mr. WILLIS. One other question.

Mr. McKELLAR. I want to say this to the Senator: There are at least six members of the Senator's own party who have told me that the bill would not pass if the Democrats did not have anything at all to do with it.

Mr. WILLIS. Can the Senator name the six Senators?

Mr. McKELLAR. I do not care to name them.

Mr. REED of Missouri. Mr. President——

Mr. McKELLAR. I do not think it is necessary to name them. The Senator knows them as well as I do. All you have to do is to make a poll over on your side and you will find them.

Mr. REED of Missouri. Mr. President——

The PRESIDING OFFICER (Mr. BROOKHART in the chair). Does the Senator from Tennessee yield to the Senator from Missouri.

Mr. McKELLAR. I do not want to be taken off my feet. I am perfectly willing to yield to the Senator from Missouri if it does not take me off my feet.

Mr. JONES of Washington. Mr. President, I will not invoke the rule unless I feel at the time that the interruption is being made just to consume time.

Mr. McKELLAR. That is very, very courteous of the Senator from Washington, and I hope he will indicate just before he begins to invoke it.

Mr. JONES of Washington. I certainly will.

Mr. McKELLAR. It will be complied with, of course. I now yield to the Senator from Missouri.

Mr. WILLIS. Will the Senator permit just one more interruption?

Mr. McKELLAR. Will the Senator from Missouri excuse me a moment while I yield further to the Senator from Ohio?

Mr. REED of Missouri. Certainly.

Mr. WILLIS. I am accepting the Senator's statement that there are six Republicans who are prepared to exhaust every parliamentary resource to prevent this bill coming to a vote.

Mr. STANLEY. Mr. President——

Mr. WILLIS. Does the Senator know whether there are any Senators on the other side besides himself who are expecting to take that position?

Mr. McKELLAR. Mr. President, I just want to say this: There are six Members on the other side and nearly all of the Members on this side who think that this bill is so vicious, so inconsistent with the American doctrine of "equal rights to all and special privileges to none," that they are determined individually and collectively to use every honest and fair means to defeat this bill; and, in my judgment, I will say to the Senator, the bill will be defeated.

Mr. STANLEY and Mr. REED of Missouri addressed the Chair.

Mr. WILLIS. If the Senator will permit me——

Mr. McKELLAR. I yield to the Senator from Ohio, and then I will yield to both of the other Senators.

Mr. WILLIS. If the Senator's opinion proves to be well grounded, it seems to me that the statement he has made is a very important one, first, because of the effect that it ought to have, and in my judgment will have, on the course of business in the Senate.

The Senator knows that I am for this bill, but I am for some other bills, too; and if there is such an organization as to prevent this bill coming to a vote I think that fact ought to have some influence upon the conduct of the business of the Senate; and, secondly, it ought to have some bearing upon the question as to whether or not in the next Congress we shall change the rules of the Senate so as to enable the Senate to become a legislative instead of a debating society. I am in favor of such a change of rules.

I thank the Senator.

Mr. McKELLAR. If the Senator has finished, I beg to say that I do not know anything further than that in the opinion of a very large number of Senators—I do not know how many—this question was settled at the polls last November, and we do not propose to permit a violation of the result of the election last November. The subsidy bill might as well be withdrawn.

I now yield to the Senator from Missouri. I will yield to the Senator from Kentucky in a moment.

Mr. REED of Missouri. Mr. President, I rose for the purpose of obtaining some light myself. I was wondering whether the Senator from Ohio really asked these questions for information or whether he has sat here all this time in ignorance of what is going on. [Laughter.] I was about to make the remark which the Senator has just made: If there is a filibuster in progress, it was begun at the polls last November by the American people, when they shortened the majorities in these two bodies. We all know that the reason this bill is now being forced with such tenacity is because the administration well knows that it can not put over this bill in the next Congress; that the representatives of the people elected since the issue was presented to the American people can not be mustered into a majority for it.

Will the Senator yield——

Mr. McKELLAR. I will yield in just one moment. I just want to add to what the Senator from Missouri has said that I do not think there is any more chance of the bill being put into law at this session of Congress than that it will be put into law at the next session.

Mr. REED of Missouri. Will the Senator permit me? I am asking permission to make these interruptions because it will be the only opportunity I shall have to say just a word about this matter.

Mr. McKELLAR. I will yield so long as my good friend from Washington does not interfere.

Mr. REED of Missouri. If we trace the history of the ship subsidy bill in this Congress, we find that it was brought forward as one of the first measures to be passed by this Congress. We know that it was put aside, and that it was finally postponed until after election because there were many Members of Congress who said they did not dare vote for it and go to their people on their votes. Hence it was delayed until after the election in order to permit some of those gentlemen to slip back here without having committed themselves in advance of the vote by the people.

We are told that if we pass the bill, if we turn these ships over to private interests, and if we pay a certain subsidy, then our flag will fly above the waters of every sea and the ships will do a thriving and prosperous business. If that is true, then the trouble is not with the sea and not with the ships and not with commerce but with the management of the fleet. If subsidized parties can run the ships at a profit to themselves, then the Government of the United States, with an equally efficient management, could run the ships without a loss of any more money than the subsidy would amount to. When the plea is made that by turning the ships over to private parties and giving them a subsidy, they can run them and make money, the present governmental management is indicted for inefficiency.

The right remedy would be to appoint men to the board who know something about ships and maritime commerce, instead

of having at the head of our great merchant marine a former advertising man, and for members, gentlemen who would not know starboard from larboard unless it was pointed out to them by a deck hand.

Everybody knows there is an advantage in monopoly. Everybody knows that while there are disadvantages which have relation to the rights of people, yet a common management of a great enterprise has certain economic advantages. Here, then, is this fleet of vessels. Here are the markets of the world. Here is the open sea. When we are told that a number of private parties can operate these boats and make money with them if we give them this subsidy, then the question arises why can not the Government of the United States do the same with no greater loss than the amount of the subsidy? When it is said that they can not run at all even with that much loss, but that the ships must be junked, then it is admitted that our business is in the hands of incompetents. The case is then admittedly out of court. The admission is then made that we have a lot of incompetents for the business. Some one has gone out and picked up an advertising man and started him to running our ships. That is as idiotic as it would be to take an old salt who had sailed before the mast all his life and make him advertising manager for an advertising business. What should have been done was to find the finest talent and experience there is on the American Continent, talent and experience that has grown up out of the actual management of ships upon the sea, business ability that has to do with trade and commerce on the ocean, and then give them a free hand to manage the matter as they would a business enterprise.

But has that been done? Why, away back yonder when we enacted this law under President Wilson's administration—and I do not say it to criticize him—how many weeks or how many months elapsed between the enactment of the law and the appointment of the first board? Then we had the ships for a long time under a distinguished admiral of the Navy. That man had been trained to run fighting ships and to fight, not to trade. One has to know something about trade if he is to enter the *markets in competition* with the world. We put him in, a good man if he had been commanding a war fleet, but we were not engaged in war. We were engaged in trade. Then we went out and found some other absolutely inexperienced men and put them in charge of those great ships. If the worst enemy of American shipping under Government management who ever lived had been placed in charge, he could not have taken a better course to bring this great plan to wreckage. What we need to-day is a board of men who know how to run ships.

I could not run a ship. I would be as worthless in running a shipping business as I would be in trying to sail a ship. If I tried to sail a ship I would run it on the rocks and destroy it, because I would not be competent. We might as well appoint a lot of old sea dogs to run the mining business or the farming business or to run the great steel plants as to appoint an advertising agent or a man of that kind to conduct a business that has to reach all of the parts of the world, and that requires a knowledge of commerce and foreign trade conditions everywhere.

Let us have a little sense about this business. I say that when the administration stands before the American people declaring that ships can be run, that our flag can be kept afloat, and that money can be made by our fleet if we will just pay a subsidy, which they say is very small, then they have to answer the question why they have not run the ships that way, and why they have been so utterly incompetent as to bring about a condition which they say means the destruction of a fleet that cost us thousands of millions of dollars.

Let us kill the bill. Then if the administration does not know enough to select a board composed of men who can run ships, let us enact a law that will demand and require the right kind of board.

The absolute bad faith of this entire performance is clearly demonstrated by the fact that the very men who stand here clamoring that we shall appropriate hundreds of millions of dollars of the taxpayer's money and deliver it as a subsidy to certain favored operators of our ships are the very men who voted to place an embargo on all commerce and who destroyed American shipping when they enacted the present tariff law. That law as applied to shipping can be summed up in this language: We expect American ships to make money by going from the United States ports to the ports of the world loaded with American products but we absolutely insist that they shall come back with empty bottoms. Everybody with the slightest amount of sense knows that the only way ships can make money is by being freighted with goods on return voyages as well as outbound sailings. The real advantage which British merchant vessels have over American ships is found in the fact that they can not only carry a full cargo of English goods to any part of the far-flung British Empire but they can also come back to Great Britain loaded with the products of the countries with which they trade. The absurdity of the present administration's position is that it first destroys shipping by its absurd tariff law, and then proposes to make shipping profitable by taxing the people of America. The vicious tariff law was repudiated by the people at the last election. This blundering and incompetent administration will be repudiated in 1924.

THE FILIBUSTER.

Mr. McKELLAR. I next come to the question of the filibuster. I defined filibustering a while ago, and I think my definition is exactly right. A filibuster is a filibuster to those who want to pass a bill which is very strongly opposed, but it is not a filibuster to those who are attempting to defeat that bill. In that position I find that I am sustained by a very great authority.

As I understand—and if I am mistaken I want to be corrected—the real official organ of the present administration is the Washington Post, a perfectly splendid newspaper, ably edited, vigorous, standing for what it believes is right, at any rate, at times. I read with a great deal of interest, in view of its past record, an editorial in the Post of yesterday.

I take it that that editorial is an expression of the administration's position about the filibuster. It is generally understood that the Washington Post more particularly represents the present administration than any other newspaper in the country. It is on the inside, so to speak, and I can readily understand how it gained the reputation to which I have referred, because it is a great newspaper; it is a powerful newspaper; it is an influential newspaper. I am not here to say aught against it, but I desire to call the attention of the country to the remarkable change that has come about in the expressions of that paper within the last few years on the subject of filibustering. In order that it may be fully understood, I now propose to read the editorial appearing in the Washington Post of the issue of Wednesday, February 21, 1923. The editorial is entitled "Reform of the Senate," and reads as follows:

"The opponents of the shipping bill in the Senate have entered upon a course which may have unexpected and historic results. The filibuster, organized by a minority presumably made up entirely of Democrats, has developed full strength and undisguised character."

I digress here long enough to wonder if the Post is reading anybody out of the Republican Party, for everyone knows that quite a large minority of Republican Senators are fighting this bill very vigorously, and that the majority of them in their hearts are not in favor of this bill; and if there is any filibuster, I presume Republicans opposing it are doing as much of it as or more of it than anybody else.

"Against the advice of Mr. UNDERWOOD, the able and experienced leader of their party in the Senate, the Democrats who oppose the bill are resorting to a parliamentary trick to defeat the will of the majority. It is intended by the filibustering minority to deny to the Senate and the country the right to have a decision upon the shipping bill.

"The reason why the minority resort to a filibuster is because the bill would pass if brought to a vote. If the opponents of the bill were in the majority they would not shrink from a vote, because they could kill the bill outright. Not having the votes, the minority seize upon the rule of the Senate which gives to each Senator the right of unlimited debate, and by violation of the spirit of this rule they hope to kill the shipping bill.

"The vice of this action is so obvious, and its effects are so damaging to the good name of the Senate, that the people of the United States can not fail to direct their attention to the situation that has arisen.

"President Harding foresaw the filibuster, apparently, when he asked the Senate to bring the shipping bill to a vote. He asserted that the country had a right to expect a vote, and he added that the Executive was entitled to know the will of Congress on the subject of the merchant marine. The Executive can not discharge his duties satisfactorily in the absence of a decision by Congress. The mere failure of Congress to decide, as a result of a filibuster, will not throw any light whatever upon national policy with regard to the merchant marine. The President will still be in the dark concerning the wishes of Congress, and the Treasury will still be paying out $50,000,000 a year as a net loss under the existing provisional arrangement.

"The filibuster, if successful, will therefore continue for another year the present arrangement, with an additional loss of $50,000,000, most of which might have been saved if the shipping bill had passed.

"The opposition to the shipping bill offers no alternative plan for the regulation of the merchant marine."

By the way, I will stop reading here long enough to say that I greatly regret that I have not sent my proposed substitute for the pending bill to my good friend the editor of this newspaper. I will send him a copy to-morrow. My substitute shows a very complete plan, which I hope the editor will carefully consider. It has been offered for several months, as I recall; certainly for several weeks.

"The defeat of the shipping bill would save nothing, but on the contrary would insure continued loss. Therefore the opposition, in conducting the filibuster in the Senate, is virtually conducting a raid upon the Treasury. The rambling filibuster speeches seem to cost nothing but the physical vigor and self-respect of the speakers, but actually they are costing the people of the United States millions of dollars.

"The money cost of the filibuster, however, is as nothing compared to the loss of prestige of the Senate."

I call special attention to this portion of the editorial, in view of the position which this newspaper has taken in the past, as I will call attention to in a moment.

"In a country noted for its love of directness and promptness, there is afforded a spectacle which turns the great Senate into a mockery, and which exhibits its members in a contemptible light to the people. Dignity naturally surrounds a chamber from which issues the law governing a mighty nation. The people's reverence for the institutions created by their fathers, in travail and martyrdom, would keep the Senate in high esteem, and the honor of serving in that body would be eagerly sought and dearly prized by any citizen, however nobly gifted. But a scene such as that now being enacted, when one Senator after another speaks to exhaustion on subjects alien to the bill, with the avowed object of misusing the Senate's own rules in order to violate the right of the majority to have its will—a scene like this shocks the public sense of decency and wounds its sense of reverence. Senators become mere tricksters, resorting to methods which would be frowned upon in a police court; and the Senate itself becomes a hissing and a jest.

"So the present filibuster may have results quite unexpected to the gentlemen who are widening the breach between the people and the Senate. The shipping bill may pass or may be defeated by the filibuster—its fate may become subordinate to another question transcending all others until it is settled, and settled right. This question, made acute by the filibuster, will be:

"Will the Senate reform its rules and proceed to fulfill its proper functions, or will the people reform the Senate?

"Superficially, it appears most difficult for the people to reform the Senate, because constitutional amendments must be passed upon by the Senate itself. Actually, however, nothing is easier than the reformation of the Senate by the people, once they are aroused and determined to put an end to the abuse that is making the Senate unpopular. Let the Senate make itself unpopular enough by failing to perform its duty and the people will do the rest. They will not resort to a constitutional amendment, but will act directly, by eliminating the unfit and electing men pledged beforehand to reform the Senate rules. Every filibuster, successful or unsuccessful, hastens the day when the reform of the Senate will be a burning issue."

The date of that editorial is February 21, 1923. I now read an editorial from the same newspaper on the subject of filibustering. I think that this is a matter of very great importance, in view of the function that the Washington Post performs, at least in the city of Washington, as an administration organ. It is virtually the administration organ, and therefore what it says is of vast importance to the people of this country.

On Saturday, January 23, 1915, when another shipping bill was before this body—a Democratic shipping bill—and, depending on what you call a filibuster, a Republican filibuster was on, this editorial appeared in the same paper. Whether or not it was written by the same editor I do not know, but I imagine so. I want to read it. It is on page 6 of the Washington Post of January 23, 1915. It is headed "The filibuster." By the way, I want to say before I start that it indorses my definition of a filibuster, heretofore given, exactly.

Says the editorial:

"It is a rather narrow line that is drawn between honest discussion of the defects of a bill and a filibuster. If a man is against a measure, a three-day speech would naturally be regarded by him as fair discussion in the public interest. If he were in favor of the bill, it would be a filibuster.

"There is a serious question as to whether an actual filibuster may not be more worthy of praise than attempts to jam through a measure by use of the party whip or by physical punishment of those who oppose the measure. If the Democrats themselves were united in favor of the ship purchase bill, there would be some excuse for their present tactics. The fact is, however, that few of the Democrats believe in it, and few of them know what shape the bill will finally take.

"How can the supporters of the bill blame the opponents for their determination to discuss every phase of the measure? Considering their own disagreements and lack of harmony, it is hardly good taste for them to absent themselves from the Senate when the bill is under discussion.

"Questions which are being asked by the opponents of the bill—questions designed to bring out information as to whether or not the measure will work to the public interest—are going unanswered simply because those who have been brought into line for the unperfected measure intend to ignore the merits of the matter.

"Are the Democrats willing to say to the country that they can not make any defense of the ship purchase bill? Are they willing to say that they have abandoned arguments and intend henceforth to resort to technical means of 'gagging' the opponents of the bill? Are they willing to say that they had to resort to night sessions to tire out their opponents, thus establishing merely the fact that human endurance has its limitations?

"Some exceptionally able arguments were made with reference to the ship purchase bill by Secretary McAdoo in his Chicago address. It would be worth while for the advocates of the bill to follow his lead, and at least give full information to the public as to what may be said in favor of the measure. Free discussion can not hurt any meritorious project. Surely the Democrats in the Senate do not want to plead guilty by their silence in the face of the Republican assaults on the bill."

Mr. President, lest we forget, I will stop here long enough to say that in 1915 the Democrats were in control of this body, and they brought forward what was known as the ship purchase bill. It was a bill which afterwards substantially passed, and upon which our merchant marine as it now stands was built. Our Republican friends, at a short session of Congress, just as this is, then said that the bill ought not to pass, and that every honorable means ought to be resorted to to prevent the passage of the bill. I do not see here now the distinguished chairman of the committee, in charge of this bill, but my good friend the Senator from Washington [Mr. JONES] made a little argument—a very fine one, too—of 14 hours against that bill. Of course, that was not filibustering then, because he was on the other side of the question.

My good friend the Senator from Utah [Mr. SMOOT], I think spoke even longer than that, and various other Senators who were opposed to that bill talked not for hours, not for weeks, but for months in order to prevent the passage of that bill; and they were upheld, as I shall show in a few moments, all along the line by the Washington Post, the same paper that tells us now that we are making the Senate unpopular, and we are going to be legislated out of office by the people, because we demand a free discussion of this bill, and a vote upon it by those who were chosen by the people to vote upon it.

Mr. President, they can not scare us in that way. Both our Republican friends on the other side and their official spokesman, the Washington Post, must have a better record on filibustering before they can scare us off by saying that they are going to legislate us out of office if we talk too long and if we discuss this bill. But our friends on the other side say: "Oh, we have a majority for the shipping bill now, including the 10 Senators who will not come back. We do not know whether we will have that majority next year or not, and we want to jam it through now." In the words of the Post editorial: "We know that the people have turned us down at the polls, and we want to put through this subsidy bill regardless of the people, regardless of their expressed will. We have the physical power; we have the physical number of votes."

President Harding comes to the Congress and pleads that this bill shall be voted upon by these men who have been repudiated by the people of their States. I mean no disrespect to them. They are as fine a lot of Republicans as I ever saw. I have nothing but the kindest feelings toward them; but, however that may be, they have been politically repudiated by the people of their several States with the ship subsidy bill as an issue; and yet the President asks us to submit this question to the votes of these men who have been repudiated by the people at the polls, because without their votes there would not be a chance on earth for this bill to pass.

Let me call attention to this very editorial, taking an entirely different course, several years ago.

The editorial says:

"There is a serious question as to whether an actual filibuster may not be more worthy of praise than attempts to jam through a measure by use of the party whip or by physical punishment of those who oppose the measure."

Ah, how pertinent to this question! Here is a political party undertaking to jam through a measure without debate, without argument. I think only two or three Senators on the other side have spoken for this measure. My distinguished and highly esteemed and much-beloved friend, the chairman of this committee, has spoken out in meeting, as he always does; but what others on the other side of the Chamber have given the public the reasons why this bill, which is a departure from every principle that the American people hold dear, should be passed? Who has spoken in favor of it? And yet, by virtue of a physical majority that has been repudiated at the polls, it is sought here, in the closing days of this Congress, at the behest of a political organization, to jam through—in the words of the distinguished editor of the Washington Post—this bill that has been repudiated by the American people!

Oh, how truly did the editor of this paper speak at that time!

I read again:

"If the Democrats themselves were united in favor of the ship purchase bill there would be some excuse for their present tactics."

Mr. President, just strike out the word "Democrats" and insert the word "Republicans," and read it:

"If the Republicans themselves were united in favor of the ship purchase bill there would be some excuse for their present tactics."

And it would fit this situation like a glove.

Mr. President, this editorial says, "United in favor of it." Why, there never was such a difference of opinion on a question of this kind in the Republican Party or any other party. As I remember, when the ship purchase bill was up in 1915 three Democrats objected to it, but with the exception of those three the party was united.

Mr. JONES of Washington rose.

Mr. McKELLAR. Were there more?

Mr. JONES of Washington. I think there were seven.

Mr. McKELLAR. I thank the Senator for the correction, because I want to be absolutely accurate. There were seven, and there are more than that in the Republican Party to-day. When this matter comes to a show-down there will be more than seven Republicans against it, and they are really against it; they are fighting against it; they are determined that it shall not pass at this session, that it shall not pass without being properly debated, that it shall not pass without being considered in its every aspect, this great departure from everything that Americans have been taught in the past to believe was a true policy in reference to such matters.

Mr. President, let us see for a moment how the Republicans are divided. They have a majority here of 22. I saw two or three days ago in the Washington Post—which everybody assumes is an official organ—that the Senate, if it voted at this time, would be 50 votes for it and 46 votes against it. Since that time one Senator who was then counted for it has openly and boldly announced in this body, as he did on yesterday, that he was going to vote against this bill, so that will make it 49 to 47. It is getting very close. It shows what arguments will do. It shows what discussion will do. It shows what careful thought and consideration will do.

Mr. FLETCHER. Mr. President——

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

Mr. McKELLAR. I can not yield unless my good friend from Washington permits.

Mr. JONES of Washington. Mr. President, I told the Senator awhile ago that I would notify him before invoking the rule.

Mr. McKELLAR. That still holds good?

Mr. JONES of Washington. Yes.

Mr. McKELLAR. I shall be glad to yield to the Senator from Florida, then.

Mr. FLETCHER. I was going to put my suggestion in the form of a question, but, if it is agreeable, I will state it the other way. As I figure it, out of this alleged majority, small as it is, as claimed even by the proponents of the bill, at least seven of our Republican friends who would vote for the bill will not be here after the 4th of March. They were defeated in the last election.

Mr. McKELLAR. Yes; as I stated a little while ago, the bill could not possibly pass without the votes of those Senators who will not be here in the ensuing Congress; and especially is that important here when nearly all of those who were defeated, unfortunately for them—I say, "unfortunately" because I love them all—were largely defeated upon the issue of the ship subsidy bill. It played an important part in the campaign in every State in this Union, and these gentlemen were defeated on it; and yet the President wants to have this bill—which has been repudiated at the polls—passed by votes that will not be with us after March 4.

Now, Mr. President, I want to call attention to another statement in this editorial:

"How can the supporters of the bill blame the opponents for their determination to discuss every phase of the measure?"

Why, of course we are going to discuss it. We feel greatly encouraged at the result of our discussion of it. We know of one convert that has come over already. He has announced it. It has been growing ever since this bill came before the Senate. It was introduced, I think, about a year ago. The Republican Party could have brought it up before the Senate long ago, but they chose to bring it up here at this special session, and I do not believe they actually took it up until this short session. They were afraid to bring it up before the last election—afraid that if passed it would defeat them. But by introducing it, they were committed to it, and could not avoid the issue, and on that issue largely they were defeated. After defeat, they now want to pass it anyway.

Mr. President, how can they blame us? They have not discussed it themselves. They have not given us any real reasons why we should depart from our historic policy of not giving special subsidies to shipping interests. They have given no good reasons to the country or to the Senate itself. Why should they undertake to pass, and how can they blame us for being opposed to, a bill that they themselves will not discuss, and that has been repudiated by the people of the United States?

Mr. President, I suppose that every Senator who was elected in this last race not only made the statement that he was opposed to the ship subsidy bill, but made the statement that he would take every honorable means to defeat it, including seeing that there was a fair and a full and a frank discussion of the merits of the bill.

Now I come to another suggestion:

"Considering their own disagreements and lack of harmony, it is hardly good taste for them to absent themselves from the Senate when the bill is under discussion."

How that applies to the other side of the Chamber at this time, and not to this! It applies absolutely to the other side of the Chamber. When a Senator on the Democratic side or on the Republican side announces that he is going to discuss the ship subsidy bill, all of the chairs on the other side are vacated immediately. Republican Senators will not listen. They do not want to hear the arguments about it. They have made up their minds under an executive whip that they are going to swallow the bill, and I want to say that while perhaps there are only 10 or 12 Republicans who will vote against this bill, you all know down in your hearts that nearly all of you are opposed to it. You know that you have not any interest in it. You will not deny it. You would give anything in the world, just as the Senator from Ohio [Mr. WILLIS] indicated a while ago, if you did not have to vote for it.

Mr. HEFLIN. There are only two Republicans in their seats now.

Mr. McKELLAR. No; there are three, and there walks in the Senator from Idaho [Mr. BORAH], too. We will count him. I was just talking about the Senators on the other side who are so greatly interested in this bill that they will not come near when it is being discussed by anybody, it does not make any difference who it is. Even the Senator from Idaho [Mr. BORAH] yesterday did not have the audience of Senators that he ought to have had, eloquent, splendid speaker that he is.

Mr. President, as I was saying, we all know that in their hearts the majority as well as the minority over there—I mean, the minority of that party as well as the majority of that party—are opposed to this bill. They do not want it to pass. It will not grieve them if it does not pass, but they do not want to fall out with the Executive. They do not want to come to the parting of the ways with him, of course; but we know here, we who negotiate with them daily, that they have no interest in this bill. We know that they do not want this bill passed. They know that we know that they would be delighted if the bill should fail, as of course it will fail; and they all know that, too.

I do not think there is a Senator on the other side of the Chamber who does not know that the bill is not going to pass at this session, and I doubt if there are a dozen over there who in their hearts believe it ought to pass.

Questions are being asked about the bill by the opponents and there is nobody here to answer those questions.

So it is to-day. But I want to say that I am not confined in any way to just one editorial of the Washington Post standing by the filibuster against the shipping bill of 1915. There are many others. The record is complete. It was the habit in those days for the Washington Post to defend the filibuster. It wrote a beautiful editorial about my friend, the Senator from Washington [Mr. JONES], when he was filibustering against the shipping bill in 1915.

Mr. CARAWAY. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. CARAWAY. That shipping bill was a bill which was intended to equip us to engage in the World War which we knew we must shortly enter.

Mr. McKELLAR. Yes; but that did not cut any figure in those days. It was presented by the Democratic Party and it was filibustered against, with the hearty approval of the Post. But, oh, what a change! I stop here to digress just a moment to discuss the suggestion of my friend from Arkansas. What a change would have been brought about and what an advantage it would have been to America in the World War if the shipping bill of 1915 had been passed instead of being defeated—defeated by the eloquence of Republican Senators, 14 hours of it by my distinguished and splendid friend, the senior Senator from Washington [Mr. JONES], and about an equal amount by my good friend, the Senator from Utah [Mr. SMOOT].

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Mississippi?

Mr. McKELLAR. I yield.

Mr. HARRISON. That is a very startling statement which the Senator has made. Does he mean that the senior Senator from Washington [Mr. JONES], the Senator in charge of the pending shipping bill, spoke for 14 hours filibustering against the ship purchase bill a few years ago?

Mr. McKELLAR. I mean exactly that, and I mean further to say that he made a very fine speech. I am going to quote from it directly. I indorse much of it.

Mr. CARAWAY. I hope the Senator will let me know when he reaches it, because I want to go out. I do not want to listen to a filibuster.

Mr. McKELLAR. I am coming to it directly. Yes, the Senator from Washington made a splendid argument. It will be remembered that he had much to say about this point—and, by the way, if I make a mistake about it I hope the Senator from Washington will correct me. He said the people from the "amen corner" had not been heard from. I think I have an editorial here praising the Senator from Washington for referring the shipping bill of 1915 to the people in the "amen corners" in the various parts of the United States. He made a splendid speech in favor of the filibuster. He was just as frank about it then as I am to-day. He stated it openly. The Senator from Washington does not conceal things. He is as straight from the shoulder as any man I ever knew. He did not conceal at all. He said the bill was not going to pass, and it did not. The Washington Post, which is now the official organ of the administration, upheld him in every particular.

Mr. HARRISON. May I ask what explanation the Senator from Washington now makes for his attitude at that time?

Mr. McKELLAR. I do not know that he makes any explanation of it. He has just changed his mind, that is all there is to it.

Mr. JONES of Washington. Mr. President——

Mr. McKELLAR. One of the objects of the debate was to have an interesting, open, free, and fair discussion, led by the Senator from Washington. The Senator from Utah [Mr. SMOOT], the Senator from Iowa [Mr. CUMMINS], and others on the other side of the Chamber made speeches at that time upholding the filibuster. Let me suggest here that some explanation is due why it is a high and splendid and patriotic service to filibuster against a shipping bill under those conditions, and yet it is wrong when it comes to a bill which changes the whole course of our merchant-marine policy, when it takes at least $30,000,000 annually out of the pockets of the American people and gives it to the owners of a few fast passenger vessels which really do not need it, because they are doing a good business anyway. We want to know why the Senator from Washington has changed his mind and his attitude, and I know that he will take the time at the proper opportunity to tell us. I now yield to the Senator from Washington.

Mr. JONES of Washington. The Senator wants to know if I have any explanation about my change of mind. I do not understand what he means. I have not changed my mind.

Mr. McKELLAR. I think, perhaps, I did an injustice to the Senator. I do not believe the Senator has complained at all that Senators on this side of the Chamber or the other side of the Chamber have talked about the bill.

Mr. JONES of Washington. The Senator can not point to anything I have said at any time in criticism of the course Senators are taking.

Mr. McKELLAR. I thank the Senator for the correction. I think he is entirely right about it.

Mr. JONES of Washington. I assume that every Senator takes the course on this floor which he conscientiously believes to be right. I have followed that course, and I give every Senator credit for doing the same thing.

Mr. McKELLAR. I am quite sure the Senator from Washington feels just that way and believes just that way. I am glad to hear him say it. I want to say that since I have been in the Senate I have never known a fairer man, a more honest man, a more patriotic man, than the Senator from Washington.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Mississippi?

Mr. McKELLAR. I yield.

Mr. HARRISON. Of course, it may be that the reason why the Senator has said nothing is because he has not detected as yet that a filibuster is on.

Mr. JONES of Washington. Oh, I think I know a filibuster when I see it. [Laughter in the galleries.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that manifestations of approval or disapproval are contrary to the rules of the Senate, and if persisted in the Chair will be compelled to order the galleries cleared.

Mr. McKELLAR. I hope the Chair will pardon the occupants of the gallery, because this is a dry matter we are discussing. Let us have a little humor in it occasionally.

While the Senator from Washington is correct in his statement that he has not changed and is not criticizing the filibuster, yet what a change there has been in the official organ of the administration, the Washington Post, giving the views of the administration first-hand. Let me read an editorial from the Washington Post of February 7, 1915:

"The Post is an opponent of Government ownership in all fields of action in which private enterprise and private capital can secure fair and reasonable returns upon such enterprise and capital by rendering efficient, honest, and faithful service to the people at fair and reasonable cost to them.

"But here is a field in which private capital has failed for 50 years to provide such service for the American people."

It now wants to turn all these ships over to private interests—ships that cost the American people three or four billion dollars. It changes its views and now thinks that we are going to abolish the Senate if we do not have a discussion of the matter.

I continue reading:

"Here is a field that American private capital has left open to foreigners for half a century, and now, when it is proposed that its own Government shall become the creator of such a marine, private capital enters a vigorous protest."

I next read from another editorial in the Washington Post. I want to call the especial attention of our Republican friends to this—that is, the three Republicans who are now present in the Chamber. The editorial reads:

A DANGEROUS PRECEDENT.

"If the majority of the Senate, solely because of its numerical strength, were to adopt a cloture rule to shut off debate on the shipping bill, a precedent would be established that would hamper the Democratic Party in all its future actions."

They were talking about a cloture rule then to stop the flight of oratory on the other side of the Chamber, and the Washington Post came out for discussion—open discussion, frank discussion, full discussion, unlimited discussion. The editorial went on to say:

"Apparently the proposal that a cloture amendment be added to the Senate rules on February 19 is made seriously. Perhaps it has been forgotten that the Democratic Party made much capital out of the Cannon rules in the House in the campaign of 1910, and later in the campaign of 1912.

"In all fairness, it must be admitted that there was a great deal of buncombe in the fight against the Cannon rules, as has been shown by the drastic rules brought in by the Democratic Party under the present régime. Nevertheless, the Democrats did make capital out of the supposed arbitrary character of the House rules and went on record in favor of more liberality.

"The advantages of maintaining a consistent record may not appeal to the party in power, but the mere fact that it is put to the necessity of proposing a cloture rule is likely to weaken support for the shipping bill. Something more than expediency is involved. Freedom of discussion has always been the principal instrument of good government, and that freedom is now assailed in the Senate."

Let me read that again:

"The advantages of maintaining a consistent record may not appeal to the party in power, but the mere fact that it is put to the necessity of proposing a cloture rule is likely to weaken support for the shipping bill. Something more than expediency is involved. Freedom of discussion has always been the principal instrument of good government, and that freedom is now assailed in the Senate."

That editorial was published on February 11, 1915.

That was on February 11, 1915. Eight years have gone by, and the same paper which then complained that freedom of speech and debate was about to be shut off in the United States Senate when it ought not to be shut off, when it would ruin the Senate if it were shut off, on yesterday came out with an editorial stating that unless the bill is brought to a vote the Senate is likely to destroy itself by not letting it come to a vote. Which are we going to believe? Are we going to take the advice of the Washington Post given eight years ago, or are we going to take the advice that it gives to-day? The two pieces of advice are diametrically opposed to each other. The Washington Post of 1915 is absolutely denied by the Washington Post of 1923. They said it was a dangerous precedent then. They attempt to frighten us to-day by saying that if the very thing which they then defended is continued by the Senate it will destroy the Senate and defeat the various Members who are following the advice which it gave in 1915.

I read further:

"Proponents of the cloture program should not lose sight of the fact that the Senate of the United States, which had been assailed as a superfluous legislative Chamber a few years ago, has lately been restored completely to popular control. Comment is frequently made that every piece of legislation that has been sent to the Senate in recent years has been materially improved."

Oh, what a splendid thing a filibuster was then in the eyes of the Post, the official organ of the present administration, and what a bad thing it is to-day when there is a piece of legislation before us that the Post and the Executive desire to jam through by the votes of men who have been defeated for reelection. Then a Republican filibuster would restore the Senate to popular confidence. Now a Democratic filibuster on a like bill will destroy the Senate in the popular mind. Consistency, thou art indeed a jewel. Ah, we know that it is true that discussion in this body and careful deliberation in this body has improved the legislation which has been before the Congress, just as the Post then so well stated.

I continue to read:

"Bills passed by the House in two or three days, important bills like the tariff, currency, and antitrust measures, have been debated intelligently in the Senate, with a view to the best interests of the Nation. Can anyone argue that the discussion on these measures was not useful? Senators who now want to cut off debate would have protested vigorously if their own right to discuss measures had been taken from them.

"It is doubtful whether even the advocates of the ship purchase bill will vote for cloture. It would mean the end of free discussion in the Senate for all time. It would tend to destroy the Senate as a useful legislative body."

Mr. President, I put in juxtaposition, if I may so express it, with the expression of the Post to-day that last sentence, indicating its attitude in 1915:

"It would mean the end of free discussion in the Senate for all time. It would tend to destroy the Senate as a useful legislative body."

When it was advocating a filibuster in 1915, when it was defending filibusterers in 1915, that is what the Washington Post had to say—that the Senate was going to destroy itself as a legislative body if the filibuster did not go on—but, eight years afterwards, when it has another ax to grind, when it wants to have passed this bill which has been repudiated by the people, when it wants to have passed this bill by the strength of numbers of men who will not be here after March 4, this year, this is what it has to say:

"Superficially, it appears most difficult for the people to reform the Senate, because constitutional amendments must be passed upon by the Senate itself. Actually, however, nothing is easier than the reformation of the Senate by the people, once they are aroused and determined to put an end to the abuse that is making the Senate unpopular. Let the Senate make itself unpopular enough by failing to perform its duty, and the people will do the rest. They will not resort to a constitutional amendment, but will act directly, by eliminating the unfit and electing men pledged beforehand to reform the Senate rules. Every filibuster, successful or unsuccessful, hastens the day when the reform of the Senate will be a burning issue."

Oh, yes, when it was in favor of a filibuster the statement was made that the Senate was going to destroy itself by interfering with free discussion, but to-day, when it is against a filibuster, the Washington Post, with equal or greater emphasis, says that the Senate is going to destroy itself because it permits free speech!

Mr. President, that was not all. The official organ of the Republican Party in Washington did not stop at that. I now come to the most pleasing part of my task. It is reading the editorial indorsing the distinguished Senator from Washington [Mr. JONES] for conducting the filibuster in 1915. I read an editorial from the Washington Post of date February 14, 1915, which is entitled "The amen corner":

"When Senator JONES, in the course of his 14-hour speech on the shipping bill, announced that his observations were directed primarily to the 'amen corners' of the country, he not only chose a felicitous title, but also indulged in a degree of candor not always expressed by statesmen, who, whatever their avowed disinterestedness, never fail to have those particular gatherings in mind."

Politically speaking, the amen corner has long been known. Its most famous example was found in an earlier storm period, when there was a custom to congregate around the late Thomas C. Platt a group of tried and true followers in a particular corner of a room in the old Fifth Avenue Hotel in New York City. When that rendezvous had mustered a quorum things followed as pertinently and effectively as any that have later emanated from modern conclaves, regarding which the question as to whether they constitute a "conference" or a "secret caucus" still forms the subject matter of earnest and sometimes heated debate.

"The original amen corner belongs, no doubt, to the country meetin' houses of a gone and better era. Yet the spirit has in no wise changed. In religion then, as in politics now, the words of the speakers, whether presidin' elder or newly licensed 'exhorter,' were spoken with a thought to the reception they would be granted at that tribunal of last resort. Were the delivery followed by a solemn silence in that quarter, the exponent of the message properly felt the occasion a failure. Evidences of animation, however, betokened promise of success and led to more vigorous efforts. And when the heights were reached and perfervid pulpit oratory brought forth the sonorous and spontaneous 'amen,' then the speaker and the audience knew that the truth had gone home, nor needed to await the later pronunciamento that the sermon was 'sarchin', powerful 'sarchin'.

"The land is filled with amen corners. Around the blacksmiths' shops, down at the grocery store, in back rooms where sawdust sprinkles the floor, in the neighborhood of the 'cou't-house,' out at the old sawmill, where groups gather on 'stock-sale day,' there still linger the amen corners, listening, analyzing, reflecting. For their delectation, in expectation of their approval, Senators speak, filibusters are carried on, even wars are fought. And until they are heard from the last word on any subject remains to be said."

Mr. President, that statement is very appropriate to the present situation, except that the people from the "amen corners" have already spoken. They were asked their views last November. Advocates of ship subsidy went on every stump in every "amen corner" in the land. They went, as the editorial states, to the blacksmith shops, to the back rooms of stores, to the cross-road meetings, to the "amen corners," throughout the United States. The people spoke from those "amen corners," and with one accord they spoke against the ship subsidy bill. That bill was an issue in every State in the Union, perhaps, where there was a senatorial election, and in every instance the advocates of ship subsidy were repudiated by almost unprecedented majorities. Yet in face of the record, in face of the votes from the "amen corners," throughout the Nation and in every State, the President comes before us and in substance says, "Yes; I know the bill has been repudiated by the people. I know that we can not pass it when the representatives who were elected last November take their seats in Congress, but I want the old Congress to pass it." Let me ask some Senator exactly the ratio of Republicans to Democrats in the present House of Representatives.

Mr. HARRISON. The Republicans have a majority of about 160.

Mr. McKELLAR. The Senator from Mississippi informs me that the present Republican majority in the House is about 160. That is an overwhelming majority, the greatest majority the Republican Party ever had in that body.

Mr. HARRISON. And the greatest majority they ever will have.

Mr. McKELLAR. Yes; the greatest majority they ever will have. Yet under the whip and spur of the Executive, answering his prayer, delivered in person, I believe twice, to pass it, a majority of only 24 in the House of Representatives voted for the bill, and here on this floor we all know that there will be no effort to pass this discredited measure in the new Congress.

Mr. SHEPPARD. Mr. President, I have the exact figures here.

The PRESIDING OFICER (Mr. MOSES in the chair). Does the Senator from Tennessee yield to the Senator from Texas?

Mr. McKELLAR. I yield to the Senator from Texas.

Mr. SHEPPARD. The composition of the present House is Republicans 298, Democrats 130, Socialist 1, vacancies 6; so that the majority at present is 167.

Mr. McKELLAR. It is 167, and still there could not be found but a paltry majority of 24 to pass the shipping bill; and, by the way, my recollection is that of those constituting the number who voted for the bill, sixty-odd of them were defeated in the very election in which this great question was submitted to the people; but they were forced in one way or another, through Executive influence, direct or implied, to vote for a measure in which they did not believe. We all know that the great majority of the present House of Representatives, Republican as it is, are overwhelmingly opposed to the passage of this bill and only voted for it because they were asked to do so by the Executive.

So it is in the Senate. In this body there is a Republican majority of 22; but if the recorded judgment of every Senator could be had, just as it is in his heart, the pending bill would be overwhelmingly defeated, for there are few Senators here who are heart and soul in favor of the bill. Under those circumstances such a bill ought not to be foisted upon the American people, for the reason that a majority of the present representatives of the people are at heart opposed to it, and the people have spoken and spoken against it in no uncertain terms.

But, Mr. President, I had not finished my quotation from this great newspaper, one which I read every morning, whether I agree with it or not, because it gives the news; it has able and distinguished writers on its staff, both editorial and reportorial, who write with spirit and ability and whose articles it is a pleasure to read, whether one agrees with them or not. I have no desire to say anything to the discredit of that newspaper or its representatives in any way, but quite to the contrary. It is, I repeat, a great newspaper, and because it is a great newspaper and because it is the official organ of the administration, I am using the material which its files afford. I now wish to read an editorial published in the Washington Post on February 18, 1915, entitled "The steam roller." Mr. President, I will digress here long enough to ask unanimous consent that all of the quotations from newspapers and books which I have read may be printed in the RECORD in 8-point type, which is very much easier to read than the smaller type. I have reached that point in life where I can read matter printed in 8-point type a great deal better than in the smaller type.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McKELLAR. The editorial in the Washington Post on February 18, 1915, entitled "The steam roller," reads as follows:

"The manner in which the steam roller was used in the House for the passage of the ship purchase bill simply illustrates how power can be used without efficiency.

"Once there was an outcry in the House against what was called 'Cannonism.' It was argued that the Speaker had too much power. He could use this power, it is true, to keep down appropriations, but he could also use it to give preference to administration measures.

"The rules were changed to take such power away from the Speaker. Probably the principal result of this action has been in the way of unprecedented extravagance. Chairmen of committees not being responsible to the Speaker but owing their election to their popularity with the other Members of the House, have sought to increase their popularity by being liberal with appropriations.

"Whatever there was of evil in the old rules has returned with redoubled power. The Speaker of the House can not be held responsible for the 'gag' rule adopted by the House for the quick passage of the ship purchase bill. A measure which is unlike anything that has been previously discussed, and whose virtues and defects are virtually unknown, was rushed through to passage with scarcely any debate."

What an accurate description of the manner in which the pending ship subsidy bill was jammed through the House a short time ago, when it only got through by the extraordinarily narrow margin of 24 votes, and of the manner in which it is proposed to jam it through this House.

"If the sole effect of the change in rules is to transfer arbitrary power from the Speaker of the House, elected by the Members, to the administration, whose functions are not supposed to be legislative, wherein lies the improvement? The new authority can not restrict appropriations as the Speaker formerly did. It need not even hold itself responsible for any blunder the House may commit under its direction. Freedom of discussion has always been one of the greatest instruments for the making of honest and intelligent legislation. This was the very basis of the attack made on the old rules, all the evils of which and none of the overbalancing virtues of which are now restored.

"Moreover, under the old rules there was always the consciousness that the Senate would give more careful consideration to measures put through under a special rule; but now with debate eliminated almost entirely in the House the Senate calmly contemplates the removal of the final safeguard of representative government by adopting a cloture rule."

Ah, Mr. President, what a change has come over the administration and what a change has come over this organ of the administration. Then when a Republican filibuster was on, if we interfered with the freedom of debate it meant, according to the Post, "the removal of the final safeguard of representative government," but now, when we ask for freedom of debate, when we ask that this vicious measure be discussed in the light of reason before the American public, we are told that the Senate is likely to destroy itself because we demand the very freedom of discussion that the Post so eloquently declared was right on February 18, 1915.

Again, here is what it said on February 27, 1915, under the heading "Reviving the shipping bill":

"Attempts to revive the ship purchase bill in view of the failure of previous determined efforts to pass it can not be regarded in any other light than as a despairing effort to demonstrate the power of personal leadership.

"The ship purchase bill met a natural death. The act came, not as the result of a wound inflicted in the house of its friends, not as a result of the blows rained upon it by its enemies, but solely as a result of the failure of public opinion to rally to its support."

How accurate is that statement of the present measure! This bill is not going to be filibustered to death. This bill is not going to be talked to death. This bill is not going to be voted to death. This bill is already dead, because an outraged public opinion in America has decreed it so. We know that the people have already passed upon it, and that is why it is in the position that it is to-day.

I read:

"Talking the shipping bill to its natural death would not have been possible if there had been any real public sentiment in its favor."

And so we know that that is true to-day. If there were any real public sentiment in favor of this bill in America to-day it could not be talked to death, it could not be filibustered to death, nor could it be voted to death. We know that. Why attempt to fool ourselves? Why attempt to make ourselves believe something that our inner consciousness knows has already been settled and determined, and settled by the voice of the American people themselves? It was settled last November. It can not be undone by this Congress in its closing days. We know that it is impossible.

The Post spoke the truth then, and I commend this editorial to my friends on the other side.

I continue reading:

"There was no such fight against the administration currency bill, or even against the tariff bill, both of which the Democrats were pledged to enact. There was serious complaint against the kind of bills that were enacted, but it was realized that the Democratic Party had to make some sort of revision to comply with its platform.

"There was no such justification, however, for the ship-purchase bill. No one knew where the proposal came from originally."

I stop here long enough to ask the chairman of the committee where this proposal came from originally. I looked over the chairman's splendid speech 15 years ago. I have read other

speeches of his on our merchant marine. He has been a consistent, ardent advocate of an American merchant marine, just as I have been. Heretofore he has never believed in cash subsidy, and I am wondering whether or not this bill originated in the mind of my distinguished friend. I know he introduced it, but I am wondering whether he put it forward as his measure for the correction of evils that he thought existed in regard to our merchant marine.

Mr. JONES of Washington. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. JONES of Washington. I shall be very glad to answer the Senator's question if he desires. I stated in my opening speech on this bill the origin of the bill. I can state it briefly again, if the Senator wishes.

Mr. McKELLAR. I shall be very glad to yield to the Senator for that purpose, because I overlooked that portion of his speech.

Mr. JONES of Washington. After the administration got in I think everybody recognized the situation that confronted us with reference to the shipping that we had bought during the war. After the Shipping Board was appointed and had gotten to work and gotten things in shape, and it was found that certain provisions of the act of 1920 would not be carried out, the board felt that some steps should be taken to meet the situation that confronted us with reference to our shipping, it being the desire and the expressed purpose of the act of 1920 that our ships should be gotten into private hands as soon as possible under ordinary good business methods, it being the policy, as declared in the act of 1920, that we did not intend to carry on permanent Government ownership and operation of these ships. So the Shipping Board began to study the question, and finally, my recollection is, they appointed a committee composed of representatives of business men, representatives of the shipping interests, representatives of financial interests, representatives of labor interets, and representatives of the farming interests, to study the problem and see if they could work out legislation under which we would build up an American merchant marine.

I met that committee at some of its hearings as chairman of the Commerce Committee, and representatives of the House committee also met with them, and we discussed there, you might say, general principles, general policies. Finally, the Shipping Board, in conference with these representatives, worked out this plan, and I understand that a resolution was passed by the Shipping Board unanimously, Democrats and Republicans approving this proposition—that is, approving the general policies and general principles that were to be incorporated in the bill—and then these policies and principles were put into the hands of experts, and the bill was drafted in the Shipping Board.

I will say also that it was submitted to a conference of the Republican members of the Commerce Committee and the Merchant Marine Committee of the House, and the general principles and policies were discussed, some suggestions were eliminated, some other suggestions were adopted, and then the bill was drafted in the Shipping Board and presented to Congress.

That is a brief outline of the drafting of the bill.

Mr. McKELLAR. I am greatly obliged to the Senator. Now may I ask him if the cash subsidy was suggested by him?

Mr. JONES of Washington. Oh, no; it was not suggested by me.

Mr. McKELLAR. I felt quite sure that was the case.

Mr. JONES of Washington. But I have stated several times that I have reached the point where I will support any proposition that gives a reasonable promise of developing and maintaining a permanent American merchant marine, because I consider it of such tremendous importance to the people; and as I had no hope of enforcing the provisions of the act of 1920, which I believed in and still believe in, so far as that is concerned, I was willing to accept this as the conclusion of these experts and of these experienced men as the only other proposal that offered any hope of accomplishing what I so much desired. So I accepted it as an alternative, and I say frankly that is the ground upon which I support it now.

Mr. McKELLAR. Then it is not a proposal of the Senator from Washington, the chairman of the committee, but it is a proposal of the best minds in the Shipping Board and in the shipping interests generally and in financial circles?

Mr. JONES of Washington. And the labor interests were represented, too, as they are represented on the board.

Mr. McKELLAR. And also a representative of the labor interests?

Mr. JONES of Washington. Of course, frankly——

Mr. McKELLAR. The Senator is always frank.

Mr. JONES of Washington. I should say that the representatives of the American Federation of Labor appeared before the joint committee and opposed it; but, as the Senator knows, one of the members of the Shipping Board is a representative of labor. I forget now; I think he is a representative of the Longshoremen's Union.

Mr. McKELLAR. Yes; I recall that.

Mr. JONES of Washington. But a very prominent labor leader and labor representatives were on this committee to which I have referred.

Mr. McKELLAR. Were there any other labor representatives there except the representative on the Shipping Board?

Mr. JONES of Washington. I understand so. I think so; but I could not name them now.

Mr. McKELLAR. As I understand the Senator, his proposal in 1920 of a differential on goods coming in in American ships was a proposal that he thought exceedingly wise if it had been put into practice.

Mr. JONES of Washington. Yes, sir.

Mr. McKELLAR. And that—to use a slang expression—it would have "turned the trick" if it had not been vetoed by the President; first by President Wilson and afterwards by President Harding.

Mr. JONES of Washington. I think so.

Mr. McKELLAR. As the Senator knows, in the substitute bill which I have offered I have proposed exactly the same thing in substance. I want to say to the Senator and to the Senate that an American merchant marine has been a hobby of mine for many, many years. Long before I came to either branch of Congress I made speeches on the subject. I have always been in favor of it. There is no man in this Chamber or elsewhere who is more in favor of building up a merchant marine than I am, and I want to say to the Senator that a great many of the provisions of his bill meet my entire approval. I am inclined to think I would vote for them all if the cash-subsidy provision could be taken out, as I shall explain in a few moments. The reason why I stopped and asked the Senator the question I did about his own views on the merchant marine was that I did not believe that the idea of a cash subsidy originated with the Senator. I felt that it came from other sources, just as the Senator has said, and I am glad to know that it is not his proposal. I want to say to him that it would be a great deal harder for me to vote against it if I knew that it was what the Senator himself proposed originally as a cure for the situation that now confronts our merchant marine, and that is why I stopped to ask that question of the Senator.

I want to finish this editorial. It is short. I must hurry on, for I have a great deal more to say. I have taken up more time now than I ought to have taken. I should welcome the withdrawal of the bill at any time, so that we may not take up more time.

The Post continued, in this editorial of February 27:

"There was no such justification, however, for the ship purchase bill. No one knew where the proposal came from originally. They knew that the President sponsored it, and it proved that his influence was sufficient to rush it through the House under high speed toward the close of the session. But it was indicated at that time that action by the House would be considered sufficient vindication for the principal backer of the measure.

"It is idle for the administration to think that the bill can be pushed through the Senate at this late day in view of the demonstration of the opposition. The word that comes from the White House to make a last attempt can hardly be complied with, even by the most devoted followers of the administration.

"Reports that legislative 'strong arm' methods will be used to obtain a final vote need not be taken seriously. There is not only a strong minority to protest, but there is an actual majority against the bill as it stands. Any further efforts in the measure's behalf will simply demonstrate the weakness of its support."

Mr. CARAWAY. Mr. President——

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

Mr. McKELLAR. I yield; yes.

Mr. CARAWAY. Was that this bill that they were talking about?

Mr. McKELLAR. Why, no; it was not this bill. That was an editorial when the Post was on the other side of the question. They said that no bill brought in at this late date, just about this ime in the session, could be pushed through.

Mr. CARAWAY. The Senator astonishes me. Has the Post been on two sides of a question?

Mr. McKELLAR. Quite so. I have attempted to demonstrate that that is so from the official organ of the administration.

Mr. CARAWAY. I am honestly pained.

Mr. McKELLAR. I am sure that the Senator is as I am.

Mr. President, I have had handed to me an editorial from the World which I have not read with care; I have just glanced over it, but it is on this very subject. If it says any harsh things I am not going to subscribe to them, because I am not going to say anything harsh about anybody to-day.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Mississippi?

Mr. McKELLAR. I yield.

Mr. HARRISON. May I ask the Senator whether that is the editorial in this morning's World?

Mr. McKELLAR. It is.

Mr. HARRISON. That does not accuse the distinguished Senator from Washington [Mr. JONES] of filibustering against the ship subsidy bill, does it?

Mr. McKELLAR. I have not read it with care, but I will read it now to the Senate and let the Senator form his own conclusions. It does not say that the Senator from Washington is engaged in a filibuster, though it did look yesterday and this morning a little as if there was some help from his side of the Chamber, but it does call the filibuster by a different name. It calls it "Mr. Harding's filibuster." That is the title of the editorial.

"Mr. Harding alone is responsible for the Senate filibuster and for all the legislative consequences of it. The blame rests wholly with the President, because the President is trying to nullify the verdict of a national election.

"Mr. Harding is determined that a great question of public policy shall be settled by a discredited Congress. He insists that Senators and Representatives who have been defeated by their constituents shall have the deciding voice in controlling Treasury expenditures over a period of 15 years. Going over the heads of the voters, he has appealed to the sheer brute power of party organization plus the patronage that the Executive can use to reward his followers. No more shocking spectacle of downright political immorality has ever been seen in Washington than that which is now presented under the auspices of the President of the United States.

"Like most weak men, Mr. Harding is capable of extreme exhibitions of sheer obstinacy. For reasons that are not clear either to the Republican leaders in Congress or to members of his Cabinet, he has set his heart on a particular piece of ship subsidy legislation to the exclusion of everything else. There is no popular sentiment in support of this bill. For nearly a year eminent Republicans in Congress have been telling him that the country was against it, and the elections last fall confirmed everything they said to him. Nothing, however, has changed the President's personal opinion. Hypnotized by Lasker and Laskerism, he has given himself over to this reckless raid on the Treasury.

"Knowing that he can never obtain his subsidy legislation from the Congress that was elected in November, he is using all his influence to obtain it from the Congress that was repudiated in November. By the votes of 66 defeated Representatives he managed to get it through the House with a majority of only 24. He has now mobilized the defeated Republican Senators, and with plenty of Federal jobs to reward them he thinks that he can get it through the Senate before March 4 if he can bring it to a vote.

"There have been times when a filibuster was a denial of the principle of representative government, but this is a case in which it is a vindication of that principle. The Senators who are blocking a vote in the Senate are the exponents of majority rule. They are fighting for the rights of a newly elected Congress to represent the people of the United States on an important issue of public policy.

"This is no ordinary piece of legislation. It is not a bill that carries an appropriation for a single year, which the next Congress could discontinue; nor is it an act that the next Congress would feel free to repeal if it saw fit. Mr. Harding is trying to establish by law a legal obligation on the part of the United States Government to pay out hundreds of millions of dollars to private interests over a period of 15 years. He is trying to enact a contract. He is trying to tie the hands of eight succeeding Congresses and four succeeding administrations.

"That is something that no President should be permitted to do without a mandate from the people themselves. It is something that no President has a moral or a political right to undertake except in consequence of a definite party pledge which has been ratified at the polls. Mr. Harding is asking a verdict from a packed jury before whose eyes he is dangling the emoluments of Federal office, and a filibuster is the only answer to the methods that the President has adopted."

Mr. President, the President of the United States made a mistake in endeavoring to jam through this legislation at the short session of Congress. It is legislation that ought to be given most careful consideration. It ought to be debated. Senators should stay in their places in the Chamber and consider the measure before they vote. I look over at the other side of the Chamber, and there are now three Republican Senators there; and yet when Senators come in to vote many of them will vote without having examined the bill and without having even read it or even thought about it. I wonder how many Republican Senators have read it at all? I wonder how many have considered it? I wonder how many of them have spoken on it? So far as I recall, only two or three Republican Senators, maybe only one, have spoken in the debate on the ship subsidy bill. If it is a good measure, why are they not willing to come out and fight for it? If it is a good measure, why are they not willing to submit it to any body of men? If it is a good measure, why are they not willing to submit it to a Congress that was elected on that issue?

Oh, Mr. President, Senators on the other side of the Chamber are taking it like a child takes a dose of castor oil. They are holding their noses while they take it. They do not want to vote for it, but most of them could not be pleased better than by getting it out of the way in some manner. They have not examined it, because they are not interested in it. They do not believe in it. Any Senator who believes in a measure and who thinks it is for the best interests of his country and his constituents is delighted to get up and speak for it. If it is a measure that is helpful for the best interests of the Republic, instead of having empty benches on the other side of the Chamber we would find Republican Senators vying with each other to get recognition from the Chair in order to speak for it. They know it has been discredited. They know that the people have repudiated it. They know it ought not to be enacted into law.

THE BILL AND MY SUBSTITUTE.

Now, Mr. President, I next come to a consideration of the bill itself. As I said a little while ago, no person in the United States would more earnestly, more heartily, more sincerely be in favor of building up a great American merchant marine than I. I would go to any reasonable length to get it. I would go to any reasonable length to make our present merchant marine a success. If I honestly and sincerely thought that the way to build up the American merchant marine was to vote for a subsidy for it, I would even vote for the subsidy. But I do not believe that. I believe that the surest, the best, the most perfect way to destroy an American merchant marine is to pass the provision contained in this bill providing for a cash subsidy. Believing that, I would be dishonest if I voted for it. I would be dishonest if I did not use every honorable effort within my power to defeat it.

What is the proposed subsidy bill? Speaking briefly, the purpose of the proposed bill, first, is that it desires to take the Government out of the shipping business at the earliest possible moment by causing the Shipping Board to sell and dispose of our immense merchant marine fleet amounting to some 10,000,000 tons, the second largest in the world, largely now idle—no business for it; shipping lower than it has ever been in history—practically nothing in the way of demand. And yet at this time, with shipping at a lower ebb than it has ever been in the history of the world, with this immense merchant marine fleet that we have, it is deliberately proposed by the proponents of this bill to sell our vessels and get them into the hands of anybody, just so the Government can get rid of them. Sell them if we can, but give them away if necessary. That is virtually what is meant by the bill.

The bill next proposes to have the Shipping Board dismantle something like one-half of our American merchant marine, of the poorer ships; and the purpose of that is to dismantle the poorer ships. I suppose they mean to destroy when they say "dismantle," to sell as junk or sink if necessary. But why? Because they are not good cargo ships? Because they are not as excellent ships as there are on the seas? No; the reason for it is, as stated by Mr. Lasker in the hearings, that he wants to get rid of one half of the tonnage so that the other half which he puts in the hands of those who purchase it may not have the competition that the poorer ships will cause. We are to sell about half of them at a nominal price to private owners and then sink the rest of them, so the others may not be sold in the future and come in competition with those which are sold now.

I wonder what the American people would think if it should be brought to them that here, after years of trial, after years of trouble, after this enormous expense, it is deliberately proposed in the bill to sink one half of our tonnage in order that the other half may make more money in the hands of private owners. Yet that is what the bill proposes to do. Can it be said that any sane, reasonable man, not spurred on by the executive whip, is going to vote for that? That is one of the reasons why there is so little interest taken in the shipping bill by Senators on the other side of the Chamber. It does not meet their approval any more than it meets our approval, if the truth were known.

Next, it is proposed to give subsidies largely to fast ships, passenger ships, while the amounts paid to the freighters will be inconsequential. We all know that the lines between the United States and Germany and England are for the most part highly profitable lines. No other government gives a subsidy to its passenger lines between those points. Yet if this bill passes the principal beneficiary of the bounty or subsidy will be the two lines already established, the great passenger-ship lines now making money, certainly not losing any, running between New York and London and between New York and Bremen. The Bremen line, as I understand, made $700,000 last year under Government control, or quasi Government control, and the other line, by reason of the fact that it can get no cargoes on the return trip from Great Britain, lost about the same amount. But this is the worst year shipping has ever had. No one believes that the present condition is going to continue. It is not going to continue. It is going to get better.

Mr. DIAL. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. DIAL. If we are going to give subsidies at all, would it not be better to give them to the freight lines?

Mr. McKELLAR. Of course, the Senator is right. The idea of building up a merchant marine by giving subsidies to the ship lines that need no subsidies and withholding them from the freighters is absolutely without merit in my judgment. Even if I believed in a subsidy I would not believe in giving it to the great passenger lines, these great floating palaces which afford rich people every accommodation at tremendous fares for taking them across the ocean. I do not believe those are the lines that ought to have subsidies, even if I believed in a subsidy at all, which I do not. But if we are to vote any subsidies, if a subsidy is to be paid, if the bill should be passed over my protest and the protest of others who do not believe in it, surely the subsidy should be given to the freight lines that would bring business to the American people and give us trade and commerce with all the world.

Mr. DIAL. As I understand the bill, there are not many of the freight ships that would receive a subsidy under it, not many of the ships owned by the Government.

Mr. McKELLAR. I think some of them would receive something like $10,000, which would mean nothing.

Mr. DIAL. A great number would receive practically nothing.

Mr. McKELLAR. Just a little gift, lagniappe, so to speak, as, I think, they call it down in Louisiana. It would not amount to anything. It is not enough to build up any freight lines.

Mr. DIAL. It would not even help to sell the ships.

Mr. McKELLAR. No; it would not help to sell the ships. We can not sell the ships at this time under any circumstances. The markets of the world are clogged with ships at this time. It is not a good time to sell our ships.

I understand that 65 per cent of the Italian ships are idle to-day and tied up; that 25 per cent of Great Britain's ships are idle to-day and tied up, and various percentages in all countries, running from 25 in Great Britain to 65 in Italy, are tied up. They are tied up all over the world for lack of business. To select a year like this for the sale of 10,000,000 tons of shipping is, to my mind, without any merit whatsoever. It is not a time to sell our ships. I doubt if we could give them away to-day. I doubt if we could sell them with double the subsidy.

I come now to the next thing in the bill itself. In the fourth place, it provides in substance that all of the people shall be taxed to pay a few shipping interests sufficient subsidies to keep their lines going. I think I am hardly accurate about that. I think the two great passenger lines which would get a large part of the subsidy do not need any subsidy to keep them going, but they will get it just the same. They will be the beneficiaries of it.

The great passenger lines that make money now will be the principal beneficiaries of the subsidy. Why should we tax all the American people—tax the farmers, the merchants, the lawyers, the doctors, and the rest of the American people—to pay the owners of these great lines running between New York and London and between New York and Bremen this enormous subsidy? Mr. President, others may take such course as they desire, but I am not going to give my consent to spending of the people's money for any such purpose.

The bill next proposes to devote practically all the proceeds from the sale of our entire merchant marine to constitute a revolving fund to be loaned to favored shipping interests at a very low rate of interest in order to build more ships in the future. If the bill passes, the American Government will never see another dollar of the enormous amount that is now invested in the American merchant marine. I doubt very much whether the fleet that cost the American Government over $3,000,000,000 could be sold for enough to create the $125,000,000 revolving fund that is to be loaned to the shipping interests in the future, as provided in the bill, after all expenses are paid. I doubt it very seriously. I would not be at all surprised, when it comes to a show-down, that after selling the ships, if we establish the revolving fund, we will have to make additions to it through appropriations by taxation upon the American people. Is there any excuse for it? It is absolutely inexcusable.

I next come to some of the vices in the bill. I think the chief vice in the bill is the cash subsidy. Why should we tax a portion of the American people for the benefit of the favored few? What justification can we find for it? What reason can be given for it? In my judgment it is bad in principle and worse in policy, because it will not do what is claimed for it.

I next call attention to the fact that this of all times is not the time to sell ships. The idea of dismantling, as the chairman of the Shipping Board suggests, one-half of the tonnage at this time is wrong. It is said that the ships are not exactly what they ought to be. They do not exactly suit the trade. Besides, if the Government sells half and keeps half, it might sell the other half to other shipowners in the future when the shipping business would get better and take away the profits that the favored few would otherwise receive. Is not that a remarkable proposition? I hope Senators who happen to be listening to me will get the full force of it. Here we have 10,000,000 tons of shipping, depending on how we count them, whether dead-weight tons or other tons. The Shipping Board proposes to sell one half of it and dismantle the other half. The fleet cost this Government over $3,000,000,000, and yet they are going to dismantle one-half so that we might now have too many ships for the favored interests to whom we are going to give the subsidy. Is that the principle? Any Senator who wants to uphold that proposition of course is at liberty to do so, but as for me I shall not vote for any such bill.

Mr. President, I next come to some of the good provisions in the bill, for it is not wholly bad. There are some good provisions in it. The provision providing cheaper insurance is a good one. British ships are insured at a slightly less rate than American rates. The American Government ought to see to it that we are put upon equality with Great Britain in the matter of insurance. A bill has already been passed along that line.

This bill contains provisions proposing to amend the present marine insurance law. I think those are excellent provisions; they are in the future interest of our shipping; I not only have no objection to them, but I think they ought to be enacted into law; and I have no doubt they will be enacted into law.

The next provision proposes that 50 per cent of immigrants coming to this country shall be brought here in American ships. That is a splendid provision. It might be made much better by providing that 100 per cent of the immigrants who come here from abroad, who come here as a privilege which is given to them by us, should be brought in American vessels. They ought to be examined before they reach here; and they ought to be brought here entirely in American vessels. Instead of 50 per cent of them being so brought, I should be in favor of bringing in American vessels all of the immigrants who come into this country. It would give our ships business to which our ships are entitled.

There are other reasons why immigrants ought to be brought here in American ships. Our officers and agents should examine them before they come to this country. As we all know, foreign ships now bring immigrants to Ellis Island in great numbers; great numbers are frequently turned back, and the American Government has to pay the foreign ships for taking them back. Why are they sent back? Because they have not been properly examined before they arrive here. Mr. President, why would it not be good business, and why would it not be a protection to the American people to have these examinations made by our own officers and agents before the

immigrants leave the shores of Europe? We would save millions of dollars a year by pursuing that policy. By the way, it is estimated that if one-half of the immigrants who come to this country each year even under the present law were brought in our ships they would yield a revenue to them of something like $8,000,000. There is no reason why that can not be done.

I am very much in favor of that, because it would be giving not a subsidy to our shipping interests but it would be giving passengers to our ships, furnishing them with business. Our ships do not need, the ships of no nation need, subsidies. What they need is passengers and cargoes. Any ship that has passengers and cargoes does not need a bounty from the Government in order to run.

I will give an illustration of that. A large fleet of ships is owned by the Standard Oil Co., another large fleet of ships is owned by the United Fruit Co., another large fleet of American ships is owned by the United States Steel Co. Those ships do not need a subsidy, for they have business; they carry cargoes and they are making money. The only way we are ever going to build up a merchant marine is, so far as we can by law and by custom, to give our ships passengers and cargoes, to give them business. When we give them business, give them passengers and cargoes, they will need no cash subsidy from the Government. The granting of subsidies is wrong in principle and wrong in policy.

So I say, Mr. President, that this provision of the bill in reference to 50 per cent of immigrants coming to America being brought in American vessels, even though it does not go so far as I think it ought to go—for instead of providing that 50 per cent of those immigrants should be brought here in American ships the provision should be that all immigrants who come to this country should be brought in American vessels—is a good provision. We have a perfect right so to provide. It would not be a discrimination against foreign nations to have such a provision in our law, and I heartily join the Senator from Washington in the proposal which is contained in the pending bill.

I next come, Mr. President, to the provision of the bill which takes over the Army transport service. Of course that service ought to be under the Shipping Board. Such a transfer will mean additional cargoes for our ships; it will help build up business for the American merchant marine. That is a good provision, and I am heartily in favor of it. I am for any provision in the bill which will give to our merchant marine more business, more cargoes. Such provisions ought to be adopted. They ought not, however, to be connected with provisions of the bill for cash bounties and subsidies to a favored few.

I next come to the provision of the bill in reference to coordination between rail and water transportation. Of course that should be enacted. There is but one objection to it, and that is it is not strong enough. We ought to see to it that our railroads, instead of making contracts with foreign shipowners to transport across the water in foreign vessels freights which are carried to our seaboard, shall make contracts with American shipowners to carry those cargoes, when they are delivered at the seaboard, in American bottoms. That, of course, is a good provision. I am afraid that the proposed provision in the bill is not a workable one, but it ought to be made workable. We ought to make our shipping companies and our railroad transportation companies coordinate; we ought to make each of them useful to the other. We ought to see to it that our railroads are not permitted to make contracts with foreign shipowners for the carriage of freight across the ocean in foreign vessels to the detriment of American shipping. I am sorry the Senator from Washington has not made that provision stronger, but I indorse it so far as it goes.

Mr. JONES of Washington. Mr. President——

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

Mr. McKELLAR. I yield with pleasure.

Mr. JONES of Washington. Mr. President, I think I may say that if there is any provision in the pending bill which originated with me it is the provision with reference to the coordination of rail and water transportation.

Mr. McKELLAR. I wish to congratulate the Senator.

Mr. JONES of Washington. I will say to the Senator from Tennessee that the provision does not go nearly so far as I desired that it should go.

Mr. McKELLAR. I again congratulate the Senator.

Mr. JONES of Washington. I am glad to hear the Senator say that he is in favor of bringing about and enforcing, if possible, coordination between the railroads and the water lines; and I hope that we shall be able to amend the bill so that when it is passed it will have a stronger provision in it along that line. We ought to compel coordination between the railroads and the shipping lines.

I am not going to state here why the provision is not stronger; I may do so before we get through; but I will be glad to state to the Senator himself why it is not stronger. It is not the fault of the Shipping Board, however; I will say that much.

Mr. McKELLAR. I feel sure that there is no disagreement between the Senator from Washington and myself on that subject. Knowing the Senator as I do, and knowing what a great friend he is of the merchant marine of the United States, I know that if it were left to him to determine the kind of a bill that would most effectively build up and maintain the American merchant marine he would be for making that policy stronger. We would find him working for it at all times under any administration; and he would not be for the cash subsidy now if it had not been inflicted upon him by outsiders.

Mr. President, the Senator says that, so far as we may be able to do so, we ought to make the railroad carriers and the ocean carriers coordinate. We have absolute authority under the Constitution to do that; there can not be any question of the power of Congress over foreign and domestic commerce, and I have no doubt that all it is necessary to do is for a workable plan to be submitted to Congress, and then this matter can be handled in such a way as to make our merchant marine infinitely prosperous if it were adopted.

Mr. JONES of Washington. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. JONES of Washington. If the Senator will permit me, I do not want to be understood as implying that we do not have the constitutional power to take such action. I think we have, and I believe that we could, merely by changing a word or two, make this provision much stronger than it now is and much more along the line the Senator and I both want.

Mr. McKELLAR. I am quite sure that in a subsequent session, when we have more time to perfect this bill, the Senator and I and others who are interested in building up the American merchant marine will perfect it in such a way as to give our ships cargoes and make those who own the ships and operate them prosperous, as they should be.

Now, Mr. President, I come to the next proposition, namely, the transportation on American vessels of the agents and representatives of the United States who travel abroad. It is a very remarkable thing that, despite all the ships the United States has, it is necessary to pass a law to require the agents and representatives of the American people who are compelled to go abroad to travel in American ships. Yet that is what we have got to do. It is provided for in this bill, and it is a very proper provision. I am heartily in favor of it. The Senator from Washington will remember that to every appropriation bill, I believe, considered during the present session—I do not know whether they were finally adopted in conference—I have sought to have attached amendments providing that our representatives who are compelled to go abroad shall sail on American vessels wherever that is possible. Under present conditions the Government pays millions of dollars to foreign ships for the transportation of our representatives to all parts of the world. Mr. President, Americans ought to have more patriotism, more love of country, than to be willing to sail at Government expense on foreign ships when there are good American ships to carry them; and yet we have got to enact into law a a provision forcing them to travel on American ships.

I recall a short time ago that our great ambassador to London when he was sent for to come home on a matter of business crossed the ocean to this country and returned to England, as I recall, on a British ship; an American ship was not good enough for him. I have not looked to ascertain, and I do not know whether it was finally adopted in conference or not, but on the diplomatic and consular appropriation I secured the adoption of an amendment requiring representatives of the State Department, great and small, to travel on American ships if they travel at Government expense. I hope that amendment was left in the bill. If so, our American ambassador to London and other ambassadors, representatives, and agents, high and low, will all have to travel upon American ships. That is as it ought to be. The amounts paid out by the Government for such purposes run into the millions of dollars a year, and our ships should receive the benefit of that expenditure. Of course, the provision in the bill on that subject is a good provision; I indorse it strongly; and if it were not for the cash subsidy that is provided for in the bill, the remainder of the bill, bad as some parts of it are, would have my approval beyond the shadow of a doubt.

I next come to the provision requiring the transportation of Government supplies on American vessels. Mr. President, it is a remarkable thing that Government supplies are shipped on foreign vessels and not in American vessels. We have nearly a thousand good steel vessels laid up all along the Atlantic seaboard and some on the Pacific coast; many of them are tied up at Jamaica Bay, near New York; others are tied up in the Delaware River and the Chesapeake Bay and in the James River—they are tied up by the hundreds—and yet the American Government is taxing the American people to pay for the transportation of Government supplies to various parts of the world in foreign vessels. I heartily indorse the provision of the bill on this subject.

I also indorse the provision in regard to tonnage dues. I think that is entirely proper.

Mr. President, I have pointed out, as well as I could, some of the faults and defects of the pending bill, and also some of the good provisions of the bill. I have offered a substitute, as the Senator from Washington knows, for the pending bill. By the way, I wish to digress long enough to say that the Washington Post states that no alternative proposal has been submitted for the ship subsidy bill. I am sorry that the Post has not looked into my substitute, which I think is a most excellent one, and I have no doubt that in the next session of Congress I will find that my distinguished friend from Washington will be actively aiding and supporting me in the adoption of some such measure. I do not mean to say the exact measure as proposed in my substitute, but something along similar lines.

I wish to explain exactly what my substitute proposes. It suggests several changes. My proposed substitute accepts all the good provisions of the pending bill to which I have just referred; they are all incorporated bodily, just as they appear in the bill advocated by the Senator from Washington. I do not even propose to change the transportation features, because I thought those provisions really ought to go to a committee and be improved in the way that the Senator has pointed out; but there are two essential differences between my proposal and the bill reported by the committee.

Mr. President, it is one of the most remarkable things in all American history that the only war which we did not win entirely and absolutely was the War of 1812. That was the war in which our Capitol was burned. Great Britain had the advantage. It will be recalled that we went to war because of the impressment of our seamen and the insistence upon the right of search of our vessels. It is remarkable that in the treaty of peace concluded after that war was over not a word was said about the two principal things for which we went to war. England merely granted us a respite or a cessation of hostilities, without making any agreement virtually that bound her, except what I shall relate in a few moments. Students of history will recall that all that saved us in that war was the brilliant and wonderful victory of Andrew Jackson over the British at New Orleans on January 8, 1815. That victory was won after the war had closed, but General Jackson had not been informed that a treaty of peace had been signed, communication in those days being very slow, and, therefore, not knowing that the fighting was over, he won one of the most brilliant victories of our history.

Mr. BROOKHART. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. BROOKHART. Does not the Senator think that the reason this war is not over right now is that Senators on the other side have not heard of it as yet?

Mr. McKELLAR. Does the Senator mean the subsidy war?

Mr. BROOKHART. Yes.

Mr. McKELLAR. The Senator may be right about that. I read editorials a little while ago in which it was stated that this was a Democratic filibuster entirely. The Senator happens to be a Republican from the good State of Iowa, and I have been informed that not only the Senator from Iowa but quite a number of other Republicans were just as determined, if not a little more determined, that this bill should not pass at this session than any of us Democrats. Am I correct about that? I do not want to mislead anybody.

Mr. BROOKHART. I can assure the Senator that he is absolutely correct.

Mr. McKELLAR. I thank the Senator for that assurance.

Mr. President, I have been diverted for a moment. I want to say that it may be wondered why I am referring to the war of 1812 in this way in an argument on the ship subsidy bill. I will tell Senators why. A treaty of peace with Great Britain was eagerly sought by our representatives, and signed in 1815 under the circumstances that I have mentioned, Great Britain assuming that she was the victor, and our representatives virtually assuming that we were the vanquished. What was the result? The result was that we entered into a commercial treaty under which American rights were sacrificed in a marvelous way. Why, in large portions of the British Empire our merchant ships were not allowed to go into the harbors, save for water. They could not trade with the people; they could not obtain cargoes in the harbors along the Indian Ocean or the South African waters or the African waters at all, or even in the Mediterranean Sea. We gave up the right even to trade with those British Provinces; and what was the result?

You would have thought that that treaty would have been annulled by our Government long ago; and yet the remarkable situation exists to-day that that treaty, made in 1815, is still the law of the land, an existing treaty between this country and Great Britain; and recently—I do not know whether it has been changed lately or not—our ships went to Egypt, for instance, loaded with American goods for Egypt, and they had to get sand from the desert of Sahara for ballast to bring the ships back, and you gentlemen recently put a tariff tax on that ballast. Great Britain, by order in council, did not permit the Egyptians to send back their goods in American ships, but they had to come here in British ships, under the provisions of that treaty of more than a hundred years ago. So it is with other colonies, and so it is that these discriminations against our shipping have been practiced. There are other treaties of like kind.

Congress in 1920 passed a bill, under the leadership of the present chairman of this committee, my distinguished friend from Washington [Mr. JONES], which authorized and directed the President of the United States to annul and abrogate that treaty thus discriminating against American rights. President Wilson, who was President at the time, declined to do it, on the ground, I understand, that it was an invasion of the Executive prerogative, and later on President Harding took the same position.

Mr. President, with those treaties in the way we are not in a position to build up our American merchant marine. Those treaties ought to be abrogated. It has been held that the Congress has a perfect right under the Constitution to annul and abrogate commercial treaties of this kind. I call the attention of the present Presiding Officer [Mr. ROBINSON in the chair] to the fact that I believe in 1912, when he and I were Members of the House, Congress passed a bill or a joint resolution abrogating the treaty of 1832, made with Russia, for reasons which were set out at that time. There is no doubt about the power of Congress to abrogate these treaties. There are 26 of them in all. Our Executives have refused to do it, and I am not blaming anybody. They may have been within their rights, but Congress will also be within its rights if those treaties are annulled, as they ought to be. This Government of ours, in building up a merchant marine, ought not to permit any Government to discriminate against the American Government in the matter of its trade and commerce abroad. There ought not to be any discrimination, and yet under these old treaties it is provided that discriminations can be made, and they are made every day.

Mr. President, I submit in the substitute I have offered, in sections 13 and 14, provisions annulling and abrogating and declaring at an end these treaties that militate against the success of our merchant marine. They ought to be abrogated. They are not in consonance with the times. They are out of date. They are discriminative against us. They constitute an outrage upon our business and they should be abrogated, and I propose that the Congress shall abrogate them in the way I have mentioned; and that is one of the principal differences between my substitute and the bill as reported by the committee.

The next principal difference, Mr. President, is a corollary to that provision. I now read it. It is very short:

"SEC. 15. The Secretary of the Treasury is hereby authorized and directed to set aside upon receipt of 5 per cent of the amount of all custom duties paid under law in force at the time of the enactment of this act or under laws subsequently enacted on all goods, wares, and merchandise imported in ships of the United States, and to pay out the same to the importers of goods, wares, and merchandise which shall be imported in such vessels of the United States, said sums to be paid in proportion to the duty collected on the goods thus imported by each importer: *Provided*, That these payments shall not be made prior to a day 15 months after the passage of this act, at which time the treaties mentioned in sections 13 and 14 of this act shall have been abrogated and annulled by this act, unless it shall be determined finally by the courts that this section is not affected by said treaties: *Provided further*, That no such sums shall be paid to any importer who imports any goods now on the free list, or which may hereafter by law be put upon the free list, in

vessels other than in those of the United States, and the Shipping Board shall establish rules and regulations by which the fact of importation of goods on the free list shall be determined: *And provided further*, That persons traveling and returning to the United States bringing goods, wares, or merchandise with them, shall likewise be entitled to 5 per cent of the duties paid by them: *And provided further*, That this section shall not apply to importers transporting their own products in their own vessels."

Mr. President, I want to say in reference to this provision that in my judgment it is infinitely better than the cash-subsidy provision of the pending bill. In so far as we Democrats are concerned, of course it should meet the approval of every one of us, for the reason that it reduces the present high tariff horizontally 5 per cent on all goods brought in American bottoms. No advocate of a low tariff could possibly object to this provision. It saves the 5 per cent, not to any favored interest but to the merchants who import the goods. It allows those persons to sell to the American people those goods thus brought in American bottoms cheaper than those merchants who bring in their goods in foreign bottoms. It gives an advantage to those patriotic Americans who help to build up American shipping, and they ought to have the advantage.

Mr. President, let us see what else it does. A provision like that will mean that the American merchant marine will get cargoes. That is the purpose of it—to get cargoes. Any importer of foreign goods into this country will, of course, take advantage of the law to obtain a 5 per cent reduction in tariff duties by bringing in those goods in American vessels. What will that mean? That will mean business for our American merchant marine. That will mean cargoes for our American merchant marine. That will mean the true building up of our merchant marine. It is not a gift to them. You do not give them a thing. You merely furnish to them cargoes for their ships. I say to the Senator from Washington, in whom I have the greatest confidence, that in my humble judgment a 5 per cent differential on goods brought in in American bottoms will do the American merchant marine a thousandfold more good than three times the subsidy provided in this bill.

Mr. JONES of Washington. Mr. President——

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

Mr. McKELLAR. I yield to the Senator.

Mr. JONES of Washington. Of course, I recognize the importance of having cargoes for American ships, and, of course, that was the primary object of the discriminating-duty provision; but, while I may not understand it, as I understand the Senator's provision he sets aside in the Treasury 5 per cent of the duties collected upon imported goods, and then he takes that money and pays it to the importer as a subsidy for bringing those goods into this country in American ships. I can not see the difference in principle between that and what we provide. It is a different application, but I do not see that it is a different principle.

Mr. McKELLAR. It is quite the contrary. I do not recall the history of the Senator on the tariff bill. I believe that he is a high-tariff man; but take those of us who believe in a lower tariff than we have. There is not one of us who would not vote for a horizontal reduction of 5 per cent on the present high-tariff duties. It would mean cheaper goods for the American people. I would vote for that whether it provided cargoes for our American merchant marine or not. I would vote for just the bald proposition, and not only vote for it but work for it and support it, because it is in consonance with what I believe about the tariff. I think the present tariff rates are too high. I would vote for a horizontal reduction of the tariff of 5 per cent with nothing else, and even more, perhaps; but when we can couple with that the bringing to our American merchant marine of an enormous amount of business which will make them prosperous, it seems to me that it should meet the approval of practically every one, and it is no form of a subsidy, no form of a bounty. It can not be construed into a bounty. Why? These importers are the ones that pay the tax. It is a lessening by 5 per cent of the taxes now levied upon importers of goods. It can not be said that it is a bounty to them. It is not at all. It is a reduction of tax, and a reduction of tax in such a way that it will force into American bottoms an enormous quantity of goods.

This is no new item. It has been suggested in the past quite frequently. It was enacted, in substance, in a law that was passed by the Congress in 1913, known as the Underwood-Simmons bill, and in that bill there is a provision for a differential of 5 per cent on goods brought in American bottoms, and, as I recall, some court held that it was unconstitutional; but, at any rate, it never has been enforced. The Senator will recall, from the history of our merchant marine, that for nearly a half century after the formation of our Government a differential duty was placed upon goods brought in American bottoms, and our merchant marine before the war was largely built up by this differential duty.

Mr. JONES of Washington. Mr. President, if the Senator will permit me, I remember about that. I remember that I made a speech in behalf of this provision in the Underwood tariff law.

Mr. McKELLAR. I am delighted to know that. The Senator and I are not very apart on this merchant-marine business.

Mr. JONES of Washington. I think that is one of the best speeches I ever made, and I hope the Senator will read it.

Mr. McKELLAR. I will. I am going to read some more of the speeches of the Senator in a little while—part of that 14-hour speech of his.

Mr. JONES of Washington. That will be fine. My point, however, was this: I do not think there will be much controversy between the Senator and me on the principle, except that it seemed to me that the Senator has the provision framed contrary to what he has been arguing with reference to the principle of the subject.

Mr. McKELLAR. Oh, no.

Mr. JONES of Washington. I may be wrong about it, but the Senator takes this money and puts it into the Treasury. It is not remitted as a diminution in the tariff, but he takes the money and puts it into the Treasury, and then out of that fund he pays a certain sum to the importer for bringing goods into this country in American ships. It looks to me as though that is a subsidy. I may be wrong about it.

Mr. CUMMINS. Mr. President——

Mr. McKELLAR. I will discuss that in a minute. I yield to the Senator from Iowa just now.

Mr. JONES of Washington. I may be in full accord with the Senator as far as that is concerned——

Mr. McKELLAR. I am quite sure the Senator will be.

Mr. JONES of Washington. Because I am for subsidies when necessary.

Mr. CUMMINS. Mr. President, I ask the Senator to yield to me only for the purpose of making two reports from the Committee on Interstate Commerce.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent, out of order, to submit two reports from the Committee on Interstate Commerce. Is there objection?

Mr. McKELLAR. Of course, I am not to be taken off my feet.

Mr. FLETCHER. Mr. President, I know there are others who feel that there ought to be an objection, so I object.

The PRESIDING OFFICER. Objection is made.

Mr. CUMMINS. Objection is made?

Mr. FLETCHER. Yes, sir.

Mr. JONES of Washington. Mr. President——

Mr. McKELLAR. I yield now to the Senator from Washington.

Mr. JONES of Washington. I do not want the Senator to be uneasy. I will notify him before I propose to invoke the rule.

Mr. McKELLAR. I thank the Senator very much.

Mr. JONES of Washington. The Senator need not worry about that. All I ask is just a reasonable compliance with the rule. I will not invoke it except when I think it is being violated to consume time or parcel out time.

Mr. McKELLAR. I am undertaking in my feeble way to discuss the provisions of this bill.

Mr. JONES of Washington. The Senator has done it.

Mr. McKELLAR. And I have no desire to do otherwise.

Now, Mr. President, I want to say a word about the provision which the Senator and I have been talking about.

The Senator will recall the inhibition in our Constitution against the Senate initiating revenue legislation; and therefore in the Senate an amendment could not be offered providing for a differential in tariff rates such as the Senator has suggested. That was one consideration in the preparation of this provision in section 15.

Another consideration was that such a differential in tariff duties might be in legal parlance a discrimination. Foreign nations under treaties might be in a position to object to a differential which might discriminate in the matter of bringing goods in American vessels. But no foreign nation can object to our appropriating money for any purpose we see fit. Therefore, if precisely the same result could be accomplished as a differential by directing the 5 per cent to be set aside and paid out, it avoids that difficulty which might otherwise be brought up.

But there is even another consideration to which I will call the Senator's attention, and ask his usual thoughtful considera-

tion of it. A differential such as the Senator from Washington suggested awhile ago in tariff duties would affect only dutiable goods. It would not affect goods on the free list at all. The Senator will see that point. More than half of our goods are now on the free list.

Mr. JONES of Washington. It would be very easy for us to provide that goods otherwise on the free list, if brought in foreign ships, should pay a slight duty.

Mr. McKELLAR. That could be provided, but from our Democratic standpoint I would not want to vote for any such provision as that. Of course, the Senator would have no objection to it, but I would. I do not want a tariff put on any more articles than are now on the dutiable list. But the provision that I propose eliminates that consideration in that there is a proviso that if any importer brings any goods on the free list in ships other than American bottoms, the 5 per cent is not paid. So he is obliged to bring his free goods in the same as his dutiable goods in order to get the 5 per cent on the dutiable goods. I think when the Senator comes to consider that provision he will come to the same conclusion that I have reached, that it would be a reduction of the burden of taxation upon the American consumer by a horizontal reduction of the tariff to the extent of 5 per cent, that it would furnish cargoes of dutiable goods for our merchant marine, and it would at the same time furnish cargoes of free goods, goods on the free list, for our merchant marine.

Mr. FLETCHER. Mr. President——

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

Mr. FLETCHER. May I ask the Senator if it is not true that people well informed on the whole subject have been favoring for a great many years the principle of discriminating duties as a sound principle upon which to build a merchant marine? That is an old policy approved by people who have made a study of the subject, and it was in force at one time and produced great results in building up a merchant marine. Even good, strong Republicans and good, strong protectionists like the American Economist, for instance, advocate to-day that same principle as against the subsidy. If that is true, why should we not resort to a method of that kind rather than the method of paying money out of the Treasury?

Mr. McKELLAR. I will say to the Senator from Florida that not only is he correct, but I believe it was in 1789, the first year of our Government under our new Constitution, that a bill was passed which provided for a discriminating duty on goods brought in American vessels, and that has been done continuously. It was an American policy continuously up until the treaty of 1815. Great Britain never accepted the provisions of our commercial treaty putting it in full force and effect until 1848 or 1873, and it was that time that marked the beginning of the decline of American shipping. We built up a splendid merchant marine long before the Civil War by reason of discriminating duties which brought cargoes to our fleet. That is what we need now. I want to impress again upon the Senate that the purpose of the provision is to gain cargoes for American ships so that they may prosper. No one is more in favor of building up the merchant marine than I am.

I come to the next principal provision and, of course, instead of the Senator from Washington agreeing with me about this one, he will disagree very firmly, I have no doubt. I come to one of the principal differences between my substitute and the committee bill. Section 17 of my substitute reads as follows:

"SEC. 17. It is hereby declared the policy of the Congress that all the ships now owned by the Government under the direction of the Shipping Board shall be operated for a period of 10 years, either directly by the Shipping Board or by leasing to independent operators under such terms as the board shall prescribe, to the end that the American merchant marine may be established upon a firm and enduring foundation, provided that no ship shall be leased at a loss to the Government.

"And the Shipping Board is hereby directed to establish trade routes and trade connections as rapidly as possible and wherever in its judgment paying routes can be maintained and to utilize every ship that it can utilize without loss to the Government. The Shipping Board is further directed to make a list of such ships as it does not believe can be profitably utilized by the Government or its lessees and make its recommendation in reference to the disposition thereof to the Congress at its December, 1923, session, giving full data as to each ship recommended to be sold to others than American citizens."

Mr. President, at this point I am going to digress and the reason why I digress is because I want to read to the Senate a very excellent defense of the filibuster delivered by my distinguished friend, the Senator from Iowa [Mr. CUMMINS], who I see is now in the Chamber, and who was not in the Chamber when I reached that point a while ago. I did not want to refer to it when he was absent. As he is now here I want to read what he said in 1915 on the subject of the filibuster. I doubt if he is like some of our other friends who have changed on the proposition; I expect that he holds to the same view now; and, therefore, I am going to digress long enough to quote what he said at that time.

Mr. CUMMINS. Mr. Presdient, I very well remember what I said, and my views are not changed in the least degree.

Mr. McKELLAR. I am very glad to know it.

Mr. CUMMINS. I hope the Senator will not look upon me as discourteous if I do not remain to hear read what I so well remember.

Mr. McKELLAR. Oh, no; I shall not; but I will just read it for a moment. I think it will interest the Senate, in view of the present condition with reference to the pending bill.

On February 16, 1915, the Senator said:

"Mr. CUMMINS. Mr. President, as I was just observing, there is room for a very wide difference of opinion with regard to the propriety or wisdom of imposing a cloture upon the deliberations or debates of the Senate.

"I have given due heed, I think, to the arguments for and against the limitation of debate, and without entering into the reasons which have influenced me, I desire to say that in my opinion the weight of the argument is in favor of a limitation of debate in the Senate. When I say that I am not to be understood as saying that I believe the majority of the Senate should at any time have the power to absolutely foreclose further debate, but I do think that a proportion of the Senate—I have not reached a definite conclusion upon that point, whether it should be a majority or whether two-thirds of the Senate—ought to have the power to put into effect a rule which will automatically close debate after a reasonable time, after every Senator has had an opportunity to reasonably discuss the question before the body."

That is a prelude to the part to which I wish to call particular attention:

"There are, however, two conditions which ought to be excluded from the operation of any such rule. There are two conditions against which a filibuster, so called, is not only justified but, I think, imperatively demanded. Whenever the Chief Executive of the country attempts to impose his will upon the Senate, and thus to preclude or prevent that fair and open mind to which all discussion ought to be directed, when Senators do not feel that they are at liberty to vote upon a particular measure in any way which their judgment and their conscience direct them to vote, then a rebellion in the form of a filibuster is not only justified but, I think, it is absolutely required if we would preserve the freedom and the dignity of the Senate of the United States. I recognize, however, that there is no practicable way in which the existence of that fact or that condition can be shown. I do not know of any method through which proof could be offered of that fact. Therefore I pass it without further consideration.

"But there is another condition, Mr. President, which justifies a political minority in prolonging debate to the uttermost limit of their strength. That condition is a caucus held by Senators which, under a rule adopted by some political organization, binds or attempts to bind all Senators belonging to that political organization to vote in a particular manner."

Those two propositions, I think, can not be gainsaid by anyone. I have read them in order to show——

Mr. CUMMINS. I agree with that, every word of it.

Mr. McKELLAR. I was quite sure the Senator would. The reason why I quote that at this time is because of the commanding place and influence of the Senator in this body. He is respected by every one here. He was chosen by this body as its President pro tempore to preside when the Vice President is absent. We have all learned to know the careful consideration that he gives to all questions that come before him. We all know of his fairness and of his desire to do the right and square thing. So, when I quote him, I feel that it is a very high authority to which other Senators should give very great heed.

Mr. CUMMINS. It depends on each man's conscience.

Mr. McKELLAR. Absolutely. Now, here is a bill which comes virtually from the Executive. The ship subsidy issue was an issue in every campaign last fall. It was decided adversely to the President. The Members of Congress elected and to take their seats in the next Congress would never pass the ship subsidy bill. The only way the ship subsidy bill could possibly be passed would be to bring it to a vote at this session of Congress, where men who were defeated would take part in the vote and help to form a majority for the passage of the bill. It has been repudiated by the people. The new Congress will not pass it.

Yet the Executive undertakes, by a message delivered before the Congress, to impose his will, to impose his views upon the Congress of the United States. Those of us who regard the ship subsidy bill as having been repudiated by the American people believe that for some reason—probably some reason that seems to the President entirely right and sufficient—he desires to impose his will upon the Senate of the United States. And, under the statement made by the distinguished Senator from Iowa, of course every Senator who thus believes has a duty to employ every means to defeat the bill in the present Congress.

Again, under the statement made awhile ago by the distinguished Senator from Washington [Mr. JONES], chairman of the Committee on Commerce, that the bill was submitted first to certain organizations and then afterwards to a caucus of the Republican members of the Senate Committee on Commerce and later to the members of the House committee having the bill in charge there, and they in their caucus undertook to impose upon the Congress of the United States their will, then, under the definition of the Senator from Iowa, not only is it our right but it is our duty—those who do not believe that the bill should be foisted upon us by a secret caucus—to oppose the measure to the limit.

Mr. HITCHCOCK. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. HITCHCOCK. Undoubtedly if the Senator from Iowa had conceived it possible that the President would undertake to force his will upon the Congress after a measure had been repudiated by the people, he would have included this particular situation in his opinion of a filibuster. The present situation is even a little stronger than that which he described so well.

Mr. McKELLAR. Yes; it is very much stronger. I thank the Senator for the interruption. It is very much stronger, because it indicates that then there was no mandate from the people. It had not been submitted to the people previously, but here the very question was submitted to the people of the United States, and they decided adversely; and, nothwithstanding their adverse decision, the President of the United States, simply because eight of the Senators hold only until the 4th of March, undertakes to foist the bill upon the American people which they have repudiated, to jam it through the Congress, to use the excellent expression of the Washington Post, notwithstanding the decision of the American people.

Mr. HARRISON. Mr. President——

Mr. McKELLAR. I yield to the Senator from Mississippi.

Mr. HARRISON. Does not the Senator think that if the Senator from Iowa would really express himself on the proposition at this time—and I see him sitting before me now—he would agree with the view just expressed by the Senator from Tennessee?

Mr. McKELLAR. I have such great respect for the Senator from Iowa that I would not feel like inviting him to do so unless he felt like doing it of his own accord.

Mr. CUMMINS. Mr. President, if the Senator wishes to interrogate me regarding anything, I am perfectly willing to be interrogated.

Mr. McKELLAR. As I said, I feel that that would hardly be proper. If the Senator from Mississippi desires to do so I have no objection.

Mr. CUMMINS. I, of course, can understand the humor of the Senator from Mississippi, but I felt quite sure that the Senator from Tennessee did not feel quite that way.

Mr. McKELLAR. Oh, no; I do not. I would not feel like interrogating the Senator from Iowa unless he desired voluntarily to submit to it.

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

Mr. McKELLAR. I yield to the Senator from Mississippi.

Mr. HARRISON. I do not think the Senator from Iowa exactly caught the purport of the interruption. The Senator from Tennessee had just paid a very great eulogy, and very properly so, to the great ability of the Senator from Iowa.

Mr. CUMMINS. Which I do not deserve, but which I appreciate very much.

Mr. HARRISON. And he had quoted at length from a speech which the Senator had made contending that when the will of the people was being thwarted the minority had a right to go to any extent, even almost to rebellion, I believe, if I recall the words correctly, in preventing a cruel and unjust act; and the Senator quoted conditions that would warrant such a procedure. The Senator from Tennessee then said that the present situation was even stronger, because there were 7 or 8 so-called "lame ducks" who were being used in order to force through by a very narrow margin this piece of proposed legislation; that it was done after the people had spoken in an election; and that if the Senator from Iowa would now express himself, perhaps, he would add that condition in addition to other conditions which he imposed.

Mr. CUMMINS. Mr. President, I am quite content with the statement I made from which the Senator from Tennessee read. I am a law-abiding man, and so long as the Constitution of the United States permits Senators who may have been defeated for reelection to act as Members of this body, I do not believe in putting any limitation upon their action. That would not be in accord with our institutions.

I am in favor of changing the Constitution, and have been so for many years—I have made some effort in that direction in the past—so that no Congress shall convene save the Congress which has been last elected by the people. I do not believe it is wise to permit one year practically to intervene between the election of a Congress and the time when that Congress shall begin to function. I suppose I feel about that just as the Senator from Mississippi does; but, so long as we are operating under our Constitution, it is idle to speak of limiting in any respect the votes or the scope of the votes of the existing Members of Congress.

Mr. McKELLAR. Mr. President, I wish to say that I agree entirely with the Senator from Iowa that we not only have no legal right but that we have no moral right, in my judgment, in any way to deprive of any right Senators whose terms of office run only until the 4th of March, 1923. They have just as many rights as other Senators have, and I would not attempt to take them away from them. Of course, I again agree with the Senator from Iowa when he says that the Constitution ought to be changed so that after the election, or as shortly after the election as may be reasonable and proper, the new Congress may assemble before any business is transacted after the election; in other words, that after the election is held in November there shall be no session of Congress until the new Congress comes in.

Mr. CUMMINS. I agree with that.

Mr. McKELLAR. We nearly all voted for the constitutional amendment having that object in view just a few days ago, and it is now in the House of Representatives. A very large majority of Senators voted for the amendment on both sides of the Chamber, and I think it commends itself not only to the Congress but to the American people, and it is right.

If there were no other reason for refusal to pass this bill than the fact that Senators who have been elected to the Senate and whose terms have not yet expired might vote on it, of course, there would be nothing in the contention; but here is a bill that comes to us outlawed, so to speak, by the American people, and which many of us believe is wrong both in policy and in principle, but which the Executive asks shall be passed by us. Then, I think under the rule which has been laid down by the Senator from Iowa, which I have just read, that that is an Executive interference that requires those of us who believe that the bill should not pass to prevent its passage in any way that it is honorable and right so to do.

Mr. CUMMINS. Mr. President, if the Senator from Tennessee will allow me, I desire to say that I have expressed myself a great many times on this floor with regard to Executive interference, and I have not changed my mind about that. The Constitution gives to the President of the United States the right to advise Congress of his views and to make his recommendations concerning public affairs. No one can criticize or no one can complain of the President for doing that thing. So far as any other interference is concerned, I abhor it just as much as the Senator from Tennessee possibly can. Every man knows—that is, he can define in his own mind, although he may not be able to put it accurately in words—the influence which an Executive should exercise upon Congress. I have no reason to believe that the present Executive has gone beyond his constitutional privilege, his constitutional duty, if I may put it in that way. If he has done so, whoever knows it ought to disclose it.

I am rather intimate with the President of the United States in a social way; I value his friendship; I think he is a strong, good man; but he has never indicated to me his views in reference to—indeed, we have never even discussed—the so-called shipping bill. I think the notion that he is attempting in any improper way to influence the Members of Congress with

regard to this proposed legislation is a misapprehension; that it is founded upon an error. Does the Senator from Tennessee know of any instance in which the President has made such an attempt?

Mr. McKELLAR. Mr. President, I am very glad to say to the Senator that there can be no question that the President had the constitutional right to make any address and recommendation to Congress that he saw fit to make in reference to this matter, but I doubt his right and the wisdom of it to insist, as the public prints say that he does insist, that this bill which he has recommended shall be voted on in a Congress, that is a kind of left-over Congress, after the American people have decided against the bill. In other words, I am not questioning the high motives of the President, but I am merely questioning his having taken such action and the wisdom of his action. It would be entirely proper for him, it seems to me, to make that recommendation to the new Congress that is to come in, but it seems to me it is just a little out of place for him to insist that the bill should only be acted upon by a Congress such a large part of which has been repudiated.

Mr. CUMMINS. The Senator is in favor of amending the Constitution so that there shall be no intervening session of Congress between the election and the time when the new Representatives and Senators shall take their seats?

Mr. McKELLAR. We all feel that way about it.

Mr. CUMMINS. If that were the law, if that were the Constitution, I agree entirely with the Senator from Tennessee, but that is not the Constitution.

Mr. McKELLAR. I said very frankly to the Senator that I believed a Senator has the constitutional right to act until his term expires.

Mr. CUMMINS. The Senators and Representatives who are going out of office on the 4th of March have the same right exactly to vote upon a public question that they would have if they had been reelected.

Mr. McKELLAR. Of course, I agree to that; there is no difference between us as to that.

Mr. CUMMINS. I can not understand the criticism which has fallen, not upon the President, because I have not heard it expressed in that way, but I heard it said—I think it was proposed in the form of a resolution—that Senators whose terms are about to expire should not vote at all. I think, however, that was speedily withdrawn, because it was recognized that that could not follow. The people elected these Senators for a certain period, and during that period they have a right to exercise all the privileges which attach to the office of a Senator. Ultimately the people will have their way and will send Senators and Representatives who, broadly speaking, represent their views. I think the Senator from Tennessee places undue emphasis upon the fact that some Senators are going out of Congress on the 4th of March, and that we, the Republican side of the Chamber, should not therefore press this legislation because they are going out.

Mr. McKELLAR. I think the Senator from Iowa, if he would give consideration to another feature of the question that we have not discussed as yet, would virtually have the same view that I have. If this were merely ordinary legislation the Senator would be correct about it, of course, but this is extraordinary legislation. It provides that the Shipping Board may enter into contracts to pay subsidies out of the Treasury of the United States not for the next year, but for a period of some 10 to 15 years, and, therefore, it is binding not only upon the present Congress, but it will be binding upon practically eight Congresses in the future, and it will be binding upon four future Presidents, simply because when this Government makes a contract such as is proposed by this bill, granting subsidies over such a long period of time, the Government is going to live up to that contract; it will be obliged to live up to that contract as an honest Government.

Under those circumstances, at a short session of Congress, without due deliberation, with only one or two speeches on the part of the proponents of the bill—I think only one or two such speeches have been made—we ought not to tie up future Congresses and future Presidents in the way that is proposed by this bill.

Mr. CUMMINS. About half the domestic expenses of the Nation, excluding war expenses, are composed of subsidies. We are voting on subsidies all the time. I make no suggestion with regard to my view of this bill, but I can not see any reason for defeating it because it is a subsidy, because we are constantly subsidizing the people of the United States.

Mr. McKELLAR. Not in 10 and 15 year contracts. I think this is the only bill of this kind; certainly it is the only bill that I can now recall during the 12 years that I have been in Congress that has sought to bind the Government for anything like such a period of time.

Mr. CUMMINS. That may be very unwise; I do not say as to that; but it is a thing that everybody can understand. I have been rather surprised to hear the clamor against subsidies when the United States was subsidizing practically every class of citizens in one form or another. I do not believe that a government can be successfully maintained in these days without subsidies. I think there are people who can not take care of themselves for one reason or another and the Government must subsidize them. I am not saying that the Government ought to subsidize shipping; I am only saying that it is not a remarkable thing that the Government shall pay out money in order to maintain people who can not maintain themselves.

Mr. McKELLAR. I want to ask the Senator if he knows of any other government which is subsidizing its shipping with a cash subsidy?

Mr. CUMMINS. I am not going to enter into that question. I have not studied that phase of the situation.

Mr. McKELLAR. As a matter of fact, no other government has passed a cash subsidy bill for its ships.

Mr. CUMMINS. The Senator a few moments ago was speaking about the tariff. Is not the tariff a subsidy?

Mr. McKELLAR. I have always maintained it was, and for that reason have voted against every high-tariff bill.

Mr. CUMMINS. The Senator voted for the Underwood-Simmons bill, did he not?

Mr. McKELLAR. Yes. That was a very different bill.

Mr. CUMMINS. Was not that a subsidy?

Mr. McKELLAR. No.

Mr. CUMMINS. It was a subsidy, but not to such a degree; that is all.

Mr. McKELLAR. No; that was a revenue producer.

Mr. CUMMINS. Precisely; but——

Mr. McKELLAR. Its purpose was to produce revenue and not to afford protection for favored interests.

Mr. CUMMINS. I was in the Senate when the Underwood-Simmons bill was passed, and I think that the debates of that period indicated that most of the Senators believed that the rates in that measure would not have been levied had it not been for the protection they contained. That is my judgment.

Mr. McKELLAR. There is another difference, if the Senator will permit me to make the suggestion, between the tariff and the pending bill. The tariff as a measure raising revenue by reason of the duties on imports is specifically provided for in the Constitution, but I do not think anybody in the world would say that a bill providing for the payment of cash subsidies to ships is provided for in the Constitution.

Mr. CUMMINS. When we come to consider whether a proposed subsidy is wise or not, then that is a matter of individual judgment and individual conscience. But to be very much astonished at the word "subsidy" I can not understand, because we grant subsidies all the time and we have to do so all the time.

Mr. McKELLAR. I do not recall any such subsidy as is proposed here.

Mr. CUMMINS. A different kind of subsidy, of course, but having really the same end—that is, to take care of people who can not take care of themselves. Did the Senator hear the Senator from Idaho [Mr. GOODING] deliver his very eloquent speech this morning?

Mr. McKELLAR. Yes; I heard it.

Mr. CUMMINS. Would the Senator regard the proposal he advocated as a subsidy?

Mr. McKELLAR. I am inclined to think it would be.

Mr. CUMMINS. It may be a very defensible subsidy.

Mr. McKELLAR. I am not so sure of that; I am rather against all subsidies at all times.

Mr. CUMMINS. I am expressing no opinion about that, but I know that we pay out, excluding the Army and Navy, about half of all the money we appropriate in the form of subsidies.

Mr. HITCHCOCK. Mr. President——

Mr. McKELLAR. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. The Senator from Iowa seems to think that presidential interference depends upon the degree. He concedes, as we all do, that the President has the constitutional right to make recommendations. He made a recommendation to Congress upon the ship subsidy bill, and it thereupon became a party measure; but I want now to ask the Senator whether the mere matter of recommendation was not exceeded when the President a few weeks ago, in recommending the passage of the debt settlement bill, used language entirely outside of the subject he called Congress together to discuss? He said:

"Knowing there is abundant time for ample debate, I would be recreant to my belief in the urgency of a decision on the merchant marine bill if I did not renew the request that it be brought to a final disposition. I venture the allusion because it has been threatened that the merchant marine act shall not be allowed to come to a vote."

He carried his insistence further when he gave this criticism of the program:

"Mere avoidance by prolonged debate is a mark of impotence on a vitally important public question."

A direct criticism of Congress during the last few months.

"I plead for a decision. If there is a favorable majority, the bill should be enacted."

Not a majority of the people, but a majority now existing in Congress.

"If a majority is opposed, defeat will be decisive. Then if Congress fails in providing the requested alternative measure the Executive branch of the Government may proceed as best it can to end the losses in liquidation and humiliation."

More or less of a threat to Congress that if it did not do the Executive will in this matter humiliation would come to the country by Executive action.

Mr. CUMMINS. I did not so understand the President's language. It seems to me very respectful and temperate.

Mr. HITCHCOCK. Let me repeat it to the Senator:

"Then if Congress fails in providing the requested alternative measure the Executive branch of the Government may proceed as best it can to end the losses in liquidation and humiliation."

The Executive branch of the Government is going to end the losses in liquidation and humiliation.

Mr. CUMMINS. Precisely. Congress has already given to the President the power to sell these ships.

Mr. HITCHCOCK. That is all right.

Mr. CUMMINS. And all that he says there is that if the law is not modified he may conclude that it is his duty to sell the ships as provided by Congress.

Mr. McKELLAR. Is not that a threat?

Mr. CUMMINS. Not a threat; no.

Mr. McKELLAR. When it comes from the President of the United States?

Mr. CUMMINS. If I were to say what I intended to do under certain circumstances, I would not regard that as a threat. I see no impropriety at all in the language of the President. He has a right to impress upon the Congress his view with respect to the merchant marine law, and I have always thought that he employed very temperate language in conveying his ideas. That is his distinctive style—to speak respectfully.

Mr. McKELLAR. Mr. President, listen to this:

"I speak frankly, because the situation demands frankness. I am trying to emphasize a responsibility which can not be met by one branch of the Government alone."

Is not that a statement that the Congress was not meeting its responsibility?

Mr. CUMMINS. No; that is a statement that it requires Congress and the President to make a law.

Mr. McKELLAR. I submit this sentence to the Senator:

"There is call for congressional expression, not mere avoidance."

Is not that a statement that the Congress is likely to avoid its duty?

Mr. CUMMINS. That is a statement that in his opinion Congress ought to proceed with more rapidity in the disposition of this matter. Does the Senator see any impropriety in that?

Mr. McKELLAR. I think it is not an appropriate message. The President had given his views to a former extra session of Congress. The President had come to Congress and given his views specifically on the merchant marine bill, had urged its passage, and had given all the reasons that he gave for it in this last message. There was no reason for his repeating them. The Congress knew exactly what his views were; and it appears to me that it is in substance a threat to get rid of our entire merchant marine unless they pass the bill providing a cash subsidy; and I say that with all respect to the President, whom I esteem very highly.

Mr. CUMMINS. I do not think it lies within our consistency, anyhow, to criticize a man for saying something twice. There is a good deal of repetition in the Senate, and no one can conduct an argument without it.

Mr. McKELLAR. But it is not saying something twice to make a formal effort under his constitutional prerogative to emphasize the same thing, and not only to emphasize it but, as it appears to me, to be threatening in his words.

Mr. CUMMINS. Well, he believes in it——

Mr. McKELLAR. I am quite sure he does.

Mr. CUMMINS. And he is repeating his belief, I suppose, as often as he gets an opportunity to do it; but there is nothing wrong about that. The wrong would come only when he attempted in some improper way—not publicly, not while performing his constitutional duty—to influence Members of Congress with regard to their votes.

So far as I am concerned, I like to see a man who believes in a proposal just as outspoken in that belief as it is possible to be. That is one of the admirable things about the President of the United States. He does not conceal his beliefs, and he thinks that it is his duty under the Constitution to express what he believes the legislation on this subject should be; and, so far as the threat to dispose of the ships if the bill does not pass is concerned, what would the Senator from Tennessee do?

Mr. McKELLAR. With the ships?

Mr. CUMMINS. With the ships.

Mr. McKELLAR. Why, if I had charge of them I would have the Shipping Board operate them for the benefit of the American people. This is what they ought to have been doing all the time. I would not tie them up; certainly no more of them than was necessary.

Mr. CUMMINS. No matter what it cost to operate them?

Mr. McKELLAR. I would proceed with them under the law, under the powers that I now have, and I would operate them for the benefit of all the American people, without giving subsidies to any of them, or asking Congress to do so.

Mr. CUMMINS. The operation is optional with the President. He does not have to operate the ships.

Mr. McKELLAR. I know; but I would take that option if I were in his place. I would not undertake to put them in private hands for a song, as is attempted to be done here. I would operate those ships for the benefit of all the people, and not ask for authority to turn them over to the hands of a few people, and then give those few people a subsidy to operate them. The Senator asks me what I would do, and I tell him very frankly what I would do.

Mr. CUMMINS. The Senator would operate them no matter at what cost, I suppose? I do not believe the President of the United States has the moral authority, anyhow, to operate these ships and levy $50,000,000 a year upon the people of the country toward their operation.

Mr. McKELLAR. Mr. President, I believe if they were properly and economically operated by a Shipping Board that knew its business, instead of losing $50,000,000 a year the Shipping Board would be making $50,000,000 a year in the operation of those ships.

Mr. CUMMINS. I do not know as to that. I am not able to answer that. I am not an expert in shipping.

Mr. McKELLAR. I am not, either; but the Senator asked me what I believed, and I am telling him.

Mr. CUMMINS. But I think it might be taken for granted that the ships are being operated about as cheaply as they can be.

Mr. McKELLAR. I do not know whether that can be taken for granted or not, under the facts as established in the hearings. I have very great doubt about that. For instance, just take the salaries of three of the vice presidents of this board at $35,000 a year. I think that is a willful waste of the people's money, and they ought not to have any such salaries.

Mr. CUMMINS. That depends. I know of a good many men who can earn $35,000 a year.

Mr. McKELLAR. Oh, yes; perhaps there are such men. But they are not the vice presidents of the Shipping Board.

Mr. CUMMINS. I do not know whether these men earn the money or not.

Mr. McKELLAR. I only know that one of them during the war, as I understand, got $6,500 a year.

Mr. CUMMINS. The amount of a salary does not prove that it is excessive. You must go further than that before you can pass on that matter.

Mr. McKELLAR. The Senator says it is not excessive. Does the Senator know of a single other officer, except the President of the United States alone, who gets as much from the Government as the vice president of the Shipping Board at $35,000?

Mr. CUMMINS. I do not know.

Mr. McKELLAR. Oh, yes; the Senator must know that.

Mr. CUMMINS. No; I do not.

Mr. McKELLAR. The Senator must know that only the President gets a salary larger than $35,000 a year, paid by the Government.

Mr. CUMMINS. Oh! There are a great many larger salaries paid than are paid to officers of the Government.

Mr. McKELLAR. I am talking about governmental salaries. No other governmental salary except the President's is as

high as that. The Chief Justice of the United States gets $15,000, and he is the highest paid, I believe, unless it be the Vice President, who gets $15,000, or maybe it is $12,000.

Mr. CUMMINS. Twelve thousand five hundred dollars, I think.

Mr. BORAH. And we are going to buy him a house.

Mr. McKELLAR. No other officers of the Government than the vice presidents of the Shipping Board get such enormous salaries. Why, take the members of the Shipping Board themselves. They get $12,000 a year, and yet these vice presidents get three times that; and one of them, by the way, in a letter that I had published in the RECORD, directed me to inform my constituent that it would be cheaper for my constituent to ship his goods in a British vessel than it would be for him to charter an American vessel, when he was there as the representative of the American vessel.

Mr. CUMMINS. I do not know anything about those facts.

Mr. McKELLAR. I am giving them to the Senator so that he may know the kind of Shipping Board men to whom we are giving these enormous salaries. You would think that a man to whom we pay the enormous salary of $35,000 a year——

Mr. CUMMINS. I do not even know who it is.

Mr. McKELLAR. Mr. Smull—you would think that when he was applied to for the chartering of a ship by an American citizen he would not say to the American, "You can get your ship cheaper from the British merchant marine."

Mr. CALDER. Maybe he was telling the truth.

Mr. McKELLAR. Well, I believe either the Bible or some other good book says that it is not always expendient to tell the truth.

Mr. BORAH. No; it was not the Bible.

The PRESIDING OFFICER. Senators will please observe the rule. Senators desiring to interrupt the Senator having the floor will address the Chair.

Mr. McKELLAR. Mr. President, joking aside, the facts about that matter were these, and I will state them again: I will put in the RECORD the letters that passed between us a year or two ago. Some constituents of mine, Humphrey Godwin & Co., of Memphis, Tenn., sent me a letter asking me to see upon what terms and when they could charter from the Shipping Board an American ship to carry a shipload of cottonseed meats—the Senator, of course, knows what they are—from a Texas port to two British ports. I read that telegram over the telephone to a man by the name of Robinson, who was in Mr. Smull's office, and Mr. Robinson without any ado replied to me over the telephone: "*Tell your constituents to interview the British people.*" I think he used the word "people" instead of "merchant marine." "We do not want that business. *The British people can do it cheaper than we can.*" He never asked any questions. That was the statement. I telegraphed that statement, by his direction, to my constituents. I wrote to Mr. Smull that night—he happened to be away at that time, he was in New York City, this man to whom we paid $35,000 a year—I wrote him that night, sending him the telegram and my reply to it, and giving him the information, and the next day I got a letter from Mr. Smull upholding Mr. Robinson in saying to my constituents that it was cheaper *to ship on British ships*, without any investigation, without any knowledge of the subject, simply upon the proposition being stated to him, and incidentally stating what the rates were, and he did not even have the rates right, as the correspondence will show, and I will put it in here. It has already been put in the RECORD once, but I want to put it in again right here for the information of the Senate.

Mr. CUMMINS. I can not pass upon the competency of the various men who are employed in the Shipping Board.

Mr. McKELLAR. If that man were in my employ I would not regard him as a $35,000 man.

Mr. CUMMINS. That man was operating for the Government, and it was his duty to do what he believed was right. That is one of the objections I have to Government operation of steamship lines and railroad lines. I do not believe in it, because when the Government operates——

Mr. McKELLAR. They do not care about business.

Mr. CUMMINS. The Government can not be as selfish, and ought not to be as selfish, as the individual corporation. It is not possible that it shall be.

Mr. McKELLAR. Mr. President, I am not going into the discussion of Government ownership to-night.

Mr. CUMMINS. No; I am not, either.

Mr. McKELLAR. I have not time.

Mr. CUMMINS. But I do not believe that the Shipping Board has paid more for its men than it was necessary to pay in order to get the kind of men it wanted.

Mr. McKELLAR. Why, Mr. President, during the war we got this very man for $6,500, according to my recollection, and if I am wrong I want to be corrected.

Mr. SMOOT. Mr. President——

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

Mr. McKELLAR. I do.

Mr. SMOOT. We got a good many men during the war at a dollar a year, too.

Mr. McKELLAR. Yes; and they were the most expensive men in the world. I think this man was expensive at $6,500 during the war and infinitely more expensive now at $35,000.

Mr. SMOOT. But I want to say to the Senator that the two men he is speaking of now would be delighted if the Government of the United States would relieve them of the positions they are now occupying. I say that because I know it. I do not say it because I have heard it from unreliable sources. They can get more money than $35,000 to-day.

Mr. McKELLAR. Mr. President, if the transaction with my constituents is the kind of a business transaction that they are engaged in as vice presidents and officers of the Shipping Board, I think it would be infinitely better for the United States Government if they should get some other jobs as soon as possible. They ought to be relieved immediately.

Mr. SMOOT. Let us see if that is so, taking the very case that the Senator recites here as an example. Mr. President, the officer of our Government told the absolute truth. A tramp steamer from England could carry that cargo, with his boat here with nothing to take back, very much cheaper than the American boat could carry it there and have nothing with which to return. We could not have put anything else than these products of cottonseed on board. That was the cargo, and a tramp steamer at any time can take——

Mr. McKELLAR. Oh, no; the Senator does not know the facts. The Senator is just absolutely without knowledge as to the facts in the matter. My constituents did not ask him anything in the world except for a price to charter that steamer. They did not fix any limitation. It was not a question of price. They merely asked to charter an American steamer, and they were deprived of the right. Mr. Smull did not make them a price. Indeed, he quoted the British price as being cheaper than the American price without ado. He was looking for the interest of British ships, not American ships.

I say that if we have that kind of officers in the Shipping Board, whether we pay them $1 or whether we pay them $35,000 a year, they ought to be discharged. I have said it before, and I say it again. They ought to be discharged. We ought not to have men of that kind in our employ. Why, that is what is the matter with our Shipping Board. That is what is the matter with our merchant marine, if the Senator will permit me just a moment. It has been charged that the chairman of the board has openly stated that the Shipping Board did not want business; they wanted to get out of business as soon as possible; and it is conceded, I think, that they do not believe in Government operation and do not want it to go on any more.

Mr. SMOOT. I will say to the Senator that the American ships that are operating are operating on regular courses; and as for taking one shipload of stuff to England, with no return freight, and having to secure a complete crew to operate the vessel, they could not possibly do it. They can not take a ship out of the regular advertised course for the purpose of running it upon another course to take just one cargo of merchandise.

Mr. McKELLAR. At the time this gentleman made that reply to me they had over 500 ships tied up in the ports along the Atlantic seaboard.

Mr. SMOOT. But they can not cast off a ship and run it to England and back without some men to run it.

Mr. McKELLAR. Of course; but there were 5,000,000 men out of employment then, under the administration of the Senator's party in this country, men without a job, men who would have been delighted to get a job to sail on the vessels, if the officers of the Government had been up to their proper business qualifications.

Mr. SMOOT. Oh, I did not refer to politics, and the Senator should not bring in politics. When we came into power that had happened; but to-day we have not men enough to fill positions in the Government of the United States. That was the cause of it, and that has been the result of it. But I did not rise to discuss politics. I rose to state to the Senator the exact situation.

Mr. McKELLAR. Now, I want to give full information to the Senator and to the Senate. On August 25, 1921, I received the following telegram:

[Telegram.]

AUGUST 25, 1921.

Senator K. McKELLAR,
Washington, D. C.:

Kindly make diligent inquiries of Shipping Board to ascertain how we may proceed to obtain by charter the services of an American steamer to handle full cargo about 3,000 tons cottonseed cakes late October, loading Houston, Tex., to two United Kingdom ports. We naturally desire secure rates somewhat lower than prevail for lesser quantities. Is there any just reason why we can not charter direct with Shipping Board?

HUGH HUMPHREYS.

On the same day I sent the following telegram:

[Telegram.]

AUGUST 25, 1921.

Mr. HUGH HUMPHREYS,
Memphis, Tenn.:

Telegram received. Called Shipping Board at once. Mr. Smull, in charge of allocation, out of city. Be here to-morrow. Mr. Robinson advises that you can get cakes hauled cheaper by British ships. Will see Mr. Smull when he returns and urge him to let you have ship and at less cost than the British ship.

KENNETH McKELLAR.

Here is the letter I wrote Mr. Smull that very afternoon:

AUGUST 25, 1921.

Mr. J. B. SMULL,
Shipping Board, Washington, D. C.

MY DEAR MR. SMULL: Inclosed please find telegram from Mr. Hugh Humphreys, of Memphis, Tenn., one of the best and most reliable merchants and brokers there, which telegram explains itself.

I have talked to your Mr. Robinson about the matter, and he did not give me much encouragement, saying that the British could haul the freight cheaper than the American ship could be chartered for. If everybody is told this, we might as well sink our ships. It seems to me that every effort should be made to have Mr. Humphreys charter this ship and haul his cottonseed cakes in it. Mr. Robinson told me that you would be back to-morrow, and I will be greatly obliged if you will advise me over the telephone as soon as you come to a conclusion about it.

I am wiring Mr. Humphreys, and inclose you a copy of my telegram.

Very sincerely yours, KENNETH McKELLAR.

It will be seen that this letter and the two telegrams all occurred on the same afternoon. The next day Mr. Smull returned—Mr. Smull, the gentleman to whom we are paying the enormous salary of $35,000 a year to look after the American ships and to look after American business on those ships. Here is the letter which I received from Mr. Smull and which I now read:

AUGUST 26, 1922.

"Hon. KENNETH McKELLAR,
"*United States Senate, Washington, D. C.*

"MY DEAR SENATOR: I have just returned from New York in connection with the United States mail matters"—

He did not say whether they were giving contracts to foreign steamers or not, but at that time the foreign steamers carried the most of our mail. I reread that part of the letter:

"I have just returned from New York in connection with the United States mail matters, and find your letter of yesterday awaiting my attention.

"I regret I was not here to talk to you in person when you called on the phone yesterday. I have taken this matter up with Mr. Robinson, and while he may have explained himself very bluntly, facts are stranger than fiction, and the fact remains that all full-cargo tramp steamers under foreign flags can operate more cheaply than Shipping Board steamers.

"I might add that the conference rate for cottonseed cakes from the Gulf to the United Kingdom ports has been fixed by the American and British interests at $10 per 2,240 pounds. The present market rate for a full-cargo tramp steamer in the same trade is approximately $6.50 to $7 per ton, and your constituent can probably obtain a foreign steamer at this figure. The Shipping Board would lose money on any steamer they put into this trade at this rate.

"Incidentally this explains to you way the Shipping Board is laying up its steamers as fast as they can be laid up, in order to stop losses, and this situation will only adjust itself with an improved condition in the general export situation.

"Very truly yours,

"J. B. SMULL, *Vice President.*"

Here is what my constituent replied on August 29, 1921:

"I agree with you that the letter you sent is a remarkable one and is a complete admission of the inability of the Shipping Board to handle the ships of the country. In my own opinion, the trouble is that they have never handled themselves in a businesslike way and have never entered the shipping business as other shipping companies conduct their affairs. I simply can not understand why the boats are not leased or chartered to various shipping interests of the world, but instead are endeavoring to handle them in a most unbusinesslike way.

"The pre-war rate from Gulf ports to Europe was about 10 shillings. To-day the Shipping Board, with everything at about normal prices, confess they can not operate at more than four times that rate.

"Don't wake up the Washington office of the Shipping Board, but the conference rate, instead of being $10 per ton, as stated in their wire, is $8 per ton, and is being so quoted by all of their agents."

Here was a man operating the ships, being paid $35,000 a year, and he did not know the rates and quoted the wrong rate. But he was careful to assert that British rates were cheaper. How can we fail to lose money when we have officers like that in charge?

Then my constituent went on to say—and he gave me permission to use this:

"We do not wish this mentioned, because it might result in their tying up still more steamers and allowing the American produce to rot or be sold at perfectly ridiculous prices because of their inability to properly operate the steamers.

"I wish you would send the original of the Shipping Board letter and my original telegram over to Senator McKELLAR, who is president of the Mississippi Valley Association, as I would like for him to see the total impossibility of Americans trying to do business in their own ships. The idea of admitting to other countries that we can not compete, and tying up our ships, is simply beyond my process of reasoning.

"With kind regards,

"Yours very truly,

"HUGH HUMPHREYS."

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

Mr. McKELLAR. Certainly.

Mr. LENROOT. I would like to ask the Senator who he would have operate our ships?

Mr. McKELLAR. I would certainly be able to find a man at a less salary than that who could manage it a great deal better than he did. I believe almost anybody who was put in charge of operation could go out and get cargoes and would perform better than Mr. Smull and his representatives performed on that occasion. That is the only actual experience I have had about obtaining ships.

Mr. LENROOT. Does the Senator take the position that to have efficient operation we must have men who have had experience with operation?

Mr. McKELLAR. I do.

Mr. LENROOT. Is not the Senator aware that whenever the Shipping Board has put an experienced man in charge of operation the charge was at once made that he has not been serving the Government, but the interests he had theretofore affiliated with?

Mr. McKELLAR. Will the Senator state that question again?

Mr. LENROOT. Whenever an experienced man has been put in charge, has not the charge been at once made that he is not serving the Government, but the private interests which he had theretofore been serving?

Mr. McKELLAR. I do not know. I do not make that kind of charges.

Mr. LENROOT. I know the Senator does not, but he is aware that the charge has been made publicly always.

Mr. McKELLAR. If the Senator says so, I take his word for it, but I have not made any such charge, and, so far as I recall, no one has made it to my knowledge. I think some of those kinds of statements were made in the newspapers occasionally. I never have paid any attention to those things.

But here was one of the leading merchants of my home city who sent me a telegram like that. I do not think there was over half an hour elapsed between our telegrams. I immediately called up the Shipping Board and was given a rebuff like that, *was told to go to the British vessels;* that they could run cheaper than our vessels can; that the board did not want the business anyhow. That was a jar to me, as it would have been to the Senator if it had occurred to him.

Mr. LENROOT. One further question. Assuming that the statement is correct; that whatever may have been the fault of somebody, it could have been carried in a British ship very much cheaper than in an American tramp ship. Was the party who

wrote the letter to the Senator serving the Government or not in saving the Government that money at the same time the Senator's constituent was getting the service?

Mr. McKELLAR. If the Senator will recall the telegram of my constituent, he will remember that my constituent paid very little attention to the price. *He wanted the goods hauled in an American vessel.* He said he thought that the price ought to be less when they took a full cargo, and I imagine that would occur to any business man. With that sort of statement there was no limitation on it. The man of business would have said, "Why, Senator, a tramp steamer like that will cost your constituent so much, and you can wire him that price. If it is satisfactory to him, we will be very glad, indeed, to let him have it." He might have said that much to me anyway. If I was in the shipping business and wanted to get business, I would be very careful about how I turned down a full cargo of anything. This man did not want business.

I would certainly look into it very carefully, and yet here was a man who just off the reel, without any consideration or explanation, without any knowledge, because he did not have any knowledge about it, refused the business. It is in line with what has been done all the time. Every ship they can lay up has been laid up, and we have many hundreds of them tied up. My judgment is that every tramp steamer that could be put to work from the very beginning ought to have been put to work. We ought not to give up the trade to anyone. If we are going to have a merchant marine that is a success, we have got to fight for the business from start to finish. We have great competitors. We have experienced competitors. We have competitors who have been in the ocean-carrying trade for hundreds of years. We have got to fight like Trojans to take part of that business. We will never have an ocean-carrying business until we get men in charge of it who believe we ought to get the business, and who are willing and capable to fight for it.

Mr. LENROOT. Is it the Senator's view that we should operate all of our ships irrespective of the losses incurred?

Mr. McKELLAR. Oh, no; not at all. I do not think we ought to operate any of them at a loss. I believe if a bill was passed such as I have proposed as a substitute for the bill offered by the Senator from Washington, which incorporates probably three-fourths of the provisions of the bill which he has offered, that instead of operating our ships at a loss the Government would make great profit from the operation of them.

Mr. LENROOT. Does the Senator think the Shipping Board can operate ships to-day at a profit?

Mr. McKELLAR. No; I doubt it to-day, although some lines are operating at a profit. The reason why I say no is because the shipping business is at the lowest ebb this year that it has ever been in its history.

Mr. LENROOT. But the Senator criticises the Shipping Board for laying up a ship, and at the same time he says he does not feel that they can be operated at a profit. Therefore, the conclusion must be that the Senator thinks all of these ships should be run at a loss.

Mr. McKELLAR. Oh, no; the Senator does not understand my position at all, and does not state it correctly.

Now, Mr. President, I have digressed for some time and longer than I intended, but I want to call the attention of the Senator from Iowa [Mr. CUMMINS] to another point in connection with the subject of the filibuster. I want to read another excerpt from his language which is a very strong statement from the Senator's excellent speech of February 16, 1915. It applies so very aptly to the pending bill that I can not refrain from quoting it. I read from page 3842 of the RECORD:

"There has never been a moment of real debate in this Chamber upon the bill now before us, because real debate involves a mind that is willing to listen, involves the opportunity at least for conviction and for change of opinion. Since the action of the caucus, so far as those who have regarded themselves as bound by it are concerned, there has never been an hour in which any discussion of the question would avail those who were participating in it. I do not know how many of these Members are in fact opposed to this measure. I do not know that. I do not propose to say. I only say that we are operating under a rule of the caucus which enabled or is intended to allow 36 members of the caucus to control the action of 53 members."

Now, that same condition exists to-day. There has never been any debate on the bill on the part of those who proposed it with the exception of the Senator from Washington. He discussed it on one occasion.

Mr. CUMMINS. The Senator has not given him any chance, has he?

Mr. McKELLAR. Oh, yes. Indeed, I have yielded, hurried through all day to-day. I gave him a great deal of time to-day and am willing to give him more time if he wants it. I am willing to give him all the time he wants. He can take some of my time if he likes. But the Senator from Washington is virtually the only Senator on the other side of the Chamber who has really discussed this bill.

Mr. President, the Senator from Iowa's position is entirely right; I indorse it. There has been no discussion of this bill. The truth of the business is that it has been agreed upon by party leaders, and, in my judgment, the majority of the Senators on the other side of the Chamber are voting for it not because they believe in it, for I do not believe they do, but they are voting for it simply because they have been asked by their own President to vote for it.

Mr. CUMMINS. I understand the Senators on the other side of the Chamber do not care to give anyone a chance to vote on it.

Mr. McKELLAR. I doubt very much whether the bill will be voted on at this session, I will say to the Senator without violating any confidence; but, however that may be, if the President or anyone else wants a vote by the Members of the Congress who have been elected on that issue, there will be no trouble about getting such a vote.

Mr. CUMMINS. We could not do that now, could we?

Mr. McKELLAR. No. We can not do that now until next December, unless an extraordinary session is called. If the ship subsidy bill is so important a matter as the President says it is, if it is important enough to bring the President before the Congress twice within a period of three months, if it seems to him so important, let him call an extraordinary session, although I devoutly hope and pray that he may not do it.

Mr. CUMMINS. I do not understand the Senator. He says he hopes and prays that the President will not call the new Congress together?

Mr. McKELLAR. I have not had a vacation in many years, and, personally, I am very much opposed to an extraordinary session.

Mr. CUMMINS. But the Senator ought not to put his own personal comfort in the way of the public good.

Mr. McKELLAR. I shall not do so. If the President shall call an extraordinary session, I shall be here every day, just as I have been during the present session. I will make my personal comfort entirely subordinate.

Now, Mr. President, I wish to refer to another matter. Why the necessity of pressing this bill at this time? A morning newspaper stated that if we did not pass the bill it would show the lack of the ability of the Senate to do business. Mr. President, this is a Republican Congress and I am a Democrat, but I wish to say that there has not been a short session of Congress since I have been a Member—and I have been a Member for 12 years—that ever transacted the real business before it, which consists of the appropriation bills, any more efficiently, any more quickly, than the present Congress has done. We have done a marvelous business. We Democrats have helped in every way the passage of all supply measures. There never was a time in my recollection when the appropriation bills had all been passed at this stage of the short session of Congress.

Mr. HEFLIN. I am sure that my good friend does not mean to indorse many of the measures which this Congress has passed?

Mr. McKELLAR. Oh, no. I certainly do not. I will come to that. I indorse some of the measures it has passed, but I have indorsed much more the defeat of others. Of course, we have all cooperated, Democrats as well as Republicans, to get the appropriation bills passed. We all wanted them passed, for that was the real business of the session. Perhaps we ought not to have gone beyond them anywhere, but the President insisted that there was other work for us to do.

He presented a Liberian loan bill here which if passed would have voted $5,000,000 in the pockets of a favored few and allowed men whose debts were outlawed to collect them. Congress never did better work than when it defeated that bill. I indorse that defeat. Then came the no less outrageous Dyer antilynching bill. The Senate defeated that bill. I indorse that defeat. Now, if it will cap the climax by defeating this infamous raid upon the Treasury of the United States I shall say that it has done better business than any short session of Congress since I have been a Member of Congress.

I say that with some misgivings, because last week a bill was passed here by an enormous majority to which I was absolutely opposed. I regret its passage. It was a poor business. But tak-

ing it by and large, no short session of Congress has ever gotten along faster with the Nation's business than the present short session has gotten along with it, and all this was brought about by Democratic cooperation.

Mr. HARRISON. Mr. President, before the Senator from Tennessee closes, if he is getting ready to conclude——

Mr. McKELLAR. Mr. President, I have not nearly finished, though I am hurrying on very rapidly.

Mr. HARRISON. If the Senator will permit an interruption, I desire to say that there was a statement made by the senior Senator from Utah [Mr. SMOOT] a few moments ago in his colloquy with the Senator from Tennessee [Mr. McKELLAR] that I think is misleading and inaccurate. It was when the Senator from Tennessee referred to the unemployment situation in this country in 1921. I am sorry the Senator from Utah is not now in his seat, because I am sure he would correct the statement he then made.

The Senator from Utah stated that the Democratic administration handed over to the present administration the great problem of unemployment. If the Senator will permit me to interrupt him further, I desire now to state the facts, and I make the statement merely to keep the record straight.

In August, 1921, some time after the present administration came into the control of the Government, in response to a resolution which was passed by the Senate asking for certain statistics from the Department of Labor, the Secretary of Labor sent a report to this body. I wish merely, for the sake of the RECORD, to read a part of that report, with the permission of the Senator from Tennessee. The Secretary of Labor stated:

"Responding to the requirements of the above resolution the best estimate that can be made from available sources of information is that there are at present 5,735,000 persons unemployed in the United States. These figures relate to the differences in the numbers of employees carried on pay rolls July, 1921, as compared with the peak of employment in 1920. Figures of the unemployed by industries are:

Manufacturing and mechanical industries (including building trades)	3,900,000
Mining	250,000
Transportation	800,000
Trade and clerical workers	450,000
Domestic and personal service	335,000
Total	5,735,000

"No estimates can be given as to the number of ex-service men unemployed, as the reports covering pay roll data do not segregate them. The same applies to women workers.

"This total must be accepted, of course, as an estimate. It is practically impossible to get exact figures of persons out of work except by an actual count upon a given date, which is, of course, prohibitive by reason of its cost. The Department of Labor, through the United States Employment Service, in January, 1921, estimated that there were 3,473,446 less workers employed in January, 1921, than in January, 1920, and that this was a reduction of 36.9 per cent. For the succeeding six months between January and July, 1921, the number of names on the pay rolls covered by that service decreased 7.3 per cent. There was a decrease of 1.1 per cent between June and July, 1921. This reduction, added to the estimate of unemployment for January, 1921, indicates 3,906,450 less workers employed in industry in July, 1921, than in January, 1920."

Mr. CURTIS. Mr. President, if the Senator from Mississippi wishes to give information in answering what the Senator from Utah [Mr. SMOOT] stated, I shall not make any point as to who has the floor.

Mr. HARRISON. Yes; I am sure the Senator desires the information.

Mr. CURTIS. The unemployment situation in 1921 was all brought about by virtue of conditions which were left by the former administration, and we are perfectly willing that the country should know the facts.

Mr. HARRISON. Yes; the Senator says it was by virtue of that; but the Senator from Utah said that there was this great unemployment at the time that the present administration took charge, and yet here is a report made by the Secretary of Labor, of the Senator's own party, in August, 1921, which shows that 5,735,000 men were out of employment. I shall ask that this report be incorporated in the RECORD.

The PRESIDING OFFICER (Mr. SMITH in the chair). Is there objection?

Mr. McKELLAR. I have no objection if it will not take me off the floor.

Mr. CURTIS. It is already in the RECORD, is it not?

Mr. HARRISON. Then I will say that it appears in the CONGRESSIONAL RECORD of August 16, 1921, pages 5037, 5038, and 5039, volume 61, Part V, Sixty-seventh Congress, first session——

Mr. FRELINGHUYSEN. And is in a red bound book.

Mr. HARRISON. With that information anyone who may be interested may turn to the pages and read further. I always like to quote Republican authority.

Mr. CALDER rose.

Mr. HARRISON. I was just going to say to the Senator from New York, who is now on his feet, that I notice from the report from the Secretary of Labor, made at that time, that in the State of New York there were 424,716 persons unemployed.

Mr. CALDER. Mr. President, I was going to ask the Senator from Mississippi a question, if the Senator from Tennessee will permit me.

Mr. McKELLAR. I am willing to yield, if it will not interfere with my right to the floor.

Mr. CALDER. I was just about to ask the Senator to permit me to obtain from the Department of Labor to-morrow a statement as to labor conditions to-day and to incorporate them in the RECORD following his statement as to conditions in 1921.

Mr. HARRISON. Very well. I will be very glad to have that done.

Mr. CALDER. The Senator referred to the unemployment situation in New York. I will say to the Senator that to-day——

Mr. HARRISON. I only referred to what the Secretary of Labor of the Senator's own party had said.

Mr. CALDER. I will say to the Senator that to-day nobody is out of employment in New York.

Mr. HARRISON. I am very glad to hear that, and I hope that will apply to the Senator himself who retires from the Senate on the 4th of March. [Laughter.]

Mr. CALDER. I will say to the Senator in response to his suggestion that the Senator from New York is one of the "lame ducks" who is not looking for a job——

Mr. HARRISON. And who is beloved by all of us.

Mr. CALDER. For he has a job in New York City at his own business waiting for him.

Mr. HARRISON. I knew that.

Mr. McKELLAR. May I say to the Senator from New York that there is not one of the lame ducks or anyone else that I would rather vote to confirm to any position with which the President might honor him than I would to confirm the nomination of the junior Senator from New York.

Mr. CALDER. It is very nice for the Senator to say that but the President will not appoint me, because I do not want any place of any character at this time.

Mr. McKELLAR. It does not need that to get the Senator's vote for the ship subsidy bill.

Mr. CALDER. No; it does not.

Mr. HARRISON. I was going to say further with respect to unemployment that I notice on February 15, 1922, last year a very distinguished Republican Senator, who is now with us no more but is presiding over some judicial tribunal—I refer to former Senator Kenyon, of Iowa—made a speech on the floor of the Senate in which, among other things referring to unemployment, he said:

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

I am sorry to have interrupted the Senator from Tennessee, but I wanted these facts to go in the RECORD at this time.

Mr. McKELLAR. Mr. President, I had intended absolutely to substantiate our position on this bill by quoting from some of the speeches which were made in 1915 against the ship subsidy bill by some of our Republican friends, but I have had to hurry along and have not yet had an opportunity to cite the quotations. To-morrow or at some subsequent time I desire to finish what I wish to say and to quote to some extent from these eminent gentlemen, and to comment briefly upon what they have said.

By the way, Mr. President, before I proceed further, may I make a parliamentary inquiry at this time?

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. McKELLAR. If I yield the floor now and desire either to-morrow or the following day to continue, will I have the right to do so?

Mr. CURTIS. I presume that depends upon whether or not the Senator comes within the rules. The rule provides that a Senator shall not speak more than twice on the same day.

Mr. McKELLAR. I have spoken but once.

Mr. LA FOLLETTE. On t[illegible] pending motion.

The PRESIDING OFFICER. The Chair would rule that if it is the same legislative day the Senator would have the privilege of the floor for a second time if he obtained recognition.

Mr. LA FOLLETTE. That is on the pending motion.

The PRESIDING OFFICER. On the pending motion.

Mr. McKELLAR. I may continue to-morrow.

Mr. President, before I conclude there is an authority to which I wish to refer very briefly——

Mr. CURTIS. Could not the Senator complete his remarks this evening? We are all anxious to hear what he has to say.

Mr. McKELLAR. I am quite sure that the Senator is, but that would depend upon whether the Senator would want to adjourn too quickly. If he did not want to recess right away, I might continue.

Mr. CURTIS. We thought we would sit until 4 o'clock in the morning so as to give the Senator plenty of time.

Mr. McKELLAR. We might possibly get along by staying until that time.

Mr. FLETCHER. We might have a somewhat larger attendance if Senators are anxious to hear the Senator.

Mr. McKELLAR. I will forego for the moment the pleasure of quoting from my good friend, the Senator from Massachusetts [Mr. LODGE], so that I may quote from a speech of the chairman of the Committee on Commerce on the very subject concerning which the Senator from Kansas made his inquiry a moment ago. I quote from the speech made by the Senator from Washington [Mr. JONES] on February 8, 1915, when he said:

"If I should occupy this floor from now until the 4th day of March, no matter what the results might be to me, feeling as I do about it, I think I would be doing nothing more than my duty to the people who have honored me with a place on this floor."

I indorse that statement as being applicable to the present situation, as I see it. If I were to occupy the floor until the 4th of March I would be doing what I believe to be for the best interests of the people of the United States. The Senator from Washington went on to say:

"No greater calamity could come to this country than for us to be involved in this struggle, and I want to say, in all frankness, to our friends on the other side that this bill shall not pass if there is any possible way in which I can prevent it."

I quote those words of the distinguished chairman of the Committee on Commerce as applicable to my views on this bill.

Mr. President, before I close I wish to read a short excerpt from a speech made on the same day, namely, the 8th day of February, 1915, by the Senator from Massachusetts [Mr. LODGE]. At that time he said:

"Further, Mr. President, we have been joined in our opposition by seven Senators of an opposite political faith."

We on this side have been joined by more than that many Senators of the opposite political faith. The Senator from Massachusetts continued:

"I have sat here and heard those seven Senators villified as I have never heard Senators attacked in this Chamber before; and yet no man can imagine any motive actuating those men in the course they took which could have any personal advantage. All the personal advantage was the other way. If ever it was clear that men took a position because they felt it to be their duty to do it and did it with the utmost reluctance and were guided by their conscientious convictions, it was those men. I believe and I know they are actuated by the same feelings that we are in presenting the opposition to this bill, namely, that we believe it is a bill dangerous in present conditions to the peace and safety of the United States.

"Some of us, of course, are utterly opposed to Government ownership, especially on the ocean, and, above all, we are opposed to Government ownership at this time. We do not, we can not, tamely accept the proposition that such a bill as this should be passed and its provisions carried out by the purchase of these German ships, which has been the underlying and the stimulating cause of this bill from the beginning, around which there are dark suspicions and sinister stories. With that purpose in view, it seems to us that the passage of this bill would bring this country within measurable distance of war as soon as those ships are set afloat, and the German notice broadens it into a danger to any Government-owned ships."

That is all I desire to say at this moment. I shall take occasion later on to discuss these instructions more fully, more adequately, and as their importance deserves.

In other words, the Senator from Massachusetts, because he believed the shipping bill was wrong, joined in the filibuster against it, and aided in its defeat by a filibuster, and so did the Senator from New Hampshire, Mr. Gallinger, and so did the Senator from Delaware, Mr. du Pont, and so did most of the Republican Party; and they had no mandate of the people to uphold them in that filibuster as we have in this. We have a mandate from the people to defeat this bill. They voted against it in the last election, and it is our duty, as I conceive it, and it is not only my duty to my constituents, but it is in accord with the promises that I made on every stump in Tennessee on the last campaign, that I would vote against it, work against it, speak against it, and, if necessary, filibuster against it.

Mr. President, I have taken longer than I expected, and I now yield the floor.

During the delivery of Mr. McKELLAR's speech,

SWORD OF GEN. RICHARD MONTGOMERY.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a joint resolution (H. J. Res. 460) accepting the sword of Gen. Richard Montgomery, in which the concurrence of the Senate was requested.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Chair lays before the Senate a joint resolution from the House of Representatives.

The joint resolution (H. J. Res. 460) accepting the sword of Gen. Richard Montgomery was read the first time by its title.

Mr. WADSWORTH. May it be read at length? It is very brief.

Mr. McKELLAR. With the understanding that it is not to interfere with my right to the floor, I will be glad to yield to the Senator from New York for that purpose.

The joint resolution was read the second time at length, as follows:

Resolved, etc., That the sword of Gen. Richard Montgomery, which he wore when he fell at the siege of Quebec, on December 31, 1775, be accepted in the name of the Nation from the donor, Miss Julia Barton Hunt, whose generosity is deeply appreciated, and that the sword be deposited in the National Museum.

Mr. WADSWORTH. I ask unanimous consent that the Senate proceed immediately to the consideration of the joint resolution, without its reference to a committee.

Mr. McKELLAR. With the understanding that it is not to interfere with my right to the floor, I yield.

The PRESIDING OFFICER. Is there objection?

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. WADSWORTH. May I impose upon the good nature of the Senator from Tennessee for just a moment longer?

Mr. McKELLAR. With the same understanding, I yield.

Mr. WADSWORTH. I ask that there be printed in the RECORD in this connection in 8-point type an article which appeared in the year 1885 in Harper's Magazine descriptive of General Montgomery's career and of the battle in which he lost his life.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The article is as follows:

[From Harper's New Monthly Magazine, February, 1885.]

GENERAL RICHARD MONTGOMERY.

(By Louise Livingston Hunt.)

Among that small band of military leaders who shared the perils of our early struggle for independence, the name and fame of Richard Montgomery should be held especially dear by the people of New York. He has been dead more than a hundred years, and although his memory is revered by the American people, little is generally known of his personal history.

Sparks's American Biography contains a memoir of Montgomery. This was written by his brother-in-law, John Armstrong, who was Secretary of War in the Cabinet of President

Madison, and was known as a man of distinguished talents, well qualified as a military critic. This biography, however, is wanting in such personal details as the flight of time, and the circumstances of Montgomery's character, no less than his untimely fate, have rendered of uncommon interest to the reader of American history. Another sketch of Montgomery, by Brevet Major General Cullum, United States Army, appeared in 1876. While this is no doubt very valuable, owing to the military reputation of the author and the professional view which he takes of the services of Montgomery, it is largely indebted to the first memoir already noticed. It also is wanting in particulars of his private life.

It is not my province to discuss the professional merits of General Montgomery, or even to attempt any consecutive narration of his campaign in Canada. My purpose is to string together the accounts that have been furnished by the letters and manuscripts preserved at Montgomery Place and to bring my readers into closer acquaintance with the hero of Quebec.

General Montgomery was born on the 2d of December, 1736. He was by birth an Irishman. In his youth he served in the British Army during the French and Indian War. On his return to England after the close of the seven years' conflict he is said to have formed friendships with Fox, Burke, and Barré, becoming deeply imbued with their views of the rights of the Colonies. Superseded and disappointed in the purchase of a majority, he left England forever.

While still a captain in the British Army, Montgomery had met Janet Livingston, the daughter of Robert R. Livingston, one of the judges of the King's Bench. He was on his way to a distant post, and had come on shore with all the officers of his company at Clermont, Judge Livingston's country place on the Hudson. Subsequently, when he returned to settle in America, he renewed his acquaintance with her and, with the approbation of her parents, married her in July, 1773. Among the papers before me are the letter of Montgomery to Judge Livingston asking for the hand of his daughter and Judge Livingston's reply.

KINGSBRIDGE, *May 20, 1773.*

SIR: Although I am extremely anxious to solicit your approbation, together with Mrs. Livingston's, in an affair which nearly concerns my happiness and no less affects your daughter, I have nevertheless been hitherto deterred from this indispensable attention by reflecting that from so short an acquaintance as I had the honor to make with you I could not flatter myself with your sanction in a matter so very important as to influence the future welfare of a child. I therefore wished for some good-natured friend to undertake the kind office of giving a favorable impression; but finding you have already had intimation of my desire to be honored with your daughter's hand, and apprehensive lest my silence should bear an unfavorable construction, I have ventured at last to request, sir, that you will consent to a union which to me has the most promising appearance of happiness, from the lady's uncommon merit and amiable worth. Nor will it be an inconsiderable addition to be favored by such respectable characters with the title of son, should I be so fortunate as to deserve it. And if to contribute to the happiness of a beloved daughter can claim any share with tender parents, I hope hereafter to have some title to your esteem.

I am, sir, with great respect, your most obedient servant,

RICHARD MONTGOMERY.

—

CLAREMONT, *21 June, 1773.*

SIR: I received your polite letter by the hands of Mr. Lawrence at Poughkeepsie, from whence I returned last night.

I was then so engaged in the business of court, both night and day, that I had no time to answer it, and though I would have stolen an hour for that purpose, it required a previous consultation with Mrs. Livingston.

Since we heard of your intentions, solicitous for our daughter's happiness, we have made such inquiries as have given a great deal of satisfaction. We both approve of your proposal and heartily wish your union may yield you all the happiness you seem to expect, to which we shall always be ready to contribute all in our power. Whenever it suits your convenience we hope to have the pleasure of seeing you here, and in the meantime I remain, with due respect,

Your most humble servant, ROBERT R. LIVINGSTON.

Mrs. Montgomery wrote a series of notes to be used for a memoir of her husband. The limits of this article permit only a few gleanings from this quaint and interesting manuscript:

"General Montgomery was born in Dublin, and was educated in the College of Dublin. His father, Thomas Montgomery, of Convoy House, Donegal, had three sons, Alexander, John, and Richard, and one daughter married to Viscount Ranelagh. The eldest son, Alexander, was an officer under Wolfe in the conquest of Canada, and for 40 years member of Parliament for the county of Donegal. John died at Lisbon a noted merchant. Richard was the third son. Their mother was an English lady of fortune whose estate was settled on her younger sons, the eldest son having inherited the estate of his uncle. Richard was placed in the British Army, in the Seventeenth Regiment, by the advice of his brother, Alexander, his senior by many years. Richard was at the taking of Cape Breton with Amherst. Alexander marched to reenforce Wolfe.

"The duty of the Seventeenth Regiment was in America. For this reason, when the stamp act was to be enforced an order was given to employ that regiment, then in England, which Montgomery, receiving with several others, declared publicly that they would throw up their commissions if the order were persisted in. In 1772–73 he came to New York, purchased a farm at Kingsbridge, and in July, 1773, was married. He then removed to Rhinebeck, where he built a mill and laid the foundation of a house.

"Unknown, as his modesty led him to suppose himself to be, he was chosen early in 1775 one of the Council of Fifty to New York from Dutchess County. While thus engaged Congress determined to raise troops in defense of our rights. Philip Schuyler was appointed the major general, and the appointment of brigadier general was tendered to Montgomery. Before accepting it he came into his wife's room and asked her to make up for him the ribbon cockade which was to be placed in his hat. He saw her emotion, and marked the starting tear. With persuasive gentleness he said to her: 'Our country is in danger. Unsolicited, in two instances, I have been distinguished by two honorable appointments. As a politician I could not serve them. As a soldier I think I can. Shall I, then, accept the one and shrink from the other in dread of danger? My honor is engaged.' Mrs. Montgomery took the ribbon, and he continued: 'I am satisfied. Trust me. You shall never blush for your Montgomery.'

"He had hardly received his appointment when it was announced that General Washington was to pass through New York on his way to Boston. On the morning of his expected arrival the whole town was in a state of commotion. All the militia was paraded, bells ringing, drums beating, and in that moment the British Governor Tryon arrived. As he landed he looked with delight at the general excitement that prevailed, and said: 'Is all this for me?' when two of his counselors took him mournfully by the hand and led him to a house where he saw the great Washington pass, attended by a crowd of patriots. At a window next to the City Hotel I was happily so placed that I could see him. Here General Schuyler and General Montgomery received their commissions and instructions. The next day, when Montgomery opened his commission, he found all the commissions of his brigade left in blank. Such was the trust reposed in him."

Two years of quiet and domestic happiness were broken in upon by Montgomery's being sent as a delegate to the First Provincial Convention, held in New York in April, 1775. He never thought himself fit for civil service, and with reluctance took the place assigned him. But his heart was in the movement. With such feelings of ardent devotion did he give himself up to the cause of American liberty, that when called upon by Congress to quit the retirement of his farm in order to become one of the first eight brigadier generals, he wrote to a friend "that the honor, though entirely unexpected and undeserved, he felt to be the will of an oppressed people, which must be obeyed"; and he accordingly went immediately into active service.

Mrs. Montgomery accompanied him on his way as far as Saratoga. In after years their parting was described as follows by his brother-in-law, Edward Livingston, who was at the time a boy of 11: "It was just before General Montgomery left for Canada. We were only three in the room—he, my sister, and myself. He was sitting in a musing attitude between his wife, who, sad and silent, seemed to be reading the future, and myself, whose childish admiration was divided between the glittering uniform and the martial bearing of him who wore it. Suddenly the silence was broken by Montgomery's deep voice, repeating the line, 'Tis a mad world, my masters,' 'I once thought so,' he continued, 'now I know it.' The tone, the words, the circumstances, overawed me, and I noiselessly retired. I have since reflected upon the bearing of this quotation, forcing itself upon the young soldier at that moment. Perhaps he might have been contrasting the sweet quiet of the life he held in his grasp with the tumults and perils of the camp which he had resolved to seek without one regretful glance at what he was leaving behind. These were the last words I heard from his lips, and I never saw him more."

I turn next to the letters written by General Montgomery to his wife during his last brilliant and memorable campaign.

The correspondence was not voluminous; at that time communication between Canada and New York was slow and difficult. In the most favorable weather the sloops which plied the Hudson required a week to go from Albany to New York. On comparison of dates, some of the letters prove to have been two months on the way from Montreal or other parts of Canada to Rhinebeck, where Mrs. Montgomery lived.

These letters show him to have been blunt and straightforward, yet affectionate, and on occasion fond of a joke at home.

"If you find you can be spared," he wrote, June, 1775, "and wish to make a trip to New York, and will not stay too long, I shall be very glad to see you. I dare say Peggy and Kitty"—his wife's sisters—"will not dislike the jaunt."

"FROM TICONDEROGA, *August 24, 1775.*

"I have received yours from Albany and the cask of rusk. Ticonderoga agrees very well with me. I have a great deal of exercise both of body and sword. The New Englanders and I jog on very well together, and I go to prayers every evening with them after exercise is over. The general is gone to the Indian congress, so that for a few days I am in command, though without the difficulties he had to struggle with, as he had before put matters in proper train.

"As for house or home (except yourself), I have hardly time to lend a thought. Be assured of my warmest affection, my dearest girl, and accept my warmest wishes for your happiness."

A letter dated from Camp St. Johns in September, 1775, betrayed a soldier's impatience at his wife's complaints at the prolonged separation from him: "I must entreat the favor of you," he wrote to her, "to write no more of those whining letters. I declare if I receive another in that style, I will lock up the rest without reading them. I don't want anything to lower my spirits; I have abundant use for them all, and at the best of times I have not too much."

The following letter gives evidence of his keen sense of duty in the distribution of office, which no tie of consanguinity could affect in any manner whatsoever:

"This very evening (October 9, 1775, near Camp St. Johns) I received my dear Janet's letters to the 23d of September, which bring me the agreeable news of your recovery. I hope to have the same account of your good father and mother, whose health and happiness I think myself deeply interested in. You are right. I most certainly might have advanced Harry to a majority. Disinterested and generous motives will forever, I hope, prevent me from serving myself or family at the expense of the public. Though a spirited fellow, he has not experience for such an important post. I grant there are others as bad and worse. This is not my doing; nor will I ever have such a weight on my conscience."

The uncommon sympathy that existed between his wife's family and himself is a striking feature of this short correspondence. There are constant messages of remembrance for them, all interwoven with the news from the camp and in the midst of the most harassing events and circumstances.

"I have no time to write to your father," he wrote from Montreal on the eve of his departure for Quebec. "My most affectionate respects attend the old gentleman and lady. My love to the girls. Do they go to town? No husbands this winter? Alas! I live in hopes to see you in six weeks."

The last letter of the collection bears the date of the 5th of December, 1775. It was written just a fortnight before his death and is as follows:

"HOLLAND HOUSE, NEAR QUEBEC, *December 5.*

"MY DEAR JANET: This day I had the pleasure of yours of the 13th of October. I think your letters are a long time on the road. I believe I have now the right to complain, as I am sure you don't write as often as I do.

"I suppose long ere this we have furnished the folks of the united colonies with subject matter of conversation. I should like to see the long faces of my Tory friends. I fancy they look a little cast down, and that the Whig ladies triumph most unmercifully.

"The weather continues so gentle that we have been able, at this late season, to get down by water with our artillery, etc. They are a good deal alarmed in town, and with some reason. The garrison is little to be depended upon, and very weak in proportion to the works. I wish it were well over, with all my heart, and sigh for home like a New Englander.

"I sha'n't forget your beaver blanket if I get safe out of this affair, nor your mother's martin-skins. Present my affectionate duty to her, and make her easy respecting Harry. He has by no means given any offense, though some uneasiness, by some little imprudence. I am glad to hear your house is in such forwardness. May I have the pleasure of seeing you in it soon! Till then, adieu!"

General Schuyler's health did not permit him to conduct this campaign, as had been intended. He relinquished the command of the forces to General Montgomery at Isle aux Noix. There was insubordination among the troops. Montgomery's energy and dauntless will were more than equal to the emergency. He had great trouble with the New Englanders. All seemed thoroughly demoralized, the New Yorkers as well as the others. "O fortunate husbandmen!" wrote Montgomery, "would I were at my plough again!" He was thoroughly disgusted with them all. However, his course through Canada was a triumphant one, and notwithstanding all his difficulties, success followed in his footsteps. "I have courted fortune," he wrote in another letter, "and found her kind. I have one more favor to solicit, and then I have done; till Quebec is taken, Canada is unconquered." Chief Justice Marshall states that Montgomery "had determined to withdraw from the Army, and had signified, before marching from Monteral, his resolution to resign the commission which had been conferred upon him."

Marshall adds, as a probable incentive to the storming of Quebec, that he had "the desire of closing his military career with a degree of brilliancy suited to the elevation of his mind by the conquest of Canada to the United States." "Fortune," he said, "favors the brave." Little had he then contemplated failure, or his own approaching end. In a conversation which he had with one of his aids-de-camp shortly before the storming of Quebec, he had indulged in meditations on his own life and spoke of his loss of ambition, a sense of duty being alone left as his spring of action. He longed to return to the retirement of his country life, though he said he "would always be ready to contribute to the public safety should the scene change and his services be again required." He was convinced that there was, as he said, "a fair prospect of success," and, notwithstanding the perils of his situation, his hopes ran high and his soul was undaunted. It has been said that he knew the fortifications well, because he had been with Wolfe at the taking of Quebec. This is a mistake. He was in the British Army in Canada at the time but not with Wolfe, having been ordered to follow Amherst with his regiment. This error probably originated from the fact that Alexander Montgomery, the general's eldest brother, was with Wolfe at Quebec.

It was at 4 o'clock in the morning of December 31, 1775, during a violent snowstorm, that the attack on Quebec was made. The little American army had undergone inexpressible hardships during the campaign, and the soldiers were half starved and half naked. It took all the magnetic power of Montgomery to stir them into renewed action. "Men of New York," he exclaimed, "you will not fear to follow where your general leads; march on!" Then placing himself in the front he almost immediately received the mortal wound which suddenly closed his career.

Thus fell Richard Montgomery, at the early age of 37. Three weeks before his death he was promoted to the rank of major general. Young, gifted, and brave, he was mourned throughout the country, at whose altar he had offered up his life—apparently in vain; for his fate decided the battle in favor of the British.

The story that he was borne from the field of battle by Aaron Burr, under the continued fire of the enemy, has always been received with doubt. It may now, upon the highest authority, be pronounced to be without foundation.

It was rumored, but not ascertained by the British for some hours, that the American general had been killed. Anxious to ascertain, General Carleton sent an aid-de-camp to the seminary, where the American prisoners were, to inquire if any of them would identify the body. A field officer of Arnold's division, who had been made prisoner near Sault au Matelot barrier, accompanied the aid-de-camp to the Prés de Ville guard and pointed it out among the other bodies, at the same time pronouncing in accents of grief a glowing eulogium on Montgomery's bravery and worth. Besides that of the general, the bodies of his two aids-de-camp were recognized among the slain. All were frozen stiff. General Montgomery was shot through the thigh and through the head. When his body was taken up his features were not in the least distorted, his countenance appeared serene and placid, like the soul that had animated it. His sword, the symbol of his martial honor, lay close beside him on the snow. It was picked up by a drummer boy, but immediately afterwards was given up to James Thompson, overseer of public works and assistant engineer during the siege, who had been intrusted by General Carleton with the interment of the body. Through the courtesy of the British general, Montgomery was buried within the walls of Quebec with the honors of war.

General Montgomery's will had been made at Crown Point on the 30th of August, soon after the commencement of his last campaign. The authenticity of this document is attested by the

signature of Benedict Arnold. It is still in existence, and reads as follows:

THE LAST WILL AND TESTAMENT OF RICHARD MONTGOMERY.

I give to my sister, Lady Ranelagh, of the Kingdom of Ireland, all my personal fortune for her sole use, to be disposed of as she pleases, except such legacies as shall be hereafter mentioned. All my just debts must first be paid. Also, I give my said sister my estate at Kingsbridge, near New York, for her sole use, to be disposed of as she thinks fit. To my dear wife, Janet Montgomery, I give my furniture, farm utensils, carriages of all sorts, horses, cattle, shares, books (to this watch, mathematical and philosophical instruments, and apparatus).

I also leave to my said wife the farm I purchased from Shares, at Rhynbeck, with horses and everything upon it.

The ample fortune which my wife will succeed to makes it unnecessary to provide for her in a manner suitable to her situation in life and adequate to the warm affection I bear her.

My dear sister's large family want all I can spare. I could wish to recommend one or two of her younger children to my Janet's protection.

I must request the Honorable Robert Livingston, my much-esteemed father-in-law, and my brother-in-law Robert, his son (whose good sense and integrity I have all confidence in), to see this my last will and testament executed. Though the hurry of public business and want of knowledge in the law may have rendered this instrument incorrect, yet I believe my intention is plain. I therefore hope no advantage will be taken of any inaccuracy.

My brothers, whom I greatly esteem and respect, will accept of what alone I have in my power to give—my warmest wishes for their happiness.

RICHARD MONTGOMERY.

Witnesses:
ROBERT WALKIN,
EDWARD MOTT.
J. P. TETARD.

AUGUST 30, 1775, *Crown Point.*

This may certify that the foregoing will and testament of the late General Montgomery was found by us among his papers a few days after his death and immediately sealed up.

BENEDICT ARNOLD,
DONALD CAMPBELL.

This certification is in the handwriting of Arnold.

General Montgomery left no descendants. By his will it appears that he bequeathed the greater part of his fortune to his relatives in Ireland. The farm at Kingsbridge would now be of enormous value from its proximity to New York.

A curious inventory of his effects was taken and forwarded to New York. The greater part of his wardrobe was purchased by General Arnold. An account was also sent to Mrs. Montgomery of the manner in which his effects had been disposed of, and a list of the articles marked on the inventory as sold to General Arnold. Governor Carleton sent General Montgomery's gold watch and seal to General Wooster, at Montreal, who sent them to Mrs. Montgomery.

The body of General Montgomery remained in Quebec for 43 years. It was then brought to New York in compliance with a special act of the legislature.

At Mrs. Montgomery's request, Governor Clinton commissioned her nephew, Lewis Livingston, to superintend the removal of the remains to New York. From a minute report which he wrote to his father, Edward Livingston, then in Louisiana, we gather many details of interest hitherto unknown to the public. On account of the great lapse of time since the death of General Montgomery apprehensions were entertained that there would be difficulty in ascertaining the exact spot where he was interred. Such apprehensions were, however, groundless. Mrs. Montgomery had been some time previously informed by Mr. William Smith—the son of the Chief Justice, then deceased—that the person who had buried her husband was still living and had in his possession the sword the general wore when he was so unfortunately slain. Shortly after the arrival of Colonel Livingston in Quebec, James Thompson, then 89 years of age, was pointed out to him as the very person who had been intrusted with the superintendence of the general's burial and who had served in the British Army during the siege. He was ordered to explore the place of interment and dig up the remains. This he accordingly did, in the presence of one of his excellency Governor Sherbrooke's aides de camp, Captain Freer. As Thompson still possessed all his faculties, Colonel Livingston obtained from him full information. Owing to the alteration that had taken place in the appearance of the ground he could not indicate exactly where the body lay. It was found, however, within a few feet of the place he fixed upon, and there was so much circumstantial evidence to corroborate all he said that not a doubt could be entertained of his veracity. He mentioned a number of details respecting the interment and gave a particular description of the coffin in which the body was placed, which corresponded perfectly with the appearance of the one taken up. The coffin was kept exactly in the state in which it was found and placed in a strong wooden case.

Sir John Sherbrooke pursued a very liberal course of action. He did not hesitate one instant to deliver up the remains; he only expressed a desire that the affair should be considered a private rather than a public transaction. Mr. William Smith was extremely useful in furthering the views of Colonel Livingston; he was intimate with the governor, and used his influence to obtain a compliance with the request of which he was the bearer.

Governor Clinton had directed the adjutant general, with Colonel Van Rensselaer and a detachment of Cavalry, to accompany the remains to New York. They left Whitehall on the 2d of July, arriving at Albany on the 4th. Great preparations had been made to receive the remains with all possible splendor and éclat. The procession moved through all the principal streets of Albany, escorted by the military under arms, joined by an immense concourse of citizens. The remains were laid in state in the capitol. In every village on the route similar honors had been paid to the memory of the gallant Montgomery. The skeleton had been placed in a magnificent coffin, which had been sent by the governor. On the 6th of July, at 9 o'clock in the morning, a procession, perhaps still larger than the first, accompanied the coffin to the steamer *Richmond*, on board of which it was put with a large military escort. The boat floated down for several miles under the discharge of minute guns from both shores. It was astonishing to observe the strong sympathies which were everywhere evoked by the arrival of these sacred remains. The degree of enthusiasm that prevailed and the patriotic feeling that evinced itself reflected credit upon the State of New York, and not a voice was heard in disapproval of the tributes of respect thus paid to the memory of this hero of the Revolution.

Governor Clinton had informed Mrs. Montgomery that the body of the general would pass down the Hudson; by the aid of a glass she could see the boat pass Montgomery Place, her estate near Barrytown. I give her own quaint and touching terms as she describes the mournful pageant in a letter to her niece: "At length," she wrote, "they came by with all that remained of a beloved husband, who left me in the bloom of manhood, a perfect being. Alas! how did he return! However gratifying to my heart, yet to my feelings every pang I felt was renewed. The pomp with which it was conducted added to my woe; when the steamboat passed with slow and solemn movement, stopping before my house, the troops under arms, the Dead March from the muffled drum, the mournful music, the splendid coffin, canopied with crêpe and crowned by plumes, you may conceive my anguish; I can not describe it."

At Mrs. Montgomery's own request, she was left alone upon the porch when the *Richmond* went by. Forty-three years had elapsed since she parted with her husband at Saratoga. Emotions too agitating for her advanced years overcame her at this trying moment. She fainted and was found in an insensible condition after the boat had passed on its way. Yet the first wish of her heart was realized after years of deferred hope, and she wrote to her brother in New Orleans, "I am satisfied. What more could I wish than the high honor that has been conferred on the ashes of my poor soldier?"

The remains were finally interred in New York on the 8th of July, 1818, beneath the monument in front of St. Paul's Church. This monument was designed and executed in France, ordered by Benjamin Franklin. * * *

The British chargé d'affaires ad interim to the United States, Victor Drummond, Esq., having recently obtained General Montgomery's sword, presented it to me on the 3d of September, 1881, at Montgomery Place, where it has been added to the other relics of the general. * * *

SENATOR FROM TEXAS.

The PRESIDING OFFICER (Mr. MCNARY in the chair) laid before the Senate the petition and protest of George E. B. Peddy, of Houston, Tex., claimant, against the right of EARLE B. MAYFIELD, of Texas, to a seat in the Senate of the United States from the State of Texas for the term beginning March 4, 1923, which, with the two accompanying exhibits, was ordered to be placed on file.

After the conclusion of Mr. MCKELLAR'S speech,

PETITIONS AND MEMORIALS.

Mr. LODGE presented resolutions adopted by the Oriskany Unit, Steuben Society of America, at Boston, Mass., favoring the calling of an international conference by the United States

to revise and recast the treaty of Versailles, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the board of aldermen of the city of Somerville, Mass., favoring the passage of the so-called Rogers bill, placing an embargo on exportation of coal to the Dominion of Canada, which was ordered to lie on the table.

He also presented a resolution of the Men's Club of the First Methodist Episcopal Church, of Medford, Mass., favoring the passage of adequate legislation to remedy the deplorable coal situation, which was ordered to lie on the table.

Mr. LADD presented a resolution of Edgar M. Boyd Post, No. 37, American Legion, of Williston, N. Dak., favoring the total exclusion of immigration to the United States, which was referred to the Committee on Immigration.

Mr. McNARY presented the following joint memorial of the Legislature of Oregon, which was referred to the Committee on Agriculture and Forestry:

STATE OF OREGON,
THIRTY-SECOND LEGISLATIVE ASSEMBLY, REGULAR SESSION,
Hall of Representatives.

House Joint Memorial 6.

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas it is desirable that the Congress of the United States amend the Federal grain standards act so that the United States Bureau of Markets shall have authority to prescribe discounts or differentials similar to those prescribed in section 12 of the Oregon grain inspection law: Be it

Resolved by the House of Representatives of the State of Oregon (the Senate concurring), That we most earnestly petition and memorialize the Senate and House of Representatives of the United States, in the name of the State of Oregon, to so amend the Federal grain standards act that the bureau of markets shall have the authority to prescribe discounts or differentials similar to those prescribed in section 12 of the Oregon grain inspection law; and be it further

Resolved, That the secretary of state of the State of Oregon be instructed to forward a copy of this resolution to each Member of the Congress of the United States.

Adopted by the House February 7, 1923.

K. K. KUBLI,
Speaker of the House.

Adopted by the Senate February 9, 1923.

JAY UPTON,
President of the Senate.

Indorsed: House Joint Memorial 6. Introduced by L. L. Mann. W. F. Drager, chief clerk. Filed: February 12, 1923; Sam A. Kozer, secretary of state.

UNITED STATES OF AMERICA,
STATE OF OREGON,
Office of the Secretary of State.

I, Sam A. Kozer, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of House Joint Memorial 6 with the original thereof adopted by the Thirty-second Legislative Assembly of the State of Oregon and filed in the office of the secretary of state of the State of Oregon February 12, 1923, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof, I have hereunto set my hand and affixed hereto the seal of the State of Oregon. Done at the capitol at Salem, Oreg., this 12th day of February, A. D. 1923.

[SEAL.]

SAM A. KOZER,
Secretary of State.

Mr. GOODING presented the following joint memorial of the Legislature of Idaho, which was referred to the Committee on Finance:

STATE OF IDAHO,
Department of State.

I, F. A. Jeter, secretary of state of the State of Idaho and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of House Joint Memorial No. 4 with the original thereof adopted by the senate and house of representatives of the Seventeenth Legislative Assembly of the State of Idaho and filed in the office of the secretary of state of the State of Idaho February 6, 1923, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Idaho. Done at the capitol at Boise, Idaho, this 12th day of February, A. D. 1923.

[SEAL.]

F. A. JETER,
Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial No. 4, introduced by Committee on Military and Indian Affairs.

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas great services patriotically rendered and sacrifices heroically made by service men and women in the World War places a great obligation upon the people of this Nation; and

Whereas as a result of these services many veterans are now becoming disabled in mind and body and in need of every consideration and assistance; and

Whereas existing laws and regulations do not promote the most satisfactory service to be rendered these disabled veterans; and

Whereas it is the desire of all worthy people that such sacrifices shall not go unrecognized and unrewarded: Now, therefore, be it

Resolved, That the House of Representatives of the State of Idaho, the senate concurring, do earnestly recommend and request that the Congress take up for consideration and early enactment measures now pending and providing for the relief of disabled veterans, and especially do we urge the immediate enactment into law or regulation of the following:

1. The construction of new neuropsychiatric hospitals in sufficient numbers to care for the ever-increasing number of mental patients be immediately undertaken and pushed to completion, and that the staffs of such institutions be ample to care for the existing needs of the patients therein.

2. That veterans hospitalized for any disabilities of service origin (all disabilities of venereal nature or involving moral turpitude excluded) be granted a total temporary compensation status while undergoing hospitalization, this to include disabilities of service origin, or aggravation thereof, of less than 10 per cent.

3. That all beneficiaries of the Veterans' Bureau discharged from a hospital with disabilities duly connected with the service or aggravated thereby be placed on a total temporary compensation status until such time as vocational training becomes feasible for them, or until it becomes evident that the claimant is able to follow some gainful occupation.

4. The amendment of existing law so as to permit all claimants suffering with compensable disabilities of service origin be allowed compensation on hospital basis when so hospitalized.

5. That all disabled ex-service men be given the necessary hospital treatment and care irrespective of the status of his compensation claim.

6. That the two-year time limit, now in force under the amended Sweet Act of August 9, 1921, in which ex-service men suffering from tuberculosis or neuropsychiatric disabilities are entitled to compensation and benefits of the Veterans' Bureau, be extended to five years from date of discharge from active military or naval service.

7. That beneficiaries of the Veterans' Bureau suffering from neuropsychiatric disabilities of service origin, or aggravation thereof, rated 10 per cent or more and declared nonfeasible for vocational training, shall be allowed a 50 per cent compensation during such time as they are adjudged not feasible for training and unable to continually earn a livelihood.

8. That an ex-service man who is shown to have a tubercular condition of the bone, developing within three years after separation from active military or naval service of the United States, shall be considered to have acquired such disability in this service, or to have suffered an aggravation of the preexisting tubercular condition, and nothing should be construed to prevent a claimant from receiving benefits of compensation, medical care, and treatment for disabilities due to this disease, of more than 10 per cent, developing within three years from date of separation from active service, if the facts of the case substantiate his claim.

9. The amendment of section 310, war risk insurance act, so as to allow all disabled veterans compensation from date of discharge, providing they submit evidence showing a disability of compensable degree.

10. The amendment of existing law so as to inaugurate a system of permanent ratings by a board with laymen representation who will consider the man's previous education, earning ability, and general status in life, as well as his physical condition, with the end in view of establishing a permanent disability rating code.

11. That so much of section 300, Public 47, Sixty-seventh Congress, as establishes service connection of men suffering with neuropsychiatric and tuberculosis of a degree of 10 per cent or more, within two years after discharge, be made applicable to the original rehabilitation act, and that claimants having a disability constituting a vocational handicap and who are eligible to compensation of 10 per cent under the authority of this section, be granted section 2 training.

12. The amendment of existing law to make rehabilitation training available to widows and dependents of deceased persons who lost their lives in line of duty in military service.

13. The amendment of existing law to compensate any trainee who is injured while actively pursuing a course of training prescribed by governmental agency.

14. The amendment of section 2 of the rehabilitation act in such manner as to recognize any service connection established under provisions of section 300 of the war risk insurance act, amended, as sufficient for all purposes under the provisions of the rehabilitation act.

15. That a civilian board of appeals composed of three representatives, professional or business men, in each district, be established to pass on the cases of beneficiaries of the Veterans' Bureau who are dissatisfied with the treatment received from the rehabilitation department and desiring further training.

16. That ratings for compensation be made by a medical board, before which the claimant appears in person, and that such ratings be not decreased nor allowance of compensation overruled by central office.

17. That a rating board shall be established in each hospital, with full legal powers to render decisions, adjust awards, and make examinations.

18. That adequate provisions be made for the payment of compensation to claimant's widow and any direct issue of the union, such compensation to be payable to the widow so long as she remains unmarried and payable to the children until they become of legal age.

19. That the Veterans' Bureau immediately discontinue the use of form letters to claimants and in their stead write fully on each claim, giving such full information as claimant may need to complete his case; be it further

Resolved, That we express to the Congress of the United States the hope that some method of extra compensation for the service men and women of the World War may be provided whereby the material sacrifices of those who served may be repaid upon a basis which will be equitable and within the reasonable limit of expenditures which conditions will justify; and be it further

Resolved, That the Secretary of State is hereby instructed to forward this memorial to the Senate and the House of Representatives of the United States of America; that copies be sent the Senators and Representatives in Congress of this State and to the national headquarters of all duly recognized veterans' organizations.

This joint memorial passed the house on the 20th day of January, 1923.

M. A. KIGER,
Speaker of the House of Representatives.

This joint memorial passed the senate on the 24th day of January, 1923.

H. A. BALDRIDGE,
President of the Senate.

I hereby certify that the within Joint Memorial No. 4 originated in the house of representatives during the seventeenth session of the Legislature of the State of Idaho.

DAVE BURRELL,
Chief Clerk of the House of Representatives.

Mr. GOODING presented the following joint memorial of the Legislature of Idaho, which was referred to the Committee on Irrigation and Reclamation:

UNITED STATES OF AMERICA,
STATE OF IDAHO,
Office of the Secretary of State.

I, F. A. Jeter, secretary of state of the State of Idaho, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of House Joint Memorial No. 6 with the original thereof adopted by the senate and house of representatives of the seventeenth legislative assembly of the State of Idaho and filed in the office of the secretary of state of the State of Idaho February 8, 1923, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all indorsements thereon.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Idaho. Done at the capitol at Boise, Idaho, this 10th day of February, A. D. 1923.

[SEAL.] F. A. JETER,
Secretary of State.

IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial No. 6.

To the honorable Senate and House of Representatives of the United States of America, in Congress assembled:

Your memorialists, the Legislature of the State of Idaho, respectfully represent: That—

Whereas great distress obtains upon Government Federal reclamation projects in the State of Idaho; and

Whereas in the early history of the movement for the construction of Government reclamation projects in the State of Idaho the Government of the United States on April 5, 1904, caused to be published Senate bill No. 247, and at page 20 thereof in said document discloses the representations made by the representatives of the Government of the United States as to the costs of reclamation per acre upon the Boise project, and Mr. Newell, who at the time was director of the Reclamation Service, at a meeting of the citizens of Boise Valley, among other things, made the following representations:

"Replying to another question, he said the cost could not possibly exceed $20 or $25 per acre." The cost referred to by the director was the cost for a water right and completed project to be assessed against the lands of the Boise project; and

Whereas when the first unit of the Boise project had been completed, and the only one that has been completed, the Secretary of the Interior announced an $80 charge per acre for each acre of land; and

Whereas Senate Document No. 247, published by the Government of the United States, was spread broadcast throughout the Middle West and State of Idaho and elsewhere as an inducement for settlers to take up Government land and to enter into contractual relations with the Government of the United States and assume to pay the burden of reclamation; and

Whereas hundreds of settlers went upon Government lands and located within the reclamation projects of the State of Idaho, with the understanding that they would be required to pay from $20 to $25 per acre for the reclamation of their lands, and many of whom waited from five to nine years after their location upon desert lands before any water was furnished to them whatsoever upon their lands from said reclamation project or any other source; and

Whereas hundreds of settlers upon Federal reclamation projects in the State of Idaho have exhausted all of their resources in an effort to meet their obligations to the Government of the United States and at this time are practically penniless; and

Whereas the Federal reclamation projects in the State of Idaho are confronted with one of two alternatives—first, an extension of time must be given and arrangements made for a reasonable distribution of the payments required to be made to the Government; or, second, hundreds of settlers who have spent from 10 to 15 years of the best part of their lives in an attempt to make homes upon Federal reclamation projects in the State of Idaho will be forced to abandon their said homes and seek a living elsewhere, and that, too, in the declining years of their lives; and

Whereas the conditions heretofore stated in this memorial have been greatly augumented on account of excessive freight rates obtaining from the State of Idaho to eastern markets being practically prohibitive until the products grown upon Federal reclamation projects have rotted in the fields for the reason that they would not bring sufficient sums to pay transportation charges; and

Whereas justice and a desire to show our appreciation to those who have struggled for years to subdue the desert and to improve our country and its citizenship impels us to ask that the Congress of the United States of America, by act of Congress, postpone all payments overdue upon reclamation projects and spread all of the remaining payments to fall due, together with said past due payments, over a period of 40 years to the end that the Government may have returned to it by the citizens who have in most instances undertaken to reclaim desert lands on Federal reclamation projects: Now, therefore, be it

Resolved, That we earnestly urge the Congress of the United States of America to immediately enact legislation in harmony with this resolution; and be it

Resolved, That the secretary of state of the State of Idaho is hereby instructed to forward this memorial to the Senate and House of Representatives of the United States of America, and that copies of the same be sent to the Senators and Representatives in Congress from this State.

This memorial passed the house on the 3d day of February, 1923.

M. A. KIGER,
Speaker of the House of Representatives.

This memorial passed the senate on the 5th day of February, 1923.

H. C. BALDRIDGE,
President of the Senate.

I hereby certify that the within House Joint Memorial No. 6 originated in the house of representatives during the seventeenth session of the Legislature of the State of Idaho.

DAVE BURRELL,
Chief Clerk of the House of Representatives.

BILLS INTRODUCED.

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

By Mr. BRANDEGEE:

A bill (S. 4606) granting a pension to Jennie M. Bond; to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 4607) for the allowance of certain claims for indemnity for spoliations by the French prior to July 31, 1801, as reported by the Court of Claims; to the Committee on Claims.

By Mr. ROBINSON:

A bill (S. 4608) for the payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and Tucker Acts, and under the provisions of section No. 151 of the Judicial Code; to the Committee on Claims.

THE MERCHANT MARINE.

The Senate resumed the consideration of the motion of the Senator from Washington that the Senate proceed to the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH in the chair). The Secretary will call the roll.

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

Ball	Frelinghuysen	McCormick	Reed, Pa.
Brandegee	George	McCumber	Sheppard
Brookhart	Gooding	McKellar	Shields
Broussard	Hale	McKinley	Smith
Bursum	Harreld	McLean	Smoot
Calder	Harris	McNary	Stanfield
Cameron	Harrison	Moses	Stanley
Capper	Heflin	New	Sutherland
Curtis	Hitchcock	Norbeck	Swanson
Dial	Johnson	Oddie	Wadsworth
Dillingham	Jones, Wash.	Overman	Warren
Ernst	Kellogg	Pepper	Watson
Fernald	Ladd	Phipps	Weller
Fletcher	Lenroot	Pittman	Williams
France	Lodge	Ransdell	

The PRESIDING OFFICER (Mr. MOSES in the chair). Fifty-nine Senators having answered to their names, a quorum is present. The question is on agreeing to the motion of the Senator from Washington.

Mr. BROOKHART obtained the floor.

Mr. WATSON. Mr. President, will the Senator yield to me to make a report?

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

Mr. BROOKHART. Just so that I do not give up the floor.

Mr. WATSON. From the Committee on Finance——

Mr. FLETCHER. I object to the reception of the report.

Mr. WATSON. Very well; I am suppressed.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. BROOKHART. The Senator from Indiana did not get his report through? It is too bad.

Mr. President, I think this is a very important motion.

Mr. HARRISON. Mr. President——

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

Mr. BROOKHART. I yield.

Mr. HARRISON. I just wanted to note the fact that there is no order in the Chamber. We can not hear the Senator.

The PRESIDING OFFICER. The Chair thanks the Senator from Mississippi. The Senate will be in order. Senators remaining in the Chamber will please be seated. The Senator from Iowa will suspend until the Senate is in order.

Mr. BROOKHART. Mr. President, I do not think it would make much difference. So I hope the rule will not be too severely enforced.

The PRESIDING OFFICER. The Senator from Iowa will proceed.

Mr. BROOKHART addressed the Senate. After having spoken for some time, he said:

I would like to ask unanimous consent before I leave the floor that when the Senate takes a recess to-day it recess until 12 o'clock to-morrow.

Mr. JONES of Washington. Does the Senator yield the floor for the purpose of submitting that request?

Mr. BROOKHART. No.

Mr. JONES of Washington. If the Senator did that, I make the point of order that the Senator can not submit a request of that kind and hold the floor at the same time.

Mr. HARRISON. I submit that simply because a Senator has the floor he is not precluded from asking for unanimous consent that when the Senate takes a recess to-day it recess until 12 o'clock tomorrow. Of course, the Senator from Washington has a right to object, but he has no right to insist that 95 other Senators have a right to make that request but that

simply because a Senator has the floor he can not make it himself.

Mr. HEFLIN. Mr. President, a parliamentary inquiry. Did not the Senator——

Mr. JONES of Washington. I make the point of order now if the Senator from Iowa yields the floor.

Mr. HEFLIN. I am making a parliamentary inquiry.

Mr. JONES of Washington. I want to ask whether or not the Senator from Iowa yielded the floor when he submitted his request?

Mr. HEFLIN. He has not submitted any request.

Mr. JONES of Washington. But he must do that in order that it may be submitted to the Senate.

Mr. HEFLIN. He said, "before I leave the floor I should like to submit a request." Let the reporter's notes be read.

Mr. JONES of Washington. If he is not submitting it now, all right.

Mr. HARRISON. We are talking now on a point of order. The matter is very clear. The Senator from Iowa——

Mr. JONES of Washington. I make the point of order that the Senator from Mississippi is taking the Senator from Iowa off the floor. I ask for a ruling on the point of order.

Mr. HARRISON. I am only arguing the point of order.

Mr. BROOKHART. I have not yielded the floor to anyone.

Mr. JONES of Washington. I hope the Senator from Iowa will hold the floor.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Senator from Mississippi will state the inquiry.

Mr. HARRISON. I merely want to see what the parliamentary status is.

Mr. JONES of Washington. I make the point of order that the Senate can not take the Senator from Iowa off the floor by submtiting a parliamentary inquiry.

The PRESIDING OFFICER. The point of order is sustained. The Senator from Iowa has the floor.

Mr. HARRISON. I appeal from the decision of the Chair, and on that appeal I want to be heard.

Mr JONES of Washington. I ask the ruling of the Chair whether the Senator can do so in the time of the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARRISON. I know that the Presiding Officer has no desire to run the Senate beyond the orderly rules of the Senate——

Mr. JONES of Washington. Mr. President, I rise to a point of order.

Mr. HARRISON. I submit that I have a right to appeal from the decision of the Chair on the ruling.

Mr. JONES of Washington. The Senator can not do that unless the Senator from Iowa yields.

The PRESIDING OFFICER. Has the Senator from Iowa yielded?

Mr. BROOKHART. No; I have not yielded the floor.

The PRESIDING OFFICER. The Senator from Iowa has the floor He declines to yield, and he will proceed.

Mr. BROOKHART resumed his speech. After having spoken in all for about three hours and a half,

Mr. JONES of Washington. Mr. President, I understand that the Senator from Iowa desires to close his speech at this time.

Mr. BROOKHART. The first section of it.

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

Mr. JONES of Washington. I understand the Senator desires to conclude his remarks at this time.

Mr. BROOKHART. Yes; if that is satisfactory.

Mr. JONES of Washington. I am not asking the Senator to do so.

Mr. HEFLIN. The light is very dim, and I suggest that it is difficult to read the matter from which the Senator from Iowa is quoting.

The PRESIDING OFFICER. The Chair will put the interrogatory, Does the Senator from Iowa yield the floor?

Mr. BROOKHART. If the proposition to recess that the Senator from Nebraska made to me is to be carried out, yes; otherwise, no.

Mr. JONES of Washington. I understand the Senator would like to close. That is agreeable. So I ask unanimous consent, Mr. President, that when the Senate closes its session to-day it recess until 11 o'clock to-morrow morning, with the understanding that we will have a short executive session now.

Mr. HITCHCOCK. What is the understanding the Senator suggests?

Mr. JONES of Washington. That we have a short executive session right now.

Mr. HITCHCOCK. I do not know that I want to agree to any understanding of that sort.

Mr. JONES of Washington. Very well. Some Senators have asked for an executive session. It is a matter of indifference to me.

Mr. HITCHCOCK. I do not want to have that put in the unanimous-consent agreement.

Mr. JONES of Washington. Very well. I thought it was understood that we intended to have an executive session.

Mr. HEFLIN. The Senator can move to go into executive session without unanimous consent.

Mr. JONES of Washington. I ask unanimous consent that when the Senate closes its business it recess until 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Washington?

Mr. HITCHCOCK. I object to it in that form. I will not object to a request for unanimous consent that the Senate take a recess until to-morrow morning at 11 o'clock.

Mr. JONES of Washington. I was going to state that I intended now to move an executive session. Of course, if the Senator does not desire an executive session, it makes no difference to me, but there are several Senators who have asked that we have an executive session. Does the Senator object to that?

Mr. HITCHCOCK. Yes. I think that is not a part of the unanimous consent we arranged. It was to take a recess until to-morrow morning at 11 o'clock.

Mr. JONES of Washington. I want to say to the Senator I did not agree to any such unanimous consent. It was suggested to me over here that we take a recess and have a brief executive session when the Senator from Iowa concluded his address, and I understood that we were to have an executive session. I am indifferent about it, so far as I am concerned, but I hope the Senator will consent.

Mr. HITCHCOCK. We had better carry out what was intended and what has been heretofore agreed to by unanimous consent, namely, to take a recess until to-morrow at 11 o'clock a. m.

Mr. LODGE. We can have an executive session at any time after to-morrow morning at 11 o'clock.

Mr. JONES of Washington. I do not feel like closing the session in view of the situation, and think we had better go on.

The PRESIDING OFFICER. Does the Senator from Iowa continue to yield the floor for the purpose of attempting to reach a unanimous-consent agreement?

Mr. BROOKHART. Yes; I yield for that purpose.

Mr. BROOKHART resumed and concluded his speech, which, entire, is as follows:

Mr. BROOKHART. Mr. President, the developments here to-day have been remarkable in many ways. I am glad to find out that everybody in every way is in favor of a filibuster. It seems like they have all been in it at one time and another. As I look over the RECORD here to-day I find the Senator from Washington [Mr. JONES] holding a little spot on the floor for 14 hours, or such a matter, the Senator from Utah [Mr. SMOOT] for 13 hours, and the Senator from Massachusetts [Mr. LODGE] for I do not know how many hours. I shall have to assure you that I am too new in the Senate to live up to the grand precedents that have gone before me. I am afraid I shall not hold out that long. However, I shall do my level best; I assure you of that.

There is another thing about this occasion that is especially significant to me. This is the natal day of George Washington, the Father of Our Country, the greatest filibusterer in history. Yes; it was George Washington who filibustered the American people clear out of the British Empire. He went farther than a filibuster, even. A filibuster is lawful, I guess, as we learned here to-day. It is constitutional to start with, and nobody has suggested that even the Supreme Court would ever hold a filibuster to be a violation of the Constitution of the United States; but the Father of Our Country did not even have legal sanction for his great filibuster. No. He carried it on into a red, white, and blue revolution.

I remember the little incident that started that filibuster in those old days. I read it back when I was a schoolboy. It related to something about tea, about a tax on tea, and there were some of the compatriots of George Washington who did not like the looks of a tax on tea, and they filibustered that tea over into Boston Harbor. Yes; that occurred up in Boston—dear old Boston—

> The home of the bean and the cod,
> Where the Lowells speak only to the Abbotts.
> And the Abbotts speak only to God.

Mr. CALDER. Mr. President——

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

Mr. BROOKHART. On the same conditions that I have heretofore mentioned.

Mr. CALDER. I trust the Senator will pardon my suggesting a correction. I think that was the Cabots, not the Abbotts.

Mr. BROOKHART. I accept the correction. I am not very strong on poetry, anyhow.

Yes; that little filibuster conducted by the Father of our Country went on. I remember how the embattled farmers went out along Lexington Road with their guns in their hands in those old days. I also remember a day, on this 7th of November just past, when the embattled farmers of the United States went out with their ballots in their hands. Well we remember the crossing of the Delaware, and we remember Burgoyne, Valley Forge, and those terrible days, and we remember how even George Washington, driven to the wall, contemplated going back into the woods of America with a filibustering party to fight even in that desperate condition; and then finally we remember the days of the victory over Cornwallis at Yorktown. Yes; the French, Lafayette, Pulaski, Von Steuben—all those, we remember—came over and helped us by taking part in that greatest filibuster in the history of the world, the American Revolution. Therefore it is with somewhat of a pride of Americanism that I announce to you plainly and frankly that I am going to try to filibuster a little myself here to-night. You do not need to stay unless you want to. I will excuse all of you except the Senator from Washington. I think he ought to stay.

We had some little plans worked out about this filibuster some time ago. We thought if they would accommodate us fully on these night schools, so that we could present all our matters, we would let the daytime go with legitimate business.

But we had not gone very far until we found they wanted to adjourn about 10 or 11 or 12 o'clock, and we can not possibly make our record upon the proposition before the 4th of March, if these night schools do not run longer than that. Therefore plans have to be changed a little. The Senators who desired to take part in the school got anxious. They had prepared elaborately for the presentation of the subject, and having done that they did not want all that labor to go to waste. They wanted to get some use of it. I was put up as the first one to start the filibuster. I do not know just why that was, unless because the paper published a story about how I wanted to wear overalls in the United States Senate. The farm bloc is going to do that some of these days, so look out for it.

But before I got started to speak in the filibuster the Senator from Oklahoma [Mr. OWEN] showed up. We farmers are good-natured, so, of course, I gave way to him, and he talked about a day and a half explaining the proper place for the Supreme Court of the United States. That explanation is not completed. There will be some further reference to it later, because that is important, too, and will have to be fully figured out.

Now, following him the Senator from Missouri [Mr. REED] blew in, and I have a right to talk about him as I please, because I was originally a Missourian myself, and I sometimes have to be shown, too. It will be remembered that he brought in a map and pointed out the different sections and sectors and segments of the whole world and explained how we ought to get a few more of these sections, or islands, I believe it was. I am considerably in sympathy with that proposition. I would like to have an island myself.

I do not want to review all that happened here, but I kept giving way first to one and then to another. I was sitting on the front bench all the time ready to start this little filibuster. It went on until nearly 7 o'clock to-night before I got a real fair chance to say "Mr. President." Then, strangely enough, the Presiding Officer saw me and recognized me right away.

Here are the rest of our plans. I might as well let everyone know a little about it. The Senator from Michigan [Mr. COUZENS], who sits next to me, has some ideas about the ship subsidy and the filibuster, too. Having given proper attention to the scriptural phases of it, he proposes to aid us in the further proceedings here in this Chamber. He thought he would start probably somewhere about the history of Noah's ark. In fact he said he could demonstrate conclusively by scriptural quotations that Noah's ark never needed a subsidy; that it got by all right without the aid or consent of anybody else in the world.

Then the Senator from North Dakota [Mr. LADD], who is always very patient and always very well prepared, is going to present the scientific phases of the subsidy business. He has looked into the corpuscles of it and seen the red and white fellows who were battling the microbes of disease, and he thinks they got by without any subsidy. So he will be ready to explain that fully during the progress of the night schools in the Senate, provided they run late enough.

Then there is the junior Senator from Nebraska [Mr. NORRIS], who lives out in a semidesert portion of the country. The best part of his State lies next to Iowa. He has been investigating the prehistoric situation as to ship subsidies. He will probably present its geological phases. He found the skeletons of the mammoths, the dinosauria, and a lot of those prehistoric fellows that slid around in the warmth of the ancient seas in those times, and he finds that they also got by without a ship subsidy. It is important, of course, that all of this be put in the RECORD if we have time.

Then there is the senior Senator from Wisconsin [Mr. LA FOLLETTE]. At the beginning of the discussion we really only expected one Senator from Wisconsin to participate in the filibuster, but strange things happen even in a debate on the ship subsidy, and now we have two Senators from that State who have joined us in the discussion, with the announcement that they will both be with us in the vote when we get ready to recommit the shipping bill. The senior Senator from Wisconsin has some very decided views about the ship subsidy. He thinks it is a mark of imperialism, and he will take up its political phases, coming down through the glorious history of Greece, the more glorious history of Rome, and then its decline and fall when it went into the subsidy business.

The senior Senator from the great State of Idaho [Mr. BORAH] joined us in what the headlines determined to call "the battalion of death." At the time he joined we expected that he would also be alone in the proceedings, but miracles happened again, and this morning the junior Senator from Idaho [Mr. GOODING] joined us in a wonderful oration, with lots of fight in it, lots of good farmer stuff in it. I mean to comment more on that than anything else before I get through my part of the proceedings to-night.

As for myself, I had decided principally to take up the question of the cooperative movement in the world. I have some very strong convictions about the development of cooperation, not only in the United States but throughout the world, and I have a few volumes on the subject to which I shall refer occasionally. I understand it has been stated that the Presiding Officer would rule that I could not read straight out of those volumes, since that is not speaking.

I hope he does not do that, because if I have to read a little while and then speak a little while, it will take me about twice as long to get through the volumes. But I have some other subjects also and I do not know of any better time to get rid of them than right now, and if the Doorkeepers will keep the occupants of the gallery in their places and not let them get away, I shall tell them about several of those subjects.

Have I overlooked something? Oh, yes; we only have about 10 days to do all this, and there are six of us Republicans, aided and abetted by about a dozen other Republicans, and the time is very short. Then it may have been noticed that the Democrats are butting in on us all the time and taking the floor away from us. We do not have a clear path. Yes; we listened to the history of the League of Nations in a magnificent address by the junior Senator from Texas [Mr. SHEPPARD]. I will say to the occupants of the gallery that that is good reading if they did not hear all of it. I know some of them could not keep awake during the entire time, but it was accurate and it was reliable. The distinguished Senator from Texas presented it very ably.

I understand the Senator from South Carolina [Mr. SMITH] wants a chance to tell us something about cotton. Even the Senator from Virginia [Mr. GLASS] has asked for a little time on the state of the Union. The Senator from Florida [Mr. FLETCHER] has not had much opportunity up to date to discuss the real merits of the bill, and he desires to do that before we get through with the motion. The Senator from Alabama [Mr. HEFLIN] has collected a new installment, the most delightful installment yet, upon the administration of Federal reserve banks, and I am sure there is nothing can prevent his delivery of that speech before this session is over.

Yes, then we have the Senator from Mississippi [Mr. HARRISON] who always has something to say about the Democratic Party. He has not yet found out that it is dead. So he is going to tell us about how much alive he thinks it is. Nobody would want to stop him even if they could. So there are many difficulties in the way of acting upon the pending motion, and I do not know just when we will get to a vote on it.

The Presiding Officer stated the motion, I believe, to the effect that we should proceed to the consideration of House bill No. —; I have forgotten the number and I have not time to look it up, but it is the ship subsidy bill. I do not think we ought

to proceed very far toward the consideration of that bill. I think there are several other subjects that need our attention that are of more importance to the common people of the United States than a subsidy to a few shipowners.

For instance, I think the transportation question is in a very serious condition. Everything in the world is unsettled, and the worst unsettled proposition we have is railroad transportation. In the early discussion of this subject I had a few words to say about the railroads, about their finances and about their operation, and as quickly as I had finished those remarks I was in trouble. I will say to Senators that I get into a good deal of trouble every once in a while anyhow. Up to date I have always got out some way or other. It was not long until along came the president of the Association of Railway Executives, who lit down upon my speech. I think now is just about as good a time as any to have it out with him. I do not know that there will be much entertainment in it, but it will pass away the time. I am going to be very brief because the time is short.

Out in Iowa we, at times, have been infested with a species of stock promoter who sold his stock through divers methods of false pretense. A favorite method was to donate a stock subscription to a leading bank or a citizen, and on the strength of this subscription secure subscriptions from others. In our State such banker or leading citizen has become designated and well known as a "bird dog." The railroads of the United States have inaugurated a similar system, which they have followed for a long time. Its end and purpose is to deceive the public about their value, their capital, their credits, their net earnings, and their subsidiary profits. In order to promote this deception they have an organized force of experts and high officials who are also experts in the channels of publicity. By their well-calculated system of presenting certain phases of the proposition and omitting others they are able to deceive the public and the press as to the real situation and facts of the railroad problem. In other words, they keep a whole kennel full of these "bird dogs" to attract the public attention while they ruthlessly shoot down the public prosperity with extortionate rates.

At the present time the leading "bird dog" in this kennel is Samuel M. Felton, president of the Chicago Great Western Railway. Mr. Felton is unusually well qualified for this exalted position. He is president of one of the poorest managed and worst waterlogged railroads in the United States. It has the best equipment and the finest facilities for the training of "bird dogs." Since his presidency the principal function of Mr. Felton has been to appear in rate cases as a leading witness, pointing out the inability of his road to earn anything and demanding rates high enough to yield a return upon its great reservoir of dirty water. Incidentally, and true to his species and training, he always insisted that these high rates should be granted to all the other roads, even though their profits arose to an unconscionable level.

During my campaign in Iowa the railroads detailed a small "bird dog" from the Rock Island system to demolish my platform, but since the election they have unleashed the leader of the kennel, and now in the Senate I must face Samuel M. Felton himself.

After I recently spoke in the Senate in reference to railroad matters Felton soon appeared in the press of the United States and said of my speech:

> It is doubtful if any man holding a high public office ever made, in an equal time, more baseless and reckless misstatements than you made regarding railway matters in this speech.

You see he made a world champion out of me the first round.

> An illustration of the way in which you make statements that have no basis in fact, is afforded by your assertion that, largely owing to inability to pay the freight rates, the apple growers of the State of Washington will this year be forced to dump 10,000 carloads of apples into the Columbia River. A telegram from the Wenatchee Valley Association, composed of the growers in the apple district of Washington, says that your statement "is not true," and adds, "the district has already shipped about 8,000 cars, and there remains about 5,000 cars."

I do not know much about Wenatchee or how many apple trees there are there, and, of course, I did not say anything in my speech about Wenatchee. An examination of the CONGRESSIONAL RECORD of December 18 and 19, 1922, on pages 626, 627, and 665—I hope the Senators will remember all those pages—will show in the first place that I made no such statement, but that I did say the Farmers' Union told me they were getting ready to dump 6,000 bushels at one time into the Columbia River and to take a moving picture of those apples as they go into the river. I then asked the Senator from Washington [Mr. JONES] if such was the fact. To this the Senator from Washington replied:

> Six thousand bushels? I would not be surprised if it were 6,000 carloads.

I then told him that my information was there would be 10,000 carloads dumped into the river altogether. To this he replied:

> With regard to that I will say I do not think the condition is overdrawn.

And later in responding to a question from the Senator from Missouri [Mr. REED] the Senator from Washington said:

> The farmers had received about 5 cents a box after the freight was paid and after the expenses of picking, boxing, and packing were paid.

Now Senators will see who it was said it; who gave us the facts. I wonder why the president of this railroad did not jump onto the distinguished Senator from Washington? He is the one who brought in the question of freight rates specifically. Mr. Felton let the Senator from Washington alone and got after me because I am new on the job, and not very well able to take care of myself, as Senators know.

Later I put into the RECORD a telegram from Mr. John Quincy Adams concerning this situation. I believe even the Senator from Massachusetts [Mr. LODGE] would not question a telegram from a man whose name is John Quincy Adams. He is president of the Farmers' Union of Spokane, Wash. Since then I have received a telegram from the master of the State Grange of Washington to the same effect. They corroborate their Senator in his statement that one-third of their apple crop must be destroyed because it does not bring enough money to pay the freight to market. If the railroads want to feed their "bird dogs" apples, I suggest that they transfer Mr. Felton out to the Columbia River.

Mr. Felton is next grievously exercised because of my statement that the securities representing all of the values of all of the railroads can be bought on the market for $12,000,000,000, while under this law we are required to pay in rates on $18,900,000,000. In this repect he does not deny the potent fact that the securities will actually sell for $12,000,000,000; but he criticizes viciously my statement as to things considered by the commission in fixing the value; then quotes Commissioner Hall to the effect that no consideration whatever was given to stocks and bonds, and asserts that it was all based on the valuation law introduced by the Senator from Wisconsin [Mr. LA FOLLETTE] and passed by Congress in 1913. In the first place, I desire to say that the so-called La Follotte law did not lay down a rule of valuation. It laid down elements of investigation, and left the rule of valuation for determination by congressional action. The transportation act of 1920 supplied this deficiency, and caused the commission to use all the fictitious elements of section 19a, as well as the property accounts of the railroads themselves, in determining this value, which exceeds the market value by $7,000,000,000.

At this point I wish to say that when the railroads came through Iowa, and when they went through other States in the Union, when they took our farms to use in the railroad business they condemned them and were able to take them at their fair market value. That is all they paid. Now, when a farmer comes along and says to them, "Your property is only worth the fair market value of the securities that represent all its value," they fly up in the air and light heavily down onto that farmer. He is out to confiscate something.

I have an editorial here from a newspaper in Iowa quoting a speech by Mr. Samuel O. Dunn, the editor of the Railway Age, before the Mason City Chamber of Commerce. I read from the editorial as follows:

> Samuel O. Dunn, editor of the Railway Age, addressing the Mason City Chamber of Commerce, asserted that the proposal of Senator BROOKHART to arbitrarily reduce the established valuation of the railways by $7,000,000,000 would result in financial disaster. Such reduction, he stated, would destroy most of the value of railroad stocks and a large part of the value of railroad bonds. The result would be to throw many railroads into bankruptcy, and with them would go banks, trust, life insurance, and other companies which own railroad bonds. Furthermore, the reduction, Mr. Dunn said, would stop investment in railway securities and render impossible the providing of required facilities—the equipment which the late car shortage showed was so seriously needed.

A little later on in the evening, if Senators will remain long enough, I shall have something to say about that old calamity howl of the railroads, "Our credit is destroyed and we can not sell our bonds; we shall have to have higher rates." That is always the cure. I shall have quite a good deal to say about that.

They also say in their advertisements in the newspapers, "We can not get the funds even to equip and maintain our roads." I shall have something to say about that also. If Senators wait long enough they will get all of this.

> The situation thus created, Mr. Dunn continued, would bring the country quickly face to face with the question as to whether it would abandon its present policy of drastic regulation for a policy of Government ownership of the railroads.

Mr. Dunn contended that an attempt to reduce the valuation of the railroads by legislative fiat, as Senator BROOKHART proposes, "would be to attempt confiscation of property upon the largest scale ever attempted in any country at any time, except in Russia."

Of course, Mr. Dunn knows a great deal about railroad "bird-dogism." He knows a great deal about how to advertise the false statistics and the false combination of figures that will deceive the public; but when it comes to confiscation by Government action, I am going to show Senators to-night, if they will stay long enough to hear me, by quotations from an editorial in the Manufacturers' Record that the railroad law, combined with certain manipulations in the administrations of the Federal reserve banks, confiscated $32,000,000,000 of the farmers' property, and Mr. Dunn has not shed a single tear over the fate of the 7,000,000 farmers, many of them already in bankruptcy and nearly all of them at the verge of it, because of that governmental action.

I may miss some of the points Mr. Dunn made, and I should regret to do that. He speaks of reducing this value by a legislative fiat. I wish to say to him that he has increased the value of those stocks and bonds by all sorts of fraudulent fiats. It is a market that he himself created for those stocks and bonds in his own stock exchange, managed by his own crowd of financiers, that finally found this value of $12,000,000,000 for all the stocks and bonds, as I have quoted. I did not make that market; no law of Congress made that market, and yet he insists upon theoretical schemes of valuation that will impose additional burdens on the farmer, who pays more than half the freight of the country anyway. The farmer always pays the freight. He never adds it in. Other lines of business add it in as a part of the cost of production, as a part of the original cost, and then dispose of their products, not only with freight added in but with a profit and commission for adding in the freight; but the farmer pays the freight; he writes his check for it. When he buys the equipment which is necessary for his person, for his home and for his farm, the freight is all added in after the manner I have described, and he again writes his check for the freight.

Mr. Dunn points out that the radicals who are supporting the policy of confiscation are receiving the support of producers and farmers who are hostile toward the railroads because of the high freight rates, and he speculates briefly concerning the effect of a wholesale policy of confiscation if once entered upon. He says on this point:

"The farmers of this country own more property than any other single class of people. Their farms and other property are valued at almost $80,000,000,000, or four times as much as the railways"—

Yes; they are valued at six and one-half times as much—

and yet they are the class who are being chiefly relied upon by the radicals to enable them to carry through this program of railroad confiscation. It is hardly conceivable that the class of people who own the largest amount of property in the country will be the first to support a policy of wholesale confiscation of property.

That sounds big; that sounds effective; but you know what the farmers want of the Samuel O. Dunns and the Samuel M. Feltons. There is just one thing they want out of those chaps: They want them to be honest. That is the only thing they ask. They took the farms of the farmers at their fair market value, and the farmers want to pay them a return on the fair market value of their property, using their own rule; but they have succeeded in avoiding that in one way and another, and especially by some of the provisions of the rate-making section of the new railroad law which took effect on March 1, 1920.

The New York Times discussed this subject; and, whatever may be said about this subject, they talk about it a little. Yes; I have clippings from every direction about their fear of the confiscation of part of the value of their property. If that be confiscation, I want to say that that outfit of financiers confiscated, as I shall prove to you, more than $32,000,000,000 of the property value of the farmers of the United States.

Mr. President, I have really forgotten where I was in this speech. I will try to see. If I happen to repeat a sentence or two, will that be against the rules?

The PRESIDING OFFICER (Mr. CAMERON in the chair. No.

Mr. BROOKHART. In order that there may be no mistake upon this proposition on valuation, this time I am going to submit to the Senate the opinion of the Interstate Commerce Commission in Ex parte 74, in the matter of the applications of carriers in official southern and western classification territory for authority to increase rates, found on pages 228 and 229 of Fifty-eighth Interstate Commerce Commission. I think I have that case here. Yes; I have it. No; that is not it, either. I am sorry, Mr. President, but I am afraid I shall have to postpone that until the next section of my remarks is delivered, about day after to-morrow; but, at any rate, I promise you it shall be put in the RECORD.

The Senator from Florida [Mr. FLETCHER] is afraid I shall run out of material here because that document is overlooked. I want to reassure the Senator from Florida. I have two desks' full over there yet.

Mr. FLETCHER. Mr. President, it is very important to have that. I wanted to have it go in the RECORD in connection with the Senator's discussion of it.

Mr. BROOKHART. Let me look again. No; that is not the one.

Mr. Felton next says that the valuations of railroad securities were at the lowest ever reached in 1920, because as a result of Government operation the net rate was actually only 1.7 per cent.

The Senator from Texas [Mr. SHEPPARD] thinks I am talking too loud. He thinks my voice will play out. He does not know me at all. I used that voice for nine months, and it was better at the end than it was at the beginning.

He [Felton] then claims that this condition was brought about by Government regulation. I forget whether I said that once before or not. In answer to this I will say that when the railroads condemn a farm for their use they pay for it only the fair market value, and the Government would have the right to condemn the railroad securities under the same rule. Yes; I have a Supreme Court decision on that point, Mr. President, but I have not that with me. I will produce that, though, before the discussion is ended, and we will see that it gets into the RECORD properly.

I deny that they have been reduced in price by Government regulation. The transportation act was not advocated by me nor by the shippers of the country. It is substantially what was demanded by the association of railroad security holders, and it is Mr. Felton's own bill. I think it is unfair for a railroad president to kick on his own bill. I think he ought to stand by it.

If the value of securities has been forced down in the market, it is because of the mismanagement and the treachery to both the people and the Government of such men as Felton.

He next quotes a valuation of $13,969,200,000 made by Clifford Thorne in 1913. As I was associated with Thorne at that time, I know how that valuation was made. The market value of the securities of 35 roads was ascertained, and the percentage of this to the whole capitalization of those roads; then the total capitalization of all the roads was multiplied by this percentage. Mr. Thorne intended that these 35 roads should be above the average and always claimed that his valuation was greater than the actual value of the stocks and bonds of all the roads. His purpose was to be conservative and to get a value well above the market price. It is probable that if he had obtained the actual value it would not much have exceeded $10,000,000,000 at that time. From this basis there is no very great shrinkage in the price to $12,000,000,000 three years later.

Felton says they have invested four and one-half billion dollars of new capital since 1913. These figures are up to date, swelled a quarter of a billion dollars, and three years past the time we are talking about. Altogether, they should be reduced by one and three-fourths billion dollars, which leaves my original statement well sustained.

This "bird dog," Felton, next seeks to attract the attention of the people away from this valuation by the charge that I participated in public gatherings of socialists and was indorsed by the socialists of Iowa for United States Senator. Why, Mr. President, we have not enough socialists in the State of Iowa to wad a popgun. You would not have anything if you had their indorsement.

I never saw a live one myself. I have heard of them occasionally. I do not know whether it would make any difference if a Socialist indorsed you or not. If you were telling the truth, I rather apprehend it would not, and somehow or other I never got afraid of a bird dog when he barked that kind of names at me. I just let him bark. But there is a purpose in all these statements. They are absolutely false and a part of the usual campaign of the railroads against every man who seeks to tell the truth about their iniquitous system of capitalization—the darkest, blackest pages in the economic history of the world.

I was up in New York the other day, and after I had discussed railroads and other matters a distinguished financier said to me: "How about your Iowa country? You are not fair to the railroads." He said: "Why, I was out in Iowa when your land was worth $5 an acre, and we built a railroad along beside it, and it was worth $150 an acre." Then I said: "Yes; Iowa is the best agricultural spot in this big round world. There is not another block of land more than 200 miles square like Iowa, with as little waste land in it as Iowa." I said: "We gave one-

seventh of that princely domain to the railroads, and that one-seventh, at $150 an acre, would more than pay for them. Then we voted taxes on towns and townships, and we voted bonds on counties, and we built railroads, and now," I said to him, "you own them back here in New York."

That is the way they built the railroads for us. Why, look over the history of the Union Pacific, which comes over to the edge of Iowa. They got Government aid for that road to the extent of about $30,000 a mile. Those were the days of subsidies. You know, those days are over now. I want to call the attention of the Senator from Washington [Mr. JONES] to that fact. Then, after getting aid from the Government at $30,000 a mile, they sold bonds to the public at about $30,000 a mile more, and then they sold stock, $200,000,000 of it, to the public at about 10 cents on the dollar. They got about $10,000 a mile more, or $20,000,000, for that stock—about $70,000 a mile altogether that these patriotic and philanthropic gentlemen who managed our railroads secured from the Government and the public to build the Union Pacific Railroad. When we got into the evidence of its cost we found that it cost a little less than $30,000 a mile to build the whole outfit. The rest of it went to New York and other seaports.

That is the trouble with this railroad situation. Oh, yes; they say we want to forget that history; we want to pass all that by. "We are doing better now. We would not do a thing like that at this time." No; but they could do something like Felton did with his road out there. I am going to tell you about that later on in the evening. I have some documents here figuring that all out, and I am going to let you know just how they work things up to date, how they inflate values, and then ask the farmers to pay them rates forever to get a return upon all that dirty water.

Well, you know, we have concluded that if we can get a few more sets of overalls in the United States Senate and in the other House of Congress maybe we can stop that sort of thing; and you know we are perfectly willing to try it, too.

Mr. Felton next seeks to conceal the guaranty provisions of the law because the commission was unable to levy rates high enough to yield the 6 per cent. The failure of the commission to raise the 6 per cent—now 5½ per cent—does not disprove the guaranty, but does prove that the American people have broken down under the burden and can not pay it on any rates under any law.

He next seeks to cover his tracks by the assertion that I prophesied that Government expenses during the war would be $400,000,000 a year cheaper. In answer to this I want to deny that I ever made any such prophecy in regard to the operation of our railroads by the Government under the management of men like Felton. He takes himself out of the service at that time, and then rushes to the defense of the other managers who sought to discredit Government operation and practice the darkest treason against their country; and I want now to cite in this RECORD a few instances of this treason.

Mr. Felton bases his defense of these traitors upon a general statement of William G. McAdoo, and I want to quote the testimony of McAdoo in the hearing before the Interstate Commerce Committee:

Testifying before the Senate Committee on Interstate Commerce February 1, 1922, William Gibbs McAdoo, Director General of Railroads during the first year of the Federal control, after paying tribute to the loyalty of railroad workers, declared:

(1) That some prominent railroad officials did not or would not render loyal and efficient service and were subsequently removed from management.

(2) That the offending officials failed to maintain average earnings for their corporations, thereby incurring heavy deficits that were met by the Government.

(3) That had these faithless officials performed their full duty while they were intrusted with railroad management there would not have been a deficit during the first year of Federal operation.

(4) That pay rolls were padded, thereby imposing an unjust and unnecessary burden upon the Government of hundreds of millions of dollars.

A check was made upon a division of a road from Ottumwa, Iowa, to Kansas City, Mo., and during the two weeks of this check on the management of that railroad there was not a freight train on the division that got over a single major grade on the road without stopping and cutting in two. In other words, an engine had to travel 250 miles to haul the train 100 miles. The facts were presented to the general manager, he stopped that thing in 24 hours, because it was being done under his orders to discredit Government operation of railroads.

There are some people who are peculiarly disloyal to our Government. If there is any business of the Government that ought to be done by the Government, they take the attitude that they would like to have it for themselves, and they immediately set up the howl that "the Government is inefficient and its business can not be done by itself, but you must turn it over to us and we will make profits out of it and do it efficiently," but always forgetting about the size of the profits.

In a letter to President Rea, of the Pennsylvania, Mr. McAdoo said on the 17th of January, 1918:

I would not be candid if I did not tell you that I am fully satisfied with the efficiency of the management—

No; it is "I am not fully satisfied." You see, I almost made a mistake there. I left out that "not," and we want all the "nots" properly preserved in the RECORD. So I will have to read that again, if it will not be against the rules:

I would not be candid if I did not tell you that I am not fully satisfied with the efficiency of the management of the Pennsylvania Railroad. I believe that great improvement can be made, and I look to you and the officers of that system to bring that improvement about at the earliest possible moment. * * * I would not be frank if I did not tell you that unless there is a decided improvement in the efficiency of the Pennsylvania system a change in the management will become inevitable.

[At this point Mr. BROOKHART suggested that when the Senate recess to-day, it recess until 11 o'clock to-morrow, when a point of order was made and ruled upon.]

Mr. BROOKHART. Now, Mr. President, that got me all muddled up, and I do not know how soon I will get straightened out, but I think I will some time during the evening.

Mr. McAdoo wrote a similar warning to President Willard of the Baltimore & Ohio Railroad on the date of January 17, 1918, saying:

I would be less candid if I did not tell you that I am dissatisfied with the management of the Baltimore & Ohio. I think it has proven inefficient and unequal to the present situation. I am sure it can be improved and I expect the improvement. I speak thus frankly, because I feel that you ought to know that a change in the management of the Baltimore & Ohio Railroad will be inevitable unless better results are speedily obtained.

You see, when we find out what Mr. McAdoo really thought and swore to about the management of the railroads, it did not attain to that high and patriotic pinnacle which is pictured by the "bird dogs" of the railroad system.

In a letter to A. T. Dice, president of the Philadelphia & Reading Railroad, dated January 19, 1918, Mr. McAdoo said:

I am not at all satisfied with conditions on the Philadelphia & Reading Railroad. From the reports I get it is not measuring up to the demands of the situation. This appears to be due to lack of efficient management. I would not be candid if I did not tell you that unless there is a prompt improvement in operating conditions—

[At this point a page placed a glass of water on Mr. BROOKHART'S desk.]

Mr. BROOKHART. No; take it away. I never drink anything stronger, but I never drink when I am speaking. And now I have lost my place again. I will have to read that letter over again. This is a mighty good letter, anyway. He said:

I am not at all satisfied with conditions on the Philadelphia & Reading Railroad.

From the reports I get it is not measuring up to the demands of the situation. This appears to be due to a lack of efficient management. I would not be candid if I did not tell you that unless there is a prompt improvement in operating conditions a change in management will become inevitable. This is a time of war, and excuses can not be accepted. I do not expect the impossible, but I am sure that an improvement in your railroad can be made through more efficient management.

Yes; it was in a time of war, when these railroad managers owed a patriotic duty to their country, but they deliberately wanted this inefficient management everywhere in order to discredit Government operation and retain the roads which had yielded them so many enormous fortunes in that dark, black history of railroad finances.

Now, again. Mr. McAdoo seems to have talked to most all these railroad chaps, and they do not mention anything about this talk, either, when they jump on me for being a Bolshevik. They forget all about that. To Mr. W. G. Besler, president of the Central Railroad of New Jersey, on January 19, 1918, he wrote, as follows:

We are in a great war and excuses are not worth anything. The only thing that tells now is results. The public demands them and the life of the Nation demands them. I would not be candid—

You see Mr. McAdoo did not miss that "not" in any case. It was there every time. He said:

I would not be candid if I did not tell you that I am not fully satisfied with the efficiency of the management of the Central Railroad of New Jersey. I believe that great improvement can be made, and I look to you and the other officers of that system to bring about that improvement at the earliest moment. I would not be frank if I did not tell you that unless there is a decided improvement in the efficiency of the Central Railroad of New Jersey system a change in the management will become inevitable. This I should deeply regret.

I should not have regretted it as much as Mr. McAdoo if he had removed Mr. Felton and some of the other bird dogs.

I find I have some more of these, Mr. President. I am afraid I shall not have time to get through, but I will do the best I can

Mr. HEFLIN. Mr. President, will the Senator permit me to interrupt him?

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

Mr. BROOKHART. I yield for a question, Mr. President.

Mr. HEFLIN. Mr. President, the article which the Senator from Iowa is now reading proves the assertion that I have uttered on this floor time and time again, that there was a conspiracy to bring on deflation. The article which the Senator is now reading from the secret conclave held behind closed doors proves that fact beyond peradventure.

Mr. BROOKHART. Mr. President, I wish to say to the Senator that I have already said that he has hardly yet got started on this Federal reserve bank proposition. The Manufacturers' Record editorial here has some 18,000 words, I believe. It is the longest editorial that was ever written, and it is hotter stuff, I believe, than are the speeches of the Senator from Alabama.

Mr. HEFLIN. I wish to say to the Senator——

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

Mr. BROOKHART. I yield for a question, Mr. President; but I am not through.

Mr. HEFLIN. The Senator from Iowa was not showing any disposition not to yield when I addressed him. I wish to say to the Senator that I have one of those pamphlets. There were a hundred of them in all and the type was knocked down after the hundred copies were printed. Those copies were to be handed around and secretly used. I obtained one of them the other day, and the Manufacturers' Record also got one of them, upon which that editorial is based. I expect to read from one of them on the floor very soon.

Mr. BROOKHART. I judge from that that the Senator from Alabama has not yet started on this phase of the question. I hope that he may take it up and fully discuss it, because in this first speech of mine I shall not have time fully to present it.

However, Mr. President, I understand the Senator from Washington would like for me to end my first speech now, and I wish merely to finish this quotation. Then I shall yield.

Mr. JONES of Washington. The Senator from Iowa is mistaken.

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

Mr. JONES of Washington. The Senator from Washington is enjoying the speech of the Senator from Iowa very much.

Mr. BROOKHART. I thank the Senator. Just a little bit more and then I shall consider the proposition which was made to me by the Senator from Nebraska [Mr. HITCHCOCK].

> And I think we are all agreed it would be very ill advised to give out any impression that any general overhauling of rates was discussed at this conference. We have discussed the general credit situation in your committee, which has been appointed with plenary powers, will prepare a statement which will be given out to the press to-morrow morning, and we will all see what it is. You can go back to your banks and, of course, tell your fellow directors as frankly as you choose what has happened here to-day, but caution them to avoid any premature discussion of rates as such. We have had an exceedingly interesting day, gentlemen. The suggestions which have been made are valuable, and we have profited by your views. I wish to express on behalf of the board our appreciation of your coming here and to thank you for the unselfish and loyal interest you have taken in the Federal bank situation throughout the country in giving this matter the careful thought and consideration that you have. And I am sure that the spirit which has manifested itself at this meeting here to-day will spread throughout all the country, to the member and nonmember banks; and if it does we can look the future in the face with courage and confidence.

I have made this preliminary statement for the purpose of showing what happened in reference to these railroad rates about which I have been talking to-night at that same meeting.

> Mr. Watts offered the following resolution, which was unanimously adopted:
>
> *Resolved*, That this conference urge as the most important remedies that the Interstate Commerce Commission and the United States Shipping Board give increased rates and adequate facilities such immediate effect as may be warranted under their authority, and that a committee of five be appointed by the chair to present this resolution to the Interstate Commerce Commission and the United States Shipping Board with such verbal presentation as may seem appropriate to the committee.

There was the financial board planning to boost the rates upon the farmers of the United States at the same moment they were planning the most disastrous deflation ever dreamed of in the history of man.

Here is what the Manufacturers' Record says of that deflation. I especially invite this to the attention of the Senator from Alabama when extravagant statements are spoken of. In certain quarters it may have been thought that the Senator from Alabama was extravagant in his statements, but here is what the Manufacturers' Record says:

> As the Manufacturers' Record showed a few weeks ago the decline in the value of farm lands in 1920 and 1921 under deflation amounted to about $18,000,000,000 and the decline in the value of farm products of these two years, as compared with 1919 prices, showed a decrease of over $14,000,000,000, making a total loss to the farmers of upwards of $32,000,000,000.

Mr. President, the Government of the United States, through its Federal Reserve Board, through its commissioners who have put these rates upon the farmers of the United States, brought calamity upon the farmers of this country. Now, it is seeking to add further to the calamity by providing another subsidy for shipping and entirely ignoring the farm legislation that is so essential to give us even a little chance to recover from this great calamity. There never was a situation that so strongly demanded that the shipping bill should be dropped, that this motion be voted down, and that the farm legislation be considered; yet I do not know whether or not it will be done. I do know, however, that whether it is done or not, whether the farmers get any chance or not, some of us in this Chamber are going to keep the pledges we made to the farmers of our States; and if I close my speech at this time. the next time I speak I promise you that I shall make a presentation of what the farmers of the State of Washington and some other States think. I think the farmers are all alike from Boston to Seattle. I think there is no difference in their opinion. I think, yes, I know, every labor organization and every national farm organization has declared against this ship subsidy bill. There is nobody asking for it except those who seem to think they may profit out of the subsidy that will be taken from the Treasury of the United States and turned over to a few private parties for carrying on the shipping enterprise.

Mr. HEFLIN. Mr. President——

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

Mr. BROOKHART. I yield to the Senator.

Mr. HEFLIN. Just a question in that connection, if the Senator will permit me. The Senator has pointed out that Mr. Edmonds, the editor of the Manufacturers Record, has called attention to the fact that deflation cost the farmers of the United States in the deflation of farm products and of farm lands $32,000,000,000, which is $9,000,000,000 more than the war debt of all the people of the United States, so that the farmers of the United States have been forced to suffer these losses for the benefit of a few people in the United States.

Mr. BROOKHART. And also have to pay the war debt to a large extent.

Mr. CURTIS. I ask if the Senator from Nebraska objects to the unanimous-consent agreement that when the Senate concludes its business to-day it recess until 11 o'clock to-morrow?

Mr. HITCHCOCK. I object to it in that form. I am willing to take a recess until to-morrow morning at 11 o'clock, but I want that to end the evening session. If the Senator wants an executive session, he can move it.

The PRESIDING OFFICER. Objection is made.

Mr. JONES of Washington. If the Senator objects, very well.

Mr. BROOKHART. That is what I understood to be the Senator's proposition.

Mr. HITCHCOCK. It was.

Mr. BROOKHART. It was not a part of the agreement that an executive session would be had.

Mr. HITCHCOCK. That was not a part of the proposed unanimous-consent agreement.

Mr. CURTIS. We do not ask that that be a part of the unanimous-consent agreement.

Mr. JONES of Washington. The proposition was that unanimous consent be given that when the Senate closes its business to-day it recess until 11 o'clock to-morrow.

Mr. HITCHCOCK. The proposition was to recess until to-morrow morning at 11 o'clock.

Mr. JONES of Washington. No suggestion of that kind came to me.

The PRESIDING OFFICER. Objection is made. The Senator from Iowa will proceed.

Mr. HARRISON. Mr. President——

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

Mr. BROOKHART. I yield.

Mr. HARRISON. I suggest the absence of a quorum.

Mr. CURTIS. I make the point of order that there has been no business transacted since the last call for a quorum. This discussion has not been business, and the Senator from Iowa has not yielded the floor for any purpose except to reach an agreement.

Mr. HARRISON. The Senator has yielded the floor.

Mr. HEFLIN. The request has been submitted to the Senate.

Mr. CURTIS. The Senator from Iowa has not yielded the floor; he still holds it to ascertain whether a unanimous-consent agreement can be reached.

Mr. HARRISON. I suggest that the Senator from Iowa yielded the floor so that a unanimous-consent request might be made, to which unanimous-consent request objection was made, which is the transaction of business. Now I suggest the absence of a quorum.

The PRESIDING OFICER. Does the Senator from Kansas raise a point of order?

Mr. CURTIS. I raise the point of order that there has been no transaction of business since the last quorum was called, and the Senator from Iowa has not yielded the floor.

Mr. HEFLIN. Mr. President, the Senator from Washington submitted a unanimous-consent request to the Senate and the Senator from Nebraska objected to it. If that is not business what is it?

The PRESIDING OFFICER. The Chair is ready to rule. This question in almost substantially the same form arose during the night session the other evening, at which time the Chair held that a suggestion for a unanimous-consent agreement had not been perfected unless the Chair had become an element in it and had asked if there was objection, in which case it would constitute business. On this occasion a request was made for unanimous consent, and the Chair asked if there was objection, and an objection was interposed by the Senator from Nebraska. Consequently, the Chair rules that the call for a quorum is in order, and the Secretary will call the roll.

Mr. BALL. Mr. President——

Mr. HARRISON. Without losing the right to call the roll, I think we had better go ahead——

Mr. HITCHCOCK. Mr. President, let us have the roll called. I demand the regular order.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Frelinghuysen	McCumber	Sheppard
Ball	George	McKinley	Smith
Brandegee	Hale	Moses	Stanley
Brookhart	Harrison	New	Sutherland
Broussard	Heflin	Oddie	Swanson
Bursum	Hitchcock	Pepper	Wadsworth
Calder	Jones, Wash.	Phipps	Warren
Capper	Kendrick	Poindexter	Weller
Curtis	Lenroot	Reed, Pa.	
Edge	Lodge	Robinson	

The PRESIDING OFFICER. Thirty-eight Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absentees.

The Assistant Secretary called the names of the absent Senators, and Mr. CAMERON, Mr. ERNST, Mr. NORBECK, Mr. SHORTRIDGE, Mr. SPENCER, Mr. WALSH of Massachusetts, and Mr. WATSON answered to their names when called.

The PRESIDING OFFICER. Forty-five Senators having answered to their names, a quorum is not present.

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

The PRESIDING OFFICER. The question is on agreeing to the motion made by the Senator from Kansas.

Mr. HARRISON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the senior Senator from Minnesota [Mr. NELSON] and will vote. I vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Oregon [Mr. STANFIELD] and will vote. I vote "yea."

Mr. McKINLEY (when his name was called). Has the junior Senator from Arkansas [Mr. CARAWAY] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. McKINLEY. Then I withhold my vote.

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Idaho [Mr. GOODING] and will vote. I vote "yea."

Mr. REED of Pennsylvania (when his name was called). I transfer my pair to the Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN], and will vote. I vote "nay."

The roll call was concluded.

Mr. EDGE (after having voted in the affirmative). I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Maryland [Mr. FRANCE], and allow my vote to stand.

Mr. McKINLEY. I transfer my pair to the junior Senator from Minnesota [Mr. KELLOGG], and will vote. I vote "yea."

Mr. BALL (after having voted in the affirmative). I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Oklahoma [Mr. HARRELD], and will allow my vote to stand.

Mr. SWANSON (after having voted in the negative.) Having a pair for the night with the senior Senator from Michigan [Mr. TOWNSEND], I transfer that pair with him to the junior Senator from South Carolina [Mr. DIAL], and will let my vote stand.

Mr. KENDRICK (after having voted in the affirmative). Has the Senator from Illinois [Mr. McCORMICK] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. KENDRICK. I have a general pair with that Senator, which I transfer to the Senator from Rhode Island [Mr. GERRY], and will allow my vote to stand.

Mr. WATSON. I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Utah [Mr. SMOOT], and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Louisiana [Mr. RANSDELL] with the Senator from Idaho [Mr. BORAH];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from North Dakota [Mr. McCUMBER] with the Senator from Utah [Mr. KING];

The Senator from Connecticut [Mr. McLEAN] with the Senator from Montana [Mr. MYERS];

The Senator from Ohio [Mr. WILLIS] with the Senator from Ohio [Mr. POMERENE]; and

The Senator from Iowa [Mr. CUMMINS] with the Senator from North Carolina [Mr. OVERMAN].

The result was announced—yeas 29, nays 8, as follows:

YEAS—29.

Ball	Hale	New	Sutherland
Broussard	Jones, Wash.	Norbeck	Wadsworth
Bursum	Kendrick	Oddie	Warren
Cameron	Keyes	Pepper	Watson
Capper	Lenroot	Phipps	Weller
Curtis	Lodge	Poindexter	
Edge	McKinley	Reed, Pa.	
Frelinghuysen	Moses	Shortridge	

NAYS—8.

Brookhart	Heflin	Robinson	Smith
George	Hitchcock	Sheppard	Swanson

NOT VOTING—59.

Ashurst	Fletcher	McCumber	Shields
Bayard	France	McKellar	Simmons
Borah	Gerry	McLean	Smoot
Brandegee	Glass	McNary	Spencer
Calder	Gooding	Myers	Stanfield
Caraway	Harreld	Nelson	Stanley
Colt	Harris	Nicholson	Sterling
Couzens	Harrison	Norris	Townsend
Culberson	Johnson	Overman	Trammell
Cummins	Jones, N. Mex.	Owen	Underwood
Dial	Kellogg	Page	Walsh, Mass.
Dillingham	King	Pittman	Walsh, Mont.
Elkins	Ladd	Pomerene	Williams
Ernst	La Follette	Ransdell	Willis
Fernald	McCormick	Reed, Mo.	

So Mr. CURTIS's motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will carry out the order of the Senate.

Mr. HARRISON. Mr. President, is my name recorded?

The PRESIDING OFFICER. The Senator is not recorded as having voted.

Mr. HARRISON. I vote "nay."

Mr. WADSWORTH. It is too late.

The PRESIDING OFFICER. The result having been declared, it is too late now for the Senator to be recorded.

Mr. HARRISON. I ask unanimous consent that my name may be recorded in the negative.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. CURTIS. Mr. President, I object to any business being done until a quorum is secured.

The PRESIDING OFFICER. Objection is made.

After a little delay, Mr. FLETCHER, Mr. KELLOGG, Mr. COLT, and Mr. KEYES entered the Chamber and answered to their names.

to get all of these in before the sun rises in the morning. Oh, there is a lot of time. It is only 17 minutes past 8 right now.

"If, in these circumstances," asks Mr. McAdoo, "there had been no deficit, what becomes of the charge of extravagance and wasteful inefficiency now preferred against Federal control? Do not these figures show that the waste, inefficiency, and incompetency, if any, was shown by the railroad executives when they were operating the railroads for account of the Government during the first five months of 1918?"

* * * * * * *

"What excuse can they offer for their reckless and indiscriminate criticism of the operation of the railroads under Federal control when, figured on any basis, by far the greater part of the deficit for the year 1918 occurred when they were operating the carriers for the account of their Government?"

Again:

To the charge of inefficiency is added that of disloyalty, or worse, made by Frank McManamy, assistant director of operations during Federal control, who declared that railroad officials "have wrongfully paid out millions of dollars" in padded pay rolls. These overpayments, Mr. McManamy said, "were deliberate," and in direct violation of the instructions of the director general.

Now, here is what he says:

The record, then, clearly shows that some railroad officials were incompetent and inefficient, as well as dishonest; and that during the most critical period of the Nation's history they withheld the loyal and willing service that was cheerfully given by the railroad workers.

I shall have to withdraw that last statement as it was not a part of the quotation. I want to get this exactly right, Mr. President. It is important that we be very particular in that respect, especially this evening. It is true, but not the statement of McManamy.

Mr. President, I have pointed out some of the evidence furnished by the Director General showing the disloyalty of the managers of these roads during the war-time operation for the express purpose of discrediting Government operation; yet, bad as that management was during all that time, inexcusable and unpatriotic as it was, nevertheless it was $1,426,000,000 cheaper to the American people than the first year of operation after the Government turned the roads back to private control. I am not going to back away from the statement I made, for it is true. I have talked to railroad workers in many States, and everywhere they have told me the same story; how the management directed them to do things inefficiently in order to muss up the service and disgust the public and also to increase the expenses.

With all that record it is not fit that a Senator of the United States should find out facts! He is a bad man who finds out the truth about that, and he is a terribly bad man if he gets up in the midst of a filibuster and tells the folks about it. I believe the Senator from Mississippi [Mr. HARRISON] would say that I am getting every day in every way worser and worser. [Laughter.]

Mr. President, I want to tell you more about my friend Felton, of the Chicago & Great Western. I promised to do so, and I will do it now.

This Great Western Railway, managed and operated by this same Samuel M. Felton, is a wonderful piece of economic machinery. It has a financial story that is not second to very many. It is almost entitled to a championship place.

The Chicago & Great Western Railroad Co., which was a reorganization of the Chicago & Great Western Railway Co., issued, upon its organization, capital stock of the par value of $86,268,115 and bonds of the par value of $18,500,000.

I hope the Senator from Kansas [Mr. CURTIS] will preserve all those figures, for they are very important.

For the total capital liability thus created the new company received, as shown by the records of the former railroad securities commission, only $33,214,443.31 of consideration.

I think almost anybody can remember that 31 cents.

It is true, however, that from the proceeds of part of the securities delivered to the reorganization managers under the agreement between them and the various stockholders' committees, were paid notes of the old company, together with interest, amounting to $10,653,414.

I wish to say to the Senator from Washington that while he was out of the Chamber I gave some very important figures, and, if the Senator desires to get them, I will repeat them.

Mr. JONES of Washington. I have no objection to that. The Senator from Iowa can use the time that way just as well as in any other.

Mr. BROOKHART. The Senator from Washington is the most accommodating filibusterer in the world. His record is clear on every point.

In a sense this may be considered a consideration received by the new company; or, rather, the stocks of the old company, which were received by the new in exchange for its own capital stock, may rightly be deemed of proportionately higher value with the note obligations of the old company, which had priority over them, extinguished. Adopting this more liberal view of the value behind the stocks and bonds of the new company on its organization, the total increases to $43,867,857.31.

I call the attention of Senators particularly to the fact that the 31 cents stuck all the way through.

For this value received, the company issued its stocks and bonds to the amount of $104,768,115. The market value of the bonds issued, having been at that time $17,020,000, the assets remaining behind the new stock amounted to only $26,847,857.31. There is, therefore, $59,420,257.69 (or about 70 per cent) of "water" in the outstanding stock of the Chicago Great Western Railroad Co.

We lost the 31 cents that time, because we had to subtract it to get that 69 cents; but the big point in the proposition is that my friend Felton's road—this man Felton who calls down governors, Senators, and anybody else who tell about a railroad—is operating a road on a lake of $59,000,000 of water. I think he ought to be changed to a navigation manager. Then I think the Senator from Washington ought to give him a subsidy. However, I think I will show a little later on that he has got a subsidy now. I have some documents upon that question, and, if Senators will remain long enough, I shall try to get to it later in the evening.

There is another thing about Felton and his railroad financing and about his method of getting the farmers to pay freight rates. He goes on the stand in a rate case—I have heard him, and so I know—and swears under oath that they can not earn any percentage on the capitalization of the Great Western Railway. Of course, anybody would know that, for when this $59,000,000 of water comes in sight there would not be much return on that kind of a road, anyhow. Of course, however, he is not particularly asking for the Great Western, because Senators will understand that Mr. Felton is the bird dog of the organization and he is acting for his master. We want to find out who the master was. There is some evidence about that in these same capitalization figures:

The totals of the amount of "water" above shown to exist in both classes of the capital stock of the Chicago Great Western Railroad Co. is $59,420,257.69—

I read that a few moments ago—

That this amount is correct may also be shown without regard to the proportion contained in each class of stock. The total amount of new stock issued directly by the present company under the reorganization was $44,489,078; the amount of stocks and bonds issued to the syndicate were $60,277,937; grand total, $104,767,015. The total consideration received by the company directly and through the syndicate in cash and old securities was $43,867,857.31; excess of par value of new securities above the value received therefor, $60,899,157.69; deducting the difference between the par value and the market value of the $18,500,000 bonds sold, viz, $1,480,000, the true amount of water is again seen to be (after adding the $1,100 (par) of common stock issued and not included in the published reorganization plan), $59,420,257.69.

Mr. President, that is not really what I wanted to explain. I omitted some other figures, and I think I will have to go back and read them. I quote:

Upon analyzing the plan under which the new securities were issued it will be found that the water is distributed as follows:

I wanted to know something about the distribution of that water in the Chicago Great Western Railroad Co. Distribution is an important item. I found that out when we came to distribute the time for this debate, for it took me four days to get the floor, and I do not want to give it up for four days more if I can help it.

I. In the new preferred stock—
(1) $30,884,798 of new preferred stock was issued in exchange for the old debenture stock having a market value of $10,971 757.99. Water was injected, therefore, to the amount of $13,913,040.01—

I would hate to lose that one cent—

(2) $10,136,604 was issued to the reorganization managers and sold to the syndicate formed to provide necessary cash for the new company. This syndicate furnished the company $20,653,414 (including amount paid to the note holders of the old company above referred to). But they received bonds of the company, having a market value of $17,000,020. Therefore, the total consideration applicable to this amount of preferred stock was only $3,633,414, and the water in same is $6,503,190.
Total water in the $41,021,402 of preferred stock outstanding (almost 50 per cent) $20,416,230.01.

That is the water job that is managed by Samuel M. Felton.

II. In the new common stock.
(1) Common stock to the amount of $13,604,280 was issued in exchange for the old preferred stock A, which had a market value of $3,125,810.07.

It was worth $3,000,000, but there were $13,000,000 of common stock issued for it.

Of common, therefore, more than 75 per cent is "water," or $10,478,469.93.

Then there is another item here of $28,525,557.75, making the total "water" in the $45,246,713 of common stock outstanding over 86 per cent—$39,004,027.68.

There is something else in here that I seem to have missed. Here it is. I wanted to find out who was Mr. Felton's boss in all these transactions. I should like to get some of this farm legislation under consideration, if we could do something for the farmers in some way, and Mr. Felton and these chaps who get after me about this question would like to get more

stocks and more bonds and more "water" and more rates and more dividends.

Here they say:

It is worthy of note that in addition to the fee of $500,000 paid to Morgan & Co. under their agreement with the committees of the various stockholders of the old company the Morgan syndicate made a profit of $6,003,190. It is not clear how the syndicate rendered any such service to the new company or to the former stockholders as would justly entitle them to any such profit. Apparently the only detail of the final reorganization plan which necessitated the service of bankers was the sale of $18,500,000 of bonds. As these bonds are secured by an absolute first mortgage on the entire property of the Chicago Great Western Co., it certainly seems that $6,000,000 is an excessive price to pay for underwriting such an issue.

Morgan & Co., who charge us $6,000,000 for getting a mortgage of $18,000,000 on a property worth twice that much, hail from the State of New York, and maybe the Senator from New York can explain to me why they charge our farmers such a figure as that out West. The Senator just smiles. He does not explain.

Mr. CALDER. Mr. President——

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

Mr. BROOKHART. I yield for a question. I do not yield this floor.

The PRESIDING OFFICER. The Senator yields for a question.

Mr. CALDER. I regret very much that I did not hear the Senator's statement fully as I came in.

Mr. BROOKHART. I will read it over to the Senator.

Mr. CALDER. I am quite sure, however, without knowing anything of the facts, that the statement that 33 per cent was charged for obtaining a loan on a piece of property worth twice the value of the loan would hardly be borne out by the facts when they are all known. I say this without having any knowledge at all of the subject the Senator is discussing.

Mr. BROOKHART. In this case the Senator, then, does state that the farm bloc really has a kick on Morgan & Co.?

Mr. CALDER. I say to the Senator that there is no occasion for anybody anywhere in America, if he has property worth twice the value of what he wishes to borrow, to pay 33 per cent for just the pleasure of giving some one a bonus for lending the money.

Mr. BROOKHART. The Senator says it was all right 25 or 30 years ago, but it would not do now. Is that the idea?

Mr. CALDER. No; I did not say it was all right at any time. I did not say that, and the Senator knows I did not say it.

Mr. BROOKHART. I beg the Senator's pardon. The Senator from Utah interrupted me, and I did not hear all that he said.

Mr. CALDER. I say that there is no property in America, I do not care where it is, where there is any occasion to pay a bonus of 33 per cent, if the property proposed to be mortgaged is worth twice the value of the money desired.

Mr. BROOKHART. On that point I will have to let the Senator know that this was not ancient history of the Great Western. It was its reorganization, the last one they had. That is the way they fixed us out in Iowa. Do you wonder that we are all turning Bolshevik out in that country?

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

Mr. BOOKHART. Yes.

Mr. KING. Only a question: I will inquire of the Senator whether, in his examination of the activities of Morgan & Co. and the promoters of the Mercantile Marine Co. he has not discovered that the same persons or the same factions described in the document from which the Senator is now reading promoted the Mercantile Marine Co. with a view to controlling the freight rates upon land as well as the freight rates upon the sea?

Mr. BROOKHART. I shall be very glad to answer the Senator's question about to-morrow afternoon. [Laughter.] I have some very elaborate statistics of the interlocking directorates, and some charts in white and black and red and green and blue, showing how they are all scrambled up together, and you can not unscramble them even with a Supreme Court. Yes; they are all mixed together. They are all after us in the same way. That has been the trouble. Here are about 7,000,000 farmers working 16 hours a day for a living, and here are six or seven million laboring people working the same way, and then nearly all of the net income is going to the combination of a few gentlemen organized in that way. There is something in organization, you see; but I am afraid the Senator got me off my subject a little.

I was talking about one Samuel M. Felton, president of the Chicago & Great Western Railroad Co. Now, let us get that right. It used to be the "railway" company, and then Morgan & Co. came down from New York, changed its name from "railway" company to "railroad" company, and charged us $6,000,000 for doing it; and it is the president of that outfit that has printed my name in all the papers all over the country that would carry it, and a lot of them seem to have carried it. I think maybe they will find out that I am harmless after a while, and I will not be such good news in these papers; but at the present time it makes me an awful lot of trouble explaining these things out, and that is why it is nearly 9 o'clock and I have only gotten about half-way through with Felton yet.

Now, let us see something about the subsidy proposition in reference to this. It seems that there was some question about subsidies in reference to the management of this road. I wonder if I have lost that document. If I have, I will say that you will all have to come back to-morrow night. It will not do to miss that. The document to which I refer related especially to the patriotic action of these railroad presidents. Take this man Felton, for instance. Before the war, when times were good, he only charged us $40,000 a year for the mismanagement of this waterlogged railway out in our country. After the war was over and the times got real bad, he could not live on that, and he raised it $10,000, and we have to pay him $50,000 now for running this road and for paying Morgan $6,000,000 of our money for changing the name from "railway" to "railroad." There is a lot of trouble, I will tell you; and I want to call the attention of the Senator from New York again to the fact that it is not only the farmers of Iowa that are getting roused up about some of these things. I met a bunch of farmers from New York the other day, and, do you know, they were talking the same way as those farmers do out West.

Oh, there is not any section any more in this farm bloc. The farmers of the Pacific coast, the fruit growers out there, the cotton growers of the South, the cattle raisers of the Rocky Mountains, the corn growers of the Middle West, and the dairymen of the East are all talking the same language; and if you read the Washington Star you saw a picture of that language in the cartoon the other night. They figured out how the United States would really look after the farmers got in here, and they are coming. Now, mind that.

The Senator from Alabama [Mr. HEFLIN] has just furnished me a copy of that picture. It is entitled "The Iowa Idea of a United States Senate." I wonder if they are blaming that to me?

Here is one Senator with a document almost as formidable looking as the Evening Star, and it is entitled "Care of Live Stock"; and evidently that Senator has not found out that there is a senatorial barber shop here, from the looks of his whiskers. Then we see "A bill to abolish 'biled' linen." Well, you know, we had an exhibition of that here the other day. I remember that Boston tea party, one of the most celebrated parties ever held in the history of the United States, and that party, as I recollect, was given in jeans, pants, and cowhide boots; but the other night here in the Senate we had to send out the Sergeant at Arms to bring in a social bloc to make a quorum, and they came in their evening togs, too. It will be a different-looking Senate when the farmers get here, and I will tell you, you had better look out for those togs.

The next one down the line has a book on hog hygiene. I want to tell you the State of Iowa has 7,000,000 hogs. We raise three times as many hogs as any other State in the Union. We are experts on that, and I want to say it takes more brains to know all about hogs than it does to know about United States Senators.

The next Senator is speaking. I should judge, from the gesture he is making, that he is in a filibuster. He says: "Mr. President, put that guy out." I do not know which one he referred to in that case. I see he is pointing at the boiled shirt. I did not catch that.

Another one has in his hand a document called "Flapper Weekly." I wonder if the Senator from Kansas [Mr. CAPPER] can explain that? I never saw that paper.

There is another one who says: "Yep, but it killed half o' mine." I do not know whether that is in reference to the paper or not. There are some very deep-seated observations in this cartoon of the United States Senate of the future, when the farm bloc really gets to going. At any rate, I am going to invite that cartoonist out to my State and show him a live farmer some day. He is so used to these social blocs here that I do not believe he ever saw one; but he made a good guess and a good picture.

There is the Senator from Illinois [Mr. MCCORMICK]. He knows a lot about these cartoons. Maybe he could explain how all these farmers got into the United States Senate so suddenly. I will say this much to the Senator from Illinois:

He came out into Iowa and made one speech, and it did not defeat me. [Laughter.]

Mr. McCORMICK. Mr. President, does the Senator mean that he did not want the help of the senatorial committee in the compaign?

Mr. BROOKHART. Oh, no; I was awfully glad to get it. I would not have gotten a silk-stocking vote in the State if the Senator had not come out there.

Mr. McCORMICK. What about the more material assistance that the Senator received?

Mr. BROOKHART. Oh, yes; it was all very welcome. I hope the Senator comes out again. I did not want the Senator to take that so seriously. That worries me a good deal. I was just joking, you know. I will say to the Senator further that they have been making me a lot of trouble here this evening. They have been bothering me a good deal. You know, I am new and quite green, and I get mixed up a good deal as I go along.

Mr. President, I am going now to change and take up another phase of this matter. I want to talk a little bit about this system which they present constantly to the American people in reference to their straitened finances. Whenever you find anybody talking for a railroad he always tells you how their credit is broken down, their earnings are getting less and less, getting worse and worse all the time, and the only cure for it is high rates.

In 1915, on this same line of argument, they conducted a campaign for higher freight rates, a horizontal increase straight up in all rates, and they advertised their condition all over the State of Iowa. I believe there are about 700 newspapers in the State of Iowa. They are the only people in hard lines I ever knew who advertised it and paid for putting it in the newspapers, but they did it; and I want to submit for the consideration of these empty seats here to-night some of their principal advertisements.

Here is one that was published in all these papers out in Iowa. You know, one of the convenient things about a railroad advertising in a newspaper is that the farmers have to pay for it, after all. They never forget to charge rates enough to pay the bill. That makes it a very handy plan, but it is a part of this same plan of publicity that my friend Felton, of the Great Western, used and practiced on me.

It reads:

That the railroads of the United States are to-day confronted by the greatest crisis in their history there is not the slightest question.

That sounds familiar, does it not? It is the same old story.

For some years they have been desperately struggling with an ever-increasing cost of operation in the face of reduced freight and passenger rates. But, serious as this situation was before the European war, which has indefinitely closed to them the foreign money markets, has suddenly brought them face to face with a situation which threatens not merely many new receiverships but the actual paralysis of the entire transportation industry of the Nation.

Now, is not that awful? This was 1915, when they were wanting advanced rates.

It was this state of affairs which compelled the closing of the New York Stock Exchange some months ago. What will happen in the future the future alone can tell. American railroads are valued, in round figures, at $20,000,000,000, and of this vast sum nearly $5,000,000,000 worth of securities are held abroad. Should Europe in its frantic struggle for funds seek to convert these securities into cash during the next few months, where is the money to come from with which to buy them?—

I would not know, I will admit—

And failing to protect the securities, what demoralization will follow, not merely in railroad investments but in all other American industrial values as well?

This is an extract from a paid advertisement in all of the Iowa newspapers.

Mr. CALDER. Is that a recent advertisement?

Mr. BROOKHART. In 1915—just preceding the advanced-rate case of 1915. It is quite recent.

Mr. CALDER. My information is that Europe has disposed of all of its American securities.

Mr. BROOKHART. Yes; and we bought them and loaned Europe ten or eleven billion dollars besides, did we not?

Mr. CALDER. Yes.

Mr. BROOKHART. So there was not much in the great, big scarecrow they hung up on our garden fences out in Iowa, was there?

Mr. CALDER. Well, I do not know. I am inclined to think that if we had been called upon to meet that demand of $5,000,000,000 in a little while without the immense profits that came to us during the early days of the war we would have had a hard job to meet it. We took the $5,000,000,000 worth of securities held in Europe and paid for them with war supplies at extraordinary prices, and they were returned to us without any difficulty and without upsetting market conditions. But in time of peace if Europe had called upon us to pay $5,000,000,000 within a short period I think we would have had some difficulty, and it is possible it might have resulted in a serious panic.

Mr. BROOKHART. The Senator thinks if they offered them for sale and we did not have the money to buy them, they would have to keep them.

Mr. CALDER. No; if they had dumped them upon our market, it would have been a pretty serious condition for the value of American securities of every character.

Mr. BROOKHART. That is an awfully bad thing for railroad securities or anything like that to come down, is it not?

Mr. CALDER. To come down to a considerable extent, yes; because that affects the whole market condition of the country. It always has done so, I will say to the Senator, in the experience of the country in the past.

Mr. BROOKHART. Well, yes; and it is bad when the railroads squeeze the farm values down in the same way.

Mr. CALDER. Oh, I agree with that.

Mr. BROOKHART. I believe the Senator from New York and I will get along pretty well after he gets a little better acquainted with the farm bloc.

Mr. CALDER. If the Senator will permit me, I think perhaps, outside of the State of Iowa and one or two others, we have as many farmers in New York as any State in the Union.

Mr. BROOKHART. But they are not as "blocky" as ours.

Mr. CALDER. They are not as blocky, perhaps, because they, being nearer the markets, do not have the physical difficulties in marketing their products. I know the Senator's farmers have hard times and our farmers have hard times, too; but our nearness to the market makes it easier to turn our products into money than for the Senator's farmers. I have a great deal of sympathy for the farmer, and if the Senator will show me where I can help them at any time he will find me on his side.

Mr. BROOKHART. I am trying to show the Senator now where he can help. That is why I am talking about the railroads to-night. I want to show the Senator that practically always all of this claim that their financing is broken down and their credit destroyed is a false alarm put out by their bird dogs for the purpose of deceiving the public and justifying an increase in rates. That is the theory of it. That is why I am arguing it.

Mr. HEFLIN. Mr. President, in order that the Senator——

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

Mr. BROOKHART. For a question. Remember, I am holding the floor.

Mr. HEFLIN. I want to help the Senator hold it. In order that the Senator from New York may understand exactly the situation out in Iowa, when the farmer out in Iowa was getting 15 cents a bushel for oats the Senator from New York was paying 50 cents for a saucer of oatmeal at the Willard Hotel.

Mr. BROOKHART. I was never able to stand the dinners at the Willard, but I expect probably that is right. May I ask the Senator if that is correct?

Mr. CALDER. I think the price was 40 cents to-day. [Laughter.]

Mr. HEFLIN. I was quoting from memory what the Senator from New York said at a previous time in an interruption of a speech I was then making.

Mr. BROOKHART. The Senator did not miss it much after all.

Now let us see more about these advertisements of railroad credits. Here is another one that was published in all those papers at our expense. I want Senators to keep that in mind, that all of these luxuries of advertising are at our expense. They are all charged or figured in the operating department in some way.

The net operating income of the railroads of the United States for the year ending June 30, 1914, was $118,554,875 less than for the previous year. The gross earnings for the year were $66,698,486 less than for 1913, while expenses and taxes were $49,535,653 more.

Of course they neglect to show that the comparison which they made was with the greatest year in railroad earnings in all the history of the railroads. These figures are probably correct, but by being arranged in that way, they give an entirely false impression of the situation.

The bond and note obligations which will mature between now and the end of next year, and which the railroads will have to meet in some way, amount to more than $563,000,000, and this does not take a dollar's worth of new improvements or betterments into consideration.

These are obligations which were incurred in the past and which must be met as they fall due if the transportation companies are to be preserved from wholesale receiverships and ruin. Manifestly, therefore, American investors, big and little, will come to the rescue, and before they will consent to do this American railroad securities will have to be reestablished as a sound, respected, and paying investment, and this, on the basis of present railroad earnings, is impossible.

That is another one of those paid advertisements. Now, I want to say about that that to a man not familiar with railroad bookkeeping and experienced in railroad juggling of figures it sounds like a telling argument. To a man who knows, it is simply the shrewdest kind of a scheme of deception.

In the first place, the figures are a comparison of 1914 with 1913. If 1913 was a fat year, then the earnings might very properly be less in 1914, and that was exactly the situation. It was a banner year, in spite of the fact that they juggled their expense accounts to make it a bad one. They spent $100,000,000 more for maintenance in 1913 than they did in 1912. They were asking for higher freight rates, and they wanted to make a bad showing, so they spent the money. This helped them in two ways; they made a permanent improvement of their property at the expense of the people, and its tendency was to make a good showing so they could get still more from the people in freight rates.

Here is a concrete example of the juggling on the Pennsylvania Railroad: In 1909 their expenses decreased and were less than in 1908. In 1910 they were asking for increased freight rates, so their books showed an increase of 27 per cent in expenses. In 1911 there was a decrease, and in 1912 there was a slight increase of 2½ per cent. But in 1913 they wanted higher freight rates again, so their expenses increased 29 per cent, and in spite of all this juggling the eastern group earned 8.07 per cent net in 1913 on the whole stock, water and all.

In 1908 every mile of railroad in the United States earned net $3,171 and every year since has earned more until 1913 when it reached the sum of $4,233.

Now, again as to these paid advertisements, they put in the papers this statement:

In times of acute financial stress private industries are in position to very largely adjust their affairs to meet the emergency. They can advance the price of their commodities, cut the pay roll in half or shut down altogether, and thus permit the storm to blow over without actual shipwreck. The railroads as quasi public enterprises, however, are in an entirely different position. Their rates are regulated by law, and can not be advanced without the consent of the people through their lawmaking body. In order to please the convenience of the public, and not to break down the commerce of the country, they must operate their freight and passenger trains whether they carry a full load or only a quarter of a load. And in view of these facts it is manifestly unfair to put the railroads in the same class with private industries in the present crisis and ask them to shift for themselves as best they can. When the people took over the complete making and regulation of railroad rates they at the same time assumed the solemn implied obligation to see that the railroads got a square deal, for the people are the only power that stands between them and ruin.

That was another paid advertisement at this same time, part of this tale of woe that went out asking for higher rates in order to restore the credit of the 47 western railroads.

In reference to that I want to say that I am not charging the railroads anything for reprinting their advertisements. What I have just read was an attempt to justify the rate increase because the railroads were not in the same class with private industry. They say their trains must run whether they have a half a load or not. But remember this fact, that in every State in the country we know of a reduction of trains was made when there was not enough traffic to fill them. Out in Iowa, in my own home town, it has not been long since the Rock Island had two fast trains at that station, one east at 10 o'clock in the morning and the other west at 3 o'clock in the afternoon, and also two local trains, one east at 4.35 in the morning and the other west at 9.05 in the evening. All four of those trains have been removed.

In addition to this the railroads are permitted to charge rates high enough to accumulate a surplus to cover periods of depression. The last time I checked up this surplus it amounted to over $1,000,000,000. It would take a loss of $166,000,000 a year for six years to eat up the surplus which they have already accumulated. That surplus was also collected from the people, but as soon as it is collected it is forgotten, and when the war comes along, instead of using it, they ask us to put up more money and bear our own losses besides.

Now, Mr. President, I have several more very interesting advertisements here and I am very sorry that I shall not have time enough to read them all to-night. I shall preserve them, however, and perhaps I can present them a little later. However, there are one or two more that I will present now. Here is another one:

It is the American farmer, however, who has no complications ahead of him and whose flour, pork, beef, mutton, and foodstuffs must be depended upon to make up the shortage which is already looming big in the distance because the harvest fields of the most fertile sections of Europe have been converted into a shambles for the contending armies. Exports of breadstuffs from the United States in November were valued at $40,250,000, or almost four times as much as in November, 1913, while meat and cattle exports amounted to nearly $14,000,000, or a gain of over 20 per cent over 1913, and this despite our miserable shipping facilities on the high seas.

In the light of these facts was there ever a time when the farmers of Iowa and other Corn Belt States can view the future with as much assurance or when they can so well afford to treat fairly every other great industry in the Nation as now?

Putting it in the terms of sound business policy, was there ever a time when they should do their part to the end that American labor may be profitably employed in all the great channels of industry and that our transportation system may be kept up to a high point of efficiency so that it may adequately discharge the heavy shipping burdens which will undoubtedly depend upon it in the not distant future?

That is another beautiful story to the farmer and reason why he should come to the relief of these railroads in this moment of distress. In reference to that I want to say that the commission decided that the roads were not entitled to their 5 per cent blanket increase in rates in the eastern case. Then the war began. Then began a line of arguments found in the above article.

The commission allowed an increase upon 45 per cent of the tonnage in the western case.

They admit the war has brought calamity to every line of business except farming. They single out farming, point to its great prosperity, and insist it should pay more taxes to the railroads. As to the cotton farmer they say nothing. Although more than one-fourth of all the farmers in our country are cotton farmers, they are not even mentioned. Why? Because they were ruined by the war. The railroad business is not hit one-tenth as hard. If anybody is to be compelled to help anybody else on account of the war, the railroads ought to be compelled to help the cotton farmers.

And how much better off is the northern farmer? They tell you the exports of meat and cattle increased by over 20 per cent in November. Yes; but the price has declined over $2 per hundred prior to 1915 and since the war began. The larger shipment abroad would give the railroads more business from the farmer, but the lower prices are losing him money. There is not a feeder in the country but who is loser.

That was true up to 1915 and it was true in 1916 and a little in 1917, and 1918 and a part of 1919 were better, and then came the smash of the farmer.

The railroads of the whole country had over a billion dollars of surplus when the war began. And here are a few samples of what they were earning: In 1913 the 35 eastern roads averaged 8.07 per cent on water and all. The Pennsylvania earned 9.50 per cent. In 1912 the Santa Fe earned 6.91 per cent. In 1911 the Chicago, Burlington & Quincy had nearly $17,000,000 of net corporate income after paying all interest on bonds, taxes, and running expenses of every kind, including lawyers, politicians, and newspaper advertisements. Its whole capital stock was a little less than $111,000,000. Therefore its net corporate income on all stock was over 15 per cent.

Mr. President, after all these advertisements were put in the newspapers something happened in the trial of the rate case. Something happened to show up this system of propaganda which the railroads of the country had constantly been putting out to deceive the people with reference to their financial situation. Here is another advertisement which brought that to issue. They said:

There is not a single manager of a central or western railroad who will not admit that the present supply of first-class freight locomotives and box cars could not successfully meet the requirements of several bountiful crop years, and yet they have not the funds with which to supply this equipment and thus be prepared for the emergency when it comes, as it undoubtedly will.

So in this advertisement these western roads claimed a shortage of funds even to maintain and keep up their equipment. Then when we reached the trial we began the proof upon this queston of credit. This question was asked:

Mr. LORENZ. Would not that have to be considered in order to get a fair picture?

Mr. THORNE. Not to cover the point I was covering. I will state the point to you again, as it is stated in the exhibit.

The carriers have claimed that they have not had the money to maintain their property and that they have had to retrench and go backward. Now, that is true as to some carriers, but as to the carriers as a whole it is conclusively shown by the series of exhibits, including what we have already introduced and those to follow, that the carriers are maintaining their property; they have had the money to spend. They are maintaining it at a higher standard as a whole than ever before in their history, and in spite of not having the money to expend they are spending more in the country as a whole; they spent $100,000,000 more in 1913 than ever before in their history.

Mr. WRIGHT—

Mr. Wright was the general attorney of all these railroads; he was appearing for these 47 western roads trying to get this advance in rates. He said:

Who in this case is spending more?

Mr. THORNE. In 1914 they spent $20,000,000 more than that.

Mr. WRIGHT. Who in this case is claiming that they have not had the money to keep up their property?

Mr. THORNE. In the paid advertisements in Iowa—

Some of those were the same advertisements, Mr. President, which I have read to you—

Do you mean to say that—your honor, just a moment. The exhibit was prepared before the introduction of the evidence, and, necessarily, the paid advertisement was drawn forth from a statement by Mr. Wright, asking who had made the claim.

Mr. WRIGHT. In this case?

Mr. THORNE. I say these railroad parties to this case.

Mr. WALTER. Let us waive that. Do you say you have the money?

Mr. WRIGHT. Yes; we have maintained our properties, and we expect to. I have never made any contention of that kind in this case;

and so far as any advertisement in Iowa is concerned, nobody connected with this case in the handling of it has anything to do with it.

Mr. WALTER. My purpose in rising was to get formally on the record the admission—you do have the required money to keep your property in the shape which you think it ought to be in.

Mr. WRIGHT. Yes; I am not going back on that.

Mr. President, I call your attention to that remarkable situation. Here were these railroads putting advertisements in 600 or 700 newspapers in my State, and I presume they did the same—I know they did the same in all of the western section—paid advertisements, marked "paid," all of them advertising the fact that they did not have funds and money with which to maintain their properties; and then when we reached that question at issue in the trial of the rate case before the Interstate Commerce Commission, their attorney, representing all the roads, gets up, repudiates the advertisements for which we had paid and says, "We did have the money, and we have maintained our roads."

Not only that, Mr. President, but after the evidence was introduced the commission passed upon the other proposition.

But before I comment on that I want to say that we introduced to offset their claims of broken-down credit the evidence of the credit of the Government of the United States for the preceding 15 years, evidence of the credit of the four greatest governments—the United States, England, France, and Germany—in combination with 20 of the largest cities in the United States. We called that combined rate of those Governments and cities a pure money rate for convenience. We made a chart of the credit rates that the Governments and the cities had to pay. Then we took the credit rates which these 47 railroads had to pay, and we noted the rise and fall of that credit expense to all those roads. There was a remarkable disclosure when all of that evidence was collected.

That disclosure was, first, that these western railroads had a credit a little bit steadier, one which had not fluctuated quite so much as the credit of all of these great Governments and great cities; and, second, we found that by a small fraction the credits of these railroads had fluctuated a little less than the credit of the Government of the United States. Those facts were undisputed in the record. After we had shown them no railroad company denied them, yet they put out their advertisements and their propaganda to convince the people that their credit was broken down.

Now, here is what the commission say upon this proposition in the decision of 1915, "Western Rate Advance Case. Investigation and Suspension Docket No. 555. Rate increases in Western Classification Territory; submitted June 26, 1915; decided July 30, 1915."

The commission say, upon "The financial evidence":

Under this caption we include, first, testimony relating to the interest rate which the carriers pay on money borrowed; and, second, testimony relating to the return on money invested in their securities. In general, the matters here under consideration are not related, except indirectly, to operating expenses, nor to valuations attaching to the carriers' property, but rather to their securities and their financing.

We can not accept as final or determinative in this connection the recital of failures, no matter how well attested, of particular carriers at particular junctures to borrow except at abnormal or prohibitive rates of interest.

Now, then, the particular carrier they used in this case was the Chicago Great Western Railroad Co., and the particular witness they used in this case was Samuel M. Felton, whom I have described somewhat to you to-night.

Nor can we allow the testimony of financial experts as to the relative credit of railroads and other industries at particular times or in individual instances to weigh heavily as against comprehensive statistical studies such as those presented by the protestants' witness Norton.

Mr. President, that means that they went out among the industries and found particular instances of failure or of high interest rates and, using those particular instances as an example of the whole situation, they proved this bad financial condition, when as a whole it did exist. Witness Norton, whom we used, viewed the whole situation in the way that I have described and the commission approved his finding.

Without a detailed analysis therefore of the financial testimony, as defined above, we proceed to set forth the facts of prime importance that seem indubitably established.

The progressive increase in the ruling rate of interest since 1900 has been demonstrated beyond question, and we do not deem it material to go behind the fact into the causes which have operated to bring about this increase. Railroads in common with industries generally have had to pay a rate of interest higher in 1914 than in 1907, and generally higher in 1907 than in 1900.

J. P. Norton, in his exhibit, has shown that the "pure money rate"—that is, the rate paid on Government securities where there is the minimum of risk involved—has risen from about 3 per cent in 1900 to about 3½ per cent in 1907, and to about 3⅞ per cent in 1914. He has also shown that the same phenomenon of a rising interest rate in the period 1900–1914 is instanced by the bonds of other public utilities than railroads—

It will be noticed that this parallel runs through everything; that it is not confined to railroads—

by the bonds of manufacturing and other industrial enterprises, by the municipal bonds of the 20 most populous cities in the United States, as well as by the bonds of 8 Western and 10 Southwestern railroads which are parties to the instant case.

So this parallel runs through everything, and the railroads at the time they were telling all the people of the West that their credit was shattered and broken had the steadiest and the evenest credit of any of these institutions, not excepting the Government of the United States.

A summary of this showing is exhibited in the subjoined table, No. 18, which is based upon various exhibits of this witness.

I shall have to read that table. I want to get it in the RECORD, and it is against the rules to do it without unanimous consent, and everybody is objecting now. I am afraid I shall not have time to read all of these figures, but I will do the best I can. I hope the President will not be too much disappointed if I skip some of them.

The table is as follows:

TABLE 18.—*Average yields of bonds of railways and other industries, 1900–1914.*

AVERAGE YIELD OF BONDS.

Year.	8 western roads.[1]	10 southwestern roads.[2]	Pure money rate (Government and municipal).	Western and southwestern railroads combined.	Municipal bonds, 20 largest cities.	Manufacturing and industrial bonds.	Public utility bonds.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
1900	3.9	4.8	3.02	4.3	3.2	5.4	4.5
1901	3.9	4.4	3.01	4.1	3.2	5.2	4.4
1902	3.9	4.4	3.05	4.1	3.3	5.1	4.4
1903	4.1	4.6	3.08	4.3	3.4	5.2	4.6
1904	4.1	4.5	3.17	4.3	3.5	5.3	4.6
1905	3.9	4.3	3.11	4.1	3.4	5.0	4.4
1906	4.0	4.4	3.22	4.2	3.6	5.1	4.6
1907	4.4	4.7	3.42	4.5	3.9	5.4	4.9
1908	4.3	4.7	3.47	4.5	3.9	5.6	5.1
1909	4.1	4.4	3.41	4.2	3.8	5.2	4.8
1910	4.2	4.6	3.54	4.4	4.0	5.4	5.0
1911	4.2	4.6	3.55	4.4	4.0	5.3	5.0
1912	4.3	4.7	3.59	4.5	4.0	5.3	5.0
1913	4.6	5.0	3.82	4.8	4.3	5.7	5.1
1914	4.5	5.1	3.77	4.8	4.2	5.9	5.1

[1] Chicago, Burlington & Quincy; Chicago, Milwaukee & St. Paul; Chicago & North Western; Chicago, St. Paul, Minneapolis & Omaha; Great Northern; Minneapolis & St. Louis; Northern Pacific; Union Pacific.

[2] Atchison, Topeka & Santa Fe; Chicago, Rock Island & Pacific; Colorado & Southern; Kansas City Southern; Missouri, Kansas & Texas; Missouri Pacific; Southern Pacific; St. Louis & San Francisco; St. Louis Southwestern; Texas & Pacific.

While the selection of the roads covered by the preceding table was not made by the witness, and while the inclusion in the western group of three strong roads—the Great Northern, the Northern Pacific, and the Union Pacific—only slightly interested in the increases under consideration, may somewhat qualify the typical character of that group, we are of opinion that their inclusion does not impair the reliability of the general trend of interest on railroad bonds shown in the above table. The public utilities and the industrial concerns selected by the witness may possibly be subject to the criticism that they are largely located in the eastern and central section, the more mature industrial region of the country, rather than in the territory traversed by the carriers in this case. But whatever allowance may be made for the above considerations, we are of opinion that railroad credit as evidenced by interest on their loans has not been relatively more impaired than credit generally, public or corporate.

That is the decision of the commission.

A comparison of the movement of the actual and relative prices of railroad and industrial stocks based upon this witness's exhibit is printed in the appendix as Table No. 43.

The rise in the rate of interest results from influences that also produce a rise in the general level of prices. The same necessity that requires the carriers to pay a higher rate of interest on capital borrowed compels them to pay also higher prices for certain articles. This double disability rests, it is true, upon other industrial enterprises; although, as we have previously indicated, the ordinary industrial concern may advance the prices upon its own output and thus in a way offset the disability of rising costs with less delay and hindrance than can a public service industry. For the reasons above indicated, the following table, No. 19, from Norton's exhibits is of interest; and the diagram following, based on data taken wholly from the protestants' testimony, and showing the relative movement of prices for 80 articles used by the railroads and of the revenue from the equated traffic unit, is deserving of consideration.

Mr. President, here is an equally interesting table of prices of relative commodities quite as valuable as the comparison of interest rates. I am very sorry that the limited time at my command will not permit me to read all of it into the RECORD this evening. However, I shall try to get permission, some day when we get back to normalcy and get rid of the shipping bill, to insert it in the RECORD. It is an interesting study—a very interesting study indeed. I think I have a chart here somewhere on the proposition. I do not know whether it can be printed in the RECORD or not. At any rate, I want

to present my percentages as I have figured them out from the table which I have just quoted of the pure-money rate, as it is designated, as a combination of the averages of the four Governments, the United States, France, England, and Germany, and the 20 larger cities in the United States. It may be an arbitrary thing to use, but it is a convenient means.

Taking the average of those four Governments and the 20 larger cities of the United States, taking their actual bond sales, actual yields of interest, and averaging them up, with very great labor and investigation, it is found to be true, and an examination of the table shows that the rate of interest to the combined western railroads advanced only five-tenths of 1 per cent in 15 years. The pure money rate, being an average of the four Governments and 20 largest cities in the United States, advanced three-fourths of 1 per cent. So it will be seen that the credits advanced 50 per cent more to the 20 largest cities in the United States than they did to the group of western railroads at the very time they were howling that their credit had broken down. The United States Government rate advanced 0.55 per cent. Therefore the interest rates to the railroads were steadier and advanced less than either the pure-money rate or the United States Government rate.

The table shows that the combined rates of the western railroads exceed the Government rate from 1.67 per cent to 2.32 per cent, and an average of 2.04 per cent for the period. It also shows that the rate of the Northwestern Railroad alone exceeded the Government rate by an average of 1.75 per cent for the period. It is believed this is about the average excess of the whole United States. In other words, during this period the Government of the United States could have borrowed its money at 1.75 per cent less than the railroads paid.

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

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

Mr. BROOKHART. For a question, Mr. President. I am very particular about the floor. I do not want to lose it.

Mr. KING. I am sure I do not want to take the Senator from the floor. I want to ask the Senator if he does not believe, and it would seem to be combating the position which he is taking, that if the Government of the United States should take over the railroads and assume the obligations, of course, which it would be required to do if purchasing them at a cost of approximately $20,000,000,000, that the borrowing power of the United States would not be as good as it is now and the rate of interest which it would have to pay for the money which would be required to pay for the railroads would be a greater rate than that which is now paid by the Government to borrow money?

Mr. BROOKHART. If the Government got the property at what the roads were worth, it would have a property equal to all these funds, and it would not impair Government credit in any way. Of course, if the Government took the railroads at a watered value that would be a different story than if it took them at an honest value. The Government, in spite of all the cry against Government inefficiency, in spite of all the talk from people who want to take the Government functions over to themselves in some way, is conceded by all to be the most efficient instrument in the world when it comes to borrowing money. It can get money at a lower rate than anybody else. Nobody has ever disputed that proposition. I do not know but what there would be a saving in the capital charge, according to the tables which I have read to-night, of something like $500,000,000 a year upon that item. Of course what we called Government operation during the war was a different story because the old bonds continued as they were. There was no advantage of Government credit in the operation of the railroads under the Railroad Administration and the Railroad Administration should not be charged with that kind of an item.

Mr. President, I have presented a credit proposition to the vacant seats here in the Senate and to the few Senators who have been kind enough to sit around to help maintain a quorum for the purpose of showing that there is a widespread system in the United States organized and developed in the most efficient way to misrepresent the facts to the people of the country in reference to railroad capitalization and railroad financing and railroad credits.

Nothing could be better organized, nothing could be worked out more systematically, and by advertising these false combinations of figures in the newspapers and everywhere they have educated a lot of our people to believe that they really were in hard lines when it was not true. Even now railroad credit is perhaps the steadiest of any credit we have in the country. The Government credit, because of the war, has varied much more, and the variation has been much more than that of the railroads themselves. Of course, the Government had to give them some subsidies during the war. It had through its rate-making machinery guaranteed them an adequate or reasonable return upon the investment which was determined by the use of artificial theories of value, and which is perhaps $7,000,000,000 above the market value of their stocks and bonds.

As I said, the Government would have the right to condemn, if it took over the roads ultimately, the stocks and bonds. When the Government surrendered the right of eminent domain to the railroads and they exercised it in my State and in every State they took our properties at their reasonable market values. The only measure of damages was the difference in the market value before and after the property was taken. Upon the same rule these roads are not worth now, according to Mr. C. W. Barron, the owner of the Wall Street Journal, over $12,000,000,000.

In a former speech earlier in the session, when I was discussing the railroad question a little bit, I quoted the $12,000,000,000 figure as coming from the editor of the Wall Street Journal. Then the editor of the Wall Street Journal kicked up an awful muss about it and said it was not true, and I do not know what all he did call me. He did not miss anything to make it emphatic that I had no business to charge him with putting out such propaganda. That was the editor who made all the fuss. Then I looked up the situation and I found the statement was made in the March 5 number of the bulletin of the railway executives and by C. W. Barron, who is not the editor of the Wall Street Journal but the owner of it. So I made a very bad mistake, Mr. President, that I want to get fully corrected in the RECORD here to-night. I shall not charge it up to the editor any longer. We will let the owner stand for those figures.

Mr. President, I think I have forgotten several important points on that phase of the matter, but I hope to have an opportunity later before the ship subsidy bill passes to insert them in some way in the RECORD and present them for the consideration of the patient Senator from Washington [Mr. JONES], who never fails us a moment.

There is one other matter. I have a bill prepared, and am about ready to introduce it, to fix a new rule in the valuation of railroads and provide that it shall not exceed the value of the securities. If Mr. Barron's statement is reliable, that will reduce the fictitious value about $7,000,000,000. The farmers, who pay the freight, would like to have the real value fixed for the railroads, not any inflated value or anything of the kind. For this reason the representatives of the railroads denounce me as a socialist who wants to confiscate their property by bringing it down to the real market value on the market which they themselves created and control.

Now I want to call attention to something else that happened to the farmers in this connection. I want to call attention to the confiscations which have been put upon them. My authority for this is the Manufacturers' Record of February 22, 1923. That is to-day, but getting a little closer to to-morrow all the time.

I read:

On May 18, 1920, Federal reserve meeting in Washington discussed deflation, reflection of credit, breaking down of prices, and higher freight rates, but Governor Harding warned those present not to divulge the discussions of the day. The inside story revealed by the stenographic report obtained by the Manufacturers' Record.

The Senator from Alabama [Mr. HEFLIN] has occasionally mentioned in the Senate something about this meeting and has told something of the things with reference to it, but the Senator from Alabama is a long way behind the Manufacturers' Record when it comes to disclosing the full magnitude and the full force of the deflation policy which raised railroad rates and destroyed agriculture. Now, some of the things said are:

After one of the most fateful meetings in the financial history of the world, a meeting which no other organization, including the Interstate Commerce Commission or the Supreme Court of the United States, would ever have dared to hold in secret and reach its conclusions in secret and withhold its conclusions from the public, Governor Harding, of the Federal Reserve Board, in closing that meeting of the Federal Reserve Board, the Federal advisory council, and the class A of directors of Federal reserve banks, said:

These are Governor Harding's own words—

I would suggest, gentlemen, that you be careful not to give out anything about any discussion of discount rates. That is one thing there ought not to be any previous discussion about, because it disturbs everybody, and if people think rates are going to be advanced there will be an immediate rush to get into the banks before the rates are put up, and the policy of the Reserve Board is that that is one thing we never discuss with a newspaper man. If he comes in and wants to know if the board has considered any rates or is likely to do anything about any rates, some remark is made about the weather or something else and we tell him we can not discuss rates at all. I think we are all agreed it would be very ill-advised to give out any impression that any general overhauling of rates was discussed at this conference.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum is present.

Mr. ROBINSON. Mr. President, I move that the Senate do now adjourn.

Mr. JONES of Washington. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my pair and transfer, I vote "nay."

Mr. KENDRICK (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Oregon [Mr. McNARY] and vote "nay."

Mr. NEW (when his name was called). Announcing the same transfer as on the previous vote, I vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as to my pair and transfer, I vote "yea."

Mr. SWANSON (when his name was called). Making the same transfer that I did on the former vote, I vote "yea."

Mr. WATSON (when his name was called). Transferring my pair as before, I vote "nay."

The roll call was concluded.

Mr. REED of Pennsylvania (after having voted in the negative). Has the junior Senator from Delaware [Mr. BAYARD] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. REED of Pennsylvania. I transfer my general pair with that Senator to the junior Senator from Vermont [Mr. PAGE], and allow my vote to stand.

Mr. CALDER. I have a general pair with the Senator from Georgia [Mr. HARRIS]. In his absence I withhold my vote.

Mr. COLT (after having voted in the negative). Has the junior Senator from Florida [Mr. TRAMMELL] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. COLT. I have a general pair with that Senator, which I transfer to the senior Senator from California [Mr. JOHNSON], and allow my vote to stand.

The result was announced—yeas 11, nays 35, as follows:

YEAS—11.

Fletcher	Hitchcock	Sheppard	Swanson
George	Kendrick	Smith	Walsh, Mass.
Heflin	Robinson	Stanley	

NAYS—35.

Ball	Ernst	Lodge	Reed, Pa.
Brandegee	Frelinghuysen	McKinley	Shortridge
Broussard	Hale	Moses	Spencer
Bursum	Harreld	New	Sutherland
Cameron	Harrison	Norbeck	Wadsworth
Capper	Jones, Wash.	Oddie	Warren
Colt	Kellogg	Pepper	Watson
Curtis	Keyes	Phipps	Weller
Edge	Lenroot	Poindexter	

NOT VOTING—50.

Ashurst	France	McLean	Shields
Bayard	Gerry	McNary	Simmons
Borah	Glass	Myers	Smoot
Brookhart	Gooding	Nelson	Stanfield
Calder	Harris	Nicholson	Sterling
Caraway	Johnson	Norris	Townsend
Couzens	Jones, N. Mex.	Overman	Trammell
Culberson	King	Owen	Underwood
Cummins	Ladd	Page	Walsh, Mont.
Dial	La Follette	Pittman	Williams
Dillingham	McCormick	Pomerene	Willis
Elkins	McCumber	Ransdell	
Fernald	McKellar	Reed, Mo.	

So the Senate refused to adjourn.

Mr. HITCHCOCK. No quorum is present?

The PRESIDING OFFICER. That is a self-evident fact.

Mr. HARRISON. I enter a motion to reconsider the vote just taken; but, of course, a quorum must be obtained first. I do not want to lose my right to enter the motion.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. HARRISON. No; I do not. I take it that we must get a quorum before we can do anything.

The PRESIDING OFFICER. A quorum was disclosed upon the last call of the Senate.

Mr. HARRISON. Forty-six, I think, was the number announced.

The PRESIDING OFFICER. Upon the last call of the Senate to ascertain a quorum, a quorum was disclosed. On the vote just taken a quorum did not vote.

Mr. HARRISON. Does the Chair hold that a quorum voted on the last vote?

The PRESIDING OFFICER. No, indeed.

Mr. HARRISON. I have moved to reconsider the vote, and on that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SWANSON. Pending that motion, I make the point that there is no quorum present.

The PRESIDING OFFICER. The Secretary will call the roll to ascertain if a quorum is present.

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

Ball	Frelinghuysen	Lodge	Sheppard
Brandegee	George	McKinley	Shortridge
Broussard	Hale	Moses	Spencer
Bursum	Harreld	New	Sutherland
Calder	Harrison	Norbeck	Swanson
Cameron	Heflin	Oddie	Wadsworth
Capper	Hitchcock	Pepper	Walsh, Mass.
Colt	Jones, Wash.	Phipps	Warren
Curtis	Kellogg	Poindexter	Watson
Edge	Kendrick	Reed, Pa.	Weller
Ernst	Lenroot	Robinson	

The PRESIDING OFFICER. Forty-three Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absent Senators.

The Assistant Secretary called the names of the absent Senators, and Mr. BROOKHART and Mr. KEYES answered to their names when called.

Mr. McKELLAR and Mr. KING entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-seven Senators having answered to their names, a quorum is not present.

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

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas.

Mr. ROBINSON. On that motion I demand the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FLETCHER and Mr. STANLEY entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present.

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

Mr. HARRISON. Will the Senator withhold that for one moment?

Mr. CURTIS. For what purpose?

Mr. HARRISON. The yeas and nays were ordered on a motion to reconsider. I was going to ask to withdraw that motion to reconsider, as I understood that by virtue of so doing there would be a request to recess until 11 o'clock tomorrow.

Mr. CURTIS. Mr. President, the motion made by the Senator was out of order. We could do no business without a quorum, and when the Chair announced there was no quorum there was nothing to do but to get a quorum. I therefore insist upon my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

Mr. HARRISON. I move that the Senate do now adjourn.

Mr. CURTIS. The motion I have made is a privileged motion.

Mr. HARRISON. I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. The Chair rules that the motion of the Senator from Kansas is privileged.

Mr. HARRISON. I submit——

Mr. ROBINSON. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. ROBINSON. The motion to adjourn takes precedence by the rules of the Senate over the motion to proceed to the consideration of executive business.

The PRESIDING OFFICER. The point of order is well taken.

Mr. ROBINSON. The motion to adjourn is in order.

The PRESIDING OFFICER. The motion to adjourn is in order. On that motion the yeas and nays have been requested. Is the demand seconded?

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I have a general pair with the senior Senator from Georgia [Mr. HARRIS]. In his absence I withhold my vote.

Mr. COLT (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair as previously, I vote "nay."

Mr. KENDRICK (when his name was called). Making the same announcement with regard to the transfer of my pair as on former votes, I vote "yea."

Mr. KING (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. In his absence I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before with reference to the transfer of my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as before with respect to my pair and its transfer, I vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. STANLEY (when his name was called). I inquire if my colleague, the junior Senator from Kentucky [Mr. ERNST], has voted?

The PRESIDING OFFICER. The Senator has not voted.

Mr. STANLEY. Not knowing how my colleague would vote, I withhold my vote.

Mr. SWANSON (when his name was called). Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I ask unanimous consent that the motion to adjourn be withdrawn, and that the Senate take a recess until 11 o'clock to-morrow morning, with the understanding that we shall have an executive session to-morrow morning at 11 o'clock.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Kansas?

Mr. ROBINSON. Pending the request, I desire to say that the suggestion is satisfactory to this side of the Chamber. We have no objection to it.

BALTIMORE & OHIO RAILROAD SIDINGS IN THE DISTRICT.

Mr. BALL. Mr. President, will the Senator from Kansas yield?

Mr. CURTIS. Mr. President, may I ask permission to yield long enough to allow the Senator from Delaware to enter a motion to reconsider a vote? I will withhold the request I have made for a moment, if there be no objection.

Mr. HITCHCOCK. What is the motion of the Senator from Delaware?

Mr. BALL. I ask unanimous consent that I may ask for a reconsideration of the vote by which the Senate concurred in the amendment of the House to the bill (S. 3083) authorizing the Baltimore & Ohio Railroad Co. to construct an elevated railroad siding adjacent to its tracks in the city of Washington.

Mr. ROBINSON. Mr. President, it is necessary under the rules of the Senate that the motion to reconsider be entered within two days of actual session of the Senate after the bill passes the Senate. I think that means two calendar days rather than two legislative days, for reasons that I will not state at this time. I think also that the motion is privileged, and that the Senator from Delaware has a right to make the motion.

Although a situation has developed where a quorum may not be found to be present, I hope that there will be no objection, in view of the fact that a manifest error was made by the Senate in concurring in the House amendment, and the Senate must necessarily correct that mistake.

Mr. McKELLAR. Do I understand that the motion is merely to be entered now and not to be acted upon?

Mr. ROBINSON. It is not to be considered.

Mr. LODGE. It is merely to be entered.

Mr. BALL. That is all.

The PRESIDING OFFICER. The Senator from Delaware asks unanimous consent to enter a motion to reconsider the vote by which the Senate concurred in the amendment of the House to the bill named by him. Is there objection? The Chair hears none, and it is so ordered.

RECESS UNTIL TO-MORROW.

Mr. CURTIS. I ask unanimous consent that the Senate take a recess until 11 o'clock to-morrow morning, and that at 11 o'clock there be an executive session.

The PRESIDING OFFICER. Is there objection to the unanimous consent requested by the Senator from Kansas? The Chair hears none, and it is so ordered.

Thereupon (at 11 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 23, 1923, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *February 22, 1923.*

The House met at 12 o'clock noon.

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

We thank Thee, our Father in heaven, that Thou hast ordained and art administering a providence over Thy children. Sheltered under Thy care, we have a retreat that gives security and blessed quiet. The thought that Thou dost live and love and plan lends courage and sustains us in the hour when hope burns low. We thank Thee that our Nation's history is a great evidence of Thy providence. May we draw to-day new inspiration from the examples of our fathers who struggled in defense of the liberty wherewith they have made us free. Help us to hold in remembrance and appreciation that emergencies can be met, wrongs can be righted, and problems solved by simple obedience to our free Christian institutions. The Lord bless our homeland, which has been consecrated by the prayers, the tears, and the struggles of those who were giants in mind and in conscience, and we will give Thee the praise through Christ. Amen.

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

DEFICIENCY BILL.

Mr. MADDEN, chairman of the Committee on Appropriations, reported the bill (H. R. 14408, Rept. 1680) making appropriations to supply deficiencies in appropriations for the year 1923 and prior fiscal years, and providing supplementary appropriations for the year 1924, which was ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. BYRNS of Tennessee reserved all points of order.

GRANTING CERTAIN LANDS TO CANON CITY, COLO.

Mr. SINNOTT, chairman of the Committee on the Public Lands, presented a conference report for printing under the rule on the bill (H. R. 7053) to grant certain lands to the city of Canon City, Colo., for a public park.

GRANTING CERTAIN LANDS TO ESCAMBIA COUNTY, FLA.

Mr. SINNOTT, chairman of the Committee on the Public Lands, presented a conference report on the bill (H. R. 7967) granting certain lands to Escambia County, Fla., for a public park, for printing under the rule.

SENATE JOINT RESOLUTION 253.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that I may have leave to file minority views on Senate Joint Resolution 253 not later than 12 o'clock Saturday night.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to file minority views on Senate Joint Resolution 253 not later than midnight on Saturday. Is there objection?

There was no objection.

BOARD OF VISITORS TO ANNAPOLIS.

The SPEAKER. The Chair will appoint on the Board of Visitors to Annapolis Mr. DARROW, Mr. HILL, Mr. REECE, Mr. RIORDAN, and Mr. VINSON.

SPEAKERS PRO TEMPORE.

The SPEAKER. The Chair will state that he will be absent to-morrow and perhaps Saturday, and he designates as Speaker pro tempore the gentleman from Kansas, Mr. CAMPBELL. On Sunday, for the memorial exercises, the Chair will designate the gentleman from New Hampshire, Mr. WASON, to preside over the memorial services for Mr. BURROUGHS, Mr. THOMPSON, of Ohio, to preside over the services for Mr. MONTOYA, and the gentleman from California, Mr. CURRY, to preside over the services for Mr. NOLAN and Mr. OSBORNE.

THE SWORD OF MONTGOMERY.

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

The Clerk read as follows:

House Joint Resolution 460.

Resolved, etc., That the sword of Gen. Richard Montgomery, which he wore when he fell at the siege of Quebec on December 31, 1775, be accepted in the name of the Nation from the donor, Miss Julia Barton Hunt, whose generosity is deeply appreciated, and that the sword be deposited in the National Museum.

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

There was no objection.

Mr. MOORE of Virginia. Mr. Speaker, the history of the sword mentioned in the resolution is given in the letter to me of Mr. Gaillard Hunt, which I ask to have printed with my remarks.

The career of Montgomery in the early months of the Revolution was closely connected with that of the foremost of all Americans, the anniversary of whose birth is being everywhere celebrated to-day.

The Continental Congress having elected Washington Commander in Chief on June 15, 1775, seven days later elected Montgomery a brigadier general.

Immediately, under a plan of campaign devised by Washington and Doctor Franklin, Generals Montgomery and Schuyler were placed in charge of an expedition against Canada. Schuyler being compelled to withdraw on account of sickness, Montgomery led the American forces against Montreal, which he occupied December 7, 1775. Recognizing the importance of this exploit, the Continental Congress promoted Montgomery to be a major general on December 7, 1775. From Montreal Montgomery pressed on to Quebec, encountering great difficulties and hardships due to the character of the country and the severe winter. On the evening of December 31, 1775, as he led his men through ice and snow in an assault upon the heights of the city he was mortally wounded.

In a letter written in February, 1776, Washington, communicating Montgomery's fate to the Continental Congress, lauded his valor and lamented his untimely end. The death of Montgomery made a profound impression both in Europe and America. The Continental Congress proclaimed for him "their grateful remembrance, profound respect, and high veneration, and desiring to transmit to future ages a truly worthy example of patriotism, conduct, boldness of enterprise, insuperable perseverance, and contempt of danger and death," caused to be erected in his honor a monument of white marble at the front of St. Paul's Church, in the city of New York, bearing an inscription written by Franklin. In 1818 the body of Montgomery was removed from Quebec and buried near this monument.

The action which will probably be taken to-day by the Congress of the United States will correspond with the action of the Continental Congress nearly 150 years ago, when it recorded its glowing tribute to the memory of one of the most gifted and heroic of those who sacrificed themselves in the struggle for American independence. [Applause.]

WASHINGTON, *February 19, 1923.*

Hon. R. WALTON MOORE,
House of Representatives.

MY DEAR MR. MOORE: By the wish of my cousin, Miss Julia Barton Hunt, of New York, and in her behalf, I have the profound honor of presenting to the Government of the United States, through the Congress, the sword which Gen. Richard Montgomery carried when he was killed December 31, 1775, on the Plains of Abraham at the siege of Quebec.

James Thompson gives the following account of Montgomery's sword:

"Holding the situation of overseer of works in the Royal Engineer Department at Quebec, I had the superintendence of the defenses to be erected throughout the place, which brought to my notice almost every incident connected with the military operations of the blockade of 1775; and from the part I had performed in the affair generally I considered that I had some right to withhold the general's sword, particularly as it had been obtained on the battle ground.

"On its having been ascertained that Montgomery's division had withdrawn a party went out to view the effects of the shot, when the only part of the body that appeared above the level of the snow was that of the general himself, whose hand and part of the left arm was in an erected position, but the body itself much distorted, the knees being drawn up toward the head; the other bodies that were found at the moment were those of his aid-de-camps, Cheeseman and McPherson, and one sergeant; the whole hard frozen. Montgomery's sword was close by his side, and as soon as it was discovered, which was first by a drummer boy, who made a snatch at it on the spur of the moment, and no doubt considered it as his lawful prize, but I immediately made him deliver it up to me, and some time after I made him a present of 7*s.* 6*d.* by way of prize money.

"The sword has been in my possession to the present day (August 16, 1828). When found it had no scabbard or sheath, but I soon had the present one made and mounted in silver to correspond."

James Thompson was present at the siege of Louisburg, and came to Quebec with his regiment, the Seventy-eighth Highlanders, and took part in the battle of the Plains of Abraham. Subsequently he was appointed deputy officer of public works in the engineer department. He died in Quebec August 30, 1830, aged 98 years. He bequeathed the sword to his son, James Thompson, deputy commissioner general, who at his death in December, 1830, willed it to his nephew, James Thompson Harrower. * * * It was sold by Mr. Harrower in 1878 to the Marquis of Lorne, governor general of Canada. (Note on Montgomery's Sword, seventh series of Historical Documents, 1905, published by the Literary and Historical Society of Quebec, 1905.)

In 1881 the Marquis of Lorne gave the sword to Victor Drummond, Esq., chargé d'affaires ad interim of the British Legation at Washington, and Mr. Drummond gave it on September 3, 1881, to Miss Louise Livingston Hunt. Miss Hunt, with her brother, the Hon Carleton Hunt, of New Orleans, La., and her sister, Miss Julia Barton Hunt, was the owner as a life estate of Montgomery Place, where General Montgomery's widow had died, and where several of the relics of the general were preserved. It was the intention of Miss Louise Livingston Hunt to give the sword to the Government of the United States, but a prolonged illness before her death on November 19, 1914, prevented her from carrying out her intention. Upon her death, as part of her estate, the sword passed to her brother and sister, and upon the death of Carleton Hunt, August 14, 1921, to Miss Julia Barton Hunt, who, carrying out the wishes of Miss Louise Livingston Hunt, now presents it to the Government of the United States to be placed, if it pleases the Congress of the United States, with the other Revolutionary relics in the National Museum, where it may be seen by the public and recall the memory of the gallant officer who gave his life in defense of the American cause December 31, 1775.

* * * * * * *

Yours very respectfully,

GAILLARD HUNT.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MOORE of Virginia, the motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

Mr. BLAND of Virginia. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Virginia asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. BLAND of Virginia. Mr. Speaker, the district which I have the honor to represent is sacred with memories of Washington. There, at Wakefield, Westmoreland County, he was born. There, at Fredericksburg, Va., he spent a part of his boyhood days and grew to manhood. There he was made a Mason in Fredericksburg Lodge, No. 4, and the Bible used in those ceremonies is still in the possession of the lodge. At Fredericksburg, Va., in that district, the house in which Mary, the mother of Washington, lived and died, still stands, and in that city she lies buried. Patriotic women of this land have marked her last resting place with a stately monument.

Yorktown, Va., in that district, is inseparably linked with the name of Washington, and marks the culmination of his mighty struggle for independence.

Through all the trials, troubles, and disappointments of his long fight for freedom General Washington had the sympathy and encouragement of his devoted and courageous sister, Mrs. Betty Lewis, wife of Col. Fielding Lewis. She was more than sister; she was consoler, comforter, adviser, and friend.

Betty Lewis lived in Fredericksburg, Va. Her old home, known as Kenmore, still stands in that historic city. To this beautiful colonial mansion Col. Fielding Lewis had brought his charming bride, and there she lived until a few years before her death.

Colonel Lewis was a man of wealth and culture and prominent in the city's life. He became an officer in the Revolutionary Army, commanded a division at Yorktown, and after the war he was a magistrate in the town, a member of the city council, and representative in the legislature. Colonel Lewis devoted his activities at crucial periods to the manufacture of firearms for the Revolutionary service, and it is said that his guns armed the Virginia Militia who fought in the Battle of Yorktown. It is said that Colonel Lewis spent all of his money in this patriotic service.

The walls of Kenmore still stand as stanch as when the house was built. The interior stuccowork is said to be probably equal in workmanship to the best in this country. Its decorations were chosen by Washington, and he planned the ceilings and mantels which adorn its rooms.

Within the walls of this historic home have gathered Jefferson, Madison, Monroe, Henry, Richard Henry Lee, John Paul Jones, Light Horse Harry Lee, Count de Rochambeau, and many other men illustrious in the history of the Republic. Here there gathered a brilliant company when Washington went to Fredericksburg after the surrender at Yorktown. This old home has survived the shot and shell of civil strife and brought to the present the simplicity, the grace, and the charm of the past.

This old home has an appropriate location, for in this historic city John Paul Jones once lived. Here also lived Gen. Hugh Mercer and Gen. George Weedon, of Revolutionary fame, James Monroe, whose home and law office in Fredericksburg still stand, and other famous men. In this city still stands the Rising Sun Tavern, whose hospitality embraced Washing-

ton, Jefferson, Madison, Monroe, George Mason, Marshall, and many others.

Though Kenmore had withstood the tempest of war, yet in the past year it became threatened by the onward march of modern commercialism. It was proposed to convert its spacious grounds into building lots, and to transform the old house itself into an apartment house. Then it was that a determined band of heroic women in Fredericksburg rallied to its rescue. Forming themselves into an association, they arranged for its purchase at the price of $30,000, inaugurated a campaign to secure funds, raised $13,000 ($6,000 of which came from their own city), made their initial payment, saved the home, and are now undertaking, by subscriptions of $10 each for life membership in the Kenmore Association for the preservation of the Betty Washington Lewis home, to raise $16,000 to complete the purchase.

This sum will be raised by them; Kenmore will be saved to Virginia and to the Nation. The associations of its past will be preserved for the future. We may visit where Washington was an honored and welcome guest.

In the eloquent language of the Norfolk Virginian-Pilot:

"Kenmore" will be devoted to the memory of its former owner. Her reign there in a sense will be renewed. And "the tender grace of a day that is dead" will preside over that household, never to vanish until time at last takes its inevitable toll and the historic walls crumble to dust.

I mention these facts, believing them to be of interest, and assured that you will join with me in a hearty Godspeed to these patriotic ladies in their worthy work. In the name of these ladies I extend to you a hearty welcome to Kenmore, the home of Betty Lewis, the sister of Washington.

ILLUSTRATIONS OF FOREIGN POSTAGE AND REVENUE STAMPS.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2703) to allow the printing and publishing of illustrations of foreign postage and revenue stamps from defaced plates, with a House amendment thereto disagreed to, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speakers' table the bill S. 2703, with a House amendment disagreed to by the Senate, insist upon the House amendment, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. VOLSTEAD, Mr. BOIES, and Mr. SUMNERS of Texas.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 124 to the bill (H. R. 13660) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such Disrtict for the fiscal year ending June 30, 1924, and for other purposes.

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

House Concurrent Resolution 86.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 13793) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1924, and for other purposes," the Clerk of the House is authorized and directed to make the following correction: In line 15 of the matter inserted by Senate amendment No. 29 strike out "Congress). Promotions" and insert "Congress), promotions."

The message also announced that the Senate had receded from its amendment numbered 30 to the bill (H. R. 13793) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1924, and for other purposes, and had agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 18, 21, 34, 36, 38, and 49 to the bill.

EXTENSION OF REMARKS.

Mr. MACGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein, in 8-point type, the letter of the Secretary of the Treasury to the gentleman from Pennsylvania [Mr. MCFADDEN] in respect to the so-called Lenroot-Anderson agricultural bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD, in 8-point type, in the manner indicated. Is there objection?

There was no objection.

The letter is as follows:

FEBRUARY 19, 1923.

MY DEAR CONGRESSMAN MCFADDEN: I received your letter of February 17, 1923, requesting my opinion on the bill (S. 4287) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal farm loan act; to amend the Federal reserve act, and for other purposes, which was recently approved by the Senate and is now under consideration by your committee. I have been particularly concerned to see whether the bill conforms to sound banking principles and whether its administrative features are workable.

I have had prepared and send you herewith a detailed memorandum analyzing the bill from these points of view, and commenting also upon some other features which seem to be important. This memorandum points out grave defects in the bill, not only in matters of draftsmanship but in its larger outlines and policies as well. It seems to me that a careful study of the measure in the light of this memorandum leads necessarily to the conclusion that its financial provisions, as now drawn, are unsound and dangerous, and that its administrative features are unworkable.

I realize that some support has been given to the bill in the belief that it will assist the farmers of the country in obtaining credit accommodation, adapted to the needs of agriculture, and in sufficient amounts to avoid the disastrous effect of a credit stringency similar to the one through which this country has recently passed. With this object I am in the heartiest accord. I feel that the students of our banking structure have given too much attention in the past to the commercial and industrial needs of the country and not enough attention to the vital problem of fitting our banking structure to the needs of agriculture. I am convinced, however, that no benefits will enure to the farmer from a system which is financially unsound. The farmer has suffered enough in the past from unsafe banking systems. Let us not now add to this source of danger to the farmer by giving the sanction of the United States Government to a system which violates every canon of sound banking to which this Government has been committed since the establishment of the national banking system.

Some support has also been given upon the assumption that this bill was indorsed by the Joint Commission of Agricultural Inquiry, which conducted an elaborate investigation and has published a valuable report upon agricultural conditions. This, however, is a misapprehension, for the bill in its present form differs radically from the bill which the joint commission indorsed. Many of the features, especially criticized in the accompanying memorandum, were not contained in the bill indorsed by the joint commission, but were added in subsequent revisions. The indorsements given to the bill in its original form, therefore, are not applicable to the bill as it passed the Senate.

In my opinion the greatest service could be rendered to agriculture by enacting into law at the present session the Capper bill (S. 4280) and withholding action upon the Lenroot bill until the situation can be more thoroughly investigated. The Capper bill has the indorsement of the live-stock industry and of the great cooperative-marketing movement. It will go far, in my opinion, in satisfying the needs of those sections of the country which have suffered in the past from inadequate credit facilities. At the same time it is financially sound and in its administrative features avoids the excessive centralization, which, in my opinion, constitutes a serious defect in the Lenroot bill. The Capper bill carries with it important amendments to the Federal reserve act. It also includes a provision extending for nine months the time during which the War Finance Corporation can make loans for agricultural purposes, thus bringing assurance that any unforeseen credit needs will be amply taken care of during the coming crop season. Until the results of further investigation and experience are available, it seems to me that this is a complete and adequate program of agricultural credits legislation.

There are certain features of the Lenroot bill which have great merit and should, in my opinion, be incorporated in the Capper bill by your committee. The farm-credits departments contemplated in the Lenroot bill are, for instance, authorized to make loans direct to cooperative-marketing associations upon warehouse-receipt security. It seems to me that similar powers could well be given to the rediscount corporations contemplated in the Capper bill. The Lenroot bill also renders eligible for rediscount with Federal reserve banks the paper of factors based upon agricultural products in their raw state. It seems to me that this provision is sound, and I recommend its insertion in the Capper bill. I should also suggest including in the

Capper bill the section of the Lenroot bill which repeals the amendment to the Federal reserve act authorizing progressive rediscount rates.

If I may sum up briefly the reason why, in my opinion, the Capper bill is preferable to the Lenroot bill, it is this: The Lenroot bill attempts to create a separate and independent rediscount system for agriculture. Necessarily this will be a secondary and, in all probability, an inadequate rediscount system. It seems to me, on the other hand, that the agricultural interests can properly demand that they be given the benefit, upon sound lines, of the best and most adequate rediscount system which the country can furnish, and that, in my opinion, is the Federal reserve system, liberalized and extended as proposed in the Capper bill. The Capper bill aims at strengthening and developing the existing banking structure and the Federal reserve system and rendering them more useful and more suited to the needs of agriculture.

Very truly yours, A. W. MELLON,
Secretary of the Treasury.

Hon. L. T. MCFADDEN,
Chairman Committee on Banking and Currency,
House of Representatives, Washington, D. C.

MEMORANDUM ON S. 4287.

FEBRUARY 19, 1923.

Sections 1 to 6 of the Lenroot-Anderson bill (S. 4287) provide for the organization and operation of farm-credits departments in the Federal land banks throughout the United States. Sections 7 to 13, inclusive, contain amendments to the Federal reserve act similar to those embodied in part 2 of the Capper-McFadden bill. It is the purpose of this memorandum to discuss those sections of the Lenroot-Anderson bill which relate to the organization of farm-credits departments.

The purpose of these sections appears to be to establish a separate rediscount facility for certain types of agricultural and live-stock paper.

The bill provides in effect for 12 agricultural rediscount banking departments, one in each of the existing Federal land banks. Each such department would have a capital of $5,000,000 (to which an additional $10,000,000 might be added with the approval of the President), to be subscribed and paid in by the United States Government. The aggregate capital of all the farm-credits departments might therefore reach $120,000,000.

To a considerable extent the proposed new rediscount system would perform functions which are already being performed by the Federal reserve banks. Federal reserve banks are now authorized to rediscount for member banks agricultural paper with a maturity up to six months. Under other pending legislation this maximum maturity will be extended to nine months. Under the Lenroot-Anderson bill, however, the farm-credits departments of Federal land banks could discount, for national banks, State banks, trust companies, and certain other enumerated kinds of credit institutions, agricultural paper with a maturity of not less than six months nor more than three years. As far as concerns agricultural paper having a maturity from six to nine months, inclusive, offered by national banks or State banks which are members of the Federal reserve system, the two systems would, therefore, be overlapping.

The main purpose of the bill, however, appears to be to establish a rediscount system for agricultural paper which is not eligible for rediscount in the Federal reserve system, either because of its maturity or because it does not carry the indorsement of a member bank. It is contemplated that such longer term paper shall be made the basis for the issuance of collateral trust debentures, which would be sold in the investment market in the same manner that farm-loan bonds are now sold. These debentures would be exempt from all taxation, State or Federal, including surtaxes, and would be secured by the agricultural paper discounted or purchased by the farm-credits department.

The capital of the farm-credits departments would be completely supplied by the United States Government, and these departments would be operated by directors appointed by the Government. In effect, therefore, the system contemplates a policy of Government ownership and operation of an agricultural banking system through the medium of subsidiary corporations owned and operated by the United States.

It does not appear to be contemplated that the United States shall be legally liable upon the debentures or other obligations of farm-credits departments. Yet the moral obligation would be a strong one, for it is hardly conceivable that the United States Government could permit a corporate subsidiary owned and operated by it to default upon its just debts. In estimating the liability which the Government would assume in enacting the bill, we must therefore consider not only the technical liability which under the bill might reach $120,000,000 but also the potential moral liability, which might be in any amount up to $1,200,000,000.

Before launching the United States Government in a business venture which involves an investment of $120,000,000 in cash and a possible moral obligation of $1,200,000,000, the proposed plan should be studied not only with a view to ascertaining whether it is drawn upon sound lines and with proper safeguards sufficient to insure its financial integrity but also to see whether it is effective in accomplishing the purposes which its authors have in mind.

I. THE SYSTEM IS FINANCIALLY UNSOUND.

The farm-credits departments organized under the act are expected to operate principally upon borrowed capital. It is provided that they may issue collateral trust debentures up to ten times the amount of their paid-in capital and surplus. These debentures would be secured by at least a like face amount of agricultural paper bearing the indorsement of the discounting bank or other institution. The financial integrity of the system would depend, therefore, upon three factors: (1) The financial strength of the farm-credits departments primarily and secondarily liable upon the debentures; (2) the financial strength of the bank or other rediscounting institution; (3) the nature and value of the primary paper pledged as collateral.

(1) The farm-credits departments: The capital supplied by the United States Government is expected to stand as a guaranty fund to protect holders of debentures. In estimating the value of this guaranty certain elements of weakness must be considered. There is no requirement that any part of this capital be maintained in liquid form or that a cash reserve be maintained. All the capital might be invested in nonliquid agricultural paper. There is no limit to the amount of paper which may be taken from any one discounting agency in relation to the capital of the farm-credits department; so far as legal limitations are concerned, the whole capital or even more than the whole capital could be invested in paper bearing the indorsement of one bank or other discounting agency. Considering that the liabilities of the farm-credits departments may be as high as ten times the capital and surplus, it is apparent that the value of the guaranty of the farm-credits department would depend to a very large extent upon the value of the agricultural paper in which its assets are invested.

It is true that the debentures of each farm-credits department would be protected by a pro rata guaranty of all other farm-credits departments. The value of this guaranty, however, appears to be overestimated. It is not a joint guaranty. If the assets of a farm-credits department should prove insufficient to pay all its outstanding debentures, the deficiency may be assessed against other "solvent farm-credits departments," but only in proportion to the amount of debentures which each such department has outstanding at the time of the assessment.

A farm-credits department which has issued no debentures but has operated solely upon its capital, although to a high degree solvent would assume no liability for the debentures of any other department. On the other hand, the larger the liability of any department upon its own debentures the larger would be its liability as guarantor of other debentures. Moreover, it is obvious that the guaranty could be enforced only against the unpledged assets of a farm-credits department. Its pledged assets would go primarily to satisfy the debentures which they secure. If, therefore, a farm-credits department had issued its full limit of $10 of debentures for each dollar of capital and surplus and had pledged, as would, no doubt, generally be required on account of this very liability, agricultural paper of a face value 10 per cent in excess of the face amount of its debentures, it would have no unpledged assets against which its guaranty could be enforced. In general, as a farm-credits department becomes more extended and as its unpledged assets diminish, it would automatically assume a larger share of liability as guarantor. It does not seem that much reliance can be placed upon such a guaranty.

2. The discounting institution: It is apparent, therefore, that unless the paper in which the assets of the farm-credits departments are invested is financially sound, little reliance can be placed upon the liability or guaranty of these departments. The paper will bear the indorsement of the discounting institutions, and the next step in our analysis is to determine the value of this indorsement.

In the original Lenroot-Anderson bill, which had the approval of the Joint Commission of Agricultural Inquiry, the discounting institution could be a national or State bank or a

trust company, savings institution, or incorporated live-stock loan company. In the bill as it passed the Senate there are added rural-credit corporations, incorporated farm-credit companies, cooperative banks, and cooperative credit or marketing associations. The additions are important.

National banks and, to a large degree, State banks, savings institutions, and trust companies are subject to limitations under State or national law and to periodic inspection by State or national examiners. They are required to keep a minimum cash reserve; their investments are frequently limited; there is usually double liability on the part of stockholders; and any tendency toward unsound practices can be quickly checked by State or national banking authorities. Incorporated live-stock loan companies are generally formed on a substantial scale and take only secured paper. In the original bill, therefore, some reliance could have been placed on the indorsement of the discounting institution.

No such safeguards surround the operations of the institutions added by the revised Lenroot-Anderson bill. Rural-credit corporations, incorporated farm-credit companies, cooperative banks, or cooperative credit or marketing associations are enumerated but not defined in the new bill; hence it is impossible to ascertain under what limitations they will operate. There is no requirement that they be subject to periodic inspection, State or national. There is no requirement that they maintain a cash reserve or maintain their capital in liquid form. There is no limitation on the amount which such an institution may lend to one borrower—a limitation essential to sound banking. There is no requirement that capital be paid in in cash. In the case of cooperative credit association—a vague and undefined term—there is no requirement that there be any capital at all.

As amended in the Senate, the bill contains certain limitations on the amount of paper which may be discounted for any one institution, but upon examination it appears that these limitations could hardly be effective. No paper may be discounted for any agricultural credit corporation, incorporated live-stock loan company, or farm-credit company, "which has rediscounted paper equal to or exceeding ten times the paid-up capital and surplus of such company." It will be observed, however, that the limitation refers only to rediscounted paper. A company may be indebted upon its own promissory notes or bonds or other primary obligations in any conceivable amount, and yet it would not be debarred from discounting paper with the farm-credits department. Moreover, there is nothing in the bill to prevent a company from incurring liabilities in any amount which unsound finance might dictate after it has discounted its limit with the farm-credits department. A company with $10,000 capital could discount $100,000 of paper with a farm-credits department and the next day borrow $100,000 more from some other source.

As far as "cooperative credit associations" are concerned, there is no limit whatever upon the amount which they may discount.

Even if the limits which the bill attempts to place were effective, they would be far too high to afford adequate protection. A company taking the best quality of real-estate mortgages or paper secured by live stock or commodities with a safe margin can properly borrow a maximum of ten times its capital. The discounting agencies may, however, do a miscellaneous agricultural business and may make loans without security, or upon questionable security, such as crop mortgages or second or third mortgages on land. For such companies the limit of ten to one is much too high. For banks the limit—unless further restricted by State or Federal law—is five to one. A bank already has demand or short-time deposit liabilities which often exceed ten times its capital and surplus. A law which encourages such banks, in addition, to incur rediscount liabilities equal to five times their capital and surplus, is an invitation to unsound banking and a menace to the public welfare.

It follows, therefore, that no great reliance can be placed upon the indorsement of the discounting institutions contemplated by the bill, since they are not surrounded by the restrictions and safeguards which experience has shown to be essential to sound banking.

3. The agricultural paper: We are thrown back, then, upon the primary agricultural paper upon which the whole system is built. Not only the proceeds of debentures but the whole capital reserve of the discounting institutions, as well as of the farm-credits departments, may be invested in this paper. If the paper is unsound the system is unsound. One might expect to find, therefore, safeguards and limitations thrown about such paper comparable to the safeguards thrown around the farm-mortgage paper upon which the existing Federal farm-loan system is based.

No such limitations or safeguards are provided. Only in the case of direct loans to cooperative producing or marketing associations is there any requirement as to security. Such direct loans must be upon live stock or commodities and must not exceed 75 per cent of their value. These limitations are not applicable to paper rediscounted for banks, rural-credit corporations, live-stock loan or farm-credit companies, or cooperative credit associations.

A farm-credit corporation could invest ten times its capital in crop-mortgage paper, with all its hazards and uncertainties. A cooperative credit association, without a dollar of capital, could make unlimited loans to its members without any security whatever. And such paper, discounted with a farm-credit department, could form the security for debentures issued under Government auspices and sold to investors.

It is apparent, therefore, that the most elementary principles of sound finance have been overlooked in drafting the bill. In its national banking laws the United States Government has set up a standard of sound banking which is regarded as a model among the States. Through the Federal Reserve Board it endeavors to promote sound banking practices on the part of State banks which are members of the system. In its Federal farm-loan system it has set a standard of conservatism and soundness which has won the confidence of investors. It is difficult to conceive that Congress should now stand sponsor for a system which violates every sound banking principle and contains not even the rudiments of safety.

II. THE ADMINISTRATIVE FEATURES OF THE BILL UNWORKABLE.

The discussion heretofore has been of the financial features of the bill. Even the soundest financial plan, however, must depend upon good administration for its success. It is important to examine, therefore, the administrative structure which the bill contemplates, both with respect to the management of the farm-credits departments and with respect to their supervision by the Federal Farm Loan Board.

Nominally, the new powers conferred by the bill are vested in the Federal land banks. These are corporations organized under the farm loan act for the exclusive purpose of making mortgage loans upon farm lands. The last annual report of the Secretary of the Treasury showed that the Government on October 31, 1922, owned somewhat over $4,000,000 out of a total of approximately $35,000,000 of the capital stock of these banks, the remainder being owned by local farm-loan associations and to a small extent by individual borrowers. Under the farm loan act the temporary management of these banks is placed in the hands of five directors appointed by the Federal Farm Loan Board. The permanent management was to be in a board of nine directors, of which six, known as local directors, were to be selected by the stockholding farm-loan associations and three, known as district directors, were to be appointed by the Farm Loan Board. In fact, however, the permanent organization has never been effected, a joint resolution, approved January 18, 1918, authorizing the Secretary of the Treasury to purchase farm-loan bonds from the Federal land banks, and continuing the temporary organization as long as any such bonds are held. The Strong bill, recently reported by the House Banking and Currency Committee, provides for termination of the temporary management and substitution of a permanent board composed of three local directors chosen by the farm-loan associations, three district directors appointed by the Farm Loan Board, and a seventh director appointed by the Farm Loan Board out of three nominees selected by the farm-loan associations.

These boards of directors, whether permanent or temporary, are authorized to elect the president, vice president, secretary and treasurer, and other officers and employees of the Federal land banks, to define their duties, and to dismiss them at pleasure.

Upon this existing structure the Lenroot-Anderson bill superimposes an auxiliary organization designed to exercise the powers conferred in the bill. It is provided that each Federal land bank shall establish "under the supervision of its temporary directors and, after the establishment of the permanent organization, under the supervision of its district directors," a farm-credits department. During the temporary organization, therefore, the five directors appointed by the Government to carry on the farm-loan business will also operate the farm-credits department. Under the permanent organization the three directors appointed by the Government will act, apparently, as a separate board of directors in charge of farm credits. There will, therefore, be one corporation with two boards of directors. Such a situation can hardly promote efficient administration, since the same set of officials and employees will be subject to the orders of two boards of directors.

The most serious objection to the plan, however, is that in either event the operation of the farm-credit rediscount system will be placed in the hands of men who have no special qualifications for the positions. The temporary directors of the Federal land banks have already been selected and are now in office. They were selected, it may be assumed, because of their experience in passing upon real-estate mortgage loans, and not because of their familiarity with loans upon live stock, agricultural products, or growing crops. These directors are to be required to undertake the administration of an entirely new business, enormous in scope, technical, and difficult in its details, and very much more hazardous than the mortgage-loan business which they are now carrying on.

If the Strong bill is adopted at this session—it has not yet passed the House, and has not even been considered by the Senate Banking and Currency Committee—it will be possible to organize the system under the direction of the three "district directors" to be appointed by the Farm Loan Board. These same district directors, however, will constitute the Government representatives upon the board of directors in connection with farm-mortgage loans. Unless an entirely new set of district directors should be appointed, it would be necessary to find among the existing directors of the Federal land banks men who combine the qualifications necessary for both positions. It is by no means certain that such men can be found.

The same difficulty of adapting an existing institution to new and unfamiliar uses will be encountered when we consider the provisions made for supervision of the farm-credits departments. The supervision is placed in the hands of the Federal Farm Loan Board. It has power to make rules and regulations governing the execution of the act, and has virtual control over the operations of the farm-credits departments and their debenture issues. The executive officer of the board has stated at a public hearing that the board does not want to administer the act. None of its members were appointed with a view to their qualifications in administering a rediscount banking system. Nor is it contemplated, in the present draft of the bill, that any new members be appointed for the purpose.

Apart from the difficulty of personnel, the bill contains administrative features which even with the best possible personnel would appear to be unworkable. The provisions of Title I of the farm loan act, relating to the preparation and issue of farm-loan bonds, are made to govern, "so far as applicable," the preparation and issue of debentures issued by farm-credits departments. Under Title I the following procedure is prescribed in connection with issuance of farm-loan bonds: Land banks must first, through the "registrar" of the district (an official appointed by the board), make written application for approval of an issue, tendering with the application the collateral security to be offered.

With the security there must be a schedule and description thereof. It must be checked by the "registrar" and forwarded to the Federal Farm Loan Board. The board is required to "cause to be made such investigation and appraisement of the securities tendered as it shall deem wise" and grant or reject the application in whole or in part. The registrar then attends to the issuance and execution of the bonds and assumes custody of the collateral. The bonds are engraved by the Treasury Department according to prescribed forms.

It is apparent that this machinery, while perhaps appropriate in the case of farm-loan bonds, is not adapted to the needs of short-term or "intermediate" farm credits. It contemplates that the Farm Loan Board shall itself, through agents and inspectors, satisfy itself as to the safety and adequacy of all collateral. A bank in Idaho or a loan company in Oregon may desire to discount a block of paper with the local land bank. The land bank, for fear of tying up its capital in unacceptable loans, will generally be unwilling to discount the paper until it receives the approval of the Farm Loan Board. The paper, comprising perhaps the notes of a hundred or more farmers, is put into shape, financial statements are executed, chattel mortgages and crop mortgages are analyzed and described, and the material delivered to the land bank. It is checked by the registrar and shipped, with his report, to Washington. The board sends out its appraisers, analyzes the hundred or more statements, inspects the chattels and crops, has the debentures prepared, and ships the material back with its approval. By the time the loan is approved and the debentures issued several months may have expired. Such an amount of centralization is not, in the long run, workable in a business in which promptness, flexibility, and adaptation to local needs are as essential as they are in the business of rediscount banking. It is doubtful whether the sponsors of the bill realize, moreover, that it will necessitate a permanent credit and clerical staff in Washington of several hundred men. The War Finance Corporation, doing a similar business on a smaller scale than is contemplated and with an effective field organization, required a staff of 300 employees in Washington. The 12 land banks may do a business of more than a billion dollars. It is impracticable to operate such a centralized system upon sound lines and yet give satisfaction to the agricultural communities.

III. THE SYSTEM WILL BE INELASTIC.

A fundamental defect in the Lenroot-Anderson bill, from the point of view of the farmers whom it is intended to benefit, will be in its inelasticity. The Federal reserve system is based upon the theory of an elastic currency. As long as reserve requirements are met the Federal reserve banks can issue all the currency that is required for legitimate commercial or agricultural needs. The farm-credits system created by the Lenroot-Anderson bill, however, depends upon the sale of debentures in the investment market. In a time of difficulty debentures may be unsalable. Yet, it is in periods of stress that the farmer is generally most in need of credit. During the collapse in agricultural prices in 1921 the situation was greatly aggravated by a general calling of loans on the part of the banks, due to reduced deposits. A bank has a strong incentive to accommodate its customers in a time of stringency. The investors holding farm-credit debentures will have no such incentive. They will expect that the debentures be paid when due, regardless of the needs of the farmers. To protect their debentures the land banks will be compelled to liquidate their paper, to press it for collection, regardless of the hardships to the farmer. Far from supplying a reserve facility in times of deflation and stringency, the Lenroot-Anderson bill will, therefore, tend to accentuate the stringency and accelerate the contraction of credit.

IV. THE SYSTEM RESTS UPON TAX EXEMPTION.

In its promise of cheap money to the farmer the bill relies mainly upon exemption of debentures from Federal and State taxes. Yet the House has recently passed a resolution for a constitutional amendment prohibiting the issuance of tax-exempt obligations. A proviso exempting farm-loan bonds from the prohibition was rejected. It is difficult to see how the House could consistently within a few weeks authorize the issuance of a large amount of new tax-exempt securities, nor is a possible additional billion of tax-exempt securities to be contemplated without grave concern.

V. OTHER DEFECTS.

There are other defects in the Lenroot-Anderson bill, largely due to faulty draftsmanship, which will be alluded to only briefly:

(a) By providing that debentures shall be payable only out of the assets of farm credits departments the bill might render them nonnegotiable, in view of the provisions of the negotiable instruments law.

(b) The bill provides that discount rates shall not exceed by more than 1 per cent the rate borne by the last preceding issue of debentures. (Sec. 202.) It also contemplates that collateral may be segregated, so that high-grade paper, e. g., warehouse receipt paper, may be made the basis of a separate issue, and thus obtain the benefit of the lower interest rate to which its credit standing entitles it. (Sec. 201 (b).) If the last previous issue was based on such high-grade paper, this would set a standard for discount rates for all paper, whether high grade or otherwise. In a period of rising rates the banks might find their operations paralyzed by this limitation.

(c) Moreover, the makers of the high-grade paper would not get the benefit of the lower rate to which their paper is entitled, since discount rates must apparently be uniform to all.

(d) The provision which purports to limit to 1½ per cent the amount which a discounting institution may charge for its indorsement is inaptly drawn. Any paper upon which the borrower "has been charged" more than 1½ per cent in excess of the discount rate is ineligible. There is no criminal penalty for any evasion of the act. Moreover, a bank which has paper upon which a greater rate has been charged can not make such paper eligible by rebating the excess to the borrower. Unless the discount rate is high there will, therefore, probably be but little eligible paper in the Western and Southern agricultural States, where interest rates are often as high as 10 and 12 per cent.

(e) The provision relating to distribution of earnings is incomplete. No disposition is made of earnings above dividends and above the 25 per cent to be used to retire stock.

(f) There is no provision for liquidation of farm credits departments or administration in the event of insolvency.

(g) No provision is made for suits by or against farm credits departments.

(h) Agricultural paper is not correctly defined. Only paper the proceeds of which have been used for an agricultural purpose is eligible. Paper "issued" for an agricultural purpose, such as fertilizer notes or notes evidencing purchase of live stock or farm supplies, is apparently not eligible, since "proceeds" of such notes are not generally used for an agricultural purpose. The corresponding definition in the Federal reserve act covers both types of paper.

FUNDING OF FOREIGN DEBT.

Mr. FORDNEY. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 14254) to amend the act entitled "An act to create a commission authorized under certain conditions to refund or convert the obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, with Senate amendments thereto, and I move that the Senate amendments be agreed to.

The SPEAKER. The gentleman from Michigan calls up the bill H. R. 14254, with Senate amendments thereto, which the Clerk will report.

The Senate amendments were read.

Mr. FORDNEY. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Speaker, there are four amendments to this bill which were added by the Senate. Two of those amendments pertain to form merely, and two to substance. The first amendment was made necessary by the fact that the report of the commission to the President, which was by him transmitted to the Congress, was not clear in its statement of the interest to be paid upon the bonds to be given by the British Government. To correct this an amendment was proposed while the bill was under consideration in the House, and that amendment was adopted. When it was adopted, however, it was not in line with reference to the report of the commission and the message of the President, so the first amendment strikes out the reference to the report and to the message and independently states the terms of settlement with Great Britain.

The second amendment is merely one of quotation marks.

As the bill originally passed the House double quotation marks were required, because there was one quotation and in that quotation was a quotation of other material. It was made simple.

The third amendment, however, goes to the substance. Instead of the House provision, that—

similar settlements, but not more favorable in terms, with other governments indebted to the United States are hereby authorized to be made, subject to the approval of the President—

The provision is made—

that there may be settlements with other governments indebted to the United States upon such terms as the commission created by the act approved February 9, 1922, believe to be just, subject to the approval of the Congress by act or joint resolution.

In other words, the commission does not have the power to conclude any settlement with the approval of the President. Whatever settlements it judges to be proper and just must be submitted to the Congress for approval by joint resolution or by act. I may say that the commission has no objection whatever to this amendment. There is, however, one objection which might assume considerable importance. We have just made a settlement with Great Britain, which is a favorable one, and that would naturally act as a spur to other governments to conclude settlements. Action upon such possible settlements is now postponed until Congress meets again next December. However, I do not regard that as a very serious objection. It will be remembered that the House voted by about 180 to 130 on the 24th of October, 1921, against bringing back these settlements to Congress for approval; but in our consideration here a couple of weeks ago I think it worked well to leave it to the House, because the Members, instead of tearing the settlements to pieces, took it up as a general proposition, as an entirety. Then there is one other thing which I think is very much to the credit of this body; there was a nonpartisan spirit manifested, and a large majority of those on the other side voted in favor of the settlement. I think those who voted against it did it more as a perfunctory act, with the view that in so doing they were performing the duties of a minority.

The fourth amendment, which is also one of substance, changes the commission in its membership from five to eight, providing that the Secretary of the Treasury shall be ex officio a member and that the other seven shall have not more than four of any one political party. That leaves on the commission the present members and requires the appointment of three others, whom I fancy it is intended shall be of the Democratic Party. That will evoke the applause of some, and personally I have no objection to it, though I really think five a better number for such a commission than eight. The controlling fact in favoring acceptance of the amendments is this: This is a great international settlement which has to do with the stability, financial and political, of the whole world. When the proposition was put up to the British cabinet, the Chancellor of the Exchequer arriving from this country on Friday night, the British cabinet on the following Tuesday, only three or four days later, agreed to it; and it is well for us to agree to it promptly without any delay such as would be incident to the appointment of a conference committee, and without any further discussion in the Senate, where discussion, free to all, has already expanded to what some think—and I share that opinion—to unreasonable limits. One other point: I trust, Mr. Speaker, if similar settlements with other nations are referred again to Congress there will be an absence in the discussions here and in the other body of those attacks upon the country with which we are dealing, which characterized some of the discussion of the settlement with the British Empire. Such attacks as were made, if they were taken seriously in diplomatic circles, might strain our relations with other countries.

We are not doing credit to ourselves as a legislative body when any of us gives free rein to these expressions of criticism and expressions of dislike of other countries. There are certain standards of politeness and comity between nations which we should preserve in all our transactions. I trust if the commission should agree upon other settlements to be brought back here the discussion will be free from the animadversions which developed in another body in the discussion of this subject. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker. [Applause.] This is a unanimous report from the Committee on Ways and Means to agree to the Senate amendments and it is very gratifying, I may say, in the brief time at my disposal this morning, to us who in October, a year and some months ago, fought so hard to have the final disposition of this matter referred to the Congress to find that this has now been done. I also want to congratulate the country that there has been a return to some semblance of fair play by bringing in a provision whereby three Members of the minority may be represented on the commission charged with the duty of making settlements in which thousands of American people who belong to the minority are interested. I yield the remainder of my time to the gentleman from Arkansas [Mr. OLDFIELD]. [Applause.]

Mr. OLDFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. OLDFIELD. Mr. Speaker, when this bill passed the House on February 9 I made an argument on the floor in opposition to its terms. I felt then that I made a legitimate argument against the bill and feel so yet. The crux of my argument was that the British taxpayers should pay the same rate of interest on the bonds they issue, with which to pay their obligations to us, that our taxpayers must pay on the bonds we issued when we loaned the money to Great Britain. As I said, I feel that this is not only a legitimate argument but a reasonable and sound argument. I was taken severely to task by the Wall Street Journal of date February 10, and was criticized and abused by this great representative of Wall Street financiers and international bankers, and I shall place this article in the RECORD to show how the representatives of Wall Street interests abused me for my attitude.

[From the Review and Outlook.]

CRITICS OF BRITISH REFUNDING.

Representative OLDFIELD, of Arkansas, speaking of the British plan for refunding the debt to us, is reported as declaring, "While it is said that this settlement comprises the best terms possible, I do not know whether they are or not." There is not space in this column, or perhaps in this whole newspaper, to discuss so vast a subject as what Representative OLDFIELD doesn't know. What he does know could be dismissed in about three lines, after deducting the things he knows which are not so. He speaks of taking the "people's" money at 4½ per cent to lend it to the British at 3 per cent. He estimates this difference at some figure approximating $1,000,000,000, apparently by multiplying 1½ per cent by the extreme limit of the period, and doing it incorrectly.

But the American people are buying their own 4½ per cent bonds in the market through the Secretary of the Treasury, and he is doing his necessary new borrowing at lower rates. To exact a usurious interest from the British for more than half a century, on the theory that we once paid 4½ per cent ourselves, may sound like good finance in the Ozarks and it would be popular in Hester Street, New York. But whatever we may have paid for money under the pressure of war, we can not charge more than the rate of interest on a credit as good as that of the British, which credit will be at less than 3 per cent long before the first 10 years are over.

And what Mr. OLDFIELD, of Arkansas, did not learn at the crossroads grocery, where he obtained his conceptions of international

finance, is that the period he uses with which to multiply the difference of 1¼ per cent in interest includes the complete amortization of the loan. (Amortization means the provision for repayment, Mr. OLDFIELD.) One of the greatest weaknesses of popular government is that it is average government and never expert government. It is necessary to get it down to the intelligence of a Congress of OLDFIELDS. But the OLDFIELD has always the first characteristic of ignorance. It by turns despises, distrusts, and fears what it does not understand. Thus Congress adds another interest limitation to the refunding bill, totally unnecessary and operating as a bar to settlement with other nations, exactly as the meddlesome and unintelligent limitation of 4¼ per cent over 25 years acted in the present case.

Nothing could have done more to stimulate international good will and also to relieve the burdens of the American taxpayer, with their hampering restrictions upon American business and credit, than a unanimous acceptance of the Debt Commission's terms by a rising vote. This was the gracious thing to do. The American taxpayer will not lose a penny by the difference in bond interest, because the Treasury can buy Liberty bonds in the market and refinance at whatever the current rate of interest may be. To what a point have we come when we confuse boorish insolence with democracy?

When you have read this article you will realize that the Wall Street Journal made no argument in refutation of the argument which I made, but confined its statement to the lowest sort of criticism and abuse. In my reply I shall not stoop to the level of the Wall Street Journal. I have no desire to enter into a controversy with this paper, but my advice would be that when they criticize a Member of Congress they should refute the arguments of the Member of Congress, instead of descending to the low level of this article. Mr. Speaker, I have been in Congress now 14 years. I was born and reared in my district within 25 miles of where I now reside. No better people live than the people of my district. I did not come here to represent the ideas of Wall Street, the international bankers, or the Wall Street Journal, but, on the contrary, I came here to represent the plain people of my district and State, and the honest taxpayers of the country. I still contend that we should not be any more generous to the taxpayers of a foreign country than we are to the taxpayers of our own country. [Applause.]

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

Mr. OLDFIELD. I will yield.

Mr. BLANTON. I want to ask the gentleman from Arkansas if this commission that made this settlement with the British Government had not been lenient and generous, how could the British Government pay these £100,000 gratuities to these big admirals and generals and lesser gratuities to these lesser officers? We had to make some kind of provision out of the American exchequer so that these gratuities could be paid in England.

Mr. OLDFIELD. In answer to the gentleman I will say that in the speech that I delivered on the 9th I used practically this language, that I thought if there had not been so much drum beating around the world by England she would probably have more money with which to pay her debts. I have heard the statement made in regard to this piece of legislation that we are helping our own people indirectly when we are giving a generous treatment to Great Britain, because then they will have money with which to purchase our surplus products, and it would thus be of indirect benefit. In the language of my friend from New York [Mr. COCKRAN], I would be very glad to see Congress begin to help the people directly instead of helping them indirectly. [Applause.]

Mr. STEAGALL. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. STEAGALL. If we are going to start out showing favors at the expense of this Government to the other governments based on the idea that it will revive international trade, had not we better get busy and pass the bills now pending in both Houses of the Congress to provide for the lending of a couple of billions to Germany in order that they may begin to pay?

Mr. OLDFIELD. Well, the one argument is just about as sound as the other. I will say to the gentleman, however, I would not be in favor of lending any more money to foreign governments. [Applause.]

Mr. FORDNEY. Mr. Speaker and gentlemen of the House [applause], the two principal amendments to this bill do two things. First of all, it retains to the Congress of the United States the right finally to approve future settlements made by the commission with foreign governments. Secondly, it removes absolutely from the commission any possibility of politics. I hope that the amendments will be agreed to unanimously in the House. And, Mr. Speaker, I ask unanimous consent to print as a part of my remarks a statement recently made by a Presbyterian minister of Toronto, Canada, a very dear and long-time friend of mine, in which is pointed out the differentiations between socialism, communism, Bolshevism, anarchism, and nihilism, and such "isms." It is information to me, and it is a very clear explanation of the sentiments found in those different "isms," and I would like to have it printed for general use for the public because it is valuable information.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD in 8-point type for the purpose indicated. Is there objection?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, does this Presbyterian minister condemn these "isms" or adopt them?

Mr. FORDNEY. He condemns them where they are un-American.

Mr. BLANTON. That is, he condemns them?

Mr. FORDNEY. Yes; he condemns them severely.

Mr. BLANTON. I have no objection. [Applause.]

The SPEAKER. Is there objection?

There was no objection.

Following is the document referred to:

THE MENACE OF BOLSHEVISM, ITS CAUSE AND CURE.

[A sermon preached in the First Presbyterian Church, Victoria, British Columbia, Sunday evening, April 6, 1919, by Rev. John Gibson Inkster, B. A. The first of a series of sermons on "The crisis and the Christ," or "Reconstruction and religion."]

"Then said Jesus unto his disciples, if any man will come after me, let him deny himself and take up his cross and follow me." (Matthew, 16–24.)

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"And one of the company said unto him, Master, speak to my brother, that he divide the inheritance with me." (St. Luke, 12–13.)

—

"We then that are strong ought to bear the infirmities of the weak, and not to please ourselves." (Romans, 15–1.)

—

"For the love of Christ constraineth us; because we thus judge, that if one died for all, then were all dead." (II Corinthians, 5–14.)

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"In discussing this subject it is well for us first to give the definition and meaning of the word 'Bolsheviki' and also the word 'soviet,' for a good deal of confusion exists in the public mind on the meaning of these two terms.

"The term 'soviet' means 'the council of workers, soldiers, and peasants'—it is a political institution by means of which an empire, province, city, town, or village may be governed. The term 'Bolsheviki' means 'those of the majority'—it is a political party in the soviet—that party which controls the government of Russia to-day. Bolshevism is the principles, methods, and rules which dominate this party. As the word implies, it represents the great mass of the Russian peasantry, than which there is no finer peasantry in the world.

"Russia for the first time in her history has a government of the people, for the people, and by the people. This is the thing which the socialists of America, Britain, and Germany, the communists of France, and the anarchists of Russia have been trying to get for many years. In this sense Bolshevism is simply a new name for an old movement. It is in reality anarchy realized which means the abolition of existing institutions—social, industrial, and political—and the substitution therefor of government by the majority.

"Now, some may wonder why I, a Presbyterian minister, should discuss this subject in a church on Sunday night. My answer is: This is a subject which is vitally interesting and affecting the people in the church, and I consider it my duty to deal with such a subject in the light of the teaching of God's word. I am dealing to-night with the great theme of 'The crisis and the Christ' or 'Reconstruction and religion,' and surely it is necessary to discuss Bolshevism in the light of that theme. For that reason my address to-night is not a disquisition on philosophy, economy, or society, but a sermon on religion.

"As already hinted, in dealing with Bolshevism we are really dealing with a phase of socialism—a phase which is largely determined by the influence of time and place. As a rule socialists believe somewhat differently from Bolshevists, but they have this in common at least—as Pat is reputed to have said—'We are agin' the government'; both are thoroughly dissatisfied with the present order of private ownership. And let me say in passing, there are millions who are neither socialists nor Bolshevists who are dissatisfied and disgusted with this present order of things. As we witness the selfish avarice, the unscrupulous profiteering, and the consequent vulgar display on the one hand, and on the other the intolerable inconveniences, the grinding poverty, and the unbearable suffering, no one with an atom of human feeling can remain silent or inactive under the present order.

"It so happened in Russia that the people got an opportunity of dealing successfully with these conditions, and at the same time with the persons large responsible, namely, the landowners, the aristocrats, and plutocrats. When the people of Rus-

sia got that chance they dealt with these conditions and classes in one tremendous blow. They had a real, live revolution, turned things upside down and inside out. Their act was extreme, but their answer was: We have suffered for centuries under these conditions and at the hands of these tyrants.

"This last remark suggests that we should now consider the causes which brought Bolshevism into existence. In order to do that, let me in a word differentiate between socialism, communism, anarchism, nihilism, and Bolshevism.

"Socialism is an economic theory which proposes the abolition of private capital and the substitution of collective ownership in carrying on the industrial work of the world. Communism advocates the collective ownership of all wealth. Anarchism advocates in addition the abolition of all government, by force if necessary. Nihilism is an extreme form of anarchism, *if that* were possible, and advocates the violent abolition of all existing institutions, social and political. It is difficult to determine just what Bolshevism advocates. Some say it is simply 'Marxian socialism plus machine guns.' We do know that it advocates all that socialism advocates, and in addition demands the abolition of all class distinctions and all government by the classes. The constitution of July, 1918, may be summarized thus: 'They demand not reform but reconstruction. Regeneration of the individual is useless, for the cause of the evil is not sin but poverty. Therefore, the present material conditions must be changed.'

"The cause which brought Bolshevism into existence is existing wrongs, and Bolshevism in Russia is a successful protest against these wrongs. In so far as Bolshevism is a protest against existing wrongs, the protest of Bolshevism is the protest of all organized, vital Christianity. Further, where no organized, vital Christianity exists there is not, never has been, and never can be any protest. I will not permit, so far as I am concerned, organized, vital Christianity—which is the church of the living God—to be identified with or tied up to any political, social, economic, or other party. The church of God must not be the slave or even servant of capital or labor in any of its organized forms. She must make her own protest, and when alive she does make it.

"Not only is the protest at the heart of Bolshevism the protest of the Christian church, but, further, many of the principles of Bolshevism are the principles of the church—principles which Christ propounded when on earth—e. g., liberty, fraternity, and equality. But when the socialistic alliance 'declares itself atheist and demands the abolition of all worship, of marriage, of classes, and the right of inheritance'; when the Soviet of Saratoff, Russia, declares that 'from March 1, 1919, the right to possess women of the ages of 17 to 32 is abolished'; when H. G. Wells declares 'the socialist no more regards the institution of marriage as a permanent thing than he regards a state of industrial competition as permanent'; when Bebel, another socialist, declares 'the idea of God must be destroyed; atheism is the root of liberty, equality, and fraternity'—when such representative men and institutions proclaim such pagan perversions of principles, I, as a minister of the church of Jesus Christ, repudiate such teaching, denounce such leaders, and, in so far as any community is misled by them, I absolutely disassociate myself from them.

"But I am now at the point where I must state, as I understand it, the position and attitude of the church of God to Bolshevism in all its aspects and phases. And in doing so I want to do it in as kind, firm, and unmistakable a fashion as I am capable of. My whole-hearted sympathies are with the workers among whom I was born, among whom I have lived, and among whom I hope to die, and all my feeble efforts have been and will be put forth on behalf of that class. In doing this, I pray God to help me to be kind and fair to all men, but my sympathies and efforts are with the struggling, suffering, sorrowing common people.

"Having said that, let me proceed to say the church of God must, in these days of reconstruction, place far greater emphasis on the social principles of Jesus Christ. She must never neglect the great salvation of the immortal soul but she must reaffirm 'the sacredness of the state and the truth that government is a divine institution; this means a new emphasis in the duties of Christian citizenship.' Further, the church must proclaim anew the teaching of the stewardship of wealth. There are many so-called Christians and church members who persistently demand a 'simple gospel' and are uneasy when anything is said about money and stewardship. The fact is the church has been allowing hundreds—yes, thousands—to steal and thieve and rob not only from their fellow men but also from God himself, and she has never even uttered a protest. No wonder the world and the workingman say the church has failed. As a minister belonging to the church, I know the church has not failed, but I can easily understand how the man in the street or even the man in the pew (whose religion consists in going to church once a Sunday when the weather is fine and he has nothing else to do) would not only think so and say so but believe so.

"But when we are allowing fair criticism of the church what shall we say by way of criticism of Bolshevism? In so far as Bolshevism expresses the protest of the people of Russia against the injustice and oppression of the autocrats I have only words of commendation to offer. On the other hand, when the Bolsheviki place themselves in the hands of or allow themselves to be led by such men as Lenin and Trotski, then I have a different matter to consider. These two men, when my country was in a death struggle with an unscrupulous enemy and gasping for existence, were plotting with the enemy or conspiring against my country; therefore I must denounce these men and repudiate the party which is following them. These men can not be trusted, and the Bolsheviki whom they lead—in so far as they follow—can not be trusted. This is a matter which admits of no compromise. As at present constituted the Bolsheviki in Russia are not only the enemies of the empire, they are the enemies of the church of Jesus Christ and of God himself. Therefore I resist them to the limit of my power.

"Another matter which makes Bolshevism a menace is its teaching and practices regarding marriage. Some may say the rank and file of the Bolsheviki don't seek to abolish marriage. I answer: 'Their leaders do, and they follow their leaders.' Further, the teaching of the leaders on marriage is the only logical outcome of their first principles. If there is to be no private ownership, we can not stop at a certain point; we must go the whole way and, as Wells says, abolish marriage as we abolish industrial competition.

"The most serious criticism which I have to offer against Bolshevism—and Marxian socialism which lies back of it—is the avowed and practical denial of God. It is a most serious matter when it is deliberately declared that 'the idea of God must be destroyed—atheism is the true root of liberty, equality, and fraternity.' We who are believers must resist this with might and main.

"If there be no God, then man is without hope and is indeed lost, with all the awful meaning of that word. Not only so; but, if this doctrine can be successfully propagated, instead of liberty we will get lawlessness, instead of equality we will get inequity, and instead of fraternity we will get fatalism. If these are to be the principles of our future democracy, then we must begin at once to make the world safe not for but from democracy. By God's help I shall not only resist but denounce and seek to destroy all such doctrines to the limit of my ability. If the workers, soldiers, and peasants identify themselves with such doctrine, then the old corrupt order is infinitely to be preferred.

"The question may now be fairly asked: 'Has the church any positive constructive contribution to make in this crisis?' I answer: 'Thank God, yes! The church has still enough vitality to make a tremendous contribution.'

"The State can do something in this crisis—but acts of parliament can not reconstruct society. The problem with which Bolshevism is struggling to-day—the problem which is facing us, for we have a similar problem here in Canada—is a political, economic, and educational problem, it is true. But it is far more. It is first and foremost a religious problem. It must begin with the individual, and the first lesson which the individual must learn is the lesson which the Master taught Nicodemus—'You must be born again.' That must be man's starting point, and upon that he must proceed. In other words, the old and almost forgotten doctrine of conversion must be revived and enforced. Unless church people and other people believe in and demand regeneration as a sine qua non of reconstruction there can be no stability for the present nor hope for the future.

"Thank God, there are men to-day in every walk in life who still believe in the necessity and possibility of conversion. A short time ago the Wall Street Journal (a financial paper) declared: 'What we need to-day more than railway extension, western irrigation, a low tariff, a bigger wheat crop, and a merchant marine is a revival of piety—the kind that mother and father used to have, the kind that counted in good business.' That conversion is possible has been made abundantly clear from a scientific viewpoint in a recent book on psychology by Professor Ward, of Cambridge, in which he states that 'Conversion is a fact and is common in human experience.' That conversion is possible and necessary has been made more abundantly clear in that wonderful book on 'Twice Born

Again,' by Harold Begbie. There he tells of 12 men who, by the grace of God and through the Salvation Army, were born again—converted.

"A selection from the record of one will suffice. He is taken from the class to which Bolshevism is making an appeal and is supposed to minister. Begbie calls him 'the plumber.'

"At 16 years of age he was 'earning a tradesman's wage; an income sufficient to provide for a family, but not enough to satisfy his craving for drink after he got married. Every Saturday night meant a drunken bout and a beating for his wife and young family. In despair his poor wife entered the bar where he was drinking and tried to get him home. Maddened with drink he cried: 'For God's sake, woman, go * * * or I'll sign the pledge.' 'You've done that often enough already and you've wetted it every time.' For some reason the retort brought him to his senses. That night he sought out a converted chum and went with him to the Salvation Army meeting. 'Charlie,' he said, 'I want to get out of what I am in.' Said his chum, 'Well, just get down and tell God that; tell God you are up again it and He's got to help you or you are doomed and will shortly be damned.' The plumber knelt in prayer and was gloriously saved. When his drinking chums heard it they turned against him. When sneers and jeers failed they demanded and got him discharged. For months he hunted a job, but failed. The only thing which encouraged him so far as human help was concerned was the kiss and affection which he got from his wife and children. At last, in despair, he cried, 'Oh, God, don't forsake me. You know I love you and I am going to do my best.' By the help of God he won against the world, the flesh, and the devil. Begbie tells us: When he went to visit that home he found a neat, clean place and a happy family. The plumber said: 'I used to hang pictures on my wife's face that were heartbreaking to look at; I have taken them off and instead I have put smiles on her face and lovely pictures on the wall.'

"This story will illustrate the possibility and necessity of conversion in reconstruction. As Begbie concludes: 'Surely this story must bring home to the politician and sociologist the great truth that the one hope of regeneration is in the Christian religion—the one guaranty for a noble posterity—and there is really no other hope.'"

Mr. FORDNEY. Mr. Speaker, I move the previous question on the Senate amendments.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

ASTORIA, OREG.

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Ways and Means may have two days in which to file a minority report on House Joint Resolution 449, which was reported by the Committee on Ways and Means yesterday; two days.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the minority of the Committee on Ways and Means may have two days in which to file a minority report on House Joint Resolution 449.

Mr. GREEN of Iowa. What is that resolution?

Mr. COLLIER. That is the Astoria bill.

The SPEAKER. Is there objection?

There was no objection.

READING WASHINGTON'S FAREWELL ADDRESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that immediately after the adoption of the rule to be presented by the chairman of the Committee on Rules, it may be in order for the Speaker to recognize some Member of the House to read Washington's Farewell Address.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that immediately after the adoption of the rule to be presented by the chairman of the Committee on Rules it may be in order for the Speaker to recognize some Member of the House to read Washington's Farewell Address. Is there objection?

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, I desire to ask the gentleman from Wyoming a question. What rule does he refer to?

Mr. MONDELL. The rule that will be presented immediately by the chairman of the Committee on Rules.

Mr. RAYBURN. On what?

Mr. MONDELL. I believe the rule relates to the Alien Property Custodian's office.

Mr. RAYBURN. That is exactly what I intended to remark about. I do not think there are more than two or three members of the committee that had any idea that this bill was likely to come up. We had a session of the committee this morning, and nothing was said about it. It is of tremendous importance. We should certainly have liked to have received a day's notice.

Mr. MONDELL. Mr. Speaker, that has nothing to do with my request. My request was simply with regard to the reading of the Farewell Address of the Father of the Country.

Mr. RAYBURN. I know; but I thought the time was a little short; a rule presented here when the minority has had no notice whatever of what was coming up.

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

There was no objection.

TRADING WITH THE ENEMY ACT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 514.

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. 14222) entitled "A bill to amend the trading with the enemy act." That after general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled 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.

Mr. CAMPBELL of Kansas. Mr. Speaker, this rule provides for the consideration of what is known as the Alien Property Custodian legislation. In short and in substance the bill provides for the return of property belonging to alien Germans seized during the war to the amount of $10,000. If an entire estate seized amounted to $10,000, the entire estate will be returned under the provisions of the bill, and otherwise $10,000 of any estate will be returned to the owners.

At present it does not seem wise to give four hours of general debate to a matter that must be decided to-day. The bill contains some 15 pages. General debate rarely settles anything with respect to the provisions of a bill, and I therefore ask unanimous consent to change the time for general debate provided in the rule, as agreed upon by the Committee on Rules, from four hours to two hours.

Mr. GARRETT of Tennessee. I object.

The SPEAKER. Objection is made.

Mr. CAMPBELL of Kansas. Then, Mr. Speaker, I move to amend the rule by inserting "two" hours instead of "four."

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. CAMPBELL of Kansas: Page 1, line 7, strike out "four" and insert in lieu thereof "two."

Mr. CAMPBELL of Kansas. Mr. Speaker, I move the previous question on the amendment.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that the gentleman, when he offers an amendment, loses the floor, and that I or some one else is entitled to recognition in opposition.

The SPEAKER. The Chair does not see why; but the Chair will hear the gentleman on that. If he yields the floor to another to offer an amendment he loses the floor, but not if he offers the amendment himself.

Mr. GARRETT of Tennessee. Mr. Speaker, is not the gentleman entitled to be heard against the amendment? Can the gentleman take the floor, offer an amendment, and move the previous question on that amendment?

The SPEAKER. Of course the gentleman is entitled to be heard if the House wishes to hear him, if the House votes down the previous question; but the Chair thinks the House has the right to decide whether it will hear debate.

Mr. GARRETT of Tennessee. Of course I yield to the decision of the Chair. I just want to say this——

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

Mr. GARRETT of Tennessee. I just want to say this, that there will not be any two hours gained by this sort of procedure.

Mr. BLANTON. May I call the attention of the Chair to a direct precedent on the matter? During the Sixty-sixth Congress——

The SPEAKER. The Chair would like the gentleman to cite the precedent.

Mr. BLANTON. I will cite the precedent. In the Sixty-sixth Congress, when I had certain resolutions of inquiry before the House and on one of them I offered an amendment, the

gentleman from South Carolina [Mr. STEVENSON] claimed the floor, and Mr. Speaker Clark held that by offering the amendment to the resolution I lost the floor, and he recognized the gentleman from South Carolina [Mr. STEVENSON].

The SPEAKER. The Chair can not see any logic in such a decision.

Mr. BLANTON. But that is the precedent, and Mr. Speaker Clark stated that it was based upon a long line of precedents.

The SPEAKER. Mr. Clark was not Speaker in the Sixty-sixth Congress.

Mr. BLANTON. At the time I offered the resolution Mr. Clark was Speaker and was in the chair.

The SPEAKER. The Chair overrules the point of order.

Mr. GARRETT of Tennessee. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

Ansorge	Dyer	Kreider	Ryan
Arentz	Elliott	Kunz	Sanders, N. Y.
Barkley	Fairfield	Lampert	Schall
Beedy	Fitzgerald	Lee, Ga.	Scott, Mich.
Benham	Freeman	Lee, N. Y.	Scott, Tenn.
Bird	Funk	Lyon	Shaw
Bland, Ind.	Garner	McFadden	Shelton
Bond	Gifford	McPherson	Siegel
Bowers	Goodykoontz	Martin	Slemp
Brand	Gould	Michaelson	Smith, Mich.
Brennan	Graham, Pa.	Mills	Snell
Britten	Hays	Moore, Ohio	Stiness
Brooks, Ill.	Henry	Moores, Ind.	Stoll
Burdick	Hicks	Morgan	Sullivan
Burke	Hoch	Morin	Summers, Wash.
Byrnes, S. C.	Huck	Mudd	Swing
Cantrill	Hutchinson	Nolan	Taylor, Ark.
Carew	Johnson, Miss.	O'Brien	Thomas
Chandler, N. Y.	Johnson, Wash.	Olpp	Thorpe
Clague	Jones, Pa.	Overstreet	Tucker
Classon	Kahn	Park, Ga.	Upshaw
Clouse	Keller	Petersen	Voigt
Codd	Kelly, Pa.	Pringey	Volk
Collins	Kennedy	Rainey, Ala.	Ward, N. C.
Connolly, Pa.	Kiess	Reber	Watson
Cooper, Ohio	Kindred	Riddick	Webster
Cramton	King	Rodenberg	Wheeler
Crowther	Kitchin	Rose	Williams, Tex.
Davis, Minn.	Kleczka	Rossdale	Wise
Drane	Knight	Rucker	Wood, Ind.

The SPEAKER. Three hundred and seven Members have answered to their names. A quorum is present.

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

The SPEAKER. The gentleman from Connecticut moves to dispense with further proceedings under the call. Without objection, it will be so ordered.

There was no objection.

LEAVE OF ABSENCE.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent that Mr. LAMPERT be given indefinite leave of absence because of a death in his family. He went to Wisconsin yesterday.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that his colleague [Mr. LAMPERT] be given indefinite leave of absence. Is there objection?

There was no objection.

TRADING WITH THE ENEMY ACT.

Mr. GARRETT of Tennessee. Mr. Speaker, before the gentleman from Kansas moves the previous question will the gentleman yield to me?

Mr. CAMPBELL of Kansas. I want to make a statement that I think will satisfy the gentleman. When I offered the amendment cutting down the time for general debate from four hours to two hours it was with a view to securing action on the bill to-day. It was stated on yesterday that the House would recess somewhere around 5 o'clock this afternoon until 8 o'clock in the evening to consider bills on the Private Calendar. That would give only in the neighborhood of an hour for the consideration for amendment of a bill of 15 pages covering very important legislation; but I understand that it is agreeable to gentlemen to remain in session until as late as half past 6 in order to secure final action upon this bill. In view of that I withdraw the amendment that I offered.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. Did the gentleman from Kansas say that all debate would be closed at half past 6?

Mr. CAMPBELL of Kansas. No; I said that the resolution provides for four hours of general debate, and we hope to have the bill concluded by half past 6.

Mr. GARRETT of Tennessee. Will the gentleman yield to me a minute?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Speaker, this bill involves one of the most important subjects that has been before this Congress, and, so far as I know, there has been no disposition among members of the minority either on the Committee on Interstate and Foreign Commerce or on the Committee on Rules to try to prevent in any way the consideration of this measure. Its consideration to-day did come as a surprise to the minority members of the Committee on Interstate and Foreign Commerce. There had been an agreement in the Committee on Rules, after discussion with members of the Committee on Interstate and Foreign Commerce, both formally and informally, that there should be four hours of general debate. I think the importance of the subject, compared with other subjects that I know are scheduled, justifies four hours of debate, and it was for that reason that I felt disposed to take the course I did.

Now, let me say, speaking for myself and myself only, I have no objection to remaining in session until 6.30, but I do not profess to try to bind others to that agreement.

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask for a vote on the resolution.

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

The resolution was agreed to.

WASHINGTON'S FAREWELL ADDRESS.

The SPEAKER. Under the unanimous-consent agreement, the Chair will designate the gentleman from Oregon [Mr. HAWLEY] to read Washington's Farewell Address.

Mr. HAWLEY read Washington's Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority,

of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfac-

tion at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religon and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence

of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation.

It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

[Applause, Members rising.]

AMENDING THE TRADING WITH THE ENEMY ACT.

Mr. NEWTON of Minnesota. 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. 14222) to amend the trading with the enemy act.

The motion was agreed to.

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

The Clerk read the title to the bill.

Mr. NEWTON of Minnesota. Mr. Chairman, I move to dispense with the first reading of the bill.

The motion was agreed to.

Mr. NEWTON of Minnesota. Mr. Chairman, in general the major purpose of the bill before us is to make partial return of alien enemy property seized during the war by the Alien Property Custodian under the trading with the enemy act.

The Great War broke out in Europe the forepart of August, 1914. From that date on and until April 6, 1917, the United States was a neutral power and as such enjoyed certain rights under international law and also by virtue of certain treaties theretofore made with the German Government. The first of these treaties was a treaty of "amity and commerce," concluded between the United States and Prussia in 1785. I quote from article 12 thereof, as follows:

If one of the contracting parties should be engaged in war with any other power, the free intercourse of commerce of the subjects or citizens of the party remaining neuter with the belligerent power shall not be interrupted. On the contrary, in that case, as in full peace, the vessels of the neutral party may navigate freely to and from the ports and on the coasts of the belligerent parties, free vessels making free goods, in so much that all things shall be adjudged free which shall be on board any vessel belonging to the neutral party, although such things belong to an enemy of the other; and the same freedom shall be extended to persons who shall be on board a free vessel, although they should be enemies to the other party, unless they be soldiers in actual service of such enemy.

The next treaty was concluded in 1799 and was entitled "A treaty of amity and commerce." I quote article 23 thereof:

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments, and shall not be molested in their persons, nor shall their houses or goods be burnt or otherwise destroyed nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force, the same shall be paid for at a reasonable price.

Next was the treaty of commerce and navigation concluded in 1828. Article 12 of this treaty adopts article 12 of the treaty of 1785 and articles 13 to 24, inclusive, of the treaty of 1799. This treaty was likewise with Prussia. Both Germany and the United States have held that the German Empire succeeded to all of the rights set forth in those treaties and accepted all of the responsibilities and obligations contained therein. Therefore the treaty of 1828, confirming the treaties of 1785 and 1799, remained in full force and effect when the Great War broke out in Europe on August 2, 1914.

It is a matter of history now as to just how Germany kept its obligations. It is unnecessary to go into the details of her conduct which finally forced us into the war. We can all recall the ruthless manner in which Germany treated our own citizens and their rights of persons and property, and especially upon the high seas. Several hundred American citizens, including women and children, lost their lives and millions upon millions of dollars worth of property belonging to our citizens was destroyed. Article 23, you will note, makes specific reference to the right of women and children. They "shall not be molested in their person." What a mockery Germany made of this provision! Article 12 of the treaty of 1785 provided for intercourse and commerce of the neutral nations which was to be permitted to navigate freely to and from the ports of the belligerent parties. This portion of the treaty was torn into shreds, and the whole world knows it. Finally, she became so bold in her violations that she made us stay off the sea, excepting as to certain zones in which we were to be permitted to operate one ship a week or something of that sort.

War came. The official recognition of that fact was given on April 6, 1917. On December 7 of the same year similar recognition was given by a declaration of a state of war existing between this country and Austria-Hungary.

On the 19th of April, 1917, Germany passed an alien property custodian act, which will be found on page 363 of the Imperial Laws. Under it she seized property of American citizens aggregating over $100,000,000 in value.

We waited. Finally, on October 6, 1917, Congress passed the trading with the enemy act. This act made it unlawful for any person in this country, except upon certain conditions, to trade with an alien enemy or ally of that enemy. The office of Alien Property Custodian was created, with the power to seize all money and property in the United States belonging to an alien enemy or an ally of an alien enemy. Under this act and certain amendments thereto, the Alien Property Custodian came into possession of property belonging to nonresident enemy aliens aggregating in value about $550,000,000. The

law authorized the seizure of all alien enemy property. As a matter of fact, the seizures were confined to alien enemy property where the alien enemy was a nonresident. There were some exceptions, but these were applied to residents who were interned or who were in some way or other guilty of misbehavior.

Of this amount, about $200,000,000 has been returned, by virtue of certain amendments made to the act. For example, property belonging to Alsatians or citizens of Poland, Czechoslovakia, Yugoslavia, and so forth, have been returned. The trusts now number about 31,000. Almost all of them are small claims. Claims that are under $10,000 in value number 28,144. Under the terms and provisions of this bill, we propose to return to each and every claimant, providing his claim amounts to that much, the sum of $10,000. If this idea is adopted we will turn back in full 93 per cent of the claims. The value in the aggregate will be about $45,000,000. Of this amount, 50 per cent will be covered by claims under $10,000 in value per claim, while the remaining amount will be payments on account, so to speak, on claims larger than $10,000.

Let me say this at this particular time: The law as it was amended shortly following its enactment authorized the Alien Property Custodian to sell under certain circumstances and conditions. In this event the proceeds realized from the sale were to await the disposition of Congress. Sales were made. This was particularly true as to patents. Some of these sales have been criticized most severely. Many are in litigation. I think that several thousand patents are in litigation growing out of the sale of these patents by Mr. Mitchell Palmer, the first Alien Property Custodian. I want to stress the fact that there is no intention whatever upon the part of the committee to in any way validate these sales by the enactment of this or any other legislation. There is absolutely nothing whatever in the bill now before us which can be construed in any way as validating any one of these transactions. Furthermore, we have expressly reserved from the distribution under this act all patents and patent rights which have been licensed or sold or which are in litigation to which the Government is a party.

The armistice was signed November 11, 1918. This was followed by peace negotiations between the belligerent countries, ultimately resulting in certain agreements which were embodied in the treaty of Versailles, concluded on June 28, 1919; the treaty of St. Germain-en-Laye, concluded September 10, 1919 (this was the treaty with Austria); and the treaty of Trianon, which was concluded June 4, 1920 (this was the treaty with Hungary). This country, however, refused to ratify these treaties, which thereby resulted in our continuing in a technical state of war with Germany, Austria, and Hungary.

To end this technical state of war pending the negotiating of separate treaties of peace with these countries, Congress passed the peace resolution on July 2, 1921, which terminated the war between this country and Germany, Austria, and Hungary.

In the treaty of Versailles (and similar provisions were set forth in the treaties with Austria and Hungary) Germany agreed to make reparation for and to indemnify the citizens of the allied and associated powers who had sustained damages to either persons or property growing out of the unlawful acts of the German Government either during the war, or as in the case of the United States, before our entering into the war. So far as we were concerned, the principal reason why we entered the war was due to the violations by Germany of the rights of our citizens as to their persons and property.

The combined losses of the citizens of the allied and associated powers were so great that Germany could not pay the bill then and there. It was impossible. She was unable to pay the just claims of American citizens growing out of the unlawful sinking of our ships, the killing of crews and passengers, the destruction of cargoes, and the destruction and confiscation of the property of American nationals in Belgium. There was one particular instance submitted to the committee in the hearings. An American concern had a large industrial plant in Belgium. The property was taken over by the Germans after Belgium was occupied. The equipment of the plant was carried away. The place was dismantled. This was not due to shell fire but was due to the fact that this large plant was a successful competitor of German industry. It was to the advantage of their German competitor that the place be put out of commission and destroyed.

There is not any question but what it was the duty of our commissioners at Versailles to acquaint the German commissioners with the losses of our citizens growing out of these unlawful acts of the German Government and demand restitution. A glance through the treaty of Versailles will show provisions indicating clearly that that is what our representatives did. What was Germany to do? She could not pay in cash the great bill that the allied nations presented to her. Her sins had been to great. Neither could she pay in kind. She could not bring back the dead to life. Neither could she return the hundreds and hundreds of ships that had been destroyed nor replace the millions upon millions of dollars' worth of cargoes that had been sent to the bottom of the sea. The only remaining thing, therefore, for Germany to do was to admit her inability to then and there pay the loss either in cash or in kind, but to tender security for the ultimate payment of the claims. She was in the position of a debtor that was either insolvent or nearly insolvent. She was without cash or property that could be liquidated into cash. The available assets consisted of property, real and personal, located in Germany and in real and personal property located outside of Germany but belonging to German nationals residing in Germany. In other words, the real and personal property situated in the United States, but the title to which rested in German nationals, was an asset of the German Government. As a sovereign power she had control over her nationals and the right that any government has over the personal property at least belonging to her nationals, no matter where that personal property may be situated. The right of a sovereign nation is exercised in the power of taxation, which our great Chief Justice has said is the power to destroy. In other words, the right to tax is the right to tax so greatly as to take it all. Then there is the right of eminent domain.

Therefore, when Germany found itself unable to then and there make restitution for her wrongs, she made provision in the treaty of Versailles for the allied or associated powers to retain the property of her nationals as security for the payment of all just and lawful claims.

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

Mr. NEWTON of Minnesota. Yes.

Mr. HAWES. Is not the gentleman mistaken in the statement that we presented any claim to Germany? As I understand it, the American Government has not yet granted any claims to Germany of any kind.

Mr. NEWTON of Minnesota. Our peace commissioners did not ask of Germany as a Government the payment of anything to us as a Government, but it is my understanding, and I should hate to think otherwise, that our commissioners of peace did present to Germany the fact that our nationals had claims against the German Government growing out of violations of international law and treaty obligations, and that the United States would expect the German Government to make restitution for that damage. With that in mind the President of the United States and those associated with him had embodied in the treaty of Versailles, article 297, and annex (4), the provisions I have described.

Mr. HAWES. As a matter of fact no claims have been presented against Germany by the American Government. No claims can be presented until the Mixed Claims Commission has reported.

Mr. NEWTON of Minnesota. The gentleman is talking about the presentation of a detailed statement and claim of a particular individual or number of individuals. I am talking about the general proposition that our commissioners presented the German commissioners at Versailles, that they were in duty bound to protect the rights of our citizens and that they expected Germany to make proper restitution. The details were to be carried out later and provision was made for doing so. The gentleman from Missouri will not deny that our commissioners and the President of the United States subscribed to the very proposition which is in the treaty.

Mr. HAWES. I do deny that statement most emphatically.

Mr. NEWTON of Minnesota. I have a very vivid recollection of seeing it and all you have to do is to refer to the treaty of peace with Germany to see the signature of the President of the United States, and article 297 and annex 4 is a part of that treaty. I insert them in the RECORD as follows:

Section 4, article 297, paragraph (b):

Subject to any contrary stipulations which may be provided for in the present treaty, the allied and associated powers reserve the right to retain and liquidate all property, rights, and interests belonging at the date of the coming into force of the present treaty to German nationals or companies controlled by them within their territories, colonies, possessions, and protectorates, including territory ceded to them by the present treaty.

Annex 4:

All property, rights, and interests of German nationals within the territory of any allied or associated power and the net proceeds of their sale, liquidation, or other dealing therewith may be charged by that allied or associated power in the first place with payment of amounts due in respect of claims by the nationals of that allied or associated power with repard to their property, rights, and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and

with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war.

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

Mr. NEWTON of Minnesota. Yes.

Mr. BANKHEAD. The gentleman has asserted that our commissioners made representations to the Government of Germany that we would expect the Government of Germany to take care of these claims involved in the violation of international law. I want to ask the gentleman if our commissioners took the position in their negotiations that the private property of nationals of Germany located in this country would be held answerable for the payment of those claims?

Mr. NEWTON of Minnesota. Absolutely.

Mr. BANKHEAD. Does the majority of the committee take the position in this controversy that it is a correct principle, either in international law or of international morals, to confiscate the private property of German nationals to enforce the settlement of a debt of the Government of Germany itself?

Mr. NEWTON of Minnesota. The majority of the committee takes the position that it is the duty and the obligation of this Government first to look after the interests of its own citizens. Our Government did so when it presented the matter to the German Government for settlement. Germany then said, "This is all we have to offer." Our commissioners felt that was the best they could do, and these provisions were then embodied in the treaty.

Our commissioners at Versailles, with a knowledge of Germany's condition and her ability to make payment therefore in the future, must have figured that the only sure way to secure the payment of these claims was by impounding the property of German nationals in this country and retaining it for the purpose of eventually securing the payment of the claims of our citizens. These terms certainly must have met the approval of Congress for the peace resolution specifically refers to the rights and privileges we acquired by virtue of the treaty of Versailles and reserves those rights. I quote from section 2 thereof as follows:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

I feel that it is the duty of the American Congress in all matters of legislation pertaining to this property to bear in mind that our first duty is to safeguard and protect the rights of American claimants until the German Government shall have satisfied them in full. [Applause.]

Mr. BANKHEAD. If the gentleman will permit another question, I think it is important for us to clarify the respective attitudes on this proposition, because it involves a fundamental question, pursuing the policy the gentleman has stated to its legitimate conclusion, if a settlement were not made by the German Government, say, in the course of 50 years because of its inability to raise the cash to pay it, this property would be held in trust by the Alien Property Custodian for that period and the real owners denied its possession for that period of time.

Mr. NEWTON of Minnesota. Why, certainly, that is my own position upon it. We did not confiscate this, but Germany, with all the power of a sovereign nation, with the right of eminent domain, with the right in its own constitution of expropriation, has said, "We are going to take for the time being the property of our own nationals and place it as security for the payment of debts which we justly owe." In addition to that they also say, "We ourselves will compensate our own citizens for any damages that may result to them by reason of our seizure for that purpose." This provision will be found in paragraph (1) of article 297 of the treaty of Versailles.

Mr. BANKHEAD. Then, followed to its ultimate analysis, it resolves itself into this, that if the German Government per se can not pay these obligations when they are established, then these private properties of German nationals in America shall be held and confiscated for the purpose of paying the public debt of Germany. Is not that the logical conclusion?

Mr. NEWTON of Minnesota. We would have the right to do so—certainly—and in accordance with the practices of nations.

The CHAIRMAN. The gentleman has consumed 20 minutes.

Mr. RAYBURN. In accordance with the usage of nations?

Mr. NEWTON of Minnesota. Why, certainly.

Mr. RAYBURN. Is that the gentleman's interpretation of our stand and the stand of civilized nations?

Mr. NEWTON of Minnesota. Why, there is no question of the right of a nation to take the property of its citizens in accordance with its own laws and devote it to a particular purpose. This is what Germany has done.

Mr. RAYBURN. Does the gentleman contend that that is the usage under international law?

Mr. NEWTON of Minnesota. Yes; and I say to the gentleman, as the gentleman knows, that in our treaty of peace with Spain there was a similar provision regarding the claims of our own citizens against Spain.

Mr. RAYBURN. That was an offset of a claim against a government—against a claim against a government—and it did not involve——

Mr. NEWTON of Minnesota. It was an appropriation by this Government of an asset belonging to an American national consisting of a claim against Spain. We appropriated it for our own use. Then we became obligated to our own citizens to make restitution therefor. A provision was made authorizing him to go before the Court of Claims. You will find a case of that kind in Meade *v.* United States, 2 Court of Claims, 224.

Mr. RAYBURN. Exactly. That is an offset of a claim against a claim. We would be willing to offset a claim against a claim with the German Government, but here is a specific confiscation of the private property of citizens of other governments.

Mr. NEWTON of Minnesota. There is no distinction.

Mr. SWEET. But the gentleman does not contend that this bill is in accordance with the policy that he announces here, or in accordance with the policy this bill was framed upon?

Mr. NEWTON of Minnesota. Only to a degree, but if we have the right—we are talking about the abstract right—by reason of Germany's action in the treaty, to take and hold a part, we have the legal right to take and hold all.

Mr. SWEET. But neither does the gentleman contend that position is in accordance with international law?

Mr. NEWTON of Minnesota. The gentleman contends he is on solid foundation so far as international law is concerned.

Mr. LONDON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. LONDON. The gentleman from Minnesota does not place reliance upon the treaty of Versailles because we have not ratified that treaty.

Mr. NEWTON of Minnesota. I was about to proceed to that when these numerous interruptions followed. Germany in an agreement with our allies granted this right to us as well as to them. We did not have to sign ourselves. To avoid any doubt, however, we reserved all rights when we passed the peace resolution.

Mr. LONDON. Will the gentleman yield further?

Mr. SANDERS of Indiana. The gentleman said peace resolution. In the peace resolution we reserved our rights in reference to this property, but did not mention the Versailles treaty, but in the Berlin treaty which was negotiated we reserved our rights under the Knox-Porter resolution, but the Knox-Porter resolution did not mention the Versailles treaty.

Mr. NEWTON of Minnesota. The gentleman, who is usually correct, is not in this one instance; section 2 of the resolution has reference to the treaty of Versailles.

Mr. SANDERS of Indiana. I am sorry I was inaccurate in my statement, but the Berlin treaty expressly does include the Versailles treaty.

Mr. NEWTON of Minnesota. Yes.

Mr. SANDERS of Indiana. And the Knox-Porter resolution.

Mr. NEWTON of Minnesota. Yes; and the Knox-Porter resolution.

Mr. LINEBERGER. Does the gentleman contend that the German Government as a sovereign power, exercising the rights of a sovereign power over its own citizens, has set aside this property as security for the payment of the debts of that country?

Mr. NEWTON of Minnesota. Yes.

Mr. LINEBERGER. And if confiscation ultimately results it will be confiscation by the German Government, and not by our own Government?

Mr. NEWTON of Minnesota. That is the case exactly.

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

Mr. NEWTON of Minnesota. Yes.

Mr. TEMPLE. I am glad the gentleman [Mr. LINEBERGER] who has just taken his seat has made that point. It is not a question of international law. Germany does it for its own people by domestic law.

Mr. NEWTON of Minnesota. Yes. The action taken, call it what you will, is the action not of the United States, but of the German Government. I was trying to bring home to the Members of the House this fact: That this procedure by Germany, and which we have approved by congressional enactment and by treaty, is not unusual. In so approving it, we merely followed out previous practices and customs heretofore in effect among the nations of the world.

Mr. TEMPLE. I would like to bring out a little more fully our rights as defined by a treaty to which we were not a party—the treaty of Versailles. As I understand it, the treaty of Versailles was ratified by Great Britain and several other powers to bring it into operation as between those powers. In that treaty there was a provision that certain territory should be ceded to the principal associated and allied powers, naming the five of them, in which the United States is concerned. We have the rights of a third party in a compact to which we are not a party. Germany agreed to grant Great Britain, France, Italy, and other powers—five powers—certain rights, and we claim those rights, not because we are a party to the treaty but it is a treaty direct between Germany and those other powers in which we have an interest.

Mr. NEWTON of Minnesota. Yes. In addition to that, following the passage of the peace resolution, we signed the treaty of Berlin, in which we entered into an agreement with Germany wherein they confirmed the rights that we had acquired in the treaty of Versailles, so that our rights rest upon two propositions. This will be found in section 5 of the treaty. Similar provisions exist in the other treaties as to Austria and Hungary.

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

Mr. NEWTON of Minnesota. Yes.

Mr. LONDON. Did not the peace treaty specifically refer to this property?

Mr. NEWTON of Minnesota. You mean the treaty of Berlin?

Mr. LONDON. Yes. Did it not specifically refer to this property?

Mr. NEWTON of Minnesota. Yes. If the gentleman will turn to section 5 of the treaty of Berlin, between the United States and Germany, and the similar treaty with Austria, he will find that provision. I will read it:

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise—

It is not necessary to read further. The section is set forth in entirety in the report.

The CHAIRMAN. The time indicated by the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. I yield myself five minutes more.

Mr. LONDON. The question, then, of taking possession of the property of individual nations in consonance with international law becomes an academic question in view of the specific terms of the peace treaty relating to that subject?

Mr. NEWTON of Minnesota. Yes. It is a matter of contract.

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

Mr. NEWTON of Minnesota. Yes.

Mr. TILSON. The gentleman in revising his remarks, especially in the colloquy between himself and the gentleman from Alabama, should, I think, give attention to this, because I believe in that colloquy he propounded a doctrine that he would not wish to maintain here. He should make it appear that all he meant was that such rights as we claimed, we claimed by reason of a treaty with Germany, and that we claim the right to take the property of individuals.

Mr. NEWTON of Minnesota. I did not understand that the question of the gentleman from Alabama involved the subscribing by me to any doctrine of confiscation by our Government. Under this arrangement, if there is confiscation, it is by Germany, not by us.

Mr. TILSON. I was afraid the gentleman's language would indicate that.

Mr. NEWTON of Minnesota. I thought that I had made it clear that I was merely calling attention to this particular practice, which practice has been heretofore used by nations in settling similar differences following a war.

Mr. LONDON. The gentleman does not advocate the idea that the Government has the right to confiscate the property of nationals?

Mr. NEWTON of Minnesota. Our Government? Certainly not.

Mr. LONDON. Governments as a rule protect the property of noncombatants even in the territory of the enemy. Is not that true?

Mr. NEWTON of Minnesota. Yes.

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

Mr. NEWTON of Minnesota. Yes.

Mr. LINEBERGER. But the gentleman does subscribe to the doctrine that the German Government, having exercised the right of eminent domain over the property of its nationals or citizens, has the right to hypothecate that property as security for the amounts contained in this treaty?

Mr. NEWTON of Minnesota. Articles 7 and 153 of the German constitution so provide. There can be no question about it. I quote therefrom the material portions, as follows:

ART. 7. The Federal State has jurisdiction over: * * * matters concerning expropriation.

ART. 153. The constitution guarantees the right of private property. Its nature and limitations are defined by law. Expropriation shall take place only for the common good and shall be subject to due process of law. There shall be appropriate compensation, unless otherwise provided by Federal law * * * property rights impose certain duties. The use of property shall serve for the common good.

Mr. LINEBERGER. The question of international law right here is purely an academic one and does not enter into this transaction?

Mr. NEWTON of Minnesota. So far as this particular transaction is concerned, no.

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

Mr. NEWTON of Minnesota. Yes.

Mr. HAWES. It seems to me it is important to clear up this point. The gentleman does not assert that Germany by any act of hers has segregated the property of her nationals in this country for the payment of her war debt or any other debt?

Mr. NEWTON of Minnesota. Yes; certainly.

Mr. HAWES. She has simply given the United States the option, if the United States exercises that option, but by no act of hers has she taken any such position.

Mr. NEWTON of Minnesota. The German Government has set this property aside as a pledge for the payment of those claims.

Mr. HAWES. The gentleman can not point to a statement in the hearings before our committee on the part of the State Department or any other witness that sustains that contention.

Mr. NEWTON of Minnesota. All the gentleman has to do is to refer to the treaty of Versailles and the treaty of Berlin. It will be found first in the treaty of Versailles and then in the treaty of Berlin.

Mr. HAWES. I have read those treaties, but the only thing that Germany has done or that the United States has done has been to appoint a mixed commission. Germany has not decided that her nationals' property in this country should be used, and the United States has not so decided.

Mr. NEWTON of Minnesota. Oh, well, the gentleman has simply gone back to the position which he had taken before. The Mixed Claims Commission has been agreed upon by this country and Germany in order to carry out the details of the provisions of the treaty of Versailles as confirmed by the treaty of Berlin.

Mr. LONDON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry I can not yield further. I must conclude and let my colleagues have an opportunity to be heard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEWTON of Minnesota. I yield myself five minutes more.

The gentleman from Missouri has referred to the Mixed Claims Commission. This is the result of an agreement entered into by Germany and the United States following the negotiating of peace with Germany as embodied in the treaty of

Berlin. Germany appoints a representative to that commission. We appoint one. The two agree upon an umpire. This commission is now engaged in the hearing of the claims of American citizens against the German Government growing out of her unlawful acts preceding our entry into the war. This commission is the court or tribunal agreed upon by Germany and the United States to pass upon the questions of law and fact pertaining to all the claims that may be submitted before it. It is up to this tribunal to say just what particular claims shall be paid and the amounts to be paid. Several thousand of these claims have been already presented. They are still coming in. On the 1st of January the face of the claims amounted to about $500,000,000. The present estimate—and it is only an estimate—is about $1,000,000,000. We have so drafted this bill as not to in any way impair the security and thereby prevent the ultimate collection of all just American claims that may be agreed upon by this Mixed Claims Commission.

I quote from article 1 of the Mixed Claims Commission treaty, reading as follows:

The commission shall pass upon the following categories of claims, which are more particularly defined in the treaty of August 25, 1921, and in the treaty of Versailles:

(1) Claims of American citizens arising since July 31, 1914, in respect of damage to, or seizure of, their property, rights, and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914.

(2) Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property, rights, and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war.

(3) Debts owing to American citizens by the German Government or by German nationals.

In conclusion, the treaty of Versailles provided for the retention of this property by the United States. This Congress approved that by expressly reserving that right in the peace resolution. When peace was negotiated with Germany by the signing of the treaty of Berlin specific reference was made to the peace resolution, and the portion regarding the retention of property was set forth in the treaty. In addition, it was further provided that this property should be retained until Germany "shall have made suitable provision" for the satisfaction of all claims against the United States of all persons who owe permanent allegiance to the United States and who have suffered damage through the acts of the German Government.

What provision has Germany made? None whatever. She has agreed to the appointment of a Mixed Claims Commission to ascertain the amount of the claims against her, but she has made no provision whatever for the payment of those claims. If, then, we are to perform the first duty of a government—and that is to protect the interests of its own citizens—we ought not to return this property, which Germany placed with us as security, and which, in accordance with her laws, she had a right to so place with us, until the claims of our own citizens are paid.

As a matter of abstract right, we are under no obligation to return any part or portion of the property at the present time. However, there are a large number of these claims. Many of the claims are small; 93 per cent of them are less than $10,000 in value. Many instances of distress have been submitted to the committee. Some of these are set forth in the hearings. The amount that will be returned under this bill is but a little over 10 per cent of the total amount of the property held by the Alien Property Custodian. Your committee, therefore, feels that property up to the amount included in this bill can be returned without in any way impairing this security.

While the amount of the claims before the Mixed Claims Commission is in doubt and they are still coming in, we are not in a position to recommend to the House the return of any greater amount than included in the terms of this bill. Furthermore, if we should do so, the danger of impairing the security would be such that we feel certain that it would meet with most serious objection in another legislative body. Let us remind those who feel that we should return all of the property that we can that we have this practical question to determine and decide. If we seek to return more than what we have returned in this bill, we will in all probability prevent the return of any property for months to come. Therefore we feel that until Germany makes "suitable provision" we should continue, for the present at least, to retain all property held except that which we recommend in this bill to be returned. Only in this way can our Government carry out the obligations that it has to protect the interests of its own citizens. [Applause.]

Mr. ELLIS. Will the gentleman yield?

Mr. NEWTON of Minnesota. I yield to the gentleman from Missouri.

Mr. ELLIS. How will we meet the point that this bill is premature at this time?

Mr. NEWTON of Minnesota. The cost to the Government in time and trouble involved in fooling around with any number of these smaller claims is such that that is an item to be considered. And then, the committee, after going over the matter with the State Department and the Alien Property Custodian, felt that there is no danger whatever of impairing our security by turning back this amount.

I reserve the remainder of my time.

Mr. HUSTED. Will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry, but I must conclude.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. HAWLEY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment House Joint Resolution 460, accepting the sword of Gen. Richard Montgomery.

AMENDING THE TRADING WITH THE ENEMY ACT.

The committee resumed its session.

Mr. RAYBURN. Mr. Chairman, I yield to myself 30 minutes. [Applause.]

Mr. Chairman and gentlemen of the committee, of course we are all surprised—I think I may include every member of the Committee on Interstate and Foreign Commerce—that this matter has come upon the floor to-day. At 12 o'clock we came over here and found that this measure was to come up for consideration in a few minutes. We had been given to understand that it would not come up this week and that we would all be given ample time to prepare ourselves for the debate. Some gentlemen who are vitally interested in this measure have left the city with what they thought was the assurance that this measure would not come up to-day.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. RAYBURN. I do.

Mr. NEWTON of Minnesota. Will the gentleman be sure to make it clear, as I know he wishes to make it clear, that it was a surprise to all the members of the committee, on this side as well as on that?

Mr. RAYBURN. I began my statement by saying, as I now repeat, that no member of the committee on either side of the House had any idea that this matter would come up to-day. The gentleman from Virginia [Mr. MONTAGUE], who reported the first bill to take over this property, is vitally interested in this matter. He is out of the city, not knowing it was coming up. Mr. HOCH of Kansas, one of the able Representatives on the majority of this committee, who feels as I do upon this question, believing this measure would not come up to-day, is also out of the city. But we may expect anything now, it seems.

Mr. Chairman, in all my life I was never more certain of the ground I take than I am upon this bill. Following every precedent of international law, following every Secretary of State of the United States from Jefferson down to Knox and Lansing, following every decision of the Supreme Court of the United States from its beginning to now, I know that in honor there is only one thing for this Congress to do, and that is to do the clean thing, the thing that will be understood the world over, and that is to return all of this property, and return it at an early date. [Applause.]

The gentleman from Minnesota allowed himself to be backed into the compromising position that any man will allow himself to be backed into who straddles an issue. I say this, that no civilized nation in this world to-day will countenance for a moment the doctrine that private property should be taken for the satisfaction of a public obligation. [Applause.] Every member of the committee in the hearings and in the consideration of this bill protested loudly that he did not intend that any of this property should ever be confiscated. But they use the term "security," they use the term "pledge." What is the difference between them? If a man owes me a debt and I take his property as security for that amount, and if the man does not pay the money I will take the property in satisfaction of the debt. I say that when any man here says that he is against confiscation in one breath and in the next breath says that he is for holding private property as security for the satisfaction of public obligations, he is for confiscation and it can mean nothing less.

Every Secretary of State that we have had from Jefferson to Lansing has announced the doctrine that no country should confiscate private property of enemy nationals. Mr Hughes's representative came before our committee and sought to create the impression that Mr. Hughes also believed that, but Mr. Hughes in one of his letters to the chairman of the Interstate

and Foreign Commerce Committee was unfortunate in the use of the following language:

It is understood that this bill has been introduced upon the assumption that it would require the return of a relatively small amount of property and that the security for the settlement of American claims would not be substantially impaired.

Why hold this property as security if you say you never intend to confiscate it? If this Congress announces the doctrine that it does not intend to confiscate this property under any conditions, then it is not security at all. The majority of the committee claim that they do not intend to violate the precedents of international law by confiscating any of this property, and yet an amendment offered in committee providing that it should be the declared policy of the United States that this property should never be confiscated was voted down by 10 to 7.

I hold also to the doctrine that an unlimited holding, that a continued holding, of property that is not your own, property being withheld from the rightful owner, is in itself confiscation. The gentleman from Minnesota allowed himself, by the questions of the gentleman from Alabama [Mr. BANKHEAD] and the gentleman from Missouri [Mr. HAWES], to be placed in the position by his direct answers that he would be in favor of confiscating this property if the German Government did not pay the claims of the American nationals. That is the only logical ground that any man can take who stands to-day for holding this private property as security for a public debt.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. J. M. NELSON. In view of the situation in Germany to-day and, as we all know, probably will be for 50 years to come, is there any likelihood of Germany's being able to pay these debts—so would it not be confiscation?

Mr. RAYBURN. I doubt if I have an opinion upon that subject. My contention in this matter goes beyond men that claim against individuals for claims against the Government. My contention goes to this: I want the honor and the tradition and the glory of this Republic upheld by the vote in this Congress upon this occasion. [Applause.] Nothing except a compliance with our unbroken customs will do that.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HARDY of Texas. Is it or not our unbroken tradition, and have we not made a positive pledge in our treaties with Germany and our allies to protect their property?

Mr. RAYBURN. I was coming to that. These people came to America, invested their money, not only upon their own volition but upon the earnest solicitation of the American people, under laws that we held up to every man in this land of the hope of equal rights and equal opportunity. Shall we at this time set a precedent that means confiscation of private property—and it can mean nothing else—when more American money is going to-day to foreign countries to be invested than ever before? Do we, if war should come between our country and those countries, want to be met by having those countries assert the savage doctrine of confiscation that we to-day will assert if we do not vote for the amendment which I will offer to return all the property? [Applause.]

Why do we not recognize Mexico to-day? What reason does the State Department give that we do not recognize Mexico and the Soviet Government of Russia? It is that the Government of Mexico and the Government of Russia have not yet given assurances that they will regard the interests of American citizens. Do we want the United States of America to be placed in that kind of a compromising position before the civilized world? I say our precedents have been unbroken. To go back in the history of this country to its earliest days, we call to the attention of the House the minority report. As early as 1796, in the case of Ware *v.* Hilton (3 Dallas, 199), the Chief Justice of the Supreme Court said that the doctrine of confiscation had been exploded and was frowned upon by all the civilized world. Another justice said confiscation has long been considered as disreputable.

The gentleman from Minnesota [Mr. NEWTON] talks about the power of Congress to confiscate. Nobody denies that a great, strong Government like the United States can confiscate the private property of nationals of a Government like Germany when it is on its back. It has the power, but I assert that under every rule of international law, under every rule of our courts, under every rule of decency it has not the right to do it and should not do it. [Applause.]

Mr. John Marshall in one of the leading and celebrated cases said that the Government had the power but that long since the practice had been looked upon with obliquy. Let me read to some of you Republican Members who believe in confiscating this property what your patron saint said upon this question more than a hundred years ago. Alexander Hamilton, in commenting upon this very thing, used the following terse language:

No power of language at my command can express the abhorrence I feel at the idea of violating the property of individuals which in an authorized intercourse in time of peace has been confided to the faith of our Government and laws on account of controversies between nation and nation. In my view every moral and every political sense unites to consign it to execration.

Mr. John Bassett Moore is to-day our greatest authority on international law. Speaking on this subject, he sums up with this statement:

Property belonging to enemy nationals which is found by a belligerent within its own jurisdiction, except property entering territorial waters after the commencement of war, may be said to enjoy practical immunity from confiscation.

Yet these gentlemen who stand up here and take the compromising position that they will not return all of this property, that they will return the paltry amount of $44,000,000 out of $350,000,000, not including the $200,000,000 worth of ships, fly in the very face of every decision of our courts that I have referred to and many more, of the statement of every writer on international law that I have referred to and many more. They put themselves away and above any interest—and we might as well say it here and now—of American claimants, and I understand that when the thing is sifted 70 per cent of the American claims against the German Government will be by the American insurance companies who grew richer during the war than in any time in all of their history.

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

Mr. RAYBURN. Yes.

Mr. LANHAM. If there is a principle which justifies or demands the release of a part of this property, would not the application of the same principle justify or demand the release of all of the property?

Mr. RAYBURN. That is what we ask in our minority report. If $10,000, why not $20,000? Why not $50,000? Why not $100,000? Why not all? As a matter of putting this country right before the nations of the world, I would rather this Congress would return none of the property than to return the paltry amount that it is returning.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MOORE of Virginia. When does the majority of the committee promise that it will deal with the excess over $10,000, and on what conditions? Does it state any time or fix any conditions upon which it promises to deal with the excess?

Mr. RAYBURN. It does not. The gentleman from Minnesota [Mr. NEWTON] indicated that it might run on for 50 years, but if this matter runs on for even 25 years it will be confiscation as far as the people who now own it are concerned, for more than half of them will have died within 25 years.

Mr. NEWTON of Minnesota. Does the gentleman want the claims of American nationals against Germany to run on for not only 50 years but possibly 100 or more years before they are settled?

Mr. RAYBURN. I am going to settle one of these questions at a time, and I am going to settle the first one we take up right, if I have my way about it.

Mr. NEWTON of Minnesota. Does the gentleman think the claims of Americans should be settled first?

Mr. RAYBURN. No. I think the claims of American citizens against the German Government should be settled at the same time the claims of German citizens against the American Government are settled. These are not war claims. This is the concrete property that these people made here, having worked and invested on the faith of this Government.

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

Mr. RAYBURN. Yes.

Mr. WURZBACH. I understand the gentleman from Texas takes the position that a national of Germany has a right to claim his rights under international law without the intervention of his own government, that international law in itself guarantees to the national his rights, and that his government can not foreclose him in the assertion of his claim.

Mr. RAYBURN. I do contend that; and it would be the most savage doctrine ever announced in any civilized government if it were otherwise.

Mr. J. M. NELSON. Upon what basis have they made this arbitrary choice of $10,000?

Mr. RAYBURN. I will tell the gentleman what made it, in my opinion. It was made because it covered a majority of the individual claims, and that is all. If the political end of this

thing had not got to pinching so hard, they would not have returned even the $10,000, if they had been listening to these insurance companies and to other people who have piled up claims amounting to about a billion dollars. It is the history of war claims that not more than 8 per cent of them are ever allowed.

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

Mr. RAYBURN. Yes.

Mr. HAWES. The property under discussion is the property of individuals.

Mr. RAYBURN. That is true.

Mr. HAWES. Under the jurisdiction of the United States, brought here at the invitation of the United States, and no act of Germany can remove the responsibility of the United States to return that property. She is not bound by anything that Germany does, is she?

Mr. RAYBURN. Not at all.

Mr. HAWES. It is our responsibility.

Mr. RAYBURN. That is what I contend.

Mr. ROACH. Mr. Chairman, if I understand the statement of the gentleman from Minnesota [Mr. NEWTON] as well as the statement of the gentleman who now has the floor, it is claimed by both the majority and the minority that there is no serious intention upon the part of the Government of the United States to ever confiscate this property.

As I understand the statement of the gentleman, it is his contention that so long as our Government holds this property as a pledge or security that we are in a way or in effect confiscating it for a period of time which we so hold it.

Mr. RAYBURN. Not only are we confiscating it for the time we hold it, but when such high authority as the Secretary of State says we must hold it as security I contend that those who stand with him stand for confiscation.

Mr. ROACH. This in a sense is not confiscation——

Mr. RAYBURN. We say in our minority report, and I repeat again what I repeated a moment ago, that the indefinite holding of private property from its rightful owner is confiscation; and in the case of these people even holding for 25 years, much less 50 years, will be a confiscation as far as they are concerned.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. HARDY of Texas. In respect to property held as security the only way you can realize on the security is to sell it and does it not mean that we are to sell?

Mr. RAYBURN. I say if this property is held as security and it is security, then it can mean nothing but that we are going to confiscate it.

Mr. HARDY of Texas. Because you can not realize otherwise.

Mr. ROBSION. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. ROBSION. I understand that the British and Italian Governments and other Governments of our allies took over property of German nationals. What disposition have these other Governments made; what action have they taken?

Mr. RAYBURN. Well, I do not know.

Mr. GRAHAM of Illinois. I can answer the question.

Mr. RAYBURN. I wish the gentleman would answer.

Mr. GRAHAM of Illinois. It is going through a process of liquidation. In pursuance of the provision of the treaty of Versailles they are liquidating those claims by a liquidating commission; it is a sort of clearing house.

Mr. ROBSION. Is that on the same basis?

Mr. GRAHAM of Illinois. Not the same basis as this; it is an international clearing house, that is what it is.

Mr. KINCHELOE. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. KINCHELOE. If it is the contention of the entire membership of the gentleman's committee that this country will never subject the property of these nationals to the payment of debts against the German Government, what is the reason for wanting to hold any of this amount, even to the extent of $10,000?

Mr. RAYBURN. Well, the gentleman will have to ask them.

Mr. KINCHELOE. I was just wondering.

Mr. RAYBURN. They asked the gentleman from Minnesota some time ago, and before he was extricated by the gentleman from Pennsylvania and others he had admitted that he would be in favor of confiscating this property ultimately unless the claims of Americans were met.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. MACLAFFERTY. I ask this question in absolutely good faith. During the San Francisco fire, when hundreds and hundreds of acres were devastated, when people were standing in bread lines and drinking hot soup out of tomato cans, when all they had in the world were claims against the German insurance companies, these same companies walked out of the State of California with their claims unpaid. Should not those claims be paid before the insurance companies have handed back to them their funds?

Mr. RAYBURN. I do not know whether Congress had the power to go back of the statute of limitations——

Mr. MACLAFFERTY. They walked out of California; simply walked out and said, "You can come to Germany and sue if you want to get the money."

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. NEWTON of Minnesota. In reference to the gentleman's reference a moment ago to "confiscation" and in connection with the colloquy with the gentleman from Alabama, there was no other "confiscation" in mind than that which is involved in carrying out the principles of this legislation.

Mr. RAYBURN. If the gentleman will read his remarks carefully, I think he will agree with me that he probably inadvertently answered that he would be in favor of confiscation.

Mr. DENISON. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. DENISON. The gentleman keeps referring to our retention of this property and has made the statement that our retention of the property is confiscation. Now, if the gentleman will read the books on international law and treaties that this country has engaged in, and where it is discussed he will find the term "confiscation" is never applied to the appropriation of private property of a citizen of one country for the payment of claims of citizens of another by treaty agreement. Not one time is it called confiscation, and not only that but the gentleman will find, if he reads the books on international law, that the term "confiscation" includes the appropriation of the property for the use of the government.

Mr. RAYBURN. Exactly; and that is what I read, the decision of the courts. I have read the treaty; I have read books on international law, and that is why I am contending against the doctrine of confiscation here to-day, which the gentleman by voting for not returning this property is contending for.

Mr. DENISON. The gentleman understands that we are not taking this property for the use of the Government if we do it. That is confiscation. That is what confiscation always means.

Mr. RAYBURN. Who can take this property from its rightful owners except the Government of the United States?

Mr. DENISON. The Government of Germany can, and has done so.

Mr. FISH. Mr. Chairman, will the gentleman from Texas yield?

Mr. RAYBURN. Yes.

Mr. FISH. Why do we quibble here about this word "confiscation"? Is not the proper word "robbery"?

Mr. RAYBURN. Well, I think the word "confiscation" is savage enough. I think it is enough in violation of all that we have ever stood for.

The CHAIRMAN. The gentleman from Texas has consumed 30 minutes.

Mr. RAYBURN. I will allow myself five minutes more.

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

Mr. RAYBURN. Yes.

Mr. MANSFIELD. I want to ask the gentleman from Illinois [Mr. DENISON], who spoke just a moment ago, if our Government is taking the ships of Germany for Government use and not to satisfy private claims?

Mr. RAYBURN. That is true.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. I would like to ask the gentleman what he thinks of the term that should be applied to the disposition of millions of dollars' worth of German patents sold for so grossly an inadequate price that the President himself said that the inadequacy of price constituted a badge of fraud? It was a sale made by this Government, and a sale which was attempted to be ratified and confirmed and maintained forever in the peace resolution. What was that but confiscation pure and simple?

Mr. RAYBURN. I think so, and I think the courts of the United States are going to set that sale aside. I think they ought to, so far as I am concerned. I think when they sold those patents to this Chemical Foundation for a small amount, a nominal amount—I forget just how much; I think it was $250,000 only, many, many patents, one of which is conceded by everybody to be worth $10,000,000—I think it was one of

the most disgraceful things that has ever happened in this country, and I think our courts will set it aside. [Applause.]

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

Mr. RAYBURN. Yes.

Mr. RANKIN. The gentleman from Illinois [Mr. DENISON] seems to think this is not confiscation, because this property was not taken for the use of the Government itself but was being taken for the use of private individuals. I want to ask the gentleman if he does not think that is a worse form of confiscation than if it were taken for the use of the Government?

Mr. RAYBURN. Yes; I think so.

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

Mr. RAYBURN. Yes.

Mr. HUSTED. I think we are all agreed that this private property should not be taken to satisfy Government claims. I think we are all agreed on that.

Mr. RAYBURN. I do not know, but I doubt that; I am agreed to that.

Mr. HUSTED. What I would like to ask the gentleman is this: What has the gentleman got to say against the propriety of taking private property of German nationals to protect the claims of American nationals against Germany?

Mr. RAYBURN. I have got this to say: How are you going to protect them unless you confiscate and sell this property and apply the money to those claims?

Mr. HUSTED. Well, if you sell this property and apply it to those claims, you do not apply the money in satisfaction of any Government claims.

Mr. RAYBURN. Yes; and it is less justifiable; it is worse than to apply it in satisfaction of a Government claim. For the Government to take the property of an individual and give it to another individual is incomparably worse than taking the private property of an individual to satisfy an obligation of the Government.

Mr. DENISON. That statement would be entirely true if the Government did not take it in pursuance of a solemn treaty. But when the Government takes that action in pursuance of a solemn treaty, of course the gentleman from Texas can not complain.

Mr. RAYBURN. We are legislating here now. I said of the Knox-Porter resolution when it passed that it was a monstrosity, and I say so yet. You talk about a treaty with Germany. Germany had not anything else to do but sign it when they showed them where the dotted line was. They could not do anything else.

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

Mr. RAYBURN. Yes.

Mr. LONDON. Taking the property of an individual by superior force amounts to conducting war against an individual, does it not?

Mr. RAYBURN. Yes.

Mr. LONDON. And that is wrong, whether it applies to the payment of a Government claim or an individual claim?

Mr. RAYBURN. Yes.

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

Mr. RAYBURN. Yes.

Mr. BRITTEN. Has the gentleman pointed out during this debate that the private property which the Government seized for its own use and which it is now using is much more than adequate to take care of the private American claims?

Mr. RAYBURN. There is no doubt in the world about that.

Mr. SABATH. Some gentleman on the other side a moment ago asked the question, What is being done by Great Britain with the property that Great Britain has seized? and the gentleman from Illinois [Mr. GRAHAM] answered. I would like to know what has been done by the Austrian Government with the property that the Austrian Government seized belonging to American citizens.

Mr. RAYBURN. Austria never seized the property of American citizens, and I intended to call attention to that. This committee refused to return the property of Austrian nationals. Germany has returned all the property it ever seized from American citizens. She has only retained some money, and the only reason for delay in returning that is the disputed value of the German mark.

Mr. HAWES. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Missouri.

Mr. HAWES. The gentleman from Texas wants to be accurate, I know. Austria-Hungary never took over any American property. All American property taken over by Germany, excepting certain bank accounts which are in dispute as to the value of the mark, have been released by Germany.

Mr. RAYBURN. That was my statement.

Mr. LINTHICUM. Will the gentleman yield?

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

Mr. LINTHICUM. I wish to ask the gentleman whether alien enemy property is not really being confiscated now by the shrinkage in value and wastefulness in its use?

Mr. RAYBURN. I think so. Mr. Chairman and gentlemen, I close with this extract from the minority report:

> Congress is confronted with a plain, simple, and understandable proposition. Will it scrap all precedents of international law? Will it repudiate the uniform decisions of our courts? Will it repudiate all of the Presidents from Washington to and including Wilson? Will it repudiate all our Secretaries of State from Jefferson to Knox and Lansing? Will it support the march of civilization or support Secretary Hughes in his demand that private property should be held and used as security for the payment of public debt?
>
> Shall we in this age of our Republic take a backward step and hold ourselves up to obloquy and scorn the world over? We can not afford to even be mistrusted, much less commit an overt act that will lose for us the respect of the civilized world. If we are not to do this we must by our action show to the world that we expect to live up to our own traditions and up to the high standards of modern civilization.

[Applause.]

Mr. WINSLOW. Mr. Chairman, I ask that the hour remaining to this side be assigned to me.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WINSLOW] is recognized for one hour.

Mr. WINSLOW. I yield 10 minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman and gentlemen, I have been very much interested in the discussion of this question, especially the discussion by the gentleman who has just taken his seat [Mr. RAYBURN].

The whole question of the treatment of property of citizens or subjects of an enemy country by a belligerent which finds that property within its own boundaries at the outbreak of war is interesting, and it has had a development that we have not the time here to review, except to say that the treatment of such property has been growing more generous as civilization advanced. As to our own precedents, I think the gentleman who said we had never confiscated any enemy property has forgotten that when the Revolutionary War was going on 11 of the 13 Colonies confiscated the property of those of their citizens who remained loyal to Great Britain, and that after the war was over Great Britain appropriated money to compensate the loyalists and sent a court over to this side of the Atlantic. This court met in St. John, New Brunswick, and in Quebec, and in Montreal, and as far west as Niagara.

The minutes of that court—"minutes" is the word used of these records—the manuscript minutes are in the Congressional Library. The Canadian Government has had them printed. I have spent a great deal of time in analyzing some 1,700 or 1,800 cases considered by the court.

T. J. Lawrence, the author of an exceedingly valuable discussion of international law, says that only one instance of such confiscation can be found in the history of warfare since Napoleonic times, and that was in the heat of a civil war which we in America would like to forget, and consisted of confiscation by the Confederate Government of the property of those living within its borders who remained loyal to the North.

The United States Government in dealing with the property of German and Austrian nationals within the boundaries of the United States did not at first do anything that looked like confiscation. We provided an Alien Property Custodian to act as trustee.

I am very happy to say that I voted for that bill when it passed the House during the war, and I am also rather proud to say that I worked and voted against the amendment to that law afterwards that authorized the Alien Property Custodian to sell the German patents. [Applause.] That was in the heat of war.

Mr. CHINDBLOM. When was that amendment passed?

Mr. TEMPLE. I think it was in 1917. It was legislation in one of the appropriation bills. We could not avoid voting for the bill after that language was put into it, because we could not run the Government without passing the appropriation bill. If we voted for the appropriation bill, we were forced to vote for that item, but I did all I could to keep that item from getting into the bill.

Private property is not, however, sacred under the customs of war. Private enemy property at sea is subject to confiscation. An enemy ship—that is, a privately owned ship, owned by an enemy—is subject to confiscation simply because it is enemy property. Enemy cargo on an enemy ship is also subject to confiscation, no matter who the private owner may be. War is hell. International law has attempted to restrain some of its barbarities, but you can not get rid of them. Killing itself is contrary to all our moral senses, and yet it is one of the essential necessities of war.

Property within our own boundaries, however, does occupy a different position from property in an enemy country or enemy property on the high seas. The customs of the nations had grown lenient, had grown civilized to such an extent that enemy property within the boundaries of any belligerent would be respected; always, however, remembering that when the enemy government does unlawful things, reprisals are lawful.

Many millions of the American claims are for property sunk with the *Lusitania*, an unlawful act of Germany. There is no way to compel a government to make reparation for its unlawful acts except by doing what force gives the opportunity to do. The treaty of Versailles is not binding upon us, because we did not ratify it, but it is binding on Germany as a contract between that Government and the Allies that did sign it—England, France, Italy, and others. That treaty provides that the privately owned cables—not only the cables owned by the German Government but the cables owned by German corporations, German private property—shall be turned over. The United States will get its share of those cables.

Mr. STAFFORD. Will the gentleman yield?

Mr. TEMPLE. I regret that I must confine myself to the one line that I am discussing.

The CHAIRMAN. The gentleman from Pennsylvania declines to yield.

Mr. TEMPLE. The privately owned property found in our territory is not to be confiscated; it is to be retained. The gentleman asks how long. Let me read from the treaty to show how long it will be retained. I am speaking of the treaty of peace between the United States and Germany, not the treaty of Versailles. In section 5 it says:

> It is further provided that the property of all German and Austro-Hungarian nationals coming into the possession of the United States following the declaration of war should be retained by this Government, except as provided by law, until the enemy Governments shall have made suitable provision for the satisfaction of all claims arising against said Government on behalf of American citizens who had suffered damages to their persons or property through the acts of the German or Austro-Hungarian Government.

The question is not whether we are going to turn back all of this property. That question is not before us. If the amendment turning all of the property back should be put into the bill the whole bill will be lost. Men whose consciences require them to return this property now rather than to follow out the terms of the treaty will kill the whole project.

Mr. BRITTEN. Will the gentleman yield?

Mr. TEMPLE. I will yield.

Mr. BRITTEN. I would like to ask the gentleman if he does not think the United States Government has acquired for its own use enough property to care for these private claims?

Mr. TEMPLE. I presume that was taken into consideration during the negotiation of the treaty and when the treaty was drawn up, but the German Government evidently did not think so, for it agreed to the provisions I have just read.

The question is whether to turn back the claims under $10,000 or to turn it all back. Why do we propose to turn back the small claims under $10,000? They amount to 95 per cent in number, but not 95 per cent in value, of all the claims.

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

Mr. WINSLOW. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. TEMPLE. We turn back the small claims; why do we not turn back the larger claims? All these claims, large and small, become a question between the German Government and its own nationals. What is the German Government to do about privately owned property of its citizens which it has turned over to this Government under the terms I read from the treaty a few minutes ago? If the time should come when we would have to sell the property to make good the claims of our people against Germany, then the German owners would hold the claim against their own Government. Our people now have a claim against the German Government. This treaty authorizes the United States Government to hold the property of the German owners until the German Government pays the American claims. If we should even sell the property the German nationals would have a claim on their own Government. The small owners whose claims are under $10,000 may not be able to put much pressure on the German Government to hasten the time specified in the treaty, but the large owners can put pressure on that Government, and they are doing it. If they learn definitely that we are going to hold this property until the claims are settled, the German Government will come to time as soon as possible. That is the point. It is not a question of the confiscation of that property by the American Government. If we sell it the owners have a claim against their own Government.

I would rather the Germans would have a claim against the German Government now than leave the American citizen without any guaranty to collect a claim against the German Government. [Applause.] They will deal with their own people in a way they might not deal with the people of our Government. I am not raising the question of good faith, but their own people, powerful influences in Germany, will be able to put a pressure on the German Government for the settlement of these claims of the American citizen which might not otherwise be paid for a very long time. There is no dishonesty in what we are doing. Reprisals, in the first place, would be recognized in all systems of international law. If it was taking property in compensation of unlawful acts committed by the German Government, the policy of it might be questionable, but it would not be a departure from the principles of reprisals. We did not do that. But the German Government has agreed that we may hold the property until the German Government makes good. I am in favor of the bill. I shall be opposed to the amendment that will turn the remainder of the property over. I think such an amendment would kill the bill. [Applause.] Mr. Chairman, I yield back the remainder of my time.

Mr. RAYBURN. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I do not think I can make much of a speech on this bill. Really, I have not the patience to discuss it. I never have had much heart for a sham battle.

I trust that the Members of the House will not think me ill-mannered to again refer to this Congress as a "bunk Congress"—always pretending to do something, never really doing anything; always stalling; always grand-standing; always playing for political advantage; never responding to the public interest or dealing courageously and patriotically with the issues that come before it. Feeling this way, surely instead of being ill-mannered I am polite in restraining myself to such a moderate expression as "a bunk Congress."

There is not the slightest chance that this bill will pass the Senate. Those who put it forward know that it can not become a law. There is to be no honest effort upon the part of the administration to put it through the Senate. It is brought here merely as a little partisan play to satisfy certain elements that feel that this situation ought now to be dealt with.

Instead of dealing with the final disposition of the seized property of German subjects in a courageous, whole-hearted way, we find merely a straddle, a palliative, a hedging, a compromise. Instead of taking the property and confiscating it and applying it to the payment of American claims in full, which, whatever one may think of its morality, would be a consistent and logical policy, the administration proposes to give back a little of it in order to hush up some of the clamors that are being made. Instead of giving all the property back to its true owners and ending the matter, those who are in political power are afraid to do it, even though they wanted to do it.

They are afraid to affront the *Lusitania* claimants and other American claimants who want the money on their claims against Germany. Therefore they propose this compromise. Bunk!

If it is right to give any of this property back to its owners it is right to give it all back. If it be moral to confiscate a part of the property of private citizens of Germany and apply it to the payment of claims against that Government, then we should take all of this property and make that application of it. But with characteristic cowardice the administration proposes a middle course which will hush up the largest possible number of German claimants and their friends and at the same time not frighten those Americans who have claims against Germany into thinking they are about to lose their debts. Bunk!

I am amazed that gentlemen should argue upon this subject as though it were a mere question of law. They juggle with legal quips and subtleties—they point to the treaties of Versailles and Berlin—they quote the cold letter of the law like attorneys for the plaintiff in an action on a promissory note. They seem to think it is a sufficient answer to moral arguments to point to our agreement with the conquered German Government and say, "it is not so nominated in the bond," and therefore we will confiscate the private property. The Shylockian philosophy of these gentlemen is indeed surprising in dealing with questions which involve our Nation's honor and the integrity of the Republic.

I am surprised that gentlemen should argue this question wholly from a legalistic standpoint, as though it were a mere question of law. Pardon me, my friends, but from my point of view the legal aspect of the subject is the least of all its aspects, and of the very least importance. It is a matter of

great national policy, touching our relations in the future with all of the nations of the world. That is its first important aspect. The other is that it is a matter of our national honor and of our Nation's integrity.

Oh, the gentleman from Pennsylvania, Doctor TEMPLE, for whom I have great respect, knows a lot about theology, so I am told, and, of course, he knows that the old rule of an eye for an eye and a tooth for a tooth was abolished by the New Dispensation. It makes no difference to me what Germany has done or what Germany is. The things with which I am concerned is: What has my country done? What shall my country do? What shall my country be? [Applause.] I am not willing to test the standards of American national honor by the standards of Germany, Great Britain, or of any other nation of the world, whatever they may be, and without disparagement to any of them.

The gentleman from Pennsylvania [Mr. TEMPLE] thinks that it is not immoral to take this property!

Of course the gentleman is entirely conscientious in that view, and far be it from me to assert that he is wrong. I must speak only from my own standpoint and express only my own opinion. I never have any trouble in deciding what is the honorable thing for my country to do. It has never troubled me to determine what the standard of integrity for my country should be. All I need for my own satisfaction to do in such cases is to ask, What would my personal honor require of me as an individual under the given circumstances—what should be my personal standard of integrity as applied to the situation? The principle is old. It is not at all modern. The standard of honesty has been laid down for a long time. I do not have to invent it. Thank God there is authority—authority old as the hills—it comes to us in the divine commandment, "Thou shalt not steal!" It is just as wrong for nations as it is for individuals to steal.

That is the way I determine what my country ought to do under such circumstances. We were engaged in war with Germany. We declared through our official spokesmen time and again, as it was also declared upon this floor, that our war was not against the German people as individuals but against the Imperial German Government. We assured the people of Germany even when the war was near its hour of closing that if they would overthrow their autocratic Government and inaugurate a rule of democracy we would be ready to accept them back upon terms of peace as friends. Oh, I suppose we were liars when we told them that, were we? Very well, then, in that case of course we do not have to be consistent.

We declared war against the Imperial German Government. We did not declare war against private German citizens and individuals. Under our declaration of war against Germany it was honest and permissible for us to take the property of the German National Government, but it was not moral that we should take advantage of the fact that citizens of Germany had invested their money and their property in this country, to confiscate it merely because we were at war with their country. "Thou shalt not steal" is as applicable to governments as to individuals.

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

Mr. HUDDLESTON. Yes.

Mr. BRITTEN. The gentleman has referred to the "bunk" of the present administration.

Mr. HUDDLESTON. Oh, yes; and I called this "the bunk Congress."

Mr. BRITTEN. Let me call the gentleman's attention to one thing. The word "confiscation" is used. The present administration is attempting to return at least a margin of its so-called confiscation. What has the gentleman to say about the former administration, which confiscated property and then under a "bunk" sale sold something worth hundreds of millions of dollars for a paltry few dollars? That property can never be returned.

Mr. HUDDLESTON. The former administration did not confiscate property. If the gentleman means to ask me what I think of the transaction with the Chemical Foundation, I will say to him that I think everyone who participated in that deal ought right now to be in the penitentiary. Is that sufficiently direct to satisfy the gentleman?

Mr. BRITTEN. That satisfies me. It was done by the gentleman's administration.

Mr. HUDDLESTON. Why does the gentleman lug in that kind of partisan stuff? It is bad enough to have a "bunk" administration on hand now. For God's sake let us forget, if we can, the "bunk" of the past.

Mr. BRITTEN. I was trying to draw a comparison.

Mr. HUDDLESTON. Surely, with this administration in front of us and with this Congress in front of us, the gentleman ought not to be talking about past administrations and past Congresses. The Chemical Foundation steal to which he refers and condemns did have in it a certain element of courage, which is a thing that neither this administration nor this Congress has had. I have some sort of respect for the highwayman who meets me on the road and holds a pistol to my head, much more than the cowardly sneak thief who slips behind me and dives his hand into my pocket. [Applause.]

Now, we had a treaty when we went to war with Germany, a mere "scrap of paper," of course, and article 23 of that treaty reads as follows. This is the treaty which came down from 1799 and was in effect with Germany when war was declared on April 6, 1917.

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employment and shall not be molested in their persons, nor shall their houses or goods be burnt or otherwise destroyed nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force the same shall be paid for at a reasonable price.

Then as the closing sentence of the next article I find this:

And it is declared that neither the pretense that war dissolves all treaties, nor any other whatever, shall be considered as annulling or suspending this and the next preceding article; but, on the contrary, that the state of war is precisely that for which they are provided and during which they are to be as sacredly observed as the most acknowledged articles in the law of nature and nations.

Mr. HUSTED. What has the gentleman to say to the provisions of section 5 of the existing treaty between Germany and America—that is, the treaty which terminated the war? This provision, as I understand it——

Mr. HUDDLESTON. I am entirely familiar with it.

Mr. HUSTED. Permitted the doing of everything that is proposed to be done under this legislation.

Mr. HUDDLESTON. I must have been very obscure and confused in the beginning of my remarks in which I devoted myself to those gentlemen who take a purely legalistic view of this situation—those who say "the letter of the law gives the right to take this property and therefore we will take it." I regret my argument was entirely lost on the gentleman from New York. Surely I ought not to be expected to go back and repeat what I said from the beginning of my remarks.

Mr. HUSTED. I am not asking the gentleman to do that.

Mr. HUDDLESTON. From the beginning of this debate gentlemen have been making the same legalistic argument which the gentleman now puts forward as against the moral argument I am presenting, and making it with the same art with which the gentleman from New York now seeks to place the letter against the spirit of the law, legal quirks and subtleties against the morals of the situation. They also have sought to obscure the aspects of national honor and policy that we have the legal right to confiscate.

Mr. HUSTED. I have not put forward that argument at all.

Mr. HUDDLESTON. I will acknowledge the gentleman has not presented any argument at all. Will he not allow me to proceed?

Mr. HUSTED. I asked a question, which the gentleman did not answer.

Mr. HUDDLESTON. I answered the gentleman. He must not expect me to make him understand my answer.

Mr. HUSTED. I do not think anybody else understood it.

Mr. HUDDLESTON. The gentleman is in error to assume to measure the understanding of others by his own.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. HUDDLESTON. I will.

Mr. NEWTON of Minnesota. The provision the gentleman read in the Prussian treaty applies to merchants in this country. The seizure by the Alien Property Custodian was the property of nonresidents of enemy aliens. That is the property involved in this legislation.

Mr. HUDDLESTON. Really these fellows who argue these superfine legal points make me laugh. They seem unable to comprehend that morality and good faith are more worth while. I read the articles from the treaty merely for the purpose of indicating some idea of the liberal and enlightened spirit of that time and the spirit which characterized the treaty. Yet the gentleman returns to drive through a legal wilderness and wriggle in and out between the trees in the effort to find some safe course for what he wants to do. I am appealing to the spirit of the treaty. I have no doubt that had there been such conditions existing when the old treaty was written as there was in 1917 it would have covered by its clear letter every situation that has been pointed out. I submit that we ought

not to approach this subject like a special pleader in a case in court and to undertake by these legalistic arguments to dull the qualms of good conscience before the nations of the world. Now, if the gentleman will permit me to make my point——

Mr. HARDY of Texas. Will the gentleman yield?

Mr. HUDDLESTON. If the gentleman will permit me to make my point, then I will yield.

We had Germans in this country who were interned without trial upon a mere suspicion. Those Germans had their property seized by the Alien Property Custodian and it is still withheld from them. They were strictly within the protection of the letter of this treaty. No good lawyer who examines the subject will deny this statement, yet we are holding their property now. That is the fact.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. In a moment. But I have just asked that I be let alone for a moment or two.

Mr. DENISON. If the gentleman does not care to yield I hope he will not scold.

Mr. HUDDLESTON. How can I help scolding at gentlemen who take the position the gentleman takes? I have no patience to answer the stuff they put out. I really have no heart for this discussion. I am merely trying to oblige my friends on the committee and take up a little time. [Laughter.]

As I said, here is our treaty of 1799. We made a solemn agreement. We deliberately made it applicable to a condition of war. What is the spirit of the treaty? It is that we invited the people of Germany to come to the United States and locate among us and do business here. We invited them to make their investments here. By this treaty we called upon every German subject to come to the United States and buy property, whether he wanted to live here or not. After we got them here and got their money invested and got them to help us develop our great new country, along comes a war, and, forsooth, because we think there is some sharp legalistic ground upon which we may confiscate their property, we do it. Such a proceeding must be shocking to the enlightened conscience of mankind.

Now I yield to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. I think the gentleman has perhaps covered the proposition I had in mind. But I think the truth to be that if there is an obligation standing between you and me I can not get away from that obligation by making an agreement with some other party. And so if we have had a moral or legal obligation with German nationals individually we can not nullify that or evade it by entering into a treaty with the German Government.

Mr. HUDDLESTON. That is true. I am in full harmony with the gentleman's statement. But what is the use to argue with the Republican majority, with its evasive policies? It always faces both ways. Go ahead with your bunk Congress and pass your bunk bill. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, how much time has been consumed?

The CHAIRMAN. The gentleman from Minnesota has one minute remaining. The gentleman from Massachusetts [Mr. WINSLOW] has 46 minutes, and one hour remains in opposition to the bill.

Mr. NEWTON of Minnesota. I yield 15 minutes to the gentleman from Illinois [Mr. DENISON].

The CHAIRMAN. The gentleman from Illinois is recognized for 15 minutes.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield for a question before he enters on his speech?

Mr. DENISON. Yes.

Mr. DEMPSEY. It appeals to many of us that the soundness of the argument of the gentleman from Pennsylvania [Mr. TEMPLE] depends on this question: Gentlemen on the other side, including the gentleman from Texas [Mr. HARDY], contend that Germany had no right, in representing its own nationals, to make this treaty of peace as to its own nationals in this country. Now, it appeals to us on this side that, prima facie, Germany represents its nationals, and we can not go back of that representation at all. We are bound by their representations that they act for them, and they have a right to act for them, and we can not inquire into their rights. And so they are bound by the treaty.

Mr. DENISON. That question anticipates a matter that I was going to discuss. And I want to say, gentlemen, that I have looked into this matter very carefully from the international and legal standpoints.

I am not going to discuss the so-called higher and moral propositions, because I do not think they are pertinent to the question here. So long as we do what is legally right, the moral proposition takes care of itself. The gentleman from Alabama [Mr. HUDDLESTON] speaks to the House in the way I have often heard lawyers speak in trials at court when they say to the jury it does not make any difference what the law is, but the question is whether you ought to do this or do that. He appeals to Congress and says, "I do not want to pay any attention to this treaty or the legalistic questions," as he calls them, "but I am talking about a higher moral principle." That is what is called an "argumentum ad hominem" instead of appealing to the intelligence of Members of Congress.

In reply to the question of the gentleman from New York [Mr. DEMPSEY] I am going to ask leave to extend my remarks in the RECORD by including some references to legal authorities and precedents.

Briefly stated, here are a few of the principles which I have developed, and I hope that the Members, if they have time, will follow them in the RECORD as they may appear: The first is that we have seized this property as a war measure, and we had a perfect legal right under the rules of war to seize it; we seized it for the purpose of preventing its being used by our enemies in the war against us. That was the justification for it, and that was the reason for it.

Now, another principle is that all that the German citizens have, as a result of that seizure, is a claim against the Government. The alien property law authorized the Alien Property Custodian to dispose of this property as he saw fit, and he has disposed of a great deal of it and has converted it into money and the money has been turned into the Treasury, and all that these citizens now have that is recognized by international law is a claim for the value of that property.

The same is true with respect to the American property seized in Germany and Belgium by the German Government and the claims of the people whose property or families were destroyed on the *Lusitania*. They have what is known in international law as a claim against the Government for the value of property taken.

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

Mr. DENISON. Yes.

Mr. BRITTEN. The gentleman referred to the wisdom of sequestrating this property so as to prevent its use against us in the war. The gentleman will recall that the principal argument made in favor of the act creating the Alien Property Custodian was that we were going to take the alien enemy property and hold it in trust for the rightful owners and in due time return it to them.

Mr. DENISON. I know you heard of it, but you never knew of any nation holding alien enemy property simply for the benefit of the enemy. We took the property to prevent its being used against us by our enemies, and that is the only reason we had a right to take it.

Here is another legal principle: There are no such things as claims of the citizens of one country against another government that are recognized in law. I mean by that there is no such thing as a collectible claim.

Governments do not deal with the citizens of other governments except by express consent. That is well settled in international law. This Government does not deal with the citizens of Germany as citizens, and the German Government does not deal with the citizens of this country as citizens. All these matters are arranged by the Governments between themselves, and if the citizens of America have claims against the German Government or any other government, they can not collect them. They must depend upon this Government to collect them for them, and the same is true as to the claims of German citizens and the citizens of Austria and other nations against the United States. These claims of individual citizens against other governments are matters that have always been and always will be, so far as we can now tell, matters for discussion and settlement between the governments themselves as governments.

So we have this situation, that the citizens of Germany have claims against our Government which they can not collect except through their Government. The citizens of the United States have claims against Germany and Austria which they can not collect, which are not recognized in international law, except as they may be collected by our own Government. These are matters for disposition between the two Governments themselves.

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

Mr. DENISON. I am afraid I will not have time. I will yield a little later if I may have the time.

Mr. Chairman, the soundness of any argument by which we reach our conclusions must depend as much upon the truth of the premises with which we start as upon the accuracy of the reasoning we pursue. I have found that our differences of opin-

ion on important questions of public policy result not so much from fallacies in our reasoning as from errors in the facts we assume as a basis for our reasoning.

Gentlemen assume as a fact that our retention of this property of our German and Austrian enemies or the appropriation of it for the payment of just claims of our own nationals against those countries amounts to a confiscation of the property. Of course, if we admit that fact to be true, then it reasonably follows that to retain it or so appropriate it would be at least unconscionable if not illegal.

But therein lies the error and the fallacy of the whole argument. I deny that we are confiscating any of this property. Whether we simply retain it or a part of it as security for the payment of American claims, or appropriate a part of it for the payment of such claims, we would not be confiscating it within the accepted meaning of that term. If it would not amount to confiscation, then what becomes of the arguments we have heard that are based upon that assumption?

Now, what constitutes "confiscation" of private property? The term has but one definition in the textbooks and judicial decisions.

In domestic law confiscation means taking private property for public use without due process of law or without just compensation. Due process of law means in accordance with the recognized procedure and principles of the law of the land, and just compensation means just what the words imply.

In the law of nations "confiscation" means seizing or taking the property of an enemy State or its subjects and appropriating it to the public use.

In Pope's Legal Definitions of Words and Phrases, the term "confiscate" is defined to mean "To appropriate to the use of the State. Especially used of the goods and property of alien enemies found in a State in time of war." And that definition is taken from Kent's Commentaries (Vol. I, p. 52).

Rapalje and Lawrence's Law Dictionary defines it as "appropriation to the use of the State. As where the State seizes property belonging to another State or its subjects and appropriates it."

Corpus Jures says "confiscation" means "in international law, where a State seizes property belonging to another State or its subjects and appropriates it to public use."

Now, I contend, and, if I have the time, can prove, I think, that we are in no sense confiscating any of this property within the meaning of that term in international law.

First, we seized the property lawfully.

Second, we are holding it and can use so much of it as may be necessary to pay American claims, according to the provisions of our treaties of peace with Germany and Austria, and in accordance with a usage well recognized in international law and in the precedents of our own Government.

Third, we are not holding and will not appropriate the property for public use, but rather for the use of private American claimants against Germany and Austria, who have by treaty authorized us to do so.

So whether we merely retain this property as security, or ultimately use a part of it for the purpose indicated, there is not one single element of confiscation involved in our action.

Preliminary to further discussing the subject, I want to pause long enough to refer again to certain incidental questions that are merely incidental, but that may nevertheless be confusing and obscure our understanding of the real questions involved.

I have said we seized or took possession of this property lawfully. It was seized while we were at war as a war measure, and we were justified in doing so for one purpose only, namely, that we might prevent its being used by the enemy against us, and that we might thereby cripple the enemy and the more easily defeat him. We took this property just as we took the enemy's ships and just as we would have taken the money or other property of his nationals if our armies had captured the enemy's possessions or had invaded his home territory. Nations at war are justified under the rules of war in seizing the enemy's resources so as to deprive him of the means of carrying on the war and thereby the sooner end the conflict. The method of taking over the enemy's property is a mere incidental and not an essential factor in the question involved.

In this war it happens that our Government followed a new procedure heretofore practically unknown in the history of warfare. Instead of taking the enemy's property and destroying it or using it, Congress provided for an official whom we called the Alien Property Custodian, to take possession of it and hold it until such time after the conclusion of peace as Congress should dispose of it. And whether we choose to designate the Alien Property Custodian as a mere common-law trustee or simply as an agent of the Government to hold and conserve and manage the property is wholly immaterial.

Some who testified at the hearings referred to the discussions in the Congress when the trading with the enemy act was under consideration to show that this Representative or that Senator stated that we were taking over the enemy's property merely to conserve it and save it from loss or deterioration, and argued from those statements that we were merely holding this property as a trustee or agent for the German nationals, and that we have no right to deal with it from any other point of view. It may be true that some Members of the House and some Senators had that thought in mind and were governed by that purpose.

But others believed and so expressed themselves that we were taking over this property as the property of our enemies and for the purpose of preventing its being used against us by the enemy. But whatever may have been the view of one individual Member of Congress or another, or whatever may have been the purpose of a majority of the Congress at that time, the fact remains that we did take possession of this property of our enemy as a war measure; that we were wholly justified in doing so, and that we now have it in our possession as a result of the exigencies of war, and we have the right to and must dispose of it in accordance with our duty to our own citizens as well as the citizens of Germany and Austria, and in accordance with the recognized principles of international law.

There are certain fundamental facts which we must admit, as I have stated.

One is that the German and Austrian nationals whose property we seized have only what is known in international law as claims against our Government for the value of the property seized. The Alien Property Custodian is not now in possession of all the property that was seized; much of it has been liquidated; part of it has been converted from real estate and personal property into money; other parts of it have been sold and the proceeds turned into the Treasury. All of it might properly have been converted into money. The form in which this property now exists in the hands of the custodian is a mere incident. His duty was to conserve it, and he had the right under the law to convert any part or all of it or dispose of it if he thought it wise to do so. So all the German nationals have to-day for the property that was seized is a claim against our Government for its value. Now, this claim is a mere chose in action. If it is a valid claim, it is a vested property right. That question has been adjudicated many times by the courts of last resort in this country.

In 1828 Mr. Justice Story, delivering the opinion of the Supreme Court of the United States in the case of Comegys *v.* Vasse (1 Pet., p. 193), held that the just claims of American citizens against foreign governments for property taken or destroyed are choses in action and are vested property rights, which may be assigned or transferred. Of course, the government against whom the claims exist may not recognize such assignments if it chooses not to do so, and in our trading with the enemy act Congress made such a provision. The decision of Justice Story in the case just cited has been since that time recognized as the law, so far as this Government is concerned, and has been followed in numerous decisions of the Supreme Court.

On the other hand, during the war Germany took possession of the money and the factories and the real estate and other property of American citizens in Germany and in Belgium and in parts of France, and during the period preceding our entry into the war Germany sank American ships and destroyed American lives on the high seas. And as a result of all these acts American citizens simply have claims against the German Government for the value of the property taken or the damage inflicted, and these claims are mere choses in action, although they are recognized as vested property rights.

So, in dealing with this question we must keep in mind the fundamental fact that we are not dealing with the specific or identical property of the German citizens seized or destroyed by our Government or with the specific or identical property of American citizens seized or destroyed by Germany. We are dealing with certain claims of the German nationals against our Government and with certain claims of our nationals against the German Government for the value of property seized or for property or lives destroyed.

Another fundamental principle that I have already referred to and should be kept in mind is that while the claims of the nationals of one country against a foreign government are recognized as vested property rights, they are not such claims as can be enforced or collected by the nationals themselves without the consent of the foreign government. Citizens of Germany or other countries can not enforce their claims, however just, against the United States without the consent of the Congress. Our courts are not open to them. They can not even be pre-

sented unless Congress by legislation gives its consent, nor can our own citizens present or collect their claims against Germany without the consent of the German Government.

Congress has at various times by express legislation consented for citizens of foreign countries to present their claims against the United States through the Court of Claims or through mixed commissions or arbitration tribunals, but this has always been done by treaty agreements between the two Governments. Sovereign nations do not deal with the citizens of other governments in their individual capacity. There is no principle more universally recognized in the law of nations and more frequently stated by law writers than this.

If our citizens have claims against foreign governments or if the citizens of other governments have claims against the United States, they can not themselves take them up for adjustment with the governments. They must do so through their own government, and claims of this kind are always adjusted between the respective governments and not by the governments and the citizens of the other government.

It follows from the principle just stated that in the adjustment of claims of the citizens of one country against the government of another the governments themselves may make such disposition or adjustment of the claims as justice and their mutual interests may require. They may provide by treaty agreement for the arbitration of the claims before an arbitration tribunal or may provide for their adjudication before mixed claims commissions, or the governments may, by treaty, absolutely destroy the claims of their own citizens against the other government or may provide for the mutual cancellation of such claims where there are existing claims of the citizens of each government against the other.

In Volume II of Butler's work on the Treaty Making Power of the United States, page 293, the author says:

> Notwithstanding the fact that these claims are property rights, on numerous instances claims of citizens have been absolutely destroyed, so far as they existed against the foreign government, by the action of the Executive in making a treaty and of the Senate in ratifying it. In such cases no further action of Congress appears to be necessary so far as the complete extinguishment of the claim against the other government is concerned, but congressional action is necessary in order that the American citizens whose property has been confiscated may prove their claims against the United States and be indemnified for the loss they have sustained.

So our Government can properly, by treaty, completely extinguish or destroy the claims of American citizens against foreign governments, and the German Government may likewise do so. For more than a hundred years this practice has been recognized and followed among the nations of the world and it is now well settled in the admitted principles of international law.

I could, if I had the time, refer to many instances in which our Government by treaties with other governments has provided for the mutual adjustment of claims of their respective nationals against the other governments, and I could cite a few instances in which such treaties have provided for the absolute extinguishment or destruction of such claims.

In John Bassett Moore's History of International Arbitrations more than 50 instances are cited, I believe, in which the United States has entered into treaties with other governments providing for the disposition of claims of our citizens against such governments, or the claims of their citizens against the United States. Several of these treaties provided for the adjustment of claims arising out of or connected with wars in which our Government was involved.

I might refer first to the treaty of the United States with France, made on the 31st of July, 1801, and ratified by the Senate on the 21st of December following, in which our Government settled what has subsequently been known as the French spoliation claims.

During the French Revolution the French men-of-war destroyed many ships of commerce belonging to American citizens on the high seas and appropriated their cargoes to their own use. And more especially during the later years when Napoleon rose to power, Great Britain and many other governments of Europe declared war on France and announced that they would starve the French nation into submission. At that time, as in the late war, Great Britain employed her navy to drive the French from the high seas and starve her into submission by a blockade. The French seized American ships wherever they could be found and appropriated their cargoes of foods bound for other countries in Europe, and out of this situation, which continued through a number of years and which came near resulting in a declaration of war against France by the United States, American citizens had just claims against the French Government for the loss of life and property taken or destroyed.

On the other hand, France had claims against our Government growing out of the violation of the treaty of 1778, under which we guaranteed the French possessions in America and growing out of the loans which France had made us during the Revolutionary War. In brief, this treaty provided that the claims of the citizens of the United States should be set off against the claims which the French Government had against the United States for the money it had loaned us and for our failure to fulfill our treaty obligations whereby we guaranteed the integrity of the French possessions in America. The United States by this treaty used the claims of American citizens against France, amounting to many millions of dollars, to settle admittedly just claims of the Government of France against the United States, and thereby relinquished and destroyed them.

The result of this settlement of the claims was that in 1864 and at later dates Congress considered legislation for the payment by this Government of all those claims of American citizens against France which our Government had by treaty canceled and which were known as the French spoliation claims.

Mr. EDMONDS. And the United States has not paid her citizens that lost those ships yet.

Mr. DENISON. I was going to say that the United States made that solemn treaty and agreed to cancel all of the claims of American citizens, and did so—just wiped them right out—in consideration for France agreeing to cancel the debt that we owed her. That is the way we got rid of that debt for the money which France had loaned and the other debt that we owed her.

Mr. BANKHEAD. Does the gentleman want to use that precedent of alleged repudiation on the part of our Government as a precedent to follow here?

Mr. DENISON. Not in the way the gentleman from Alabama states it.

Mr. BANKHEAD. The construction which the gentleman from Pennsylvania [Mr. EDMONDS] put upon it, and which the gentleman from Illinois [Mr. DENISON] acceded to, certainly puts us in that light.

Mr. DENISON. Do not understand me as acceding to anything unless I say so. I am using it as a precedent to show how our own Government settled its claims against France and the claims that France had against our Government.

Mr. DEMPSEY. The question whether we have paid our own citizens or not is an entirely different matter.

Mr. DENISON. That is an entirely different question.

The report of the Senate Committee on Foreign Affairs, prepared by Senator Sumner and filed April 4, 1864, reviews the history and the disposition of the French spoliation claims. The Members, I am sure, would enjoy reading this report, for it is historic and contains a very learned discussion of the whole subject, and can be found in part 1 of Senate Document 231 of the Fifty-sixth Congress, second session. Speaking of the treaty between this country and France, Senator Sumner said:

> Thus closed a protracted controversy where each power was persistent to the last. Nothing could be more simple than the mode of adjustment and nothing more equitable if we regard the two nations only. The claims of each were treated as a set off to the claims of the other, and mutual releases were interchanged, so that each, while losing what it claimed, triumphed over its adversary. But the triumph of the United States was at the expense of American citizens. Nothing is without its price, and new duties, originating in the triumph, at once sprang into being.

I might also refer to the treaty of Washington, concluded in 1871 between United States and Great Britain, in which the two countries agreed to settle by the Geneva tribunal all claims of American citizens against Great Britain growing out of damages caused to American commerce by the depredations of the Confederate cruisers *Alabama* and *Florida* which had either been built or sheltered in British harbors during the Civil War.

And if time permitted I could refer to a number of other treaties between the United States and foreign governments in which the United States disposed of claims of her own citizens against foreign governments, either by requiring payment of the claims by foreign governments or by releasing or destroying such claims and assuming them, or agreeing that they should be paid by our own Government.

The point I wish to emphasize, and that would be made clear if the Members could but hastily review the many treaties between the United States and other Governments in which the claims of American nationals against foreign governments and of foreign nationals against the American Government were settled, is that it is entirely in harmony with the past history of our Government and with well-recognized principles of international law for the governments to settle by treaty the claims of their citizens against foreign governments; and that it has been a not infrequent custom in such treaties for the governments to mutually release and destroy the claims of their nationals against the other governments.

Let me cite the treaty between the United States and Spain at the close of the Spanish-American War. As a result of that war, citizens of Spain in Cuba and in the Philippines had many claims against the United States for property commandeered or destroyed, and many citizens of the United States had claims against Spain for property destroyed in Cuba, both before and after the declaration of war, including the claims of those who were injured and the dependents of those who lost their lives on the battleship *Maine*. Article 7 of the treaty of peace between this country and Spain contained the following provision:

The United States and Spain mutually relinquish all claims for indemnity, national and individual, of every kind of either Government or of its citizens or subjects against the other Government that may have arisen since the beginning of the late insurrection in Cuba and prior to the exchange of ratification of the peace treaty, including all claims for indemnity for the cost of the war. The United States will adjudicate and settle the claims of its citizens against Spain relinquished in this article.

Thus the United States by treaty canceled the just claims of American citizens against Spain for lives lost and property damaged and destroyed and agreed to adjust and pay them herself, and Spain did the same with reference to the claims of her citizens against the United States.

Now, when the World War was formally closed by the treaty of Versailles, what provision was made for the payment of private claims growing out of the war?

Part 10, chapter 5, section 4, article 297, page 369 of the treaty of Versailles was as follows:

The nationals of allied and associated powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights, or interests, including any company or association in which they are interested, in German territory as it existed on August 1, 1914, by the application either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the mixed arbitral tribunal provided for in section 6 or by an arbitrator appointed by that tribunal. This compensation shall be borne by Germany, and may be charged upon the property of German nationals within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the annex hereto. The payment of this compensation may be made by the allied or associated State, and the amount will be debited to Germany.

And, on page 373, the treaty provided as follows:

Germany undertakes to compensate her nationals in respect of the sale or retention of their property, rights, or interests in allied or associated States.

And on page 379 thereof is found the following provision:

All property, rights, and interests of German nationals within the territory of any allied or associated power and the net proceeds of their sale, liquidation, or other dealing therewith may be charged by that allied or associated power in the first place with payment of amounts due in respect of claims by the nationals of that allied or associated power with regard to their property rights and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by Mr. Gustave Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the mixed arbitral tribunal provided for in section 6. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such allied or associated power with regard to their property, rights, and interests in the territory of other enemy powers, in so far as those claims are otherwise unsatisfied.

Now, while the United States did not sign or ratify the treaty of Versailles, yet we afterwards, by the treaty of Berlin, signed August 25, 1921, and the treaty of Vienna, signed August 24, 1921, in which we made peace with Germany and Austria, received all the benefits with respect to the claims of our citizens against Germany that we would have received under the treaty of Versailles.

The purpose and intention of our Government to secure a just settlement of the claims of American citizens against the German and Austrian Governments has been made clear and precise from the beginning.

In the joint resolution of Congress, approved by the President July 2, 1921, known as the Knox-Porter resolution, we provided as follows:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress, or otherwise. * * *

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore, or specifically hereafter shall be, provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America, and who have suffered through the acts of the Imperial German Government, * * * and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

This resolution reserved for the United States and its nationals the rights accorded them under the treaty of Versailles and the treaty of St. Germain. Nowhere in either treaty, however, was any right given to any American citizen to enforce Congress to use enemy property held by the Alien Property Custodian in payment for, or as security for, his claim for damages against the German or the Austrian Government. The very statement of such a proposition is its own answer. The power of Congress after the war to dispose of this property as it should direct remained untrammeled as far as the treaty of Versailles and the treaty of St. Germain were concerned.

And in the treaty of Berlin, signed on August 25, 1921, in which he made formal peace with Germany, article 1 thereof provided as follows:

Germany undertakes to accord to the United States, and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of Versailles which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States.

And in the treaty of August 24, 1921, in which the United States made formal peace with Austria, article 1 thereof was as follows:

Austria undertakes to accord to the United States and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of St. Germain-en-Laye, which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that treaty, will do so in a manner consistent with the rights accorded to Austria under such provisions.

So by solemn treaties between the United States and Germany and Austria we are entitled to the benefits of the provisions of the treaty of Versailles and the treaty of St. Germain with reference to the claims of American citizens against Germany and Austria, and with reference to the property of German and Austrian citizens now held by the United States and the claims of those citizens resulting therefrom.

The German and Austrian Governments have agreed by treaty to pay the just claims of American citizens against them, and for that purpose have agreed that the United States may retain the property now held by us belonging to the German and Austrian nationals until such time as the claims of American citizens against those Governments can be satisfactorily adjusted and paid; and they have agreed by treaty that this property of their nationals may be used to pay the just claims of American citizens against them, and have agreed that they would themselves compensate their nationals in respect of the sale or retention of their property rights or interests held by the United States.

No one can deny that the German Government had a perfect right to enter into that kind of a treaty.

No one can deny that such a treaty was in accordance with precedents and well-recognized principles of international law applicable to such cases.

The United States had entered into similar treaties with other governments before that.

The principle involved in our treaties with Germany and Austria follows the precedent of our treaty of peace with Spain following the Spanish-American War. Spain and the United States agreed each to compensate their own nationals for the

claims they had against the other. In this case Germany and Austria agreed to compensate their own nationals in such amounts as should be found necessary to meet the just claims of American citizens against them.

It is true that where a government by treaty destroys or relinquishes the claims of its own citizens against a foreign government it thereby exercises the high right of eminent domain. It confiscates the property of its own citizens; and where the United States Government takes that course it should, in turn, compensate its own citizens for the property rights which it has destroyed, because in this country there is a constitutional limitation on the right of the Government to take the property of its citizens without due process of law and without just compensation.

When the United States in the treaty of peace with Spain agreed to cancel or relinquish the claims of our citizens against Spain it had to agree to pay such claims itself because of this constitutional limitation.

And when the United States by the treaty with France in 1801 agreed to mutually cancel and set off the just claims of American citizens against France against the claims of France against the United States that amounted to a confiscation by our Government of the American claims, and under our Constitution the Government was bound to itself compensate American citizens for their claims which had been sacrificed. And that was the view taken by Congress, the result of which was we paid out of our own Treasury all of the French spoliation claims.

Germany and Austria have by these treaties agreed that the property of their citizens now held by this Government may be used to pay the just claims of American citizens against them. The execution of those treaties may result in a confiscation of this property by Germany and Austria, but it is not a confiscation of it by the United States. Following many precedents and in harmony with international practices, we have the right to retain this property as security for the payment of American claims and, if necessary, to appropriate it for that purpose; and in doing so we are not confiscating it.

We have by solemn treaties entered into with the German and Austrian Governments secured from them their solemn agreements that they will themselves compensate their own nationals in such amounts as may be necessary to use their property to pay just American claims. That is not confiscation by the United States. It is in international law the substitution of the guaranty and agreement of their own Governments for the obligation of our Government in favor of their nationals, to the extent to which the appropriation of their property may be needed to satisfy just American claims.

The fact that the German Government may be in a faltering or failing condition financially does not make any difference so far as legal principles are concerned. If a man brings suit against a railroad for damages due to personal injuries received in the service, the trial is conducted under the same procedure and judgment is rendered according to the same principles, regardless of whether the railroad is prosperous or is in a bankrupt condition.

And the treaties between this Government and Germany and Austria, touching these property rights of American citizens and of German and Austrian citizens, is just as solemn, just as binding, and entitled to just as much respect as they would be if Germany and Austria were the victors instead of the vanquished. Germany and Austria have solemnly agreed to pay their own nationals for the loss they may sustain by the use of their property to pay the American claimants. They have the same security for the fulfillment of that obligation as have France, Belgium, and the other Allies for the fulfillment of Germany's other obligations to them.

This bill provides for the payment of a certain amount and a very large number of the claims of German citizens against our Government. We should understand that we are doing this in a manner not heretofore followed by the nations of the world in international dealings. We are doing this voluntarily and, as a matter of grace, without any request or any treaty requirement with the Governments of Germany and Austria. We are holding the balance until the claims of American citizens against Germany and Austria can be adjusted and determined and satisfactory arrangements made for their payment. If satisfactory arrangement is not eventually made by those Governments for the payment of the American claims, then we will have the *right without confiscation*, but in accordance with precedents and principles of international law, as I have shown, to use such amount as may be necessary to pay American claims. Personally, I hope that may never be necessary, as a matter of course.

But right there, be it understood now, that if we should not do so, if the United States should eventually release this property and return it or its equivalent to the German and Austrian nationals and thereby deprive our Government and our citizens of the security which Germany has pledged for the payment of their claims, we will thereby come very nearly depriving our own citizens of their property rights without just compensation, and claims for every dollar of the American claims against Germany and Austria will sooner or later be filed against our own Government, and more than likely they will have to be paid from the Federal Treasury.

Mr. RAYBURN. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Shortly after the United States entered into the war with Germany and Austria it was proposed by the executive department of the Government that the property of German nationals should be placed in the custody of an official called a custodian. The object of the creation of that office was twofold—one was to prevent the use of that property against the United States and the other was to preserve the property for its owners.

Mr. Lansing, Mr. Redfield, and every witness that appeared before the committee of the House and the committee of the Senate stated that such was the intention. The property was to be returned to its original owners. In the debate in this House Mr. COOPER, Mr. HILL, Governor MONTAGUE, Mr. STAFFORD, and without a single exception, all stated that it would be the policy of the Government to temporarily conserve this property, and that it would be returned to its original owners. In making these statements they were carrying out the American policy enunciated by Thomas Jefferson, carried down through all the Secretaries of State to and including Mr. Knox and Mr. Lansing.

Now, what is the situation to-day? It is not what the German Government has done nor what the treaty contains. All the officials that came before our committee stated that this property was taken over by the American Congress, and the manner of its return should be decided solely by the American Congress.

Mr. CHINDBLOM. Would it disturb the gentleman if I asked him a question?

Mr. HAWES. No, sir.

Mr. CHINDBLOM. Can the gentleman state in what connection Secretary Knox may have enunciated that view?

Mr. HAWES. Mr. Knox not only made a statement but he joined with the gentleman from Pennsylvania [Mr. PORTER] in presenting the resolution of peace, and on the 11th day of June, 1921, Mr. Knox wrote a letter, and I hope every Member will absorb every word of it:

Prof. EDWIN M. BORCHARD,
Yale University, New Haven, Conn.

MY DEAR MR. BORCHARD: I am in entire sympathy with your views relative to the seizure of German property during the war. I have expressed on the floor of the Senate the opinion that in order to follow our traditions and be decent this property should be returned; that our only proper function was to conserve it during the period of hostilities, and in the peace resolution I introduced there is a clear indication that our retention of such property shall continue only until the adjustments of the terms upon which we are to live with Germany in peace are satisfactorily determined.

Very sincerely yours, P. C. KNOX.

Mr. CHINDBLOM. That is in the report of the minority of the committee and relates to the discussion which Senator Knox entered into on the floor of the Senate. My question in regard to the proposition is whether Mr. Knox as Secretary of State was ever called upon to express his views in this matter.

Mr. COCKRAN. No such question ever came up while he was Secretary of State.

Mr. CHINDBLOM. The gentleman said that the policy had been followed by every Secretary of State, including Mr. Knox and Mr. Lansing. I want to know when Secretary Knox enunciated the policy. I know he so stated on the floor of the Senate.

Mr. COCKRAN. He was still the same man.

Mr. HAWES. He was the same Mr. Knox that drew the treaty of peace.

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

Mr. HAWES. Yes.

Mr. RAYBURN. Most any sane person would interpret that letter to mean that if he had been asked while he was Secretary of State he would have been of the same opinion.

Mr. CHINDBLOM. As to the matter of sanity——

Mr. RAYBURN. Oh, I did not mean to apply that to the gentleman from Illinois; I never mean to be offensive.

Mr. CHINDBLOM. There might be some question as to the value of a man's opinion in a legislative debate where he discusses the matter and his opinion when he was called upon as an official.

When it is said that this policy has been followed by every Secretary of State, if the gentleman had some act which occurred during the incumbency of office of the Secretary of State, Mr. Knox, that would be more in point, would it not, than the letter which he wrote to a private citizen?

Mr. HAWES. Mr. Chairman, the gentleman can place his own construction upon the letter of Mr. Knox. My opinion is that it is very clear. He states in very understandable English what he thinks, and it is related to exactly this subject which, of course, had not arisen while he was Secretary of State. I assert again that there is not a decision of the Supreme Court of the United States that will uphold the theory of the confiscation of private property to pay a public debt; that there is not a writer on international law who has ever written on the subject who has not positively denied the right of a government to confiscate private property for a public debt.

The first thing to be made clear is that we are not dealing with the property of Germany. This is the property of private citizens who were invited to make their investments in the United States. The investments were made many years ago, in most cases upon the solicitation of friends and relatives living in this country. The established policy of our Nation was known to the people of the world. It was known to the people of Germany. We find in the first place that Austria-Hungary never took property from any American during the war, and in the second place we find that all the private property taken over by Germany during the war has been returned to American nationals excepting certain sums of money now in dispute in balancing bank accounts between the banks of Germany and the United States. If you will read the record, you will find that the Alien Property Custodian says they are fast approaching an adjustment of that subject, agreeing on 18 cents for the mark.

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

Mr. HAWES. Yes.

Mr. HUSTED. I will put the question to the gentleman from Missouri that I propounded to the gentleman from Alabama [Mr. HUDDLESTON], which he declined to answer. What effect, if any, does the gentleman think the provisions of section 5 of the existing treaty between the United States and Germany have on the moral side of this question?

Mr. HAWES. My opinion is that under the provisions of that treaty, if the United States desires to take possession of the property of these enemy nationals, it has the right to do so. The treaty gives our Government that right. There is no doubt about it; but while it gives us the right, we are not directed to do it, and it is a matter of option for Congress alone to decide.

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

Mr. HAWES. In just a moment. We can under that treaty seize the property, but there is nothing in the treaty that makes it compulsory upon us to seize it.

Mr. HUDDLESTON. Does it give us the moral right or the legal right?

Mr. HAWES. The legal right. The moral right is simply this: The gentleman from New York [Mr. HUSTED], we will say, visits my place of business, and he leaves some of his property there in my custody. He goes away, and a claim is presented against me, and I confiscate his property to pay my debt. That is the moral proposition as I see it.

Mr. HUSTED. Will the gentleman be gracious enough to yield further?

Mr. HAWES. Certainly.

Mr. HUSTED. Does not the gentleman think that the framers of the treaty between Germany and the United States, which terminated the war between that country and the United States, when they inserted the provisions of section 5, had this very identical situation in contemplation?

Mr. HAWES. No.

Mr. HUSTED. The gentleman does not think they had?

Mr. HAWES. I am confident they did not. They and Germany signed up quickly, and left that question for our Congress to decide. I do not think it was contemplated, certainly not by Mr. Knox, whose letter I have read, that we would ever confiscate this property or hold it as security, because security means ultimate confiscation, with which statement every lawyer will agree.

Mr. CRISP. Does not my friend think that makes the difference? A large part of this property was invested here under a treaty made in peace times and that treaty provided that if we ever went to war with Germany, the nationals of Germany would have the right to leave this country and have their property here protected, whereas section 5 of the treaty of Berlin, which our friends insist gives the legal right to confiscate this property if we see fit to do it—and I agree with them that we have the legal right—was made after a war when Germany was defeated. In other words, does the gentleman not think duress had something to do with the terms of the treaty, and is not a treaty made in time of peace, when the contracting parties are equal, of higher moral dignity than a treaty made under duress?

Mr. SNYDER. But the gentleman would have to recognize that there was not peace until the treaty was signed.

Mr. HAWES. Mr. Chairman, as we proceeded with the war with Germany Mr. Wilson repeatedly issued messages stating that we were not at war with the German people; that we were warring with the military autocracy of Germany. Our military intelligence branch of the Army dropped thousands of tons of literature over the battle fields into Germany promising the German people proper treatment. It was a question which would break first, the military or the civil morale of Germany, and it is a disputed question to-day which did break first; but it was our continued promise, and in July, 1918, the commander of the American forces in France repeated the old Prussian treaty, written by Benjamin Franklin and presented by Adams and Jefferson, as to the rights of civilians, and it was ordered read on the battle fields of France by General Pershing. There is a clear, undisputed record in law, in history, in the promises on this floor, and in every conceivable way, that the American Government was acting as custodian.

So far as I am concerned, the amount of money to be returned is of secondary importance, whether it be $10,000 or 50 per cent or all of it. I shall ask, even if you vote for the return of the $10,000, to place somewhere in this bill the statement that there will be no ultimate confiscation.

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

Mr. HAWES. Yes.

Mr. BRITTEN. Answering both the gentlemen a moment ago regarding section 5 of the Berlin treaty, does not the gentleman think it was not a matter of duress so much, after a great war, as it was a matter of confidence in America by the German Government, just as it was confidence in America when she said:

> You, America, name the umpire in this Mixed Claims Commission; we do not care to name him, we have confidence in you to do the right thing.

Does not the gentleman think it was a matter of confidence that went into that section 5 and not duress or fear we might not be fair with them?

Mr. HAWES. I agree with the gentleman, and that is an interesting incident. When the question of the amount of these claims was to be ascertained, the United States and Germany agreed upon what was called a Mixed Claims Commission. One member of the Mixed Commission was selected by the United States and the other member was selected by Germany, and Germany waived her right to select a citizen of a neutral country and permitted the appointment of Judge Day. So on this Mixed Claims Commission there are two Americans and one German, and nobody can make me believe that when the Mixed Claims Commission makes its report of awards but that Germany will pay them. She dare not resist. It is the one thing she can not do.

Now, let us examine some of these claims for a moment. The total loss of life on the *Lusitania* was 128. Three or four more lives were lost on the *Essex* and *Sussex*. If we allow a total of $100,000 for each one of these claims, and then put in the one big claim we have for the Pittsburgh Plate Glass Co. of a million and a half, the total American claims would only approximate $14,000,000.

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

Mr. HAWES. I will.

Mr. MADDEN. I just want to say to the gentleman in the hearings before the Committee on Appropriations the other day we had the American agent of the commission before us, and he testified they had 10,000 of such claims before the commission and the aggregate amount of the claims on their face amounted to over a billion dollars.

Mr. HAWES. I am glad the gentleman brought out that point. I have stated the two characters of claims—loss of life, loss of property in Belgium—and the total, approximate, is about $15,000,000. Now, what are the other claims? The other claims are by marine insurance companies. I know that one of the necessary agents of civilization is insurance, and we know that the insurance company will gamble on a man's life; it gambles on the act of God, on the storm, on the tornado, on the wreck at sea; it gambles on sickness, gambles on everything; and it charges a certain interest upon the risk it assumes, and during the war it charged an enormous risk, and I assert that from 75 to 80 per cent of the claims before the Mixed Claims

Commission are for insurance companies who have collected their premiums and made money out of the war.

Mr. WINSLOW. Will the gentleman yield?

Mr. HAWES. I will.

Mr. WINSLOW. Will the gentleman kindly tell the House the extent of inquiry he has made to substantiate the statement as to the nature of the investigation?

Mr. HAWES. Yes, sir; and I will say that when the matter came before our committee one or two witnesses stated the character of claims to be even higher than I have put them, at 90 per cent, and that the chairman of our committee did not summon a single representative of insurance companies to testify, and I asked at the conclusion of the hearings, and before we passed on the bill, that insurance men should be brought in to substantiate or deny the statement I have just made, and no insurance man appeared before our committee. I wanted them to appear because I desired to show that the man who shipped, for instance, a bale of cotton from Texas added to the bale of cotton the cost of insurance. He did not lose money; and if the cargo got through, it was not the man who got the bale of cotton but the man who wore the shirt or the woman who wore the gown who paid for this insurance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWES. I would like to have a few minutes more.

Mr. RAYBURN. I yield the gentleman an additional five minutes.

Mr. WINSLOW. Will the gentleman kindly permit me to refresh his memory as to the nature of my question, as a good deal has been said since I asked the question, but the gentleman has not answered the question?

Mr. HAWES. I have answered the best I may. I have stated that one or two witnesses made that statement, and it is in the record and is not to be contradicted.

Mr. WINSLOW. I will not contradict that; but I understood the gentleman to say gentlemen were prepared to assert that the claims were so-and-so, and I asked if he would kindly tell what investigation the gentleman made to verify the statement.

Mr. HAWES. I made an attempt to carry on the investigation, as the Chairman well knows, and I was not assisted by the Chairman to make one.

Mr. WINSLOW. I am not getting into a wrangle over it——

Mr. HAWES. It is a fact.

Mr. WINSLOW. Then the gentleman does not know what investigation he has made to which he referred?

Mr. HAWES. Everything I have stated here is from witnesses that came before our committee, and one of those witnesses made the statement that 90 per cent of all these claims were insurance company claims, and in the matter of Austria I asked the Alien Property Custodian what was the character of those claims and he said insurance company claims against Austria. That is in the record.

Mr. WINSLOW. I think the gentleman wants to be perfectly fair and will bear in mind the statement——

Mr. HAWES. Well——

Mr. WINSLOW. I merely wanted to make sure that we got the facts.

Mr. HAWES. I am speaking from the record, I am bound by the record, and I talk from the record.

Mr. SNYDER. I desire to ask the gentleman a couple of questions, if I may. I have been very much interested in what the gentleman has had to say; he seems to understand the question fully. As I understand this proposition now there are certain properties in the hands of the Alien Property Custodian against which there are certain alien German claims against the custodian and this Government.

Mr. HAWES. Yes.

Mr. SNYDER. This bill proposes to pay back to certain of them $10,000.

Mr. HAWES. Yes.

Mr. SNYDER. Is that going to affect the validity of any claimant receiving $10,000 on account or receiving $10,000 in full?

Mr. HAWES. This is the first time I have heard of an American Congress drawing a distinction between $5,000 and $50,000.

Mr. SNYDER. Will the gentleman yield further?

Mr. HAWES. Yes.

Mr. SNYDER. Is any claimant injured in any way by reason of receiving $10,000 either in full or on account?

Mr. HAWES. I understand the gentleman now.

Mr. SNYDER. I think that is all there is to it. I think there is nothing more involved in it right now than that, unless somebody can show it.

Mr. RAYBURN. This bill does not close it.

Mr. HAWES. Now, I want to use some of my five minutes.

Mr. SNYDER. I can not see that there is anything more in it than that.

Mr. HAWES. I think the gentleman is disposed to be perfectly fair.

Mr. SNYDER. Yes; I like to be fair.

Mr. HAWES. We now have in our possession $350,000,000 of alien money, and ships to the amount of $200,000,000 more, making the sum of $550,000,000, approximately, and we are returning under this bill only $44,000,000, and we are holding all the balance. The question that I want to see determined is, whether we turn back 10 per cent or 50 per cent, a clean-cut declaration on the part of Congress that it is not going to confiscate the rest of it.

Mr. SNYDER. The gentleman hopes to add that to the measure?

Mr. HAWES. Yes.

Now, I have tried to answer questions. I would like for you to look at this map [indicating]. It is a tragedy. This region marked in red was originally Austria-Hungary. The blue spot is Austria-Hungary to-day. She was a nation of 52,000,000 people. She is now a nation of 6,500,000 people. Out of her territory have been carved six different nations [indicating], and when the question of the return of this property was taken up with the Alien Property Custodian I asked him the question whether he favored the return of that property, and he answered that he did.

Mr. MADDEN. We have no agreement with Austria on this question, have we?

Mr. NEWTON of Minnesota. Yes; identical with the German treaty.

Mr. HAWES. In withholding this property there is no criticism of the Alien Property Custodian; but all of the people who lived in this portion of Serbia, Rumania, Poland, and Czechoslovakia have had their money returned to them by the Alien Property Custodian.

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

Mr. RAYBURN. Mr. Chairman, I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Missouri is recognized for two minutes more.

Mr. HAWES. But we are holding that little strip of blue, containing 6,500,000 people, responsible for the act of 52,000,000, and it can not be justified on any ground whatever. [Applause.]

The Alien Property Custodian, if you will read his statement, will tell you that there are thousands of claims for loss of life out West that he wants to give back, and there is nothing left of Austria but 2,000,000 people in its capital of Vienna and a region of mountains. The agricultural country is gone. And yet the Great United States, violating all its great principles of 100 years, is holding 6,500,000 people responsible for the conduct of 52,000,000 people.

Gentlemen, I realize that I have not been permitted to discuss this matter with any degree of logic, but it all ultimately gets down to the question of whether the Congress at this time will violate all American theory regarding confiscation of private property; that is, provided that we, as lawyers and business men, agree that the ultimate end of security means confiscation. [Applause.]

We are not dealing with the property of the German Republic, but with that of private citizens who accepted our invitation to make their investments here.

There is absolutely nothing in the Knox-Porter resolution which attempts to prescribe the course of Congress. Congress is an independent body now attempting to return the property which it took over as custodian, and to return it to whom? Is it intended that it is to be taken away from the private citizens who invested it here at our invitation and given to the German Government to pay its debts? Have we forgotten our provisions in the Constitution relating to due process of law and opposing the passage of ex post facto laws?

Our duty is one existing between the American Government and the citizens of foreign nations who made their investments here. It is not a relation existing between the American Government and the German Nation but between our Government and the private citizens whom we invited to make investments.

One reading the letter of the Secretary of State will be impressed by two things:

1. The demand that the private property of citizens should be held as security for a public debt.

2. That he places the responsibility solely upon Congress.

No other branch of the Government has taken this position. The opposition comes exclusively from one source—the Secretary of State's office.

Read the testimony of the Alien Property Custodian; the testimony of Mr. Galloway, representing the Attorney General's office, and you will find that with the single and sole exception of Mr. Carr, speaking for Mr. Hughes, this is the one opposition; and if the English language remains understandable, we find that Mr. Knox, who helped draw the treaty, who helped promulgate it, and whose name it bears, is in direct opposition to the views entertained by the present Secretary of State.

There is not a single authority on international law in the United States who agrees with the conclusion of the Secretary of State. There is not an opinion of our Supreme Court—and a number of them are written by John Marshall—which does not disagree with the doctrine of confiscation, because security carried to its logical conclusion means confiscation.

Even in the statement of Mr. Carr, illustrated by the following questions and answers, given very reluctantly, we find that for the first time in American history all of our traditions of the past are to be violated.

I insert the following questions and answers:

Question by Mr. HAWES. Well, I will repeat my question, Mr. Carr, and you can refuse to answer if you want to. I think it is perfectly clear. You are here representing an important branch of the Government, and what you say will have great weight in my determination of this subject. If we hold this property, to be paid either for an enemy's debts or damages, or hold it as security, do we not, for the first time in our history, change an established American policy of international law?

Mr. CARR. Perhaps we may; but if we do, it has been done because Congress has directed that it should be done.

Mr. HAWES. No; Congress has not decided that question, and under the peace resolution, while we have the power to retain it, there is nothing in the treaty that directs us to assume that policy; and I again ask you, if we do take the action intimated by you and hold the property of these nationals, do we not violate all American precedents on that subject?

Mr. CARR. But Congress has directed that the property shall be held temporarily, and until Congress says to the contrary the property has to be held.

Mr. HAWES. Will you decline to answer that question?

Mr. CARR. I think I have in effect answered the question.

Mr. HAWES. Well, I will state it again: Suppose Congress does act and does hold this property as security, or does hold it subject to litigation, then does not Congress for the first time in the history of the American Congress violate an established principle?

Mr. CARR. I do not know whether for the first time exactly in the history of our country or not. Perhaps it is, but——

Mr. HAWES (interposing). Are you not quite sure that it is?

Mr. CARR. It is, so far as I now recall.

Mr. RAYBURN. What is your interpretation, then, of the word "guaranty"—holding this property as a guaranty?

Mr. CARR. I did not use the word "guaranty." I merely used the word "security." The Secretary used the word "security."

Mr. RAYBURN. What is your interpretation of the meaning of "holding this property as security"?

Mr. CARR. As a pledge.

Mr. RAYBURN. What do you mean by the word "pledge"?

Mr. CARR. To be held until the other Governments have satisfied these claims in accordance with the purpose of the Knox resolution.

Mr. RAYBURN. Well, "guaranty" and "pledge" and "security" in a debt are about the same thing, aren't they?

Mr. CARR. They are related to each other very closely.

* * * * * * *

Private property is respected even in the theater of war itself, where actual combat takes place. There are certain rules of civilized warfare found in our traditions and conventions, and especially in The Hague agreements, providing for the protection of private property. If private property has this protection in the actual scene of war, where necessity seems to be the first rule, how much more important and how much more compelling should it be when it relates to private property of nationals thousands of miles away from the theater of war?

Immovable private property can not under any circumstances be appropriated by an invading belligerent. Should he confiscate and sell private property and buildings, the buyer would acquire no right whatever to the property. All private railroad stock, ships, carts, horses, and so forth, seized for military purposes by an invading belligerent, must be returned at the conclusion of peace or compensation must be paid for them.

Alexander Hamilton made this statement:

Will justice sanction, upon the breaking out of a war, the confiscation of a property which during peace serves to augment the resources and nourish the prosperity of the State? The property of a foreigner placed in another country by permission of its laws must justly be regarded as a deposit of which the society is the trustee. How can it be reconciled with the idea of a trust to take the property from its owner when he has personally given no cause for its deprivation?

President Taft, in his annual message of 1909, in considering whether American enterprise should be encouraged in a particular war, said:

The Government should give full weight to the fact whether or not the government of the country in question is in its administration and in its diplomacy faithful to the principles of moderation, comity, equity, and justice, upon which alone depend international credit in diplomacy, as well as in finance.

In the hearings before our committee there will not be found a single witness, excepting the representative of the State Department, who is demanding the holding of this property as a matter of security.

The position of the Alien Property Custodian is described in these questions and answers:

Mr. HAWES. And I understand, Mr. Miller, that you do not believe the United States Government should take the position that property seized by the Alien Property Custodian from private individuals should be used by the American Government in the enforcement of its claims against Germany?

Mr. MILLER. I have stated here to-day a number of times that personally I would be opposed to the confiscation of private property to pay claims against the enemy government.

Mr. Herman J. Galloway, representative of the Attorney General's office:

Mr. HAWES. Upon the successful prosecution of the suit to whom will the property be returned?

Mr. GALLOWAY. Our authority is that the property should be put back where Congress intended it should be, namely, in the custody of the Alien Property Custodian, to let Congress dispose of it as they see fit. That was the intention of the original law, and that is the way we look at it.

Mr. HAWES. So that the object of the suit, then, is to take from this Chemical Foundation these patents and restore them to the possession of the Alien Property Custodian?

Mr. GALLOWAY. That is right.

Mr. HAWES. For him to decide, subject to enactment by Congress.

Mr. GALLOWAY. Well, I don't think he has any decision as to what should be done with them. I think Congress is the sole judge of that. The law was intended according to my theory of the original law, and that must determine what shall be done.

Mr. HAWES. And it is your opinion that all of these patents ultimately are to be restored to the original German nationals who own them, is it not?

Mr. GALLOWAY. I should not like to express my official opinion on that, but my personal opinion is that it is contrary to enlightened policy of international law to confiscate private property, of course.

The following questions and answers made by the Alien Property Custodian throw the calcium light upon the question of property now held by him belonging to the Austrian-Hungarian Republic:

Mr. HAWES. So the status of the Austria-Hungary portion of this bill is this: In the first place, they did not seize the property of Americans during the war, and, in the second place, what was Austria-Hungary is now six different republics or monarchies; and we are trying to hold the Austrian Government responsible, in an indirect way, for the conduct of five other governments over which they have no control.

Mr. MILLER. Yes, sir. That is the situation, and I have recommended to the chairman, in response to his letters to me, as chairman, action on the Austrian-Hungarian property as I have outlined.

Mr. HAWES. And you would recommend an amendment in this bill which would release all property of the former Empire of Austria-Hungary that is held?

Mr. MILLER. I do; and a number of those cases are pathetic cases. We hold hundreds of death benefits which we have collected on account of their nationals who were killed out in the steel mills and in the mines of the West, and we would like to give that back to them.

Mr. HAWES. So we are violating the traditions of international law, the opinion of Marshall and the dictates of humanity and all spirit of equity in holding these claims?

Mr. MILLER. May I put in there so anyone reading this testimony will understand my position? I am willing to recommend this, but, on the other hand, if the State Department comes to the hearings and through their representatives say that there are claims against Austria, I do not want to be criticized for suggesting this, but I have done it personally.

* * * * * * *

Mr. HAWES. As to the character of those claims against the Austrian Government, are not nearly all of these made by insurance companies?

Mr. MILLER. I think they are, sir; but I am not certain.

Former Austria-Hungary comprised an area of 261,107 square miles and had a population of about 52,000,000 people.

The present Republic of Austria has an area of only 32,400 square miles and a population of about 6,500,000 people.

These questions and answer prove conclusively the following things:

1. That Austria-Hungary did not seize any American property during the war.

2. That Austria-Hungary has been reduced from a population of 52,000,000 to 6,500,000, and that all property formerly held by the Alien Property Custodian of those people composing the 45,500,000 taken from the whole empire of Austria-Hungary has been returned.

3. That if this property is held, it is holding 6,500,000 people responsible for the acts committed by 52,000,000 people.

4. That the original sum seized from the Empire of Austria-Hungary was approximately $30,000,000; that $20,000,000 of this has been returned to the citizens of the new States carved out of the old empire; and that $10,000,000 is still retained by the custodian.

5. That there are practically no American claims against Austria-Hungary excepting those of insurance companies, and these are in dispute.

If American precedent, if the opinion of our statesmen, if our national policy and all appeal against the brutal, savage, and medieval doctrine of confiscation apply to Germany, how much stronger are the equities and justice in the claim for the restoration of the Austria-Hungarian property?

If Congress announces the new doctrine of holding private property for security for public debt, what is to prevent any other nation from adopting the same policy, and even in time of peace will some one not arise and urge that we take over the private property of French citizens in this country for the purpose of liquidating French obligations, that we shall take over the private property of Italians in this country to liquidate the Italian obligations, take over the private property of the English in this country to liquidate the English obligations?

Once we start a new precedent we do not know where it will stop.

We must remember that this property was not seized on the battle field but as the private investment of the peaceful citizens in a country which had invited them to invest.

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

Mr. NEWTON of Minnesota. I yield the five minutes that remain to me to the gentleman from Massachusetts [Mr. WINSLOW].

Mr. WINSLOW. Mr. Chairman, how many minutes will that give me?

The CHAIRMAN. The gentleman practically has 51 minutes, including the five minutes yielded to him by the gentleman from Minnesota [Mr. NEWTON].

Mr. WINSLOW. I will yield one minute to the gentleman from Minnesota [Mr. STEENERSON].

The CHAIRMAN. The gentleman from Minnesota is recognized.

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

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

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

Mr. STEENERSON. Mr. Speaker, the act "to authorize the improvement of Red Lake and Red Lake River, in the State of Minnesota, for navigation, drainage, and flood-control purposes," authorized the Red Lake conservancy district of the State of Minnesota to construct the improvements authorized to be deepen, widen, and straighten the Red Lake River and tributaries thereof, and specified that the work should be of a nature—

indicated and outlined in the report of the Chief of Engineers to the Secretary of War on March 28, 1919. (House Document 61, Sixty-sixth Congress, first session.)

The act further provided that unless the drainage and conservancy district, to which authority to do the work was granted, should within—

two years from and after the date of the approval of this act submit to the Secretary of War and the Secretary of the Interior, respectively, satisfactory detailed plans and agreements covering the works authorized to be constructed hereby, then, and in that event, all rights hereunder shall cease and terminate.

It is greatly to be regretted that the drainage conservancy district has failed to comply with the provisions of this act. This is indicated by the decision of the district court of the State of Minnesota, which is printed herewith, and also by the letter of the Secretary of the Interior. This project concerns chiefly the Red Lake Indian Reservation, and consequently legislation in regard thereto, in order to receive favorable consideration of Congress, should have his approval. It is indicated by the Secretary that he does not approve of an extension of time until the plans have been altered to comply with the purposes of the act of Congress, but that at any time in the future when there is a prospect that the work can be done as originally planned the extension can be granted.

It is now more than 15 years since I first secured legislation in Congress looking toward the initiation and completion of this project, which work culminated in the act of February 21, 1921, above quoted. It is now up to the State authorities and the drainage conservancy district to show that they are prepared in good faith to carry out in spirit and intent the act of Congress above cited, and when they are the extension of time required can no doubt be obtained.

COURT DENIES PETITION TO RED LAKE PROJECT—JUDGES GRINDELAND AND STANTON ISSUE ORDER DENYING PETITION IN SAID MATTER AND STATE REASONS THEREFOR.

STATE OF MINNESOTA,
County of Pennington:

In district court, fourteenth judicial district.

In re petition of C. O. Elg et al. for the improvement of the channel of the Red Lake River, in the State of Minnesota, by deepening, straightening, and widening the same, regulating the flow thereof, and for the improvement of the Red Lake in said State by the construction of a dam at the outlet thereof into Red Lake River and the construction of such improvements as may be necessary to secure the control of the waters of said Red Lake River and Red Lake and the tributaries.

ORDER DENYING SAID PETITION.

Hearing having been duly had at the City of Thief River Falls, in said county, before the undersigned, Andrew Grindeland, one of the judges of the fourteenth judicial district, and C. W. Stanton, one of the judges of the fifteenth judicial district, both sitting, pursuant to notice duly given as required by law, upon the petition of the board of directors of the Red Lake drainage and conservancy district, filed in the above-entitled proceeding, at which said hearing Messrs. C. E. Boughton, Julius J. Olson, and E. E. McDonald appeared as attorneys for the said petitioner, the Red Lake Drainage and Conservancy Board; Mr. Daniel B. Henderson appeared as attorney for the Red Lake Band of Chippewa Indians; and Messrs. William J. Brown, Theodore Quale, and O. A. Naplin appeared as attorneys for a large number of objectors. And careful consideration having been given the reports of the engineers and viewers filed herein, the evidence submitted, the arguments of counsel and all of the files and the whole record herein, the court finds as follows:

FACTS.

1. That the actual benefits resulting from the proposed improvements will not be greater than the cost of the construction thereof and damages.

2. That the actual benefits, as shown by the report of the viewers, would impose a burdensome and unwarranted assessment upon many of the tracts of land involved.

From the facts as hereinbefore recited, and for the reasons stated in the memorandum appended hereto, which it hereby made a part hereof, the court finds as conclusions of law—

That the petition herein should be denied and this proceeding be dismissed.

It is so ordered.

Stay of 30 days ordered.

Dated February 10, 1923.

By the court.

(Signed) A. GRINDELAND,
(Signed) C. W. STANTON,
District Judges.

MEMORANDUM.

It is with no little regret that we make the foregoing order of dismissal of this proceeding. The public improvement sought is vastly important, and much effort and a considerable expenditure of money has been devoted to preliminary work and in providing the means, through both Federal and State legislation, to make it possible to carry out the project.

It is our opinion, though, that the conclusion is inevitable from the record now before us that the establishment of the project can not justly be made in the manner now contemplated. It throws the burden of the entire cost upon the lands included in the viewers' report, while the conceded facts are that a considerable part of the entire assessment is for benefits which are not special to the lands assessed, but general to the large area tributary to Red Lake and Red Lake River, and that water-power interests and certain municipalities are to be specially benefited; and, further, that certain lands in the Clearwater River watershed, now subject to overflow from the Red Lake River and not included in the report, will be specially benefited.

In this connection it is pertinent and interesting to refer to House Document No. 61, Sixty-sixth Congress, first session, which forms a part of the petition for this project. This document includes the report of the United States Board of Engineers for Rivers and Harbors, approved by the War Department, from which it appears that the estimated cost of this project was $779,300, and the recommendation is made that the apportionment of cost among the "interests concerned" be as follows:

	Improvement.	Maintenance and operation.
Water powers	$240,000	$3,700
Indian lands	236,800	3,650
Lands outside Indian reservation	248,500	3,850
Municipal water supply	39,000	600
Federal Government for navigation	15,000	200
Total	779,300	12,000

And the report of George W. Freeman, United States district engineer, which also forms a part of this document, states:

"An equitable apportionment would be based upon the proportionate benefits to be received by the various interests. In paragraph 7 it has been shown that if the four developed water powers could utilize the whole of the increased low-water flow they would benefit by about $12,000 per month during months of natural low water. It would appear from inspection of the discharge record that such a saving would result in at least an average of three months per year, making a saving of $36,000 per year. This would be equivalent to a return of 15 per cent annually on an investment of $240,000, a return sufficient to pay off the bonds, interest on bonds, dividends, and an annual proportionate allotment toward maintenance and operation of the work of improvement. * * *

"Municipal water supply would receive benefits at Crookston and Grand Forks. As a tentative measure of benefit, take the 26,000 inhabitants as forming 6,500 families and assess their benefit at 10 cents per family per month for three ordinary low-water months per year, giving a charge of $1,950 per year, which for the 20 years the land-assessment bonds would run would produce $39,000 for the project."

At the hearing at which this petitioner, the Red Lake Drainage and Conservancy District was created, which was attended by several hundred of the settlers whose lands are now sought to be assessed for the whole cost of this project, it was stated and distinctly understood that the apportionment of the cost would be approximately as set forth in House Document No. 61. Now, however, the plan is to make no assessments against water powers, either developed or undeveloped, but instead to rely upon exacting rentals from the water-power interests for the use of water in the future. The trouble with this plan is that, under the law (sec. 15, chap. 13, special session laws of 1919) such rentals can not be applied on the assessments against the lands or in payment of the bonds. In other words, under the viewers' report the water-power interests are not assessed, but the assessment thereof is to be left to the judgment of the board of directors in the future. The court would have no objection to allowing the board to exercise this judgment, knowing that, with its present members, such power would be properly exercised. But conceding that after the improvement is made the water-power interests could and would be assessed, under the law as it now stands the money would go into the general treasury of the district. There is nothing in the law by which the person who paid the original amount could be reimbursed. True, remedial legislation could be enacted to that effect, but the court must deal with the situation as it now exists and not with what may happen in the future. If such proper remedial legislation is enacted, there is nothing to prevent the board from again bringing this matter before the court.

It is significant, too, that the fixing of the water levels of Red Lake is made with apparent disregard of the lands bordering the lake and its tributaries and wholly in the interests of water-power development. True, these lands are not reported as lands benefited, from which omis-

sion it can pretty safely be assumed that they are lands to be damaged, but no provision is suggested for the protection of the vested rights of these landowners.

It is a conspicuous fact that nearly all of the resident landowners whose lands are included in the viewers' report, except those residents in the town of Hickory and vicinity, are opposing the establishment of this project and many of them took the witness stand and made vigorous protest. Many of them are now burdened with ditch assessments and other indebtedness and are in bad financial condition. They ought, in justice, to have the controlling voice in saying whether the actual benefits to their lands to result from this project are such as to justify the imposition of its cost upon them. It is idle talk to say that only the interest will be exacted for the first five years. The fact remains that the total assessment will be a lien on the land until both the principal and accrued interest are paid.

This project, if ever constructed, must be fairly and equitably financed, requiring every interest concerned and benefited to come forth with its proportionate share. To require one of these interests to provide the cash for the enterprise and then await the volition of the others or the uncertainty of future legislative enactment for reimbursement would be as absurd and ridiculous as it is illegal and unjust.

To summarize briefly, it must be conceded:

1. That a large part of the assessment is for benefits which are not special to the lands assessed, but general to the community See in re Judicial Ditch No. 2, Itasca County (139 Minn. 332).

2. That the majority of the resident-owners of the land assessed are opposed to the project.

3. That the assessments of benefits and damages are not fair and equitable.

4. That to require the farmers and other landowners to bear the total cost and leave water-power interests and others exempt from assessment is to take the property of one for the benefit of another.

5. That in the present period of agricultural depression and high taxation it would be not only unjust but against public policy and interest to add to the financial burdens of the landowners unless the reasons for doing so are strong and convincing, besides clearly equitable and legal.

6. That the law under which this proceeding is authorized (ch 13, Special Session Laws, 1919) should be amended so as to provide: (1) For the application of the revenue from the use of water to the payment of bonds issued for the improvement made and refundment to the persons who have paid assessments; (2) for the limitation of the authority to levy a sum greater than 10 per cent in excess of the engineer's estimate of the cost of any project; and (3) for the issuance of bonds to run 30 years or more, all substantially as recommended by resolutions adopted by the board of directors of the Red Lake drainage and conservancy district on December 29, 1922.

For these reasons, and others disclosed by the record, we feel impelled to deny the petition.

Dated February 10, 1923.

ANDREW GRINDELAND,
C. W. STANTON,
District Judges.

DEPARTMENT OF THE INTERIOR,
Washington, February 10, 1923.

Hon. H. STEENERSON,
House of Representatives.

MY DEAR MR. STEENERSON: Further reference is made to your communication of January 16, 1923, inclosing telegram addressed to you by Mr. C. G. Selvig, president of the Red Lake Drainage and Conservancy Board, of Crookston, Minn., relative to having section 5 of an act approved February 21, 1921, entitled "An act to authorize the improvement of Red Lake and Red Lake River, in the State of Minnesota, for navigation, drainage, and flood-control purposes," amended to authorize the drainage and conservancy district to submit to the Secretary of War and the Secretary of the Interior, respectively, satisfactory detailed plans and agreements covering the works authorized to be constructed within a period of three years from the date of approval of said act instead of two years as now provided by law.

In view of information that I have and surrounding circumstances concerning conditions, I do not deem it advisable at this time to recommend the enactment of legislation as requested. It would seem the better plan would be to await final action by the State court and by the State legislature to amend the State laws as referred to in Mr. Selvig's telegram; and then should it be deemed advisable to proceed with the drainage scheme, the necessary additional legislation could, no doubt, be obtained.

Sincerely,

ALBERT B. FALL, *Secretary.*

THIEF RIVER FALLS, MINN., *January 20, 1923.*

Hon. HALVOR STEENERSON,
Washington, D. C.

DEAR SIR: I have to-day received your favor of the 16th instant regarding Red Lake drainage project and inclosing copy of telegram from Mr. Selvig, of Crookston.

As you are perhaps aware, this conservation district was originally organized for the purpose of improving Red Lake River in accordance with Document 61 of the Sixty-sixth Congress, which document provided for payment of practically one-third of the cost by the water powers, one-third by the farm lands, and one-third by the Indian lands on the reservation. The conservation board has apparently made a muss of the whole proposition and brought before the court for hearing a plan where the whole cost is assessed as benefits against the farm lands and the Indian lands, and whereby it will become necessary that bonds be issued on these assessments for the construction of the whole project, the farmers' holdings and the Indian lands thereby financing the whole original cost. A visionary plan was outlined by Meyers, whereby in the future the water-power companies were to be compelled to pay rentals for the improved use of the water, but no provision is made for any reduction of the assessment of any farmer because of such expected payment by the water-power company.

Eight townships in Pennington County and a portion of a township in Marshall County are assessed for benefits, the assessments being as high as $8 an acre. Outside of a small segregated bunch down in the town of Hickory, in what is alleged to be the old Hickory swamp, the opposition to the project is absolutely unanimous, except for one party, so far as we are able to discover. The seven towns in Pennington County are fighting the proposition, as townships and every resident of the seven towns in opposition, and of the one town in Marshall County, are unanimous except one, and are unalterable in their opposition to the project.

I represent all the opposition, and we have had our hearing in court; and it does not seem to the writer even remotely possible that the court will establish the project. I am now advised that the decision of the court will be made early in February, and would have been made before this had it not been for the fact that there was great delay in presenting the briefs of petitioner to the court. The petitioner is the Red Lake Conservancy Board.

The writer did have a talk with Senator Cliff, wherein Senator Cliff asked the writer of his opinion if any adjustment could be made, and I told Mr. Cliff that I would have to consult the committee who represent the farmers and would express no opinion for them as to the possibility of a compromise, and Senator Cliff now and has at all times understood the matter that way, and will so state. I have consulted with the committee in regard to the matter, and they will listen to no compromise. One reason for this is that they advised me that they have lost all confidence in the conservancy board and do not desire any further proceedings to be taken by this board. I am writing Senator Cliff to that effect to-day.

Concerning the extension of the enabling act in Congress by further congressional legislation at this time is a matter of indifference to these people unless it will result in further activity by the conservancy board. In such case they would be strictly opposed to any such legislation.

Mr. Henderson has a copy of my brief in this matter, which outlines our views in regard to the whole proceeding, and I am sure that Mr. Henderson would be glad to send you his copy if you desire. I have not an available copy at this time, but will gladly supply you one later if you desire it.

I thank you very much for your courtesy in writing me in regard to the matter, and would further heartily thank you for information as to further activities of the conservancy board or others in regard to the matter.

Yours very truly,

WM. J. BROWN.

FIRST NATIONAL BANK BUILDING,
THIEF RIVER FALLS, MINN.,
February 17, 1923.

Hon. HALVOR STEENERSON, M. C.,
Washington, D. C.

DEAR SIR: You are doubtless advised before this time that the court decided against the establishment of the Red Lake drainage project. A perusal of the opinion leads one to the belief that it is the acts of the conservancy board that were condemned by the court's decision. In other words, while the court expressed confidence in the personnel of the conservancy board, yet the opinion itself constitutes an indictment for poor management and bad judgment that should lead the chairman of the conservancy board to resign his office. * * *

* * * * * * *

The proposition of the board to load this whole cost upon the farmers and the Indian lands was so arbitrarily unjust that we felt impelled to use every method of defeating it. Now, that this proposition is out of the way, we again recognize the worth of the proposition for drainage if rightly handled, and would like to have matters in as favorable a condition as possible, to the end that when better times come, the project can be again initiated if those interested so desire.

Thanking you very much for your extreme courtesy in this matter, I am,

Yours very truly,

WM. J. BROWN.

Mr. WINSLOW. Mr. Chairman, I yield six minutes to the gentleman from California [Mr. LEA].

The CHAIRMAN. The gentleman from California is recognized for six minutes.

Mr. LEA of California. Mr. Chairman, I am in favor of the passage of this bill as it is written. I distinguish between our right and the question of what we ought to do. As I view the situation, there is no question about the right of the United States to apply this property to the satisfaction of claims of American citizens against Germany. We have that right by international law. It is true the exercise of that right has been denounced as immoral for several centuries. But as a legal right under international law America can lawfully confiscate the property in the custody of the Alien Property Custodian and apply it to the satisfaction of American claims. Regardless of international law that can be done, because that right is given by the terms of the treaty, by the provisions of the treaty of Versailles, embodied in the treaty of Berlin, which specifically gives us that right.

But I am entirely willing to meet this question from the broad standpoint of what is right, what is moral, and what is the diplomatic and appropriate thing for this Government to do. The treaty of Berlin gives us the right to establish the clearing-house system for the settlement of these claims. There is abundant authority for the clearing-house system. It was followed during the Revolutionary War. It was followed with France in 1831. It was applied in the settlement of the Alabama claims and in the settlements that followed the war with Spain. Under the clearing-house system Germany has agreed to compensate her nationals for their claims against this country, and she has conceded that the property now in the hands of our Alien Property Custodian shall be applied in satisfaction of the claims of American citizens against Germany.

For four years this property has been held under solemn agreement for this purpose, with a provision that it shall not be turned back until "provision" has been made for the satisfaction of American claims. Suppose we turn all this property back, what have we? It is a proposal that after having held this property for four years to secure the settlement of Amer-

ican claims we should turn it back without even having made an agreement on a plan by which American citizens are to be indemnified. It would be a course that could be explained only on the theory of incompetence, indifference to the rights of our own citizens who suffered outrageous indignities at the hands of Germany, or of trifling with the rights of aliens whose property we hold. We can never expect other nations to regard and respect the rights of American citizens unless our Government is jealous of those rights; quick and sure to defend those rights and slow to sacrifice or yield them.

What is international law and what determines our conduct toward other nationals? It is the rule of international conduct based on comity, on the practice of nations and agreements called treaties. International duties are based upon reciprocal rights mutually recognized. The rights we grant to others we claim for our own citizens.

We do not propose an eye for an eye and a tooth for a tooth as has been declared here. But if we turn this property back without any provision being agreed upon for the satisfaction of American claims it will be a case of Uncle Sam turning the other cheek.

So I believe that the diplomatic thing to do is to retain the bulk of this property until satisfaction or proper provision has been made for the settlement of American claims. That does not mean that we will confiscate this property. As to the property we do not now return, we simply maintain the existing status. If there be any offense it is only the continuation of an offense already committed. I am willing to concede that when we took the property of these aliens we assumed an obligation to them that is not fully discharged by turning them over to Germany, a bankrupt debtor. And for the purpose of this argument, I am willing to concede that we should not confiscate this property. But as a diplomatic proposition, and as insisting upon the proper treatment of our own nationals, I maintain that it is perfectly right and consistent with the practice of nations in their relations, so far as modern civilization has been known, for America to insist that before we surrender this security our own citizens shall be provided for. [Applause.] We may justly say to Germany, "We hold this property of your citizens. You have agreed we may take it and apply it to the settlement of American claims. We do not want to do that. We want to return it to your citizens at the earliest possible date, but before we do that we want you to provide for the settlement of the claims of our people." Can Germany complain at that?

When we return as high as $10,000 of each trust, as this bill proposes, we settle in full, 93 per cent of all the trusts in number; we ameliorate the hardships of retaining this property, and at the same time we will not substantially impair any purpose for which it is held.

Mr. DAVIS of Tennessee. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. I yield 10 minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER of Wisconsin. Mr. Chairman, I have here a work of authority on international law. It is the Wilson and Tucker book—George Grafton Wilson, professor of international law in Harvard University, and George Fox Tucker, late reporter of decisions of the Supreme Judicial Court of Massachusetts, a volume used in Georgetown University and in many other of the great schools of the country as a textbook. I read from page 249:

> Many modern treaties provide that in case of war between the parties to the treaties subjects of each State may remain in the other, "and shall be respected and maintained in the full and undisturbed enjoyment of their personal liberty and property so long as they conduct themselves peaceably and properly and commit no offense against the laws." The most recent practice has been to exempt personal property of the subject of one belligerent State from all molestation, even though it was within the territory of the other at the outbreak of war. Of course, such property is liable to the taxes, etc., imposed upon others not enemy subjects.

I now invite attention to the rules of war issued by our own War Department:

> Instructions for the government of the Armies of the United States in the field.
> War Department, Adjutant General's office, April 24, 1863.

Here is section 38:

> Private property, unless forfeited by crimes or by offenses of the owner, can be seized only by way of military necessity for the support or other benefit of the Army or of the United States.
> If the owner has not fled, the commanding officer shall cause receipt to be given, which may serve the spoliated owner to obtain indemnity.

Under these rules of war, laid down by our own War Department, there can be no confiscation of private property.

In this book is also a copy of the convention for the pacific settlement of international disputes known as The Hague Convention of 1907. An annex to that convention is entitled "Regulations respecting the laws and customs of war on land."

One of these regulations is:

> ART. 46. * * * Private property can not be confiscated.

These statements of the law are in exact accord with the views of Senator Knox. Now, the gentleman from Illinois [Mr. CHINDBLOM], with something of criticism in his tone, asked the gentleman from Missouri [Mr. HAWES] if Secretary Knox meant what he wrote or if he would have said something different had he been Secretary of State instead of a United States Senator.

Mr. CHINDBLOM. That is not what I said.

Mr. COOPER of Wisconsin. That is precisely what the gentleman intimated.

Mr. CHINDBLOM. That is not what I said.

Mr. COOPER of Wisconsin. The gentleman intimated that there might have been a different expression of opinion.

Mr. CHINDBLOM. I asked the gentleman if he knew of any act of Secretary Knox while he was Secretary of State. If he did, I wanted to know it as a matter of information.

Mr. COOPER of Wisconsin. And the gentleman from Illinois also asked the gentleman from Missouri [Mr. HAWES] more than once if he knew whether if Knox had then been Secretary of State he would have said what he did.

Mr. CHINDBLOM. I did not say that, sir.

Mr. COOPER of Wisconsin. Then I entirely misunderstood the gentleman from Illinois.

Mr. FIELDS. The gentleman said something very similar to it.

Mr. COOPER of Wisconsin. Yes; something very similar, half a dozen gentlemen over here say.

Senator Knox wrote in his letter to Professor Borchard, of Yale University:

> I am in entire sympathy with your views relative to the seizure of German private property during the war. I have expressed on the floor of the Senate the opinion that in order to follow our traditions, and be decent, this property should be returned.

Our traditions! What traditions? The traditions of the Senate? No; not at all; but the traditions of the National Government—the great traditions of the State Department, of which he had been an illustrious Secretary. Our traditions and common decency, said the Senator and former great Secretary of State, demand that this property be returned. He declared also in the same letter that respecting the seized property, our only proper function was to conserve it during the period of hostilities and retain possession of it only until the adjustment of the terms of treaty of peace with Germany.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. COOPER of Wisconsin. I can not yield, I regret, as I have only 10 minutes. I have here a letter from a friend in my district.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. COOPER of Wisconsin. I can not unless I can get my time extended. Here is a letter, dated January 15 last, from one of my constituents. Let me read a part of it:

> The custodian has had investment interests and real estate turned over to him in the Fannie Kords matter aggregating nearly $37,000.
> Personally it would please me to have everything returned and the office of Alien Property Custodian abolished, but I suppose there are powerful influences who bought German patents from the custodian who would fight that desperately.
> The reason Mrs. Kords is still in Germany is that she has no money to buy transportation and the necessary clothing. I have advanced her nearly $4,000, which she used in paying debts contracted during the war and living expenses since 1918; but there is a limit to what I can do.

Let no person rise here and tell me that you and I have the right—not the power, but in justice and honor, the right—by our votes, to give to any man the authority to hold the property of that aged widow, a refined, delightful woman, as security for something which a government may owe to somebody else.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. GRAHAM of Illinois. Is this woman an American citizen?

Mr. COOPER of Wisconsin. No.

Mr. GRAHAM of Illinois. Had she resided in the United States?

Mr. COOPER of Wisconsin. Yes. I knew her.

Mr. GRAHAM of Illinois. She went to Germany and was detained there?

Mr. COOPER of Wisconsin. She was caught there by the war and could not come to the United States.

Mr. GRAHAM of Illinois. Well, she will get $10,000, and she will not only get $10,000 but the income on all the rest.

Mr. COOPER of Wisconsin. That makes no difference at all. You have no right to confiscate any part of that woman's property under the rules which for 100 years have governed civilized warfare.

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

Mr. COOPER of Wisconsin. I would like to have a minute more.

Mr. RAYBURN. I yield to the gentleman one minute.

Mr. COOPER of Wisconsin. What is now being done here is in accord with what has been before attempted. The original peace resolution—I hold in my hand a copy of it—after reciting that peace had come between the United States and Germany, provided, among other things, that "all fines, forfeitures, penalties, seizures, and sales imposed or made by the United States of America are hereby ratified, confirmed, and maintained."

That was a deliberate attempt to ratify the sales made by the Alien Property Custodian, A. Mitchell Palmer, when he disposed of the German patents, sales in which, as President Harding has declared, the inadequacy of price was so gross as to constitute a badge of fraud. That resolution (H. J. Res. 126) was introduced in the House on May 20, 1921.

Mr. ELLIS. Was it passed?

Mr. COOPER of Wisconsin. No; but it was introduced by the chairman of the Committee on Foreign Affairs after consultation with the present Alien Property Custodian, and plainly shows the custodian's attitude toward the property.

Under leave granted I desire to add a word that I was by lack of time prevented from saying to gentlemen here who demand that this Government do everything that it has the power to do in accordance with the letter of the law—gentlemen who insist on the letter of the bond.

These gentlemen this afternoon loudly cheered at the conclusion of the reading of Washington's Farewell Address; I wish now to invite their especial attention to a passage in that immortal document which may have escaped their notice:

> It will be worthy of a free, enlightened, and at no distant period a great nation to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt that in the course of time and things the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it?

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. WINSLOW. Mr. Chairman, I yield eight minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman and gentlemen of the committee, there is little difference between us regarding the law. The United States has always stood for justice with regard to this class of controversies. The United States has always stood and insisted that when private property of aliens was taken in war that it should be returned or its value accounted for. The United States has often gone further than that. As the gentleman from Pennsylvania stated, very early in the history of our country we tried to apply that proposition to the taking of property upon the seas as well as on the land. We stand committed to that doctrine. We have never violated it throughout our entire international history. We stand for it to-day.

Now, what is the situation that we have confronting us now? During the war with Germany, property belonging to German citizens in our territory was taken over by the United States Government. Gentlemen now say that it was wrongfully taken over. Gentlemen now say that we had no right to do it, and, strange to say, the gentlemen who most loudly proclaim that doctrine belong to the party of the administration that took over the property. It was not the present administration that was responsible for taking the property; it was the last administration.

This present administration is trying to do its very best to see that no wrong shall come because of that taking over, if any wrong was done, of the last administration, and I ask you gentlemen to remember this fact: That if wrong was done by the last administration, either in taking over the property, in handling it, or disposing of it, this administration is called upon to right the wrong and make restitution, because if property taken over by the last administration was sold for a price less than its value, then this administration will have to account for it, for the reason that it is not what the property sells for, it is what the property absolutely is worth that the National Government will be called upon to account for when it comes to final settlement.

What has this administration done with regard to the matter? The United States and its nationals have claims against the German Government for probably over $100,000,000. The German Government and German nationals have claims against the United States amounting now to about $350,000,000. We say to Germany, "Let us settle these claims in an amicable way," and we enter into negotiations with Germany, and a commission is appointed for the settlement and ascertainment of those claims. Is not that a good thing to do? Do gentlemen not agree to that? Within three years after the war had closed, not at a time when we could impose or sought to impose a treaty upon Germany, we made a declaration with regard to peace between this country and Germany, and entered into negotiations with Germany asking that the settlement should be deferred until there could be an adjustment of claims on both sides, and that the property should be retained until it could be settled on both sides. Was that a wrong thing to do? Gentlemen say that we are now holding this property and by that means are confiscating it. No; very far from that. By arranging to pay the claims, by entering into an agreement as to a means of paying them, we acknowledge our liability, not disclaim it. To adjust conflicting claims is an arrangement to pay them, not to repudiate them.

It is a reasonable thing, it is a fair thing. It is international law, and it will be respected in any international court. An arrangement has been made that pending ascertainment and adjustment of conflicting claims the United States shall hold the property until the claims of the United States and its nationals shall be ascertained and settled. That is not confiscation. And now we go further; we voluntarily say by this legislation that as we have more than enough to satisfy German claims we will relinquish a fair surplus to claimants. We offer to pay all claims up to $10,000. That will pay in full over 90 per cent of the claims, about 27,000 of the 30,000 filed. Gentlemen complain of that. They declare that by not paying all we declare a policy of confiscation. They declare that making a payment on 90 per cent of the claims in full and of $10,000 on all others is repudiation. They declare that a contract that an adjustment of conflicting claims shall be made is bad policy and that with German property in our hands which Germany agrees shall be held until our claims are fully paid we should surrender it all and trust the chance that a bankrupt and dismembered government may some time pay our claims. That is unreasonable. It is foolish. It is unjust. We are by this legislation not only doing the fair thing, we are acting generously. No man of any party can justify a vote against this bill.

Mr. RAYBURN. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I want that one minute to say that the whole argument of the gentleman from Iowa [Mr. TOWNER] was based on the statement that on this side we had asserted that the original taking of this property was unlawful or wrong. I have not heard a single soul make that statement.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. I am very glad, indeed, that the gentleman from Texas corrected the statement of the gentleman from Iowa with reference to the attitude of the minority upon the question of the original right of our Government to seize this alien property. We admit that the Government had the right to do it. We admit that it was proper for the Government to seize this property, but upon what theory was it seized? Surely not to dispossess the owners of the title to their property. It was seized upon well-recognized principles of international law, in order that the property itself during the conflict might not be used by alien enemies, or its custody withdrawn from our territory to be used by the enemy elsewhere. It was seized upon that principle, and when it was seized what position legally did the Government of the United States assume with respect to it? Purely that of a custodian or a trustee.

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

Mr. BANKHEAD. No; I can not yield. I have only a limited time.

It was taken over also in order to protect it against waste and seizure, possibly, by those who had no right to take it in the absence of its owner. So that when it was seized the Government of the United States in its legal aspect assumed the position of a trustee to guarantee that it should be conserved and not destroyed for the period of the war. The war has been over for a number of years. This trustee, this Government of ours, still has possession of the property, but I have not heard any advocate of this bill so bold as to make the argument here that when we seized the property we acquired title to it and, therefore, the right to confiscate its use. We should look at this problem from the broad aspect of what is the proper moral, as well as the legal, disposition to make of it.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. BANKHEAD. Yes.

Mr. KELLEY of Michigan. The gentleman from Pennsylvania [Doctor TEMPLE] asserted a doctrine which I think would appeal to the gentleman from Alabama, in that the German Government had agreed that this arrangement should be made. Does the gentleman from Alabama think that the German Government had no authority to make such an arrangement with the United States with respect to this property?

Mr. BANKHEAD. I think it had the right to make an arrangement with the United States undoubtedly.

Mr. KELLEY of Michigan. If it had, then it becomes responsible to its own citizens for the claim.

Mr. BANKHEAD. But because the now existing Government of Germany made an arrangement with the Government of the United States in a treaty of peace, it could not, either by international law or in good conscience or morals, thereby deprive the owners of the property of the inherent right they would have as owners in the property.

Mr. KELLEY of Michigan. Without its becoming liable to those owners.

Mr. BANKHEAD. In no event, as I look at the proposition.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. DAVIS of Tennessee. I call attention to the fact that in order that article 5 of the Berlin treaty may prevail against German nationals it is necessary to treat it as retroactive, because it changes previous treaties and the previous status of nationals and their property.

Mr. BANKHEAD. Of course. What disposition should we make of this property? This is not a partisan question, although an effort has been made to criticize the former administration.

The question is, What in equity and in good conscience as a matter of practical statesmanship should we do with this German property? Why, I asked the gentleman in charge of this bill, the gentleman from Minnesota [Mr. NEWTON], if he believed in confiscation, and he said, "no"; he repudiated the doctrine. I asked him if Germany did not settle those claims, how long were they to hold this property, fifty years, and he said probably so, if these claims were not settled. Gentlemen, does not that mean the practical confiscation of this property? If you deny the legal owners of this property the right of its possession and use for a long period of time—say, 25 or 50 years—is not that tantamount to its absolute confiscation, because the interest upon it, they being deprived of its possession for that period of time, would more than amount to the principal, and in the long run it would be confiscation. So that, gentlemen, the position I take is that as trustee of this property, the question as it now comes is, What disposition shall we make of it? The treaty of Berlin provides that it shall be held by the Government of the United States until the question of its disposition shall be determined by law, and assuredly the law referred to is such law as we shall enact at this time, now that we are undertaking to deal with the subject. Otherwise it will simply resolve itself into the question of shall we hold it, denying any claim of ultimate confiscation, or shall we return it to the owners and allow them to use it as they see fit as their own property. If it is correct in principle, as has been asserted here on this subject, to return a part of the property, why should it not be equally right to return the whole property at this time and settle this whole problem and get rid of the tremendous expense and annoyance of taking care of and conserving these various estates? Why hand out to these alien property owners a mere dime when we admit that we owe them a dollar and when we admit in the same breath that it is our purpose ultimately to return to them the whole dollar?

It is admitted even on the other side that we should not permanently retain the other 90 per cent of the dollar and attempt to sequestrate it and sell this property in order to collect these debts owed to our private citizens. That is the whole proposition, as I see it, involved in this controversy, and that is the reason why I think the amendment that has been suggested by the gentleman from Texas, when it comes up, should be adopted. What policy have you announced here, the responsible leaders of the majority in favor of this bill, as to what we are going to do with this other 90 per cent of the property? How long are you going to hold it; what terms are you going ultimately to make in reference to its disposition? You have not asserted any policy. You have given us no light on this subject as to what you ultimately propose to do with reference to its future disposition, but here and now we have an opportunity to settle this whole problem in one action and to settle it upon terms of good conscience, equity, and law. Some gentlemen have asserted here that there have been international precedents for this action as proposed by the majority, and my attention has been called to the fact that the settlement of the controversy with France, cited by the gentleman from Illinois [Mr. DENISON], was not at all the matter of taking property in rem, not actual tangible property which has been seized and was being held by the Government as trustee, but one relating to the settlement en bloc of mutual claims which had not been adjusted and did not involve the actual seizure of either personal or real property. There is written in the Constitution of the United States a provision, "Nor shall private property be taken for public use without just compensation to the owner." We are jealous of that right, of course, in reference to our own citizens, and, as has been suggested here, although I have absolutely no patience with the Prussian dynasty with which we combatted during the war, I might say incidentally I have no resident in my district who is a national of Germany who has one dollar's worth of property held by the Government as an alien, yet by the ordinary rules of procedure and hospitality and international policy it seems to me that if we are so zealous of the protection of the rights of our own citizens as to write it into our law that they shall not be deprived of property for public use without compensation, surely we are responsible to those visitors who have come into our midst and invested in property here, under the promise of our protection of their property, to the same character of protection that we give to our own citizens under the Constitution. As a matter of law, the provision of the Constitution to which I have referred protects alien property from seizure for public use as much as it protects that of our own citizens. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield eight minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none.

Mr. NEWTON of Missouri. Mr. Chairman, I am one of those who believes it is right to return all the property. I introduced a bill into this House providing for the return of all this property 18 months ago. But if it was right to return all the property then, certainly it is right to return a part of the property now. [Applause.] I am for this bill because, in my judgment, it is the most feasible undertaking that is possible at this late day. From reliable information I am convinced that if we include all the property now, the bill will not pass the Senate. There are millions of people in Germany and Austria who are starving. If we pass this bill 30,000 trusts will be paid in full and $10,000 will be paid on each of the remaining claims; $45,000,000 will be released and that would give a world of relief over there. I called upon the Secretary of State a few days ago for information as to the real conditions in central Europe as reported to him by our diplomatic and consular representatives. The Secretary of State replied to me under date of January 5, 1923, in which he says in part:

> The following information and statistics have been submitted to the Department of State by official American representatives in Germany charged with the compilation of such material.

Mr. Hughes then proceeds to quote from a number of reports submitted by our consular representatives.

A report dated September 20, 1922, gives a quantitative estimate of grain crops in Germany as follows:

November, 1913: The crop for 1913 was 3,532,617 tons of winter wheat. In 1922 it had fallen to 1,637,157 tons.

In 1913 the summer-wheat yield was 510,467 tons. That fell down in 1922 to 268,566 tons. These reports are from our American consuls.

In 1913 winter spelt—that is a species of rye growing in southern Germany—yielded 437,787 tons, which fell in 1922 to 127,957 tons.

Rye, which is their staple for breadstuffs, had a yield in 1913 of 9,087,150 tons, which fell in 1922 to 5,285,231 tons.

The Secretary of State says that in a report from the consul dated November 23, 1922, the following statement is made:

> It is now thought that the grain supply on hand in Germany will last until February instead of January, 1923, as heretofore reported.

I had information to the effect that the Reparation Commission had stated that the grain supply would only last until January, and it would take 2,000,000 tons of grain to feed the people and keep them from starving during the winter. They had evidently made the same statement in a former report, but later information indicates that their bread supply will last until February.

This is due to the importation of large quantities of grain from abroad.

It is clear that the food supply of Germany for the current year is not more than one-half of what it was in 1913. Then one of our consuls reports to the State Department, November 23, as follows:

At present much distress prevails in Germany. The papers are full of appeals for aid to the poor and the people are urged to do everything possible to relieve the great suffering. The fuel situation remains unsatisfactory. Coal prices had to be increased, which is due in no small measure to the fact that a million tons of coal have had to be imported from England each month, the exact figure for October being 918,598 tons. Fortunately for the poorer classes, the winter so far has been quite mild, making the use of coal for heating purposes practically unnecessary. Should colder weather set in, however, the suffering of the poor and of the middle classes will probably be very great, since the price of coal is practically beyond their reach.

Mark you, that report was dated November 23 last. I am advised that cold weather since then has brought untold suffering.

Then I want to call your attention to a statement which the Secretary of State quotes from our ambassador in Berlin. Here is what he says under date of December 21 last:

The milk supply of Berlin is only one-half its former quantity. The bread consumption per capita is 104 units to-day as against 240 units in 1914. In many wards of the city more than one-half of the children are tubercular, and a considerable portion of the population there are wholly without fuel. The ambassador adds that he believes there will be great distress among the population before the middle of February when the food supply will run short and regards the possibilities as appalling.

Gentlemen, imagine, if you can, a situation in a great city like Berlin, with more than 50 per cent of the children in large areas of the city tubercular, without adequate milk; and then imagine the same children undernourished and sick and without fuel to produce heat to keep their bodies warm. If there ever was a time when we ought to act, it is now, and we yet are holding away from 30,000 of those starving, suffering people, to whom we pledged our friendship when the war began, the money that belongs to them.

Oh, you can talk about confiscation and about charging their claims against a bankrupt German Government if you will, but those people came to this country under a treaty agreement which guaranteed protection to their property.

It is interesting to study the provisions of Article XXIII of the treaty in force during the war between the United States and Germany. It reads as follows:

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen unarmed and inhabiting unfortified towns, villages, or places, and, in general, all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments and shall not be molested in their persons nor shall their houses or goods be burnt or otherwise destroyed nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force the same shall be paid for at a reasonable price.

The office of the Alien Property Custodian was created within six months after the declaration of war, and I do not know of any German national who was ever permitted to carry off any of his effects which happened to be in this country when war was declared.

The only justification for the creation of the office of Alien Property Custodian was to prevent the nationals who were then our enemies from using their property in this country against us during the war. That was the reason which justified our action at that time, but that reason ceased to exist over four years ago, and still we are holding the property, in the face of our treaty obligations to the German national—a treaty obligation entered into in time of peace when the blood was cool—a treaty obligation which the nationals of Germany and Austria had the right to assume we would faithfully keep, an obligation which plainly provides that the merchant has nine months to carry off all his property, without molestation or hindrance; that all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed, inhabiting unfortified towns, villages, and places, and, in general, all others whose occupations are for the common subsistence and benefit of mankind should be allowed to continue their employments without molestation.

Could anything be clearer as to the obligation of this Government to protect the national who did not start the war, who could not control the war, who had no power to stop the war?

I have read the debate at the time the alien property bill was passed, and the statements of those who contended that war terminates all treaties. I have read article 23 of the treaty with Germany. In order to show how determined they were that war should not terminate the treaty, let us read article 24 of that document:

And it is declared that neither the pretense that war dissolves all treaties nor any other whatever shall be considered as annulling or suspending this and the next preceding article, but on the contrary, the state of war is precisely that for which they are provided and during which they are to be as sacredly observed as the most acknowledged articles in the law of nature and nations.

Then, too, our President in his message delivered on the day preceding the declaration of war renewed our pledge of friendship to the people of Germany. Let us examine his words:

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that the Government acted in entering into this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when the people were nowhere consulted by their rulers.

That was our declaration, and through the President we declared further:

We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its people, the German people included.

We made a distinction always between the kaiser's government and the German people. We declared that with the people of Germany we had no quarrel over the war; that they did not start it; that they could not stop it; that they could only carry its burdens. Those people had nothing to do with the depredations committed by the kaiser's government, and yet it is those same people with whom we are dealing now.

The declarations of our President, which I have quoted, were scattered by the thousands of copies, printed in German, over the trenches occupied by the German soldiers. Those are the sentiments also that we fed into the German prisoners who were captured, and many of whom were permitted to escape to carry this propaganda back into the German trenches, and it broke the morale of the German Army.

This Congress is not in an enviable position to deny this relief. If there was one man of all the Germans more despicable than all the rest; if there was one German who brought down on his head the condemnation of all Americans, it was Count von Bernstorff, who violated every rule of hospitality, who took advantage of his presence here to violate our neutrality. And yet this Congress passed a law which turned back to his wife, an American heiress, who went to Germany to marry a German title, $1,000,000, while we withhold this money from these humble German girls who never had a chance to marry an American boy. We have paid hundreds of millions of dollars to these rich American women. I contend that that should have been the last to be paid. I hope this bill will be passed without material amendment, because unless it is passed in its present form, if the amount is substantially increased at this late day, it will not pass the Senate, and there will not be a chance on earth to give relief to these suffering people. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. ROACH].

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

Mr. ROACH. Mr. Chairman and gentlemen of the committee, if I correctly understood the closing remarks of my colleague from Missouri, who has just yielded the floor, he perhaps has inside information upon the subject under discussion which we do not have. I am not willing to sacrifice, for the sake of expediency, a national principle, and there is certainly a national principle involved in this legislation to which we must not close our eyes. To my mind, the question before us is one simple of solution. The proposition before us is plain and understandable, and why we should complicate it with lengthy discussions of treaties, diplomatic relations, and all that is beyond my understanding. As has been stated by my colleague from Missouri [Mr. HAWES], we are not dealing with property of the German Government but considering the disposition of the private property of individuals.

This property was seized by our Government during the war. The law which authorized its seizure had only one purpose in view, and that one purpose was to prevent any chance of any portion of this property being used against our Government during the war. We all know that in many instances where property was so seized under the provisions of this law that there was not even the slightest of danger of the property or money being used by its owners against our Government, but, of course, the law authorized its seizure just the same. The sole cause upon which the law was bottomed has long ago ceased to exist. The war has closed for lo, these many years,

and all thinking people are devoting their energies in an effort to bring back some semblance of order out of the disorder created by the war. The property seized belonged to thousands of individuals and in the aggregate amounts to multiplied millions of dollars in value. The property in the main is represented by investments small and large made long prior to our entry in the war and at a time when peace and cordial relations existed between our Government and Germany. These investments were made because our own people solicited them. They were made principally through relatives or friends in this country, ofttimes by children for their parents, brother for sister, and so on, and always in the best of faith and with no thought of their property ever being confiscated by our Government. No one contends for a single moment that the property of these private individuals, many of whom are residents of the United States, should be confiscated by our Government for any public debt that may be due from Germany. It is my judgment that the time is now here when all of this property and money should be returned by our Government to its rightful owners. [Applause.]

The only argument that has been advanced for longer withholding the property from its rightful owners is to the effect that it should be held as a guaranty or security for what the German Empire may owe to citizens of the United States. It is generally conceded by every Member who has spoken that we would violate a time-honored and ancient principle of our own Government if we confiscated private property for a public debt due to our citizens from another Government; that such an act upon our part would violate a principle that has run through our form of government since its very foundation. To do otherwise than to return this property would violate an established American doctrine which has been concurred in by our own Presidents from Washington down to Harding, approved by all international law and lawyers, and indorsed by our Secretaries of State from Jefferson to Knox. To continue to hold this private property, even under the pretense that we are holding it as security, is to that extent confiscating it; and any confiscation whatsoever is a clear violation of the ancient and time-honored policies of our Government to which I have referred. The contention that we should hold this property as security, when carried to its logical conclusion, means eventual confiscation of the property. In other words, if the debt was not paid we would expect to take the property—foreclose our security, as it were. I do not believe there is a Member here that has given any study to the subject who would be willing to do that, and in so doing trample down a principle of our own Government that is so old that the memory of man runneth not to the contrary. However, to those who insist upon holding this property as a pledge or security, let me inquire: Why should we hold so large an amount?

The highest estimates that have ever been placed upon the amounts due to citizens of the United States from Germany, including the loss of life from the sinking of the *Lusitania*, is $174,000,000, the major portion of which claims—to be exact, 90 per cent—are based upon insurance claims. Everyone knows that the insurance companies were in the business for the money they could make out of it. Owing to the perils of war they charged and received a high rate of insurance. The premiums were paid—high premiums at that—the shipper delivered his cargo and collected for both his wares and the insurance premiums which he had paid out. If his cargo was lost, he collected his insurance. The premiums were paid. Who, oh who, is now to be paid on account of these insurance claims? And they constitute 90 per cent of the total amount of claims against Germany which have been so much discussed here this afternoon as valid claims. No court or jury on earth would make you or me pay a dollar's worth of claims that have already been paid. Now the actual indebtedness is on account of loss of life on the *Lusitania* and other similar claims, the total amount of which claims are less than $15,000,000; yet it is argued we should hold this entire amount of $350,000,000 worth of private properties as security for a total debt of only $15,000,000. This, too, in the face of the fact that our Government now holds approximately $300,000,000 worth of ships and other property belonging to Germany, which is independent of and has no connection with the $350,000,000 worth of private property which I now insist should be returned to its rightful owners.

The ships and other property of the German Government which we hold is more than ample security, if we must have security, for what the German Government owes to private individuals in this country. A fair deal and a square deal is not going to hurt anyone, and the fair and decent thing for Congress to do is to return this private property to its owners, many of whom are in shamefully destitute circumstances, faced with want and poverty, because of our failure to return their properties to them sooner. Our failure to return this property is fast becoming a national scandal. I wish I had the time to call to your attention in detail some of the instances of privation, want, and hardships to which these people are being subjected. Many Members of Congress have received the most heart-rending appeals upon this subject. Let me read from the testimony of the Alien Property Custodian himself, on page 12, Part I, of the hearings on this bill. Mr. Miller, Alien Property Custodian, in testifying before the Committee on Interstate and Foreign Commerce, said:

> I do think that some legislation of this character should be passed by the present Congress in order to alleviate the hardships of thousands of people whose paltry property is being held by us, and which in the end will undoubtedly be returned to them, especially the small ones. I am not going to take the time of the committee to-day, unless they want to bring it out in questions, to describe to you the letters that we receive and the pathetic appeals that come to us. And if you saw some of the property we are holding belonging to these former enemy subjects you would wonder why the Government ever wanted to hold it a day longer and why we are put to the expense of administering it.

It is time that we performed the simple act of justice of returning this money and property to its rightful owners and to that extent relieve the distressed conditions to which the Alien Property Custodian has referred. Those who have given any thought or attention to the conditions now prevailing in Germany realize that the distress is much greater among their people than the public generally realize. I again quote, and this time from a letter from one of my own constituents:

> I have been a citizen of the United States since about 30 years, and I am proud of it, for I remember so many instances where our United States showed their magnanimity and compassion when, during catastrophes not only of ours but also of other nations, it extended its helping hand to the sufferers as the good Samaritan, not only by private but very often by Government aid. Should we not be loyal now to this old and good usage? What reasons would justify the closing of our hands in this present need, where thousands and millions of our brethren—most of them Christians like you and I, and just as innocent regarding the origin of the Great War—are in the greatest danger to perish, and when they cry to us for help? I give you a quotation of a letter received of recent date from one of my church members by a friend of his in Silesia, which will give you an idea in what mood they are out there at present and what conditions are dominant there, especially in cities. The party is writing (in translation) as follows:
>
> "DEAR FRIENDS: It looks pitiful here in Germany. We are standing at an abyss, and the French are determined to toss us down in order to destroy us forever. Dear friends, please intercede in favor of us with your fellow citizens! We always are reading in papers—America is going to help us. Oh, how we wish that it may come true! The misery is almost unbearable. People walking on the streets in Neustadt (Silesia) look like walking corpses. In cities it is not uncommon for poor people to use borrowed coffins. There is nothing but misery, lamentation, and distress. In many a family children as well as grown persons have no shirt, no clothing, no shoes, no stockings since a long time."

These quotations are typical of the conditions. The millions of money and property which we are now holding without rhyme or reason would greatly alleviate much of this poverty and distress. Private citizens of this country have gone down in their own pockets and advanced some of the claimants of this property temporary assistance in the belief that a just and honorable Government would soon return to them their own properties. We can not longer justify ourselves in withholding it. Why harp upon the subject of diplomatic relations or secret reasons as to why this property can not be returned. Not a single sound reason has been forthcoming from any source. Our Secretary of State was given every opportunity to present reasons before the committee. I am now ready to vote to return every dollars' worth of this property to its rightful owners. No one can successfully argue that such a thing will ultimately not be done. Why not do it now? Shall we be less punctual in the performance of a national duty than Germany? Germany has by legislation long ago returned every dollars' worth of property held by Germany belonging to citizens of the United States. Surely our own Government will no longer delay doing that which everyone concedes should eventually be done. Again let me quote from the testimony of the Alien Property Custodian, Mr. Miller, before the Interstate and Foreign Commerce Committee on page 17 of the hearings in which the following colloquy occurred between Mr. Miller and Mr. LEA of California, who is a member of the committee:

> Mr. LEA. Mr. Miller, suppose that Congress should now definitely determine that it will not take private property for the satisfaction of claims. Would you then know of any reason why Congress should any longer hold this property?
>
> Mr. MILLER. No; if that policy is arrived at there would not be any further reason why we should.

Then, further on in his testimony, as shown on page 19, this colloquy occurred between Mr. Miller and Representative HUDDLESTON, also a member of the committee:

> Mr. MILLER. * * * but I know it is not the desire nor the policy of this administration to resort to confiscation of this private property to pay American claims. It is merely held as a guaranty.
>
> Mr. HUDDLESTON. Well, what is a guaranty worth if you do not intend to enforce it? If the administration has decided definitely upon a policy of not applying in any event this property to the payment of claims, it has no effect as a guaranty and has no effect of

any kind. Are you able to advise us that that is the policy of the administration?

Mr. MILLER. Not to resort to confiscation?

Mr. HUDDLESTON. Yes.

Mr. MILLER. Yes; I am safe in making that statement here to-day.

Mr. HUDDLESTON. Then, if that is correct, there would seem to be no reason for not returning all the property?

Mr. MILLER. That is absolutely so.

Mr. Chairman and gentlemen of the committee, I have considered every scintilla of evidence taken at these hearings and my mind was never clearer upon a subject in my life. Fairness, honesty, upright and straightforward dealing, and every instinct of justice that I have prompt me to urge a return of this property and thereby keep faith with our forefathers in sustaining a principle of this Government that has been steadfastly adhered to by each and every one of our statesmen without regard to their political affiliations. President Wilson said that "we had no war with the German people." When he made that statement he was applauded by the Members of Congress. Let us remember that our part in the World War was said to be for the purpose of pushing back the hand of autocracy. Our first efforts were devoted to breaking down the military machine and destroying its morale. Our airplanes flew over the German lines and dropped tons of literature to do this—urging upon the German people that they would receive fair and decent treatment at the hands of the American Government

The war is now over. We should keep faith with our own pledges, and I for one feel it to be our conscientious duty to not only keep faith with our pledges but to keep faith with our conscience, the traditions of our Government, and sustain in all respects our national principles. We should not compromise upon this matter. A compromise in this case means the continuance of an expensive bureau of our Government that is costing the already overburdened taxpayers multiplied thousands of dollars to support. I would blush with shame to think that we continued to support an unnecessary agency of the Government at the expense of the taxpayers for the mere sake of providing some one with employment, while at the same time doing a gross injustice by withholding from a people the control of their own property, much of which is urgently needed at this time to relieve suffering, want, and distress. [Applause.]

The CHAIRMAN. The gentleman's time has expired.

Mr. ROACH. I ask unanimous consent to revise and extend my remarks in the RECORD.

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

There was no objection.

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

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

There was no objection.

Mr. WINSLOW. Is it in order to extend the time, Mr. Chairman?

The CHAIRMAN. The Chair thinks not.

Mr. WINSLOW. The next speaker on this side to whom I will yield time is the gentleman from Illinois [Mr. GRAHAM]. As I understand it, we have 28 minutes left.

The CHAIRMAN. The gentleman has 28 minutes left.

Mr. WINSLOW. I yield that time to the gentleman from Illinois [Mr. GRAHAM]. [Applause.]

The CHAIRMAN. The gentleman from Illinois [Mr. GRAHAM] is recognized for 28 minutes.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, I appreciate that it is getting late, and it may be rather hard to hold the attention of the members of the committee to what I want to say. I have some things that I hope may be of some interest.

The principal argument that is made against this bill is the argument that we are doing something immoral by passing it; that we ought to give all the property back; that in not doing so we are violating international law and doing a thing that is nationally immoral. I do not coincide with that theory. In order to get any sort of an idea of what rights a nation has in this matter it may be well for us briefly to go over this proposition from the beginning to see what the rights of this country are, what has been done, and what these acts amount to in a legal sense and in a moral way.

I do not intend to weary you with any long and verbose reading of law, but I want to call your attention to a sentence or two found in the authorities which the minority themselves cite as authorities for their position in this matter. In doing so I want to say to the members of the committee that, as I understand it, it has been the international law, well established and announced by our Supreme Court from the beginning of the history of our Government, that a nation does have the right to confiscate the property of nationals of other countries in times of war, whether they reside within or outside of its country. I read first a brief sentence or two from the case found in Third Dallas, 226 (Ware *v.* Hylton), an authority which is cited by these gentlemen in their minority views. Judge Chace says:

> It appears to me that every nation at war with another is justifiable, by the general and strict law of nations, to seize and confiscate all movable property of its enemy, of any kind and nature whatever, wherever found, whether within its territory or not.

Justice Iredell, in a separate opinion in the same case, stated this—I want to call your special attention to it:

> The right acquired by war—detached from customs, which I am not now considering, or any express stipulation, if there be such—depends on the power of seizing the enemy's effects. It is not grounded on any antecedent claim of property but, on the contrary, the property is admitted to be the enemy's, in the very act of seizing it. Its sole justification is that being forced into a state of hostility—

Notice this, gentlemen—

> by any injury for which no satisfaction could be obtained in a peaceable manner, reprisals may be made use of, as a means to compel justice to be done or to enable the injured party to obtain satisfaction for itself.

Which is just exactly the doctrine enunciated by the gentleman from Pennsylvania [Mr. TEMPLE].

The case of Brown against United States, found in Eighth Cranch's Report, 109, is also cited by these gentlemen of the minority. In that case Chief Justice Marshall held, and it is undoubtedly the law, that the confiscation of enemy property as an act of reprisal in times of war is always justifiable and is sustained by the principles of international law. I quote his language:

> Respecting the power of government no doubt is entertained. That war gives to the sovereign full right to take the persons and confiscate the property of the enemy wherever found is conceded. The mitigations of this rigid rule, which the humane and wise policy of modern times has introduced into practice, will more or less affect the exercise of this right, but can not impair the right itself. That remains undiminished, and when the sovereign authority shall choose to bring it into operation, the judicial department must give effect to its will. But until that will shall be expressed, no power of condemnation can exist in the court. * * * On a review of authorities, I am entirely satisfied that, by the rigor of the law of nations and of the common law, the sovereign of a nation may lawfully confiscate the debts of his enemy during war or by way of reprisal; and I will add, that I think this opinion fully confirmed by the judgment of the Supreme Court in Ware *v.* Hylton (3 Dall. 199), where the doctrine was explicitly asserted by some of the judges, reluctantly admitted by others, and denied by none.

Now, I am not asking for confiscation at all. It is not necessary to do so. That question does not arise in the consideration of this bill. It is not at all a matter for our consideration, but rather a matter of contract rights openly entered into between our Government and the Government of Germany to which I desire to call your attention. Before I go into the facts leading up to the Knox-Porter resolution I want to call your attention to the treaty of 1785 with Prussia. Section 23 of that treaty has been cited by the gentleman from Alabama, I believe, and others, in which section it is stated that merchants of the two contracting countries shall have the right to leave the other country with their goods and have nine months in which to do it. Did you know that also in this treaty is this language? And, gentlemen of the minority, I would like to have you give your careful attention to this:

> ART. 12. If one of the contracting parties should be engaged in war with any other power, the free intercourse and commerce of the subjects or citizens of the party remaining neuter with the belligerent powers shall not be interrupted. On the contrary, in that case, as in full peace, the vessels of the neutral party may navigate freely to and from the ports and on the coasts of the belligerent parties, free vessels making free goods, insomuch that all things shall be adjudged free which shall be on board any vessel belonging to the neutral party, although such things belong to an enemy of the other; and the same freedom shall be extended to persons who shall be on board a free vessel, although they should be enemies to the other party, unless they be soldiers in actual service of such enemy.

That was also a part of the treaty of 1785; and I put it to you now directly, Was not that violated by the German Government repeatedly before the war began, before we entered into it? "Free vessels make free goods." And yet they went upon the high seas and, in the case of the *Lusitania*, the *Sussex*, and the *Essex*, and many others, destroyed our vessels without warning and against our protest, and therefore voided every provision of the treaty of 1785 by their own deliberate act.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. GRAHAM of Illinois. I yield to the gentleman from Minnesota.

Mr. NEWTON of Minnesota. And these claims of American claimants, practically all of them, arise out of the violation of this treaty which the gentleman has cited.

Mr. GRAHAM of Illinois. Yes. Now, let me tell you where these claims come from. Most of these claims arise from that violation of article 12 of the treaty of 1785 before we got into the war. What were they? Claims of the *Lusitania* sufferers amounting to $15,000,000; claims of those who were sunk on the *Sussex* and *Essex*, to the horror and almost to the stupefaction of our whole people. What else? When the war broke out there were in German banks over $40,000,000 of American deposits; and now, at this time, when it is said they have turned back all of our property, do you know that they are offering to pay that money, those deposits, in depreciated German marks? With marks at many thousands to the dollar, you will observe that these claims of American citizens are practically destroyed unless some aid comes from our Government.

The insurance claims also were claims contracted before we entered the war and on account of the German Empire violating the terms of the treaty I have mentioned.

Now, what right did we have to enter into the Knox-Porter resolution and what right did the German Government have to enter into such a negotiation? The treaty of Versailles is familiar to all of us, but perhaps not all of the provisions. But this is in the treaty of Versailles:

Germany undertakes to compensate her nationals in respect to the sale or retention of their property rights or interests.

Germany undertakes to take care of the claims of her nationals, and so provided in the treaty of Versailles.

When the Senate refused to confirm and ratify the treaty of Versailles, desiring to end the technical state of war, the Congress passed the Knox-Porter resolution. I quote from its language:

All property of the Imperial German Government, or its successor or successors, and of all German nationals which was on April 6, 1917, in or has since that date come into the possession or under control of or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into possession or under control of or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America, and no disposition thereof made except as shall have been heretofore or specifically hereafter shall be provided by law, until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damages, or injury to their persons or property, etc.

The Knox-Porter resolution was approved by the President July 2, 1921. On August 25, 1921, the treaty of Berlin was signed, and afterwards ratified on November 11, 1921. This treaty, in part, recited the language of the Knox-Porter resolution, just quoted, and then the following language was used:

ARTICLE 1. Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of Versailles which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States.

Now, that sort of a treaty having been entered into between the two nations, the question is whether the German Government had the right to make such a treaty, and if so, how far did it bind its nationals in so doing?

I want to call attention to the constitution of the new German Republic. How far, if you please, can any nation take the property of its citizens and apply the same in satisfaction of the claims of other nations? The law is plain and has been held in almost every civilized country in the world that a nation has such a right. Not only has it such a right in Germany but this right has been written expressly in the constitution of the new German Republic. Let me read the first section, 153, of the constitution of the German Republic, established August 11, 1919:

The constitution guarantees the right of private property. Its nature and limitations are defined by law. Expropriation—

That is what we are talking about—

shall take place only for the common good and shall be subject to due process of law.

There shall be appropriate compensation, unless otherwise provided by Federal law. Property rights impose certain duties. The use of property shall serve for the common good.

Article 7 of the constitution says:

The Federal State has jurisdiction over: * * * matters concerning expropriation.

Therefore in the most explicit language the German people have written into their fundamental law the right of the German Republic to use their property and money in satisfaction of the claims of other nationals.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. HUDDLESTON. I would like to ask whether the gentleman considers that the owners of this property now held by the Alien Property Custodian had their property taken by the German Government under due process of law?

Mr. GRAHAM of Illinois. Does the gentleman think that he and I and the other Members of this Congress have the right to pass upon that question? We must assume that when the German Government has entered into a treaty which has been signed by properly designated agents that these agents have the proper authority. To do otherwise would be to possibly repudiate every treaty that we ever entered into.

Mr. HUDDLESTON. Have they been compensated as required by that constitution?

Mr. GRAHAM of Illinois. I do not know, but that question is a question to be settled between the German Republic and its citizens.

Mr. HUDDLESTON. The gentleman has argued that this property has been legally taken.

Mr. GRAHAM of Illinois. Legally, so far as we are concerned.

Mr. HUDDLESTON. In order to have been legally taken, there must have been a day in court, and due process of law, and compensation therefor. It is upon the gentleman to establish those things.

Mr. GRAHAM of Illinois. The Congress, when this treaty has been entered into by properly accredited representatives and has been ratified by the two nations, need not use its time in passing upon the question of whether some citizen in Germany has had his day in court. There is no day in court as between nations. Nations deal with each other in one of two ways, either by treaties or by wars. In this case they have made an agreement which is before us, and which is to us the law of the land.

I want to read now what the supreme court of Germany holds on this matter. On October 8, 1918—B. against Konkurs—in a case involving this same proposition, that court said:

Thus * * * the compensation in regard to all rights in property or in the use of the same shall take the place of the expropriated object. * * * By virtue of a Federal law, the owner is to be compensated for the thing expropriated on account of public interest.

Thus further announcing the policy which I have stated, which is developed more in Germany than in this country, because, so far as I know, our courts have not yet in this country passed on the right of a nation to take private property and devote it to a public use of this kind, but I have no doubt as to the right to do so. The citations of German law I have given are from a brief submitted to the committee by counsel for the *Lusitania* victims, Mr. George Whitefield Betts, jr., and his associate counsel.

Mr. RAYBURN. I think we all agree that the power exists, but has any nation in the world in the last hundred years exercised that power?

Mr. GRAHAM of Illinois. Oh, yes; we ourselves have.

Mr. RAYBURN. And has any international writer indorsed that doctrine?

Mr. GRAHAM of Illinois. If I have the time I shall show you that we have done it time and time again. Reading now from Butler's Treaty Making Power of the United States, which is one of the most modern works upon the subject, volume 2, page 283:

The third instance referred to is the right of eminent domain; the treaty-making power of the United States has frequently been exercised in the settlement of international disputes in such manner that claims of citizens of the United States against foreign governments have been wiped out and absolutely surrendered, so that they can never be asserted by the citizens either in the courts of this country or in the courts of the debtor government; and this without providing any remedy, or prospect of indemnity, except such as Congress may thereafter provide, at its own time and convenience.

In support of that proposition the author cites precedent after precedent, and let me call the attention of gentlemen to the following treaties which the United States has ratified in our time, or at least within recent times, in which American claims were wiped out and the Government of the United States agreed to stand good for them, just as Germany has agreed in this. During the last 20 years these treaties have been entered into:

Under the convention of 1880 with France, under the agreement of 1885 with Haiti, under the agreement of 1885 with Venezuela, under the protocol of 1891 between Great Britain, Portugal, and the United States, under the convention of 1892 with Chile, under the convention of 1892 with Venezuela, under

the treaty of 1898 with Spain, and some other instances; but during the last 20 years there are eight or ten times when we did that thing; that is, destroyed the right of our citizens to collect their claims from other countries. Those claims have been pending in the Congress of the United States; perhaps many of them have been adjusted; but I judge from what I have heard here to-day that many of them are yet pending in which we are responsible to the citizens of the country for wrongs done and injuries committed by other nations. Germany has done that thing here, and Germany has the right to do it under the principles of law and under her constitution and decisions of her supreme court. We have come here to-day asking simply to carry out the contract which Germany made.

Mr. GRIFFIN. If the German Republic has assumed responsibility for these claims, does the gentleman not think that this bill goes too far in even paying the claims to the extent of $10,000?

Mr. GRAHAM of Illinois. No; I do not think so.

Mr. GRIFFIN. How does the gentleman justify that?

Mr. GRAHAM of Illinois. I do not attempt to justify the $10,000 any more than I would justify $11,000 or $9,000. Ten thousand dollars was taken as an arbitrary figure, which was thought to include most of them, and would give back to these people enough to tide them over this time of temporary need and would not impair at all this pledged property which is now in our hands.

Mr. GRIFFIN. This is only an indulgence?

Mr. GRAHAM of Illinois. It is simply to help them out. That is the size of it. To be frank about it, let me say this: If you do not pass this bill, we are not apt to get anything, because gentlemen will understand that there is a spirited opposition to even this small amount of indulgence which the bill will meet elsewhere, and it is better to give these people all we can and at the same time retain the pledge, so that our American citizens will be protected, than it is to do nothing. Therefore, I say, as a practical matter the thing to do is to pass this bill, and even if you put on such an amendment as the gentleman from Texas [Mr. RAYBURN] has suggested and declare that ultimately it will all be returned, it will mean defeat of the legislation entirely. I can not make up my mind that I can say that all of this property ought to go back to the citizens of Germany, in view of what has occurred, in view of the pledges and promises and treaties that have been made. I can not forget the screams and wails of the victims of the *Lusitania* when she plunged into the Atlantic on that sad day in our history. So far as I am concerned, I do not propose to adopt any scuttling policy when it comes to protecting the rights of Americans in matters of this kind.

Mr. RAYBURN. If there were no other way of collecting those claims, the gentleman would confiscate this property?

Mr. GRAHAM of Illinois. I would look after American citizens first. During the last two years in this country there has been a policy promoted—some of it fathered by the administration that preceded this—by which claims of American citizens in foreign countries have been somewhat lightly regarded. This vacillating and weak policy has been the source of a great deal of international trouble. I would wipe out that policy and do what I could to look after Americans first.

Mr. RAYBURN. The gentleman says, then, his answer is that he would confiscate this property?

Mr. GRAHAM of Illinois. I said nothing of the kind. It is not necessary for me to cross that river until I get to it. I am talking about the situation as it exists. I am talking about a contract which Germany and the United States have entered into and which we are simply trying to put into practical operation by this legislation. It seems to me a question of a charitable act to people in other countries who now need succor and assistance.

Mr. TILSON. Can the gentleman tell us about the per cent in number of these claims that this will take care of?

Mr. GRAHAM of Illinois. Ninety per cent.

Mr. TILSON. So there will be only 10 per cent——

Mr. NEWTON of Minnesota. Ninety-three per cent.

Mr. GRAHAM of Illinois. All right; 93 per cent. It will do this further thing. Gentlemen have lost sight of one provision of this bill. This bill not only gives back the $10,000 but gives all persons whose property was seized the net income of all their property. I believe the German who had his property seized and which is now in the hands of the Alien Property Custodian is better off than if he had had the property himself.

Mr. SABATH. How about the resident alien; would he be better off?

Mr. GRAHAM of Illinois. The same law applies to him.

Mr. SABATH. Well, Germany could not seize the property?

Mr. GRAHAM of Illinois. Why, the right of the German Government extends to any German any place, anywhere, just as our right extends to our citizens any place in the world. This includes the right of taxation, the right of levying any sort of a tax that they can collect from the property of their own nationals.

Mr. SABATH. Is the gentleman contending that the German Government could take the property of a German resident in the United States?

Mr. GRAHAM of Illinois. A German citizen?

Mr. SABATH. Yes.

Mr. GRAHAM of Illinois. If they can get hold of the property, they can.

Mr. SABATH. Ah, getting hold of it.

Mr. GRAHAM of Illinois. The right exists. It is only a matter of getting jurisdiction over the property.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. SANDERS of Indiana. As a matter of fact, under the alien property law we never seized any property except aliens who were living in Germany and other countries. We did not seize the property of aliens living in this country.

SEVERAL MEMBERS. Oh, yes.

Mr. SANDERS of Indiana. Except those who were interned.

Mr. GRAHAM of Illinois. The situation, as I understand it, is that we seized the property of those whom we thought to be dangerous.

Mr. SANDERS of Indiana. Those who were interned.

Mr. GRAHAM of Illinois. Where we thought they were dangerous aliens, whether resident or not; but there are a good many aliens in this country whose property we did not take at all, and much of the alien property has never been under control of the Alien Property Custodian. Now, this is a measure of relief that ought to be given. It will help a lot. Forty-five million dollars in Germany will do these people a lot of good. Now I want to say something in reference to Austria-Hungary. Some gentlemen have a wrong impression about it. It is a sad condition, as Mr. HAWES has demonstrated to you, but there are claims pending before the Mixed Claims Commission of approximately $15,000,000 against Austria-Hungary and there are only assets of about nine or ten millions seized from nationals of that country. It is claimed by the Secretary of State in a letter which is in the record that most of these claims are those that originated from submarines that occurred in the Mediterranean Sea.

A part of the letter of the Secretary of State about these Austro-Hungarian trusts is as follows:

> In so far as shown by the records of the department, 61 claims have been filed by American citizens against the Imperial and Royal Austro-Hungarian Government for compensation for losses resulting from the torpedoing of vessels by submarines of that Government, for military requisitions made by that Government, and for damage or injury to persons and property. The total amount of these claims is approximately $13,043,913.
>
> In addition to the foregoing claims filed with the department against the Imperial and Royal Austro-Hungarian Government, it is not unlikely that many of the claims of American citizens filed with the department against the Government of Germany may, upon investigation, be found to be claims for losses for which the Imperial and Royal Austro-Hungarian Government should be responsible. This possibility arises from the fact that claims for losses resulting from submarine warfare have been filed against Germany in cases where the government responsible for the act has not been determined.
>
> The treaties concluded with Austria and Hungary to reestablish friendly relations with those nations contain provisions securing to the United States all the rights, privileges, indemnities, reparations, and advantages specified in the joint resolution of Congress of July 2, 1921, declaring the state of war terminated, including all rights and advantages stipulated for the benefit of the United States in the treaties of Versailles, St. Germain en Laye, and Trianon. The resolution of July 2, 1921, provided, among other things, that sequestrated property should be retained by the United States until such time as the enemy governments made suitable provision for the settlement of claims growing out of the war.
>
> It appears that the proposed bill is based upon the assumption that the claims of American citizens against the Imperial and Royal Austro-Hungarian Government for losses suffered by reason of the acts of that Government or its agents have been suitably settled, or that no such claims ever existed. As seen from the foregoing, this assumption is incorrect.
>
> I am, my dear Mr. WINSLOW, very sincerely yours,
>
> CHARLES E. HUGHES.

So it will be seen that if you turn this property back you may deprive a great many American citizens, who otherwise might have some hope of getting their just claims paid, of that right.

Mr. EDMONDS. Does the gentleman think it would help the program on the other side if we simply amend the bill so as to return Bergdoll his money?

Mr. GRAHAM of Illinois. We have got a provision in the bill which I think will stop Grover Cleveland.

Mr. GARRETT of Tennessee. I want to ask the gentleman if these claims which he mentions in reference to Austria-Hungary were by insurance companies?

Mr. GRAHAM of Illinois. No; they are claims for loss of life and loss of property.

Mr. GARRETT of Tennessee. By insurance companies?

Mr. GRAHAM of Illinois. No; I think not.

Mr. HAWES. The gentleman will remember I asked the Alien Property Custodian the character of these claims, and he said to the best of his knowledge they were insurance claims from Austria-Hungary.

Mr. GRAHAM of Illinois. I did not so understand it.

Mr. WINSLOW. That is what he said, but the other man said something else.

Mr. GRAHAM of Illinois. Whatever may have been his statement, the Secretary of State has given us a very definite idea of their nature in his letter I have just quoted. I trust the bill will pass in its present form.

The CHAIRMAN. The time of the gentleman has expired; all time has expired.

Mr. GRAHAM of Illinois. I ask unanimous consent to extend my remarks in the RECORD.

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

Mr. NEWTON of Minnesota. Mr. Chairman, I make the same request.

Mr. HAWES. I make the same request.

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

The Clerk read as follows:

Be it enacted, etc., That section 9 of the "trading with the enemy act," as amended, is amended to read as follows:

Mr. LONDON. Mr. Chairman——

The CHAIRMAN. The Clerk has not finished reading the section. The bill is being read by sections.

Mr. TILSON. That section extends to page 13, line 7.

The CHAIRMAN. The Clerk will read.

Mr. LONDON. I make the point of order, Mr. Chairman, that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

Mr. LONDON. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman withdraws the point of order. The Clerk will read.

The Clerk continued to read, as follows:

"SEC. 9. (a) That any person not an enemy or ally of enemy claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy or ally of enemy whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine said claimant is entitled: *Provided*, That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title, or interest which he may have in such money or other property. If the President shall not so order within 60 days after the filing of such application, or if the claimant shall have filed the notice as above required and shall have made no application to the President, said claimant may institute a suit in equity in the Supreme Court of the District of Columbia or in the district court of the United States for the district in which such claimant resides, or, if a corporation, where it has its principal place of business (to which suit the Alien Property Custodian or the Treasurer of the United States, as the case may be, shall be made a party defendant), to establish the interest, right, title, or debt so claimed, and if so established the court shall order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States or the interest therein to which the court shall determine said claimant is entitled. If suit shall be so instituted, then such money or property shall be retained in the custody of the Alien Property Custodian, or in the Treasury of the United States, as provided in this act, and until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied by payment or conveyance, transfer, assignment, or delivery by the defendant, or by the Alien Property Custodian, or Treasurer of the United States on order of the court, or until final judgment or decree shall be entered against the claimant or suit otherwise terminated.

"(b) In respect of all money or other property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, if the President shall determine that the owner thereof at the time such money or other property was required to be so conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or at the time when it was voluntarily delivered to him or was seized by him, was—

Mr. BLANTON. Mr. Chairman, a point of order. I make the point of order that we are proceeding in violation of the order of the House in that by unanimous consent it was ordered that at any time after 5 o'clock it would be in order to move to recess until 8 o'clock.

The CHAIRMAN. The Chair suggests to the gentleman that it is after 5 o'clock and before 8 o'clock, so that there is no violation of the order.

Mr. BLANTON. In conformity with that order, so that the House may recess in time to meet at 8 o'clock, I move that the committee do now rise.

Mr. TILSON. The gentleman can not interrupt the reading.

Mr. BLANTON. I can interrupt the reading at any time.

Mr. MONDELL. The Clerk is reading the first section of the bill. As soon as he has concluded that we shall move that the committee rise.

The CHAIRMAN. The Chair is of the opinion that the motion of the gentleman from Texas is in order. The question is on agreeing to the motion that the committee do now rise.

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

Mr. BLANTON. Mr. Chairman, I ask for a division.

The committee divided, and the affirmative vote was taken—ayes 5.

Mr. BLANTON. Mr. Chairman, I withdraw that motion.

Mr. CHINDBLOM. Mr. Chairman, the motion is withdrawn.

The CHAIRMAN. The Chair thinks that the motion can not be withdrawn at this stage.

Mr. BLANTON. I make the point of no quorum. I presume I can do that.

The CHAIRMAN. The gentleman will get his opportunity.

The negative vote was taken—noes 65.

The CHAIRMAN. On this motion the ayes are 5 and the noes are 65.

So the motion was rejected.

The CHAIRMAN. Does the gentleman from Texas insist on his point of order that there is no quorum present?

Mr. BLANTON. I understand that the committee is not going to sit after the reading of this section is completed. I will withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The Clerk will read.

The Clerk continued to read, as follows:

(1) A citizen or subject of any nation or State or free city other than Germany or Austria or Hungary or Austria-Hungary and is at the time of the return of such money or other property hereunder a citizen or subject of any such nation or State or free city; or

(2) A woman who, at the time of her marriage, was a subject or citizen of a nation which has remained neutral in the war, or of a nation which was associated with the United States in the prosecution of said war, and who, prior to April 6, 1917, intermarried with a subject or citizen of Germany or Austria-Hungary and that the money or other property concerned was not acquired by such woman, either directly or indirectly, from any subject or citizen of Germany or Austria-Hungary subsequent to January 1, 1917; or

(3) A woman who at the time of her marriage was a citizen of the United States, and who prior to April 6, 1917, intermarried with a subject or citizen of Germany or Austria-Hungary, and that the money or other property concerned was not acquired by such woman, either directly or indirectly, from any subject or citizen of Germany or Austria-Hungary subsequent to January 1, 1917; or

(4) A citizen or subject of Germany or Austria or Hungary or Austria-Hungary and was at the time of the severance of diplomatic relations between the United States and such nations, respectively, accredited to the United States as a diplomatic or consular officer of any such nation, or the wife or minor child of such officer, and that the money or other property concerned was within the territory of the United States by reason of the service of such officer in such capacity; or

(5) A citizen or subject of Germany or Austria-Hungary, who, by virtue of the provisions of sections 4067, 4068, 4069, and 4070 of the Revised Statutes and of the proclamations and regulations thereunder, was transferred, after arrest, into the custody of the War Department of the United States for detention during the war and is at the time of the return of his money or other property hereunder living within the United States; or

(6) A partnership, association, or other unincorporated body of individuals outside the United States, or a corporation incorporated within any country other than the United States, and was entirely owned at such time by subjects or citizens of nations, States, or free cities other than Germany or Austria or Hungary or Austria-Hungary and is so owned at the time of the return of its money or other property hereunder; or

(7) The Government of Bulgaria or Turkey, or any political or municipal subdivision thereof; or

(8) The Government of Germany or Austria or Hungary or Austria-Hungary, and that the money or other property concerned was the diplomatic or consular property of such Government; or

(9) An individual who was at such time a citizen or subject of Germany, Austria, Hungary, or Austria-Hungary, or who is not a citizen or subject of any nation, State, or free city, and that such money or other property, or the proceeds thereof, if the same has been converted, does not exceed in value the sum of $10,000, or although exceeding in value the sum of $10,000 is nevertheless suceptible of division, and the part thereof to be returned hereunder does not exceed in value the sum of $10,000: *Provided*, That an individual shall not be entitled, under this paragraph, to the return of any money or other property owned by a partnership, association, unincorporated body of

individuals, or corporation at the time it was conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or seized by him hereunder; or

(10) A partnership, association, other unincorporated body of individuals, or corporation, and that it is not otherwise entitled to the return of its money or other property, or any part thereof, under this section, and that such money or other property, or the proceeds thereof, if the same has been converted, does not exceed in value the sum of $10,000, or although exceeding in value the sum of $10,000, is nevertheless susceptible of division, and the part thereof to be returned hereunder does not exceed in value the sum of $10,000; or

(11) A partnership, association, or other unincorporated body of individuals, having its principal place of business within any country other than Germany, Austria, Hungary, or Austria-Hungary, or a corporation, organized or incorporated within any country other than Germany, Austria, Hungary, or Austria-Hungary, and that the control of, or more than 50 per cent of the interests or voting power in, any such partnership, association, other unincorporated body of individuals, or corporation, was at such time, and is at the time of the return of any money or other property, vested in citizens or subjects of nations, States, or free cities other than Germany, Austria, Hungary, or Austria-Hungary.

Then the President, without any application being made therefor, may order the payment, conveyance, transfer, assignment, or delivery of such money or other property held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine such person entitled, either to the said owner or to the person by whom said property was conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian: *Provided*, That no person shall be deemed or held to be a citizen or subject of Germany or Austria or Hungary or Austria-Hungary for the purposes of this section, even though he was such citizen or subject at the time first specified in this subsection, if he has become or shall become, ipso facto or through exercise of option, a citizen or subject of any nation or State or free city other than Germany, Austria, or Hungary, (first) under the terms of such treaties of peace as have been or may be concluded subsequent to November 11, 1918, between Germany or Austria or Hungary (of the one part) and the United States and/or three or more of the following-named powers: The British Empire, France, Italy, and Japan (of the other part), or (second) under the terms of such treaties as have been or may be concluded in pursuance of the treaties of peace aforesaid between any nation, State, or free city (of the one part) whose territories, in whole or in part, on August 4, 1914, formed a portion of the territory of Germany or Austria-Hungary and the United States and/or three or more of the following-named powers: The British Empire, France, Italy, and Japan (of the other part). For the purposes of this section any citizen or subject of a State or free city which at the time of the proposed return of money or other property of such citizen or subject hereunder forms a part of the territory of any one of the following nations: Germany, Austria, or Hungary, shall be deemed to be a citizen or subject of such nation. And the receipt of the said owner or of the person by whom said money or other property was conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian shall be a full acquittance and discharge of the Alien Property Custodian or the Treasurer of the United States, as the case may be, and of the United States in respect to all claims of all persons heretofore or hereafter claiming any right, title, or interest in said money or other property, or compensation or damages arising from the capture of such money or other property by the President or the Alien Property Custodian: *Provided further, however*, That except as herein provided no such action by the President shall bar any person from the prosecution of any suit at law or in equity to establish any right, title, or interest which he may have therein.

(c) Any person whose money or other property the President is authorized to return under the provisions of subsection (b) hereof may file notice of claim for the return of such money or other property, as provided in subsection (a) hereof, and thereafter may make application to the President for allowance of such claim and/or may institute suit in equity to recover such money or other property, as provided in said subsection, and with like effect. The President or the court, as the case may be, may make the same determinations with respect to citizenship and other relevant facts that the President is authorized to make under the provisions of subsection (b) hereof.

(d) Whenever a person, deceased, would have been entitled, if living, to the return of his money or other property hereunder, then his legal representative may proceed for the return of such money or other property as provided in subsection (a) hereof: *Provided, however*, That the President or the court, as the case may be, before granting such relief shall impose such conditions by way of security or otherwise as the President or the court, respectively, shall deem sufficient to insure that such legal representative will redeliver to the Alien Property Custodian such portion of the money or other property so received by him as shall be distributable to any person not eligible as a claimant under subsections (a) or (c) hereof.

(e) No money or other property shall be returned nor any debt allowed under this section to any person who is a citizen or subject of any nation which was associated with the United States in the prosecution of the war, unless such nation in like case extends reciprocal rights to citizens of the United States; nor in any event shall a debt be allowed under this section unless it was owing to and owned by the claimant prior to October 6, 1917, and as to claimants other than citizens of the United States unless it arose with reference to the money or other property held by the Alien Property Custodian or Treasurer of the United States hereunder.

(f) Except as herein provided, the money or other property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian shall not be liable to lien, attachment, garnishment, trustee process, or execution, or subject to any order or decree of any court.

(g) The legal representative (duly appointed by a court in the United States) of a person, deceased, whose money or other property has been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, may (if not entitled to proceed under subsection (d) of this section) proceed under subsection (a) for the recovery of any interest, right, or title in any such money or other property which has, by reason of the death of such person, become the interest, right, or title of a citizen of the United States, unless such citizenship was acquired through naturalization proceedings in which the declaration of intention was filed after November 11, 1918. Such legal representative shall give a bond, in a penal sum and with sureties satisfactory to the President or the court, as the case may be, conditioned that he will redeliver to the Alien Property Custodian all such money or other property not distributed to such citizen, or, if deceased, to his heirs or legal representatives.

(h) The aggregate value of the money or other property returned under paragraphs (9) and (10) of subsection (b) to any one person, irrespective of the number of trusts involved, shall in no case exceed $10,000.

(i) For the purposes of paragraphs (9) and (10) of subsection (b) of this section accumulated net income, dividends, interest, annuities, and other earnings, shall be considered as part of the principal.

(j) Subsection (g) and paragraphs (9) and (10) of subsection (b) of this section shall not apply to any patent, trade-mark, print, label, copyright, or right therein or claim thereto, conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him, or to the proceeds received from the sale, license, or other disposition of any such patent, trade-mark, print, label, copyright, or right therein or claim thereto; but the Alien Property Custodian is authorized and directed to return to the person entitled thereto, whether or not an enemy or ally of enemy and regardless of the value, any patent, trade-mark, print, label, copyright, or right therein or claim thereto, which has been conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him, and which (1) has not been sold, licensed, or otherwise disposed of under the provisions of this act, and (2) is not involved (at the time this subsection takes effect) in litigation in which the United States, or any agency thereof, is a party.

(k) This section shall not apply, however, to money paid to the Alien Property Custodian under section 10 hereof.

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

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. NEWTON of Minnesota. Mr. Chairman, I move that the committee do now rise.

Mr. GARRETT of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARRETT of Tennessee. I understand that this section, if the committee now rises, is subject to amendment?

Mr. NEWTON of Minnesota. Yes.

The CHAIRMAN. The section will be pending when the bill is again taken up. The question is on agreeing to the motion of the gentleman from Minnesota [Mr. NEWTON] that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ANDERSON, 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. 14222) to amend the trading with the enemy act, had come to no resolution thereon.

REFERENCE OF THE BILL S. 3968—OIL POLLUTION OF NAVIGABLE WATERS.

Mr. DEMPSEY. Mr. Speaker, I move that the bill S. 3968, No. 284 on the House Calendar, be rereferred to the Committee on Rivers and Harbors for further consideration.

The SPEAKER. The gentleman from New York moves that the bill S. 3968 be rereferred to the Committee on Rivers and Harbors. The Clerk will report it by title.

The Clerk read as follows:

A bill (S. 3968) to improve the navigability of the waters of the United States by preventing oil pollution thereof.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, is this by the request of the committee?

Mr. DEMPSEY. Yes.

Mr. GARRETT of Tennessee. I understand this bill has been reported from the committee and is now on the calendar.

Mr. DEMPSEY. I will say to the gentleman from Tennessee that the purpose of it is this: This bill deals with all the navigable waters of the United States, and the committee has decided to recall this bill and deal only with salt water at the seashore.

Mr. STAFFORD. It is not the intention of the committee to load it down with numerous amendments, as was done by the Naval Committee on a bill relating to one subject, so as to make it a vehicle of omnibus legislation?

Mr. DEMPSEY. Not at all.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. It will be rereferred to the Committee on Rivers and Harbors.

EXTENSION OF REMARKS.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. JAMES] may extend his remarks in the RECORD on the bill H. R. 11903.

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

There was no objection.

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

Mr. JAMES. Mr. Speaker, the members of the House Committee on Military Affairs began their studies of the Muscle Shoals problem early in February of last year. The Secretary of War's report transmitting the offer of Henry Ford was the first document received. This was dated February 1, 1922, and on February 8 the committee had its first meeting. In all there were five proposals before the committee. Four of these received detailed consideration.

PURPOSES OF CONGRESS IN BUILDING NITRATE PLANTS.

The purposes of Congress in providing for the construction of nitrate plants was clearly expressed in section 124 of the national defense act in these words:

The President of the United States is * * * further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary, or convenient for the generation of electrical or other power, and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products. (Public, No. 85, 64th Cong.)

There were, therefore, two principal reasons for the establishment of the nitrate plants.

First. The need for an adequate supply of nitrates for explosives for the national defense.

Second. A sufficient supply of nitrogen for use in fertilizers for the benefit of American agriculture.

Senator NORRIS well expressed these purposes of Congress when he said:

We have just two objects in view. One is to get cheap fertilizers and the other is to be prepared to make explosives in time of war. (B. p. 278.)

Replying to Senator NORRIS, Mr. W. B. Mayo, chief engineer for Mr. Ford, said:

Yes, sir. That plan is what he (Mr. Ford) has tried to carry out in this offer. (B. p. 278.)

As a committee we agreed with Senator NORRIS that these were the reasons why these plants should be built, and we agreed with him that these plants should be operated. We merely disagreed as to how this should be done.

THE MILITARY VALUE OF THE NITRATE PLANT.

Mr. Speaker, our committee was unanimous in the opinion that it is no less important to-day than it was in 1916, when the national defense act was passed, that this country should keep up with world progress in the art of securing nitrogen for explosives from the atmosphere. During the war the United States was the one great Nation which depended wholly upon Chile for its nitrates. What was the result? At a time when the need for ships was vital we used German vessels and took over Dutch steamers, and by means of these and chartered Scandinavian and Japanese tonnage we built up a transport fleet which, on November 1, 1918, totaled 327 ships, comprising some 3,400,000 tons.

As a result of our policy of depending upon Chile for nitrates, however, we found it necessary to divert 128 of these vessels, aggregating 700,000 tons, or nearly 20 per cent of our fleet, for the sole purpose of bringing this one material, nitrate of soda, from Chile.

Testifying before the Senate Committee on Agriculture, Maj. J. H. Burns, the former chief of the Nitrate Division, stated:

As an indication of the importance of this plant (nitrate plant No. 2) from a military standpoint, it will fix enough nitrogen to supply constantly some 12 divisions fighting in accordance with the organization in existence at the time of the armistice. When our Army was engaged in the Meuse-Argonne offensive the maximum number of divisions available in the American Army was 30. So No. 2 plant would have been capable of fixing over one-third of the nitrogen required by a force equal to the maximum military effort that America was able to put forth in the World War. (B. p. 60.)

The value of such a plant to this Nation in time of war was well described by Senator NORRIS in the following language:

It would have been a wonderful thing. It is almost impossible to estimate, without drawing on the imagination, just what that would have meant in this war, because I understand the Allies were right to the verge on munitions. They didn't have a 30 days' supply, and 30 days' continuous war would have taken everything they had and left them without ammunition. It was really that desperate condition that induced the Government to go into this. I am told, too, that one of the reasons the expenses are so great is that they worked 24 hours a day at times, three shifts, in order to hurry it and get it ready. (B. p. 304.)

THE AGRICULTURAL NEED FOR THE NITRATE PLANT.

As to the need for fertilizers it is a well-known fact that statistics show that in our agricultural yields per acre the United States of America, far from being a leader among the nations, is trailing along with such backward countries as Austria and European Russia. Yet this production, small as it is, is being maintained by taking from American soil millions upon millions of tons of those three plant foods of which our supply is most limited—nitrogen, phosphoric acid, and potash. It is this mining of the soil, so destructive to American agriculture, that has brought about a decrease averaging 30 per cent in the acreage of farm lands under cultivation in the New England States during the past 40 years. This process of shipping away the fertility of the soil, which has resulted in the abandoning of 70 per cent of the farm lands in such a thrifty State as New Hampshire, is now going on in the Middle West. The question of a sufficient supply of fertilizer at low cost is no longer a question only for the East and South, but is a matter of national concern.

There is a third and also a fourth benefit of great importance which follow directly from this enterprise.

THE VALUE OF THE POWER DEVELOPMENT.

While the testimony shows that Mr. Ford expects to use the Muscle Shoals power for fertilizer production and for manufacturing purposes, in the evident belief that this power can be made of greater general service by distributing it in the form of cheapened fertilizer and other products at reduced cost, in accordance with his well-known policies, rather than by distributing it on a copper wire, there is, however, a public-utility advantage in the Ford offer.

This third benefit is the Ford amortization plan which ultimately eliminates 80 per cent of the cost of hydroelectric power by setting up a sinking fund which refunds the original investment and thereby eliminates the interest which constitutes this 80 per cent of the cost of the power.

When it is remembered that it has been estimated by the United States Geological Survey that more than 200,000,000 horsepower of hydroelectric equipment can be profitably installed in the United States it is evident that a policy under which this vast undeveloped water power can be made as cheap in the United States as it is in such favored countries as Norway and Canada is a great step forward in hydroelectric-power economics. This principle when applied generally to the development of hydroelectric power in the United States ultimately means cheap power to reduce the labor of the farmer and of the farmer's wife; it means cheap power for manufacturers and for the economical production of a long list of electrochemical and electrometallurgical products which are absolute necessities in time of war and are the basis of our industrial leadership among the nations in time of peace.

THE VALUE TO NAVIGATION.

The fourth benefit is the improvement of the navigation on the Tennessee River, which with modern steel barges and towboats and with the modern terminal and transfer equipment that is being installed on our inland streams will undoubtedly result in a large water-borne traffic.

Millions of tons of coal lie adjacent to the Tennessee River and its tributaries above Muscle Shoals. Millions of tons of phosphate rock are within reach of certain of these tributaries. Raw materials for scores of industrial processes lie dormant in the upper valley awaiting only the cheap transportation of the Tennessee River to make them available to the great markets of the Mississippi Valley.

This result, however much to be desired, can not come about until there is a permanent 6-foot channel between the upper Tennessee River Valley and the Ohio River. Such a channel has never been practicable because of its enormous cost at Muscle Shoals, where both Dam No. 2 and Dam No. 3 are necessary for an adequate improvement. With the acceptance of the Ford offer this heretofore insurmountable obstacle is wiped out, and the revival of modern inland waterway transportation will be afforded an opportunity to extend its benefits 400 miles up the Tennessee River into this comparatively undeveloped region.

THE REQUIREMENTS OF THE SUCCESSFUL BID.

With these questions in mind, the committee felt that there were certain requirements which should be met by the successful bidder.

First, the nitrate plant must be maintained ready for immediate use in time of war. No offer which failed to do that could reasonably be approved by the committee. The committee also felt that it would be an immense advantage if some provision should be made whereby the country would be assured that this great nitrate plant would not only be maintained but would be remodeled from time to time and kept in modernized, up-to-date condition, for it requires no great study of history to appreciate the fact that victorious armies in modern warfare are not the armies which employ obsolete guns or obsolete plants to make their munitions.

Since it is undoubtedly true that the controlling reason for the location of the nitrate plant at Muscle Shoals was an economic one and had to do with the cost of production, it was

evident that one of the ruling considerations was the great possibility of fertilizer manufacture at this plant in time of peace, in accordance with the expression of Congress which I have quoted.

The committee felt, therefore, that any offer was fatally defective which did not provide a sound, businesslike guaranty that these possibilities would be worked out—not at the expense of the United States Government on a cost-plus basis but at the expense of the bidder.

In the matter of the water-power lease the committee did not feel that the United States Government should undertake to make money out of this power project at the expense of the consumer, but that this power should be developed as cheaply as possible and its benefits made available to the largest possible number of people.

All of us realized that any arbitrary charges which would become a part of the cost of the power production would merely be passed on to the consumer, no matter whether the power was used for fertilizer manufacture or distributed by a public utility or used in any form of manufacture. Such arbitrary charges are merely a form of taxation. We did not seek to tax the people of Alabama and Tennessee, but merely to obtain a fair return on the investment and at the same time passing on the benefits of this cheap power over the greatest possible area. We did not feel that this was necessarily accomplished by transmitting this power over a wire. On the contrary, it was generally appreciated that if this cheap power could be utilized for a large-scale production of cheap fertilizers in concentrated form that would stand a long haul by water or rail this was the way to make these benefits available to the greatest number of people.

NO PROSPECT OF FERTILIZER IN PARSONS'S PROPOSAL.

The offer of Charles L. Parsons was a proposal to purchase nitrate plant No. 1 for $600,000 and lease the carbide and liquid air portions of nitrate plant No. 2 for $50,000 per annum and to purchase the Waco quarry complete for $200,000 or lease the same for $20,000 per annum. Mr. Parsons made no promise that he would produce any fertilizer. Furthermore, he offered no definite financial responsibility, while the testimony is that nitrate plant No. 1 was not a success (Maj. J. H. Burns, Chief of the Nitrate Division, Ordnance Office, War Department, before House Committee on Military Affairs February 13, 1922, p. 208), and it had been estimated that an investment of some $4,000,000 would be required to remodel the plant in order to make its operation possible (Major Burns before Senate Committee on Agriculture, April 12, 1922, hearings, p. 59). There was not even a statement in his offer that commercial fertilizers would be produced by Mr. Parsons or his company at all, Mr. Speaker, and the conviction was general in the committee that a mere offer to operate nitrate plant No. 1 as an air nitrogen fixation plant did not constitute a solution of the Muscle Shoals problem, for fixed nitrogen has many industrial uses wholly apart from its use in fertilizers. Since, at most, nitrate plant No. 1 was merely an experimental plant, with a capacity of only 9,000 tons of fixed nitrogen annually, the committee felt, Mr. Speaker, that the prospects for securing any reasonable fertilizer tonnage under the Parsons offer were very remote.

ENGSTRUM OFFER A COST-PLUS PROPOSAL.

We had an offer from Frederick E. Engstrum to construct the dams and to rebuild the nitrate plants on a cost-plus basis. He also agreed to operate nitrate plants "to the extent permitted by the proceeds of the sale of fertilizers."

The ones who made that offer did not intend to put in one dollar of their own money. They wanted to go into a partnership with us. They were willing to sell the electric power for us and to take their share of the profits. They were willing to manufacture fertilizer—at the expense of Uncle Sam! If any money was made, they took their share of the proceeds; if any loss resulted, they shared none of the losses. Uncle Sam shouldered it all. It was a case of "Heads I win, tails you lose."

These gentlemen were not even willing to add the proceeds from the sale of electrical power to the proceeds from the sale of fertilizer and then deduct the combined cost of producing power and fertilizer. They were very sure that there would be a profit made on the sale of power and a loss on the sale of fertilizer, and being very cautious gentlemen they were taking no chances.

Of course, the committee could not take such a proposal seriously. To read some of the newspaper accounts, however, one would imagine that this was an offer that meant the investment of real money for the operation of the nitrate plants by private capital; so it was; but it was Government money.

They did not guarantee to manufacture a single pound of fertilizer, nor did they guarantee to keep the nitrate plant No. 2 in a going condition for any length of time, to say nothing of 100 years.

Under this proposal, not only was there no guaranty of fertilizer production, but there was not even a good business prospect that any considerable amount of fertilizer would be produced. The committee felt that the Government had had ample experience with this class of contracts during the war and quickly consigned it to the wastebasket.

ALABAMA POWER CO. SOUGHT TO TAKE ADVANTAGE OF GOVERNMENT.

Our experience with the Alabama Power Co. in connection with the Warrior steam plant shows that we would be wise in having no further business dealings with them.

In brief, they had a cost-plus contract with the United States. They had not one dollar invested. The United States—I came near saying their own country; I had forgotten their foreign stockholders—made an investment of $4,979,782.33 on their property. They acted as agents for their own country—I mean the United States. Their representatives inveigled or outmaneuvered, or something else, the ones who were supposed to be looking after our interests and got them into a contract by which we could sell to no one but them. On their part, however, they did not have to buy at our price but could ask for arbitration, they to select one man, we to select one, and the third to be selected by these two.

If two of the arbitrators were to agree on a fair price, their decision was not binding on the Alabama Power Co.; and in case they did not accept the decision of the arbitrators—and I want you to pay special attention to this—if they did not agree to accept the arbitration figures we would have six months in which to dismantle and remove our property from their land—property in which we had invested nearly $5,000,000.

THE OPINION OF THE ATTORNEY GENERAL.

The committee found that the Alabama Power Co.'s methods had been well described by the Attorney General when he reported that—

> No one can carefully analyze the long and rather complex contract made with this company without being impressed with the harsh and even drastic provisions which it imposes on the Government. When its intricate provisions are closely scrutinized and their full significance realized it becomes at once apparent that the company lost no opportunity of turning to its own advantage every possible change of circumstances.

This policy appears to have been adopted by the Alabama Power Co. throughout the whole course of its negotiations with the Government, Mr. Speaker. When called upon by General Beach to submit an offer for the Muscle Shoals project the company evaded a definite reply by saying that they were "about to construct an important additional hydroelectric development on the Coosa River"; and that "while it is true that the power thus secured will be completely absorbed and new sources required by the time the Muscle Shoals Dam could be completed," nevertheless "this company would scarcely be justified in depending upon Muscle Shoals to take care of even more remote demands." (Hearings before House Committee on Military Affairs, pp, 791, 792.)

POWER COMPANY DECLINED TO COMMIT THEMSELVES.

General Beach again brought the matter to their attention June 18, 1921, in a letter asking—

> What power the Alabama Power Co. would desire or be willing to take from Muscle Shoals two years from this date, and also three years from this date, if one year's advance notice of actual date at which power could be delivered could be given and a satisfactory price is guaranteed.

The company merely referred to their former letter, explaining that they were about to develop 120,000 horsepower on the Coosa River "because it did not seem at all possible that the Muscle Shoals hydro development could produce any power during 1923 or 1924," and the company stated:

> We must make our plans for several years in advance of actual power needs, and longer notice than one year in advance of actual date at which the Muscle Shoals power could be delivered would be necessary for this company to commit itself for the taking of definite amounts of power.

So, Mr. Speaker, this company was entirely willing for the United States Government to go ahead and construct the great power dam in their distributing territory because they well knew that there was no prospect of a market for any such amount of power, and they did not propose to relieve the predicament of the Government in any degree by committing themselves to purchase any portion of the power which the Government would find on its hands when the dam was completed.

POWER COMPANY MAKES OFFER TWO WEEKS AFTER FORD'S OFFER GOES TO CONGRESS.

When Mr. Ford made his offer for the Muscle Shoals project it was to the Alabama Power Co. like a bolt from the blue.

They instantly recognized that here was prospective real competition—competition which might result disastrously to their virtually complete monopoly of electrical-power business in the State of Alabama.

It seemed evident that an effective way to checkmate Mr. Ford at Muscle Shoals was simply to put in a competitive offer and secure its acceptance, and so on February 15, 1922, just two weeks after the Ford offer had been transmitted to Congress, the Alabama Power Co. made their proposal to the Secretary of War.

THE ALABAMA POWER CO. OFFER RECEIVED UNDER FAVORABLE CIRCUMSTANCES.

The offer of the Alabama Power Co., coming as it did to our committee with its alleged advantages, pointed out in detail by the Secretary of War and heralded by a controlled portion of the technical press of the country as an offer far superior to that of Henry Ford, why did it not receive more favorable attention at the hands of the committee?

It is true that they offered to complete Dam No. 2 and to install in the power house about one-quarter of the full equipment at their own expense, but they offered to do this under the terms of the Federal power act, which meant that we were donating to them the $17,000,000 which we have spent on our dam, and at the end of 50 years we would find that if we wanted to get our dam back from the Alabama Power Co. we would have to pay for it out of the Federal Treasury, and no provision for an amortization fund was made by the Alabama Power Co. to provide us with means for buying back this property. Their offer meant, so far as the dam was concerned, that we solved the power problem at Muscle Shoals by giving our dam away. And as for their offer to purchase the steam power plant at Muscle Shoals, it was pointed out (House hearings, p. 632) that their apparent offer of $5,000,000 had a "joker" attached which reduced the real amount offered to one-tenth of that amount, or $500,000.

FERTILIZER PROVISIONS OF POWER COMPANY OFFER WERE CHEAP SKULLDUGGERY.

As for the operation of the nitrate plant for the production of fertilizer, the Alabama Power Co., with their characteristic legal shrewdness, carefully kept clear from this obligation. Did they propose to undertake the risk and expense that must be undertaken if the farmers are to be provided with cheaper fertilizer from the Muscle Shoals plant? You may depend upon it, Mr. Speaker, they did not. On the contrary they proposed no arrangement or plan for operating the nitrate plant, and their president who appeared before our committee flatly declined to get under this burden. (House hearings, p. 813.)

It is true that they proposed to donate 100,000 secondary horsepower to the Government to be used for the operation of nitrate plant No. 2 if the Government could find anyone who would undertake to use it for that purpose. But, Mr. Speaker, I have been in Congress for eight years; I have seen some pretty cheap skullduggery at times, but never in my experience have I seen a cheaper or more disgusting attempt to fool the public, and particularly the farmers, than this brazen provision in the offer of the Alabama Power Co.

What is secondary power? Why, Mr. Speaker, it is simply that part of the power that is furnished by the occasional high-water periods scattered through the year. It is power that is irregular and so unreliable that even when it is available for a total of as much as 10 months out of the year it has little or no commercial value, according to the joint statement of the four great southeastern power companies in their letter to the Chief of Engineers. (House hearings, p. 118.)

DONATION OF POWER A MERE GESTURE.

Even if the great plant could be run on such an irregular power supply, the donation of this power is a mere gesture on the part of the Alabama Power Co., Mr. Speaker. This power comes from the same power house, manned by the same force, that would operate the plant for the Alabama Power Co.'s own purpose. What would be the result? Why, Mr. Speaker, the cost of this power is merely an indistinguishable part of the power company's annual operating cost. The cost of this power is completely submerged in the cost of other power produced by this company, and whatever its cost may be that cost is borne not by the Alabama Power Co. but by their customers, for it is merely a part of the general operating expenses of the company which are passed along to the consumer.

DID THE ALABAMA POWER CO. EXPECT THE NITRATE PLANT TO BE OPERATED UNDER THEIR OFFER?

Did the Alabama Power Co., or did the special interests allied with them in their fight on the Ford offer—the fertilizer combination, the packers, and the by-product coke-oven interests—did these allied schemers expect to see some one come forward with a proposal to operate this great nitrate plant on secondary power, even when they later offered to supplement it with 10 per cent of primary or continuous power? Of course, they did not, Mr. Speaker. They had no such idea, and they had no fears of the competition that might result from any such attempted operation.

But, Mr. Speaker, they knew that no offer which ignored the fertilizer possibilities at Muscle Shoals would be considered by the committee as an adequate solution of the Muscle Shoals problem, so they resorted to this cheap trick, hoping that because committees of Congress are not technical experts they, therefore, might put one over on us.

COMMITTEE NOT FOOLED.

But, Mr. Speaker, they did not fool the members of our committee. Every important provision was soon measured at its true value, and when the majority of the committee realized the responsibility that Mr. Ford squarely shouldered and which the Alabama Power Co. evaded in this plausible way, the committee set this company down as a lot of cheap tricksters, Mr. Speaker, and consigned their unworthy offer to the waste-basket along with the others.

FORD OFFER MET EVERY REQUIREMENT.

The Ford offer met all the requirements in every particular—not only met them but exceeded them. Mr. Ford agreed to maintain the nitrate plant No. 2, or its equivalent, ready for immediate use for the Government for the production of explosives for 100 years. How much would that cost? Nobody knows. Mr. Ford agreed to keep this nitrate plant up to date, for he agreed to research the most improved methods and to adopt these processes. How much would that cost? How often must nitrate plant No. 2 be rebuilt under such a guaranty? Nobody knows. Compared with such valuable obligations on the part of such a responsible party, the $5,000,000 cash payment which Mr. Ford offered became an insignificant part of the consideration.

FORD AGREED TO OPERATE PLANT TO MAKE FERTILIZERS.

The outstanding feature, however, which recommended the Ford offer was his definite obligation to operate nitrate plant No. 2, or its equivalent, as a fertilizer plant to its full capacity. What did that mean? It meant, Mr. Speaker, that he would have to produce as much nitrates at Muscle Shoals as all American farmers together had been importing from Chile in normal years before or after the Great War. It meant nitrates enough to furnish nitrogen for 2,000,000 tons of 2–8–2 commercial fertilizer, and Mr. Ford agreed to make this fertilizer in mixed or unmixed form to meet the market demand.

VOLUNTARY LIMITATION ON PROFITS.

As is well known, Mr. Ford agreed to limit his profit on fertilizer production to a maximum of 8 per cent on the "fair actual annual cost of production," and provided a board of farmers to determine what was meant by the word "fair," and to examine his books and see what this cost of production has been. No pretense of matching this feature of the offer has ever been made by any member of the opposition. The fertilizer industry does not open its books to its customers, nor does it limit its profits to 8 per cent, and no amount of abusing of the Ford offer will blind our eyes to this fact.

CYANAMID PROCESS OBSOLETE.

When it is remembered that the cyanamid process is obsolete and that this great plant must be rebuilt before it can be successfully used commercially, and when it is also remembered that the small experimental plant was a failure, there is little wonder, Mr. Speaker, that bidders for this project were few and that none of them have agreed to the terms of the Ford offer. All they can do is to stay in their glass houses and throw stones.

NO EFFECT ON FEDERAL WATER POWER ACT.

An important part of this proposal to purchase, operate, and maintain the nitrate plant is the lease of the water power. The first objection about the water-power lease that has been raised by the opposition is the length of it, but, Mr. Speaker, if it is a good thing to use this power to reduce the cost of fertilizers to the farmers of the United States for a period of 50 years, I contend it is a good thing to use it for this purpose for 100 years, and as for the calamity to the Federal water power act, which has been freely predicted if the Ford offer is accepted, I want to say that I see no connection between the two. The Federal water power act has to do with strictly power propositions, and the operation of two hydroelectric plants under the Ford offer is accompanied by such heavy obligations that this project is in a class by itself.

FORD MORE SEVERELY REGULATED THAN ANY LICENSEE.

Does the Federal water power act require licensees to manufacture 250,000 tons of nitrate of soda annually? Does it require them to maintain the greatest nitrate plant in the world

in an up-to-date condition, ready for immediate use of the Government in time of war? Does it require them to limit their profit on their principal product to 8 per cent on the fair actual annual cost of production? Of course not. The Federal power act is confined to strictly water-power developments, and the acceptance of the Ford offer does not constitute a precedent which can be applied to any other water-power development, large or small, in the United States. If any other licensee is willing to undertake at his power site obligations that would be comparable with the obligations of Henry Ford at Muscle Shoals, then I want to say, Mr. Speaker, I am willing to give that licensee his license for 100 years also.

THE FINANCIAL RETURN FOR THE POWER.

Mr. Ford offers 4 per cent interest on whatever amount the Government has expended, since his offer was made, in the completion of the hydroelectric project, and provides annuities which applied to a sinking fund, as any other sinking fund is administered, according to the testimony of the Secretary of War (Hearings, p. 7) would return to the Government more than $70,000,000 if invested at only 4½ per cent, and such a fund could be administered by the Federal Reserve Board at practically no additional cost to the Government whatever. As to those who say that Mr. Ford does not pay enough because he does not begin his interest payments in full as soon as the work of construction begins, I reply, who is paying the United States interest on its construction investment now? Who will pay the United States 4 per cent interest on this water power as soon as the dams are completed?

NO BETTER OFFER WAS MADE BY ANYONE.

Mr. Speaker, this is not time for theorizing. The dam is being built and no one has offered better terms than those of the Ford proposal. If it was so wonderfully profitable a proposition, if there were the millions and billions to be made out of it which the opposition has represented could be made, then why have the American captains of industry held back? Has American enterprise become indifferent to such a marvelous opportunity? Mr. Speaker, the question carries its own answer. It is not that the American capitalists are less enterprising than they ever were, but the marvelous opportunity for piling up these millions and billions of profit from the Muscle Shoals project is simply not there.

MUSCLE SHOALS AN OPPORTUNITY TO SPEND MONEY.

Mr. Ford does not need to go to Muscle Shoals to make money. He has several excellent plants for that purpose in Detroit and vicinity. Mr. Ford knows that if he goes to Muscle Shoals he must spend money and take large risks in the hope of accomplishing a great good to agriculture, and so he reasonably has withheld any promise to return 4 per cent interest to the Government until he has had a reasonable opportunity to rebuild the nitrate plants and to provide an outlet for the power which is being developed. He offers a fair return, but he surrounds his offer with those conditions which are necessary if the project is to have a reasonable expectation of financial success, and if it is financially unsuccessful then neither Mr. Ford nor the farmers nor the Government will secure the great benefits which we all expect.

NO POWER BONANZA FOR FORD AT SHOALS.

It was shown beyond question before the committees of Congress that more than 200,000 continuous horsepower, the bulk of the useful power at Muscle Shoals, will be required in the manufacture of fertilizer. (Maj. J. H. Burns in Senate hearings, p. 929.) If Mr. Ford builds storage dams and stabilizes the irregular flow of the river so that an additional amount of power is made useful, he must do this at his own expense, and what he does with such additional power concerns him alone, and I for one have no desire to dictate. But this Congress should understand, as our committee well understood, that because 850,000 horsepower of generating equipment are installed at Muscle Shoals it does not follow that 850,000 horsepower of electrical energy will become available for Mr. Ford or anyone else. No matter how much generating machinery is installed the power developed is limited by the flow of the river, and until the flow of the Tennessee River is equalized by great storage reservoirs it will require nearly all of the useful hydroelectric power at both dams, supplemented as required by the steam power, merely to carry out the fertilizer obligations of the Ford offer. The record on this point is clear for anyone to see who will examine it for himself, and the Ford offer is not a hard bargain driven by a sharp trade as the opposition has maintained, but it is an offer to take an abandoned, unsuccessful, and obsolete property and to utilize in its operation the flow of a stream which is one of the most irregular in the United States.

FORD'S OFFER THE ONLY ONE WHICH PROVIDED FOR THE PURPOSES OF CONGRESS IN BUILDING THE NITRATE PLANTS.

Summing up, then, there was only one offer before our committee which met the military purposes of the nitrate plant and at the same time made provisions for its greatest possible use to agriculture. From any angle the Ford offer is not only a favorable offer for the United States but it offers far more than this Government had any reason to expect, and if we will consult our own interests at Muscle Shoals we will accept Henry Ford's proposal without further delay.

S. 4280—RURAL CREDITS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have leave until midnight to file their report on the bill (S. 4280) relating to rural credits.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the Committee on Banking and Currency may have until midnight to file their report on the bill (S. 4280) relating to rural credits. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, I am not advised; does the gentleman know whether there are any minority views?

Mr. MONDELL. I understand not, but the ranking minority member suggested that I submit this request.

Mr. WINSLOW. I should like to ask what is the subject matter of that bill?

Mr. MONDELL. Rural credits.

The SPEAKER. Is there objection?

There was no objection.

CHINESE EASTERN RAILWAY.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article on the history and present condition of the Chinese Eastern Railway by Carl J. Mayer, our trade commissioner over there.

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 article referred to is as follows:

[Special Report No. 36.]

HARBIN, MANCHURIA, *December 3, 1922.*

THE CHINESE EASTERN RAILWAY.

(Trade Commissioner C. J. Mayer.)

A favorable condition is observable in the maintenance, operation, and finances of the Chinese Eastern Railway for the period beginning early in 1921 up to the present time, as compared with 1914. The road is still in process of struggle against the dire effects of the Great War and the Russian revolution, but it must be recognized that it is finally commencing to disentangle itself from its position of severe and prolonged paroxysm.

Owing to the Great War and the revolution in Russia the Chinese Eastern Railway, which up to that time served as an artery connecting Russia with the Pacific Ocean, particularly from the military viewpoint, lost all Russian transit freight. In order to subsist it was forced to rely almost entirely on the transport of Manchurian grain. The railway before the Russian revolution was under State jurisdiction, State subsidy, and served State ends. After the revolution it was confronted with the necessity of solving the problems of management in accordance with new economic and social conditions.

The general economic policy of the Chinese Eastern Railway since 1921 has undergone radical change. It is the purpose of this report to present this policy as clearly as possible, the apparent reasons for its being, and its probable trend as it may affect future economic development in eastern Siberia.

THE RAILWAY BEFORE THE WAR.

The underlying motive for the building of the Chinese Eastern Railway was to tie the Ussuri Railway with the Trans-Siberian Railway and its Trans-Baikal branch for strategic purposes. Commercially it was designed to be common carrier of transit freight and of exports of Russian manufactures and raw materials to Manchuria and other countries. Transportation for products of Russian origin was made cheap on the railway, so that they could compete in the Manchurian market, while tariff barriers were erected for competing foreign commodities.

It was considered by the Czar régime that the Chinese Eastern Railway should, in the first instance, serve the general political and economic aim of the Russian Empire and that all other considerations should be made subservient to this end. There were introduced as a consequence special reduced rates on the railway giving preference to Russian commodities. These rates brought losses to the railway, and in itself it never balanced income with expenditure. Under the old Russian Government the railroad depended on subsidy, and from the commercial standpoint was not a paying proposition.

The traffic of the road practically from its beginning took the form of export as the most important factor, increasing from 1906 to 1913 by 11 times. In 1906 the export traffic of the railway was 12.8 per cent of the total traffic, and in 1913, 47.6 per cent. The principal route of this traffic was via the Ussuri Railway to Vladivostok, while the export via the South Manchuria Railway to Dairen had not yet become an important factor in the operations of the road.

Maintenance of way, rolling stock, and all accouterments of the road were before the war kept up in good fashion, though at expenditure out of proportion to revenue, for the reasons above outlined.

DURING THE CRISIS.

When the anti-Bolshevist forces were warring in Siberia, in 1919–20, against the Bolshevists, a great burden fell upon the Chinese Eastern

Railway. It was expected that by the utilization of the road anti-Bolshevist success in Siberia would result, and there was built in the railway zone a Russian State in which military staffs and troops were prepared to fight the anti-Bolshevist cause. The then railway administration inaugurated at Harbin several State institutions of military and civil character and included some of them into the management scheme of the railway.

When the hopes of the anti-Bolshevists were blasted with the fall of Omsk, when the Russian ruble fell so disastrously in 1920, and the world witnessed a general economic depression, a period of disorganization, disuse, and neglect set in for the Chinese Eastern Railway. Freight traffic almost completely collapsed. Communication with the Japanese and Chinese railways had been discontinued, and communication westward from Manchuli ceased entirely, the then administration believing also that resumption of this traffic from Manchuli would be politically dangerous. Freight traffic to Vladivostok declined heavily. In the meantime the Chinese cart traffic along the railway increased by leaps and bounds, so much so that in 1920 it reached the startling figure of 62,000,000 poods, more than 50 per cent of the total grain export of the territory.

The coffers of the railway were empty. Although high freight rates were in force, no profits were derived, because collections could be made only in depreciated paper currency, and traffic was at a very low ebb. Prices for fuel rose to such outrageous figures as 60 gold rubles for 1 square sajen of firewood and 24 gold kopecks per pood for coal. The indebtedness of the road to fuel contractors reached 20,000,000 gold rubles. Exchange operations on rates of paper money caused speculation by commission agents of the railway, to its great detriment. Corruptive practices by officials of the railway were common. The indebtedness of the road to the interallied technical board and purchasing committee reached several million dollars. Indebtedness to employees became a chronic disease. An enormous staff of employees and workmen, causing terrific overhead, was on the pay roll of the road. This personnel, too, apparently became demoralized and lost its balance as to its duties and responsibilities. The railway was lacking a controlling hand and every department attempted to regulate its affairs, without any basic plan or estimate, as it deemed best.

Technical decay also set in. The conditions of track, rolling stock, and general operation became deplorable. Material management of the track was subject to many abuses, owing to lack of supervision. Hauling of trains was subject to irregular distribution of locomotives, which caused waste of power, and to technical defects in rolling stock owing to neglect. The destruction of the property of the railroad amounted to many thousands of dollars.

THE NEW MANAGEMENT.

After the overturn in Russia China was desirous of fortifying her rights to the Chinese Eastern Railway. The Russo-Asiatic Bank, because of its formal rights to the railroad, raised a protesting voice, which resulted in the signing of an agreement between representatives of the bank and the Chinese Government on October 2, 1920, whereby the legal authority over the railway was acknowledged to belong to a board of directors consisting of equal representation by Chinese and Russian members. It was decided that the railway immediately needed a strong controlling force to pull it out of its plight. This decision resulted in the assumption in February, 1921, of the general managership of the road by B. V. Ostroumoff, an energetic and prominent Russian railroad engineer.

As the Great War served to connect north Manchuria with the world market when prices on this market fell at the end of 1920 the effect was acutely felt by the country, especially since it had lost virtually all connection with Russia's markets. Trade and industry came to a standstill. Prices on commodities for export in Manchuria fell to such a degree that the Chinese Eastern Railway was a heavy loser. The rates charged for the transportation of this export lost all proportion to the prices prevailing on foreign markets. In the meantime the railroad was also confronted with the task of combating Chinese cart traffic, which had suddenly sprung up to pretentious proportions. The cart system was handling both export and import.

In 1913, 15,000,000 poods of export grain were handled by this traffic via Chang-Chung. In 1917 it increased to 25,000,000 poods and in 1919 to 50,000,000 poods. When the figure reached 62,000,000 poods in 1920, it was considered by the management of the railway that unless steps were taken to combat the situation the railway would be doomed to serve merely as an auxiliary to the cartage system, and a revision of tariffs was considered the paramount problem.

The tariffs of the railway up to this time were based mainly on those established in 1908, which were doubled in 1920, owing to increased cost of operation. Up to December of that year Russian paper rubles were accepted in payment of freights, and the increase in tariffs met with little objection until the acceptance of these paper rubles was discontinued after December 4, 1920. The traffic of the railway then experienced its slump. This was during the season when shipments invariably are the heaviest of the year. The transportation of grain on the railway almost ceased, while transportation by carts increased to the high figure above mentioned.

The first revision of tariffs on the railway went into effect in March, 1921, under the new management, with a view to attracting traffic. This move resulted in a remarkable increase in traffic. In February, 1921, the traffic was 5,000,000 poods; in March, 11,200,000 poods; in June, 15,900,000 poods; and in December, in the height of the grain-shipping season, 17,500,000 poods, a figure greatly in excess of any previous monthly traffic record in the history of the railroad. The competing cart traffic was enormously lowered.

With the gradual revision of the rates on all principal classes of commodities the railway took a new lease on life. It transported in 1921, 126,149,527 poods of freight. This figure, in view of the fact, also, that the Russian market was cut off, breaks all previous records on the railroad. The income of the road amounted to 39,785,677 gold rubles in 1921, as compared with 33,302,494 gold rubles estimated revenue for the year. In the meantime the cart system handled about 5,000,000 poods of cereals, as against 30,000,000 for the corresponding period of the year previous. Exports increased by 49½ per cent and imports by 29 per cent over the preceding year, while for certain classes of commodities, such as beans, the increase in comparison to the previous year ran as high as 145 per cent. Exports to Vladivostok were 3,175,460 poods in 1920, and increased to 23,403,418 poods in 1921, while in the next half year of 1922 the figure had already reached 20,000,000 poods.

At the same time the policy of reducing the tariffs was inaugurated a program of economic reconstruction of the railway was put into force. The main features of this program included reducing expenditure by the gradual discharge of superfluous employees and the instilling of esprit de corps into the employees remaining. The deteriorated condition of the railway made it imperative to make certain capital expenditures in improvement of rolling stock and way in order to properly handle the increase of traffic. Such improvements were calculated to permanently enhance the valuation of the property.

Comparison of 1921 figures as to the financial condition of the road should be with 1914, the nearest normal pre-war year. At that time the railway had no burden of military and political events. Comparison with 1920 is also not feasible in order to obtain a correct idea of the financial condition of the road at the end of 1921, for the reason that it was operative in 1920 under paper currency and since 1921 under gold currency.

In comparison to 1914 the gross income of the railway is officially given out as increased by 76 per cent and the expenditures as increased by 120 per cent. This great discrepancy between increased revenue and expenditure is due to the enormous undertakings incident to the reconstruction of the road. The cost of fuel, one of the big items of expense in the maintenance of the road, for instance, while having been greatly reduced from the figures of 1920, in 1921 was 29.44 gold rubles per 1 cubic sajen, as compared with 13 to 14 gold rubles in 1914, and from 10 to 17 kopecks for one pood of coal, as compared with 3½ kopecks in 1914. High wages incommensurate with the productiveness of labor were also a burden on the finances of the road in 1921 as compared with 1914. It was not until 1922 that the new management succeeded in scaling wages in accordance with production.

While showing a deficit, the analysis also shows that the reforms instituted on the Chinese Eastern Railway were calculated to demonstrate and vindicate themselves not immediately, but after an extended period of time. All indications point to such vindication within a comparatively short period from the present. The analysis shows as well that notwithstanding enormous handicap the new management succeeded in increasing the net income of the railway to the level of pre-war time. It placed the traffic operation of the road, which is the backbone of the railroad business, not only in an immeasurably improved condition, but also on a good foundation for the future.

THE PRESENT ECONOMIC POLICY.

The tariff measures taken by the administration of the Chinese Eastern Railway in the beginning of 1921 were calculated to cope with an immediate problem, but these measures were, of course, subject to change, in accordance with a general basic tariff policy to be worked out later.

The first step of the railway management toward the creation of such a general tariff policy was to organize the economic bureau. The essential task of this bureau was to study economic conditions and to make available facts and figures regarding this condition. The economic bureau reported the fundamental fact that North Manchuria produces annually 660,000,000 poods of raw materials, 220,000,000 poods of which constitutes a surplus. It was, therefore, deemed that the tariff policy of the road should be based around the idea that the railway should attract all the surplus production of North Manchuria. Summed up, the following general policy was evolved, which, as will be explained later on in this report, has been subject to serious change, owing to political developments in the maritime Province of Siberia near the close of 1922: (a) To combat the competition of cart transportation; (b) to support and foster local industries; (c) to construct grain elevators; (d) to organize facilities for the pooling of grain, beans, and bean oil; (e) to foster imports through Vladivostok by means of liberal rates on imports; (f) to increase exports via Vladivostok.

The railway by virtue of an agreement entered into with the South Manchuria Railway regarding freight rates began to find itself in a peculiarly unfavorable position. At the 1921 conference between representatives of the South Manchuria Railway and the Chinese Eastern Railway the latter road obtained such beneficial terms that the former intended to cancel the agreement before its expiration. Owing to this agreement the South Manchuria Railway was obliged to make a reduction for the period November 1, 1921, to May, 1922, of 34 per cent on the usual rates for grain coming from stations of the Chinese Eastern Railway to Yaomin. While there was, therefore, a reduction of rates in the through traffic, the rates on the local traffic of the South Manchuria Railway remained unchanged. This caused the transportation of grain by carts to Chang-Chung and other neighboring stations of the South Manchuria Railway to be fruitless. The agreement on account of its apparent one-sidedness was canceled upon its expiration.

The representatives of the South Manchuria Railway declared at the conference held in Chang-Chung in June, 1922, with representatives of the Chinese Eastern Railway that all special reduced rates on through traffic of the Chinese Eastern Railway could no longer be granted, and terms were agreed upon by which it was calculated rates would be equalized on the Chinese Eastern Railway in both directions of the line, namely, to Dairen in the southern and to Vladivostok in the eastern.

In a report dated September 4, 1922, to the board of directors of the Chinese Eastern Railway, B. V. Ostroumoff, the general manager, confidentially stated as follows regarding the new agreement concluded with the South Manchuria Railway in June, 1922:

"In the years 1918–1920, a period of downfall, when the railway was unable to transport the total amount of freight and congestion of traffic was a frequent occurrence, the transport of freight by carts was carried on in the shortest directions up to the point from whence further transport was easy for purposes of export, namely, to Chang-Chung.

"The traffic by cartage withdrew from the railway more than half its grain freight, this amount during the season of 1920 being 62,000,000 poods.

"The railway itself in transporting as well as it could manage the remaining 44 per cent of the grain freights likewise directed the freights along the southern line as the shortest and most available one in point of service.

"The railway did not start immediate transport of freights and, disregarding the terms of the season for transportation, continued the same work during the years 1920 and 1921.

"Owing to the inadequacy of the facilities of the railway, to the lack of shipping facilities, transport in the direction of Vladivostok, notwithstanding the favorable correlation of the tariff rates, which during all these years of the downfall of the activity of the railway, including the year 1920, was two and one-half times cheaper by pood-verst in the Vladivostok direction than in the southern direction, fell to the amount of 3,000,000 poods.

"Thus, the transport service of the western line, up to the time of my taking up the management of the railway, was as regards passenger and freight traffic less than 10 cars per day. During the whole month of December, 1920, there were transported in the Vladivostok direction 30 cars, and during the month of January, 1921, 19 cars.

"Two problems lay before me from a commercial point of view, as well as from consideration of the technical and economic aspect. These were: (1) To regain to the railway the maximum of freight traffic; (2) to reestablish activity on all the branch lines of the railway, both on the eastern and southern lines, and lastly on the western line.

"These problems were, and always are, uppermost in my general plan of all measures to be taken for the betterment of the railway, and I submit them among other questions to the enlightened attention and for the decision of the board of directors.

"Further development of these problems would be: Contending against transportation by carts; reestablishing railway traffic to Vladivostok; developing communication with the West and undertaking all measures for the establishment of transport facilities to the profit of trade and industry.

"So as to facilitate the work of the railway all appertaining lines should develop transportation activity to the highest point, and in accordance with their possibilities take up the freights of the Chinese Eastern Railway.

"When, during last year, it was found that, thanks to those tariff rates which were then established and to different technical and economic measures undertaken by the railway, freights were again regained to the line in all directions, I took care that all the lines should be prepared for the needs of transportation service during the winter season of 1921–22, so that freights could be accepted from shippers without delay.

"It was formerly supposed that during the first year it would be possible to transport to Vladivostok 12,000,000 poods. But, as a matter of fact, the reinforced activity of the railway in the Vladivostok direction, the perfected conditions at Egersheld, the cheaper tariff for reshipment at that port, the advertising of all advantages of the railway resulted in that about 25,000,000 poods were transported to Vladivostok. Also, there was introduced a new way of transporting bean oil by the use of tanks.

"Along with this, the administration took care to reestablish the crossing stations which had been destroyed on the southern line owing to the Japanese war, to lay out a whole series of new railway lines at the stations of the southern line, to demand of the South Manchuria Railway that it should take over up to 700 cars of freight daily against the former amount of 100 to 170 cars. These developments made it urgent to reconstruct both the stations of Chang-Chung and Kouanchendze.

"These measures, as proved by the following transportation season, were absolutely requisite. On some days the export service demanded up to 900 cars, of which number 250 cars were directed eastward and 650 cars southward.

"The increase of freights via Vladivostok was regarded with apprehension by the neighboring railway, and all measures were taken so as to impede export via Vladivostok. In spite of this the administration of the railway contended with all the difficulties lying in its way to the purpose of achieving further development of the Vladivostok traffic.

"As matters stand at the present time, even with that additional work which has been carried out during the summer season and which is now nearing its end, the carrying capacity of the eastern section of the line is 360 to 320 cars and of the southern line 700 cars daily. Thus, the maximum carrying capacity of the railway per day is on an average 1,000 cars.

"The transport service of last year has proved the excessive tension of the work, even at the time when figures were slightly on the decrease, namely, 250 cars in the eastern direction and 650 cars southward.

"I firmly hope that the results obtained during the previous year and the additional preparation undertaken in the current year will allow us to accomplish unbroken export traffic during the winter season to the extent of 1,000 cars per day.

"If it happens that it should be necessary to transport 700 cars to Vladivostok daily and 300 cars to the south, the results would be that on the eastern line there would be a congestion of traffic amounting to 400 cars daily, while the same number of cars would remain unbenefited by the southern line. Besides this, the returns of the railway would show figures lower than those of the estimates, these being figured out quite correctly in accordance with the maximum carrying capacity of the different parts of the line.

"In order to give possibility to the eastern section of the railway to carry on work under the existing unfavorable conditions politically in Vladivostok, the Chinese Eastern Railway was forced to agree to leaving a less profitable rate for the eastern direction, which is one thirty-fifth kopeck per pood-verst against one-fifteenth kopeck on the southern line for the transportation of beans.

"In the whole range of the activity of the railway it is not only possible but it is necessary to be reconciled to the fact that the sending of each pood of freight in the eastern direction gives a net profit of 5 kopecks less as against the sendings in the southward direction.

"It is necessary to uphold the traffic to Vladivostok not only on the ground of the above-mentioned consideration and for the regularity of the service on the whole length of the line but likewise so as not to be left—with the single exit in the southern direction, via Dairen—in a state of dependence regarding the South Manchuria Railway. But to consider that the eastern direction is more important and more desirable for traffic than the southern direction would be erroneous, not only because of what has been hereinabove stated as to the through carrying capacity of the railway but also because of economic returns. Thus, when during the previous year at the sixth conference we had to stand up in defense of reestablishing traffic service in the direction of Vladivostok we were opposed to an increase of tariff rates to Vladivostok.

"But as a result of measures undertaken by us and owing to menaces on the part of the Japanese to increase, beginning from the month of April, the favorable anticart tariff of the through traffic of the Chinese Eastern-South Manchuria Railways it was found that exporters decidedly turned all shipments toward Vladivostok. At the time of the seventh Chang-Chung conference matters stood in such a state that 53 per cent of the whole amount of the export was directed to Vladivostok and only 47 per cent south.

"These facts, resulting in excessive increase of export to Vladivostok, were most disadvantageous to the railway, and the loss to the railway already amounts to about 3,000,000 rubles, with an average decrease of returns per pood-verst of from one-seventh to one twenty-first.

"For the future, if such influx of freight traffic in the Vladivostok direction continues, it is likely that we shall have a considerable deficit of returns against the total amount of earnings as per estimate and also that we shall find ourselves under the embarrassment of not being able to fulfill all export requirements, which will result in congestion of traffic and of great loss to shippers, who would in that case all make their claims.

"All this was clearly foreseen by me before the seventh Chang-Chung conference, and as I reported to the board of directors just before my departure it was absolutely necessary to put a stop to the extreme increase of the influx of freight transportation in the Vladivostok direction and also to establish normal conditions of traffic to the south. We ought really to have done this without any conference at all, so as not to diminish the returns of our budget. But the moment of the opening of the conference proved favorable to us, inasmuch as we succeeded in putting to profit this increase of tariff rates to Vladivostok by giving it out as a grant to the South Manchuria Railway at the same time conserving in force the anticart tariff No. 31, and even getting it under our own control, by which the South Manchuria Railway has paid us the cost of her participation in this arrangement.

"As the attempts to obtain decrease of influx of transportation of freights to Vladivostok had to be dealt with cautiously so as not to be in error on the reverse and to avoid weakening Vladivostok activities, it was suggested at the conference that tariff rates should be increased first from Harbin only, leaving aside the arrangements of the western line.

"When the representatives of the South Manchuria Railway insisted that this increase should also include in the arrangement the station of Anda, we refused this point, leaving ourselves free to act as would be best concerning this station.

"The two months following the close of the conference have proved that the increase of the tariff rate from Harbin is a measure still insufficient to regulate as desired the transportation traffic in all directions and that it is necessary to establish the same increase of tariff rates for the stations of the western line. The result of this measure would be that the deficit of returns of the railway in the eastern direction would be lessened and that normal percentage of exploitation in the southern direction would be reestablished.

"I consider that the necessity, the advantageousness, and the correctness of all these measures settled at the Chang-Chung conference are not to be doubted. We merely availed ourselves of an opportune moment for deciding on these arrangements which were absolutely necessary and unavoidable to introduce even without the help of the Chang-Chung conference.

"Returning to the question of the projected raising of the tariff rates in the Vladivostok direction, I must point out that the measures which are necessary to be established coincide with the insistence of the Chinese merchants of Harbin and of Fudziadzian, and that the Chinese authorities consider that these insistent requests should outweigh the remonstrances advanced by the merchants of Anda.

"I am of the opinion, therefore, that we can effect this increase by presenting it under the form of our yielding in the question in favor of the interests of such an important trading center as Harbin.

"As this arrangement coincides with the desire of the South Manchuria Railway, it would, perhaps, be better to exact a certain compensation from the South Manchuria Railway for the introduction of this measure, which compensation could be exacted on the lines of localizing transportation by carts and of contending against the turning away of the freight along the main line of the railway in favor of cartage transportation."

At the time of the seventh Chang-Chung conference close much criticism was expressed regarding the policy of the Chinese Eastern Railway toward the South Manchuria Railway. The fear was expressed that the Chinese Eastern Railway had virtually sold its birthright to Japan, and that it was the aim of Japan to gradually absorb the whole of north Manchuria by getting control of the Chinese Eastern Railway and replacing the track by its own narrow gauge. However, this criticism has since been dispelled, and it seems that the merits of the Chang-Chung agreement are being recognized. Japan evacuated her troops, and in the meantime a new element entered into the general situation when the Russian Soviet Government took over the maritime province of Siberia, which would indicate that any fears regarding Japanese aggression in north Manchuria at this time are groundless.

After the Chang-Chung conference the percentage of hauls in the eastern direction continued quite normally until September, 1922, and the succeeding months. However, it is claimed by the management of the railway that in practice the Chang-Chung agreement would have benefited Vladivostok in accordance with the plan that it assume its proportion of freight traffic in accordance with its maximum carrying capacity, had not the new political condition in Vladivostok intervened.

In order to increase freight traffic on the western line, negotiations were entered into by representatives of the Chinese Eastern Railway with those of the Chita Railway concerning through passenger and freight traffic. A number of meetings were held by the representatives of both railways, in the course of which a member of the interallied technical board played a prominent part. It was decided that the Chita Railway should send to the Chinese Eastern Railway a certain stock of freight cars, and that communication be established. The Chinese Eastern Railway would not undertake responsibility as to further passage of freight beyond the Chinese Eastern Railway zone, but proposed that the Chita Railway deposit a certain sum in metal currency in one of the foreign banks in Harbin, upon whose warrant the shipper might be able to feel assured as to the security of shipment. The agreement was closed but not ratified on the part of the Chita Railway.

After the Russian Soviet Government came into power, at the close of 1922, in the maritime province, which up to that time had been ruled by a "white" government, another serious change to hamper the economic policy of the Chinese Eastern Railway took place, the eventual outcome of which is problematical.

The Russian Soviet Government in December commandeered Egersheld, Vladivostok, which by an old imperial order was given over for the use of the Chinese Eastern Railway and used by the latter ever since. Egersheld consists of 42 warehouses and 5 piers. The capacity of the warehouses is approximately 5,500,000 poods of freight. The

seizure meant that the Chinese Eastern Railway was not considered by the Soviet Government as having further authority or ownership over this section of the port of Vladivostok and that the railway would lose its revenues from that source.

Within a week from the seizure export via Vladivostok greatly fell off, Harbin exporters expressing great alarm over the new situation, and all parties interested being quite at sea as to how to cope with this seeming overt act. Although calm though would indicate that some amicable arrangement might be reached whereby the Chinese Eastern Railway and the Soviet Government could agree on continuation of through traffic, another element arises which gives doubt to such a possibility on the part of the Chinese Eastern Railway interests. This element consists in the fact that the Soviet Government of late demanded that the Chinese authorities turn over the railway to the Russian Government and made loud protestations against the present management. This was considered for the most part as a bluff until the seizure of Egersheld took place, but has assumed a more serious aspect since. It is believed certain that if the Russian Soviet Government were reasonably assured of the success of the plan, it would seize the Chinese Eastern Railway.

Thus, again, in the height of the grain-shipping season of north Manchuria, export via Vladivostok has been seriously curtailed and a new problem has confronted the railway management. The comparative progress of the Chinese Eastern Railway since 1921 is bound to suffer a serious setback unless proper measures are found to adjust the situation.

TECHNICAL CONDITION OF THE RAILWAY.

In studying the expenditure estimates and the work of the Chinese Eastern Railway in 1921, a series of productive technical improvements is noticeable, as well as a systematic reduction of expense, due to the cooperation of the inter-allied technical board and the management. Official figures show a reduction of expenses for 1921 as against 1920 by about $7,000,000, with a simultaneous increase in the operation of the road from 77,955,571 of pood-versts in 1920 to 85,244,247 of pood-versts in 1921. The staff of the railway was considerably cut down. In 1920 11,340 persons were employed by the road and in 1921 this figure was reduced by 10.78 per cent. Since 1922 the management has introduced measures to further adjust the number of employees of the road to the minimum required for its proper conduct. A close touch has been kept by the general manager of the road with its rank and file, his practice being to frequently make personal trips of inspection. Repairs of track, buildings, rolling stock, workshops, and buildings were effected to such a degree as to leave little doubt that the technical condition of the railway has been immeasurably improved.

THE TRACK.

The condition of the track and other equipment of the Chinese Eastern Railway and the shortage of funds at the disposal of the management in 1921 made it a very difficult task to properly improve the matter. It was decided that the plan for improvement of the situation should systematically cover a period of years.

In 1921, 84.29 versts of track were replaced by new rails and about 9,000 cubic feet of ballast removed. The southern line over a stretch of 110 versts was ballasted with crushed rock. Sidings were built at the Harbin terminals, wooden bridges replaced by stone, the Sungari River banks reinforced, lots raised, etc. The improvements effected on the track in 1921 permitted an increase of speed of trains, the average now being for mail and passenger trains from 65 to 70 versts per hour. In 1922 further improvements on the track made a decided change. Drainage was laid underneath all junctions, the ballasting with crushed rock of the southern line, and the ballasting of a great portion of the main line having also been completed.

BUILDINGS.

A similar program for the improvement of the buildings of the railway was put in force in 1921. It was deemed that to begin with preference should be given to repair of buildings having service importance and destined for public use. Passenger waiting rooms, premises for officials on duty, schools, clubs, roundhouses, as well as dwellings of employees were repaired. The management also revised the dwelling-allotment system so that the number of homeless employees of the road was decreased by almost 50 per cent and the evils of favoritism eliminated. This work was further extended in 1922.

FREIGHT AND PASSENGER SERVICE.

With regard to passenger service, the improvements effected since 1921 are beyond all comparison with 1920. Mail trains were provided with electric lighting, dining cars, and sleeping cars. A train de luxe was also put into operation.

The schedules of movement of passenger and mail trains were radically changed. The stopping time at stations was reduced and the interstation speed brought up to 65 versts per hour on the main line and 70 versts on the southern line. Traveling time for mail trains from Manchuli to Pogranichnaya was reduced by 7 hours and 55 minutes, and from Harbin to Chang-Chung by 1 hour and 45 minutes. The practice of dispatching trains on time became strict law.

The improvement of the freight service of the railway is well proved by the fact that it handled with success the tremendous requirements of the exporting season of 1921. In December, 1921, the monthly figures of freight operation broke all records with a daily average of 1,029 cars. This operation was made possible by speeding up repair of cars. In October, 1921, the percentage of cars needing repair was only 15 per cent. The loading capacity per axle rose from 372.37 in 1920 to 417.94 in 1921. The average daily haul of a working car increased from 34.38 in 1920 to 39 in 1921. The turnover of a working car declined in 1921 by 0.1 for 24 hours as against 1920. In connection with the freight service a redistribution of locomotives took place in order to respond most efficiently to the current of traffic. This resulted in an increase of the composition and net weight of freight trains. In 1920 the composition of freight trains averaged 28.54 cars, the net weight of the trains being 16,729 poods, but in 1921 the average composition of freight trains increased to 34.47 cars, the net weight being 19,992 poods. This average increased in 1922. The amount of freight carried increased by 26 per cent as against estimates. Freight trains became subject to the same strict surveillance as to schedules as the passenger and mail trains, so that the commercial speed was raised from 12.78 versts per hour in 1920 to 13.90 in 1921. The personnel of the traffic department was reduced in accordance with demand. In 1920, 3,368 persons were employed, but only 2,609 were maintained in this department in 1921. In July, 1922, this number was reduced to 2,215.

The following table of official fignres gives a comparative idea of the work of the freight service of the railway in 1920, 1921, and the first six months of 1922:

Year and month.	Speed.	Turnover of a working car.	Net weight of a freight train, poods.	Loading per axle.		Per centage of haul of empties to total hauling.	Composition of freight train by axles.	Haul of working car.
				Loaded car.	Loaded cars and empties.			
1920	12.78	10.8	16,729	372.87	250.85	37.5	67.56	34.38
1921	13.90	10.7	19,992	417.94	254.15	39.4	79.17	39.00
1922.								
January	10.2	12.8	21,178	472.08	294.10	33.4	75.14	37.1
February	12.7	10.3	19,333	452.89	259.89	39.0	77.35	47.5
March	15.7	7.6	20,069	395.70	268.04	27.7	79.18	51.6
April	16.0	7.5	22,886	405.74	280.47	28.0	85.69	47.4
May	15.8	7.3	24,936	417.94	296.86	29.4	87.12	46.4
June	15.9	7.2	25,679	420.99	297.70	25.4	88.87	44.0

ROLLING STOCK AND FUEL.

In 1921 capital repairs were effected on 79 locomotives instead of 65 as provided by the estimates for the year, the average number of locomotives turned out per month being 4 to 9 as against 1 to 5 in 1920.

The expenditure for fuel for locomotives, according to official figures, declined in 1921 as compared with the previous year, as follows:

Firewood, cub, sajen:	
1920	51,305
1921	46,851
Coal, poods:	
1920	18,601,075
1921	13,597,262

Thus the consumption of firewood declined by 6.7 per cent and that of coal by 26.9 per cent. On the basis that the consumption of coal converted into the equivalent of firewood exceeds the latter by more than one and one-half times the general percentage of the reduction of fuel consumption by locomotives is figured at 18 per cent. The operation of the railway expressed in millions of gross pood-versts increased, according to the official figures, by 13.7 per cent in 1921, as compared with the previous year, yet a reduction of the haul of locomotives was effected amounting to 9.15 per cent in 1921 as compared with the previous year. The consumption of lubricating oils was also considerably reduced by an enforced control and the introduction of a bonus system. The following table shows the consumption of lubricants in pounds for 1920 and 1921:

For 1,000 versts haul:	
1920	13.56– 18.24
1921	9.68– 14.86
For 1,000,000 pood-versts:	
1920	233.8 –311.1
1921	204.8 –270.0

Repairs of cars, according to the new system inaugurated in 1921, meet the same requirements which existed in pre-war times. The productiveness of the chief workshops rose from 1,426 cars in 1920 to 2,624 cars in 1921. In the shops superintendents were required to check exactly and in time the cost of a unit and to economize all expenses.

However, the greatest items of economy in expense were obtained by a reduction of the cost of supplies and by their more careful consumption. Fuel prices had reached an abnormal height, and its supply was monopolized by certain interests fighting the railway. Expenses for fuel in 1920 reached the exorbitant figure of 38.3 per cent of the whole expenditure of the railway budget. Through rigorous measures the management succeeded in remedying this situation, according to the following official figures:

	Quantity firewood for locomotives (cubic sagene).	For other.	Quantity coal for locomotives (poods).	For other.	Total cost in rubles.	Percentage to total expenditure under estimates.
1920	51,306.70	115,159.50	18,601,075	7,137,688	18,035,961	38.3
1921	46,851.78	70,497.81	13,597,262	6,411,107	8,740,695	26.9

REVALUATION.

The railway management in 1921 readjusted the prices of its stocks which had previously been marked down by varying abnormal high prices of preceding years. The process of the general decline of prices, which for several classes of materials even meant a return to pre-war figures, led to a divergence between market prices and prices of materials stored by the railway which was so marked that an invoicing based on previous prices, according to the management, would have meant a fictitious increase of revenue which would have prevented a regular completion of the provisions of the estimates and a regulation of expenses. The management thus considered it correct to reconsider the value of all stocks of materials according to actual ruling prices and to calculate the difference arising from such reduction of the working capital. It was considered that this loss item was fictitious and merely registers the previous actual losses sustained by the road when it paid abnormal prices for materials in former years, which no doubt, in a large measure, is true.

The result of the reconsidered valuation of stocks of the road is shown by the following official figures:

	Profit.	Loss.
	Rubles.	*Rubles.*
From readjustment of prices	51,958.14	2,758,927.04
From adjustment of nomenclatures and prices under estimates	159,343.67	160,491.07
Total	211,301.81	2,919,418.11
Balance		2,708,116.30

In so far as the railway had used in 1921 materials with readjusted prices, it is considered to be relieved of a fictitious exaggeration of expense.

CONCLUSION.

In any forecast of the probable rôle of the Chinese Eastern Railway in the future of Siberia it must be borne in mind that the present policy of the Russian Soviet Government is to secure control of the railway. The Chinese Government is and has been controlling the road since 1920, and the contention of the Chinese Government is that it should be returned to none but a recognized Russian Government. The exact future status of the road, therefore, is difficult to determine.

If the Soviet Government succeeds in its aim to control the railway and adopts the high-handed procedure of red tape and vacillation which characterizes its present economic measures, undoubtedly the road will for a time at least fall into its old deplorable state and economic benefit to Manchuria and Siberia be impaired.

It is interesting to note the outstanding fact that since the present management assumed control the life of the railway has been dependent solely upon Manchuria. The normal function of the road includes Siberia, and under improved and intelligent management this function admits of enormous economic development. The present management, in view of the recent political change in East Siberia, has been quick to see the probable results of this change as it might affect the railway, and negotiations are now being conducted with soviet authorities as to the possibilities of cooperation in operation of the line. It has even been suggested by the management that the Soviet Government have representatives on the board of directors of the railway. Provided, of course, that the Soviet Government took a conciliatory attitude and placed faith in a scheme of cooperation, the results of any such arrangement would be probably very beneficial. At the present time the result of these negotiations is an unknown quantity. On the surface, little faith can be placed in any conciliatory attitude which might be assumed by the Soviet Government, in view of its recent action concerning Egersheld (see special report No. 37) and its pronouncements at Peking, yet the Chinese Eastern Railway hopes that the action will be rescinded and the way paved for better relations, and it is working hard to accomplish this end.

Aside from the complications arising from the recent political change in East Siberia, notwithstanding the indebtedness of the road to foreign powers, if the present management were to have the good fortune to continue for another period of two years, there can be little doubt but that the measures it has adopted to improve the road would be amply justified. It is recognized that the general manager of the railway has been readjusting its affairs and redeeming part of its debts. This has been carried on under stress. The road went into a period of convalescence, however, and in order to become normal needs time.

Having been personally over the Chinese Eastern Railway from the station Pogranichnaya to the station Manchuli, having personally visited all of the railroad shops at Harbin, the headquarters of the line, I can personally testify to the excellent condition of the entire road, taking into consideration the extraordinary difficult times through which the country is passing. I can also testify to the efficient work being done in all of the shops, putting the old rolling stock and engines in perfect condition again, all to be credited to the efficient and conscientious work carried out under the personal direction of the road's present manager. Although this gentleman is being fought and besmeared by his political enemies and a bunch of jealous grafters, he has brought the road under all these difficulties into excellent condition, as can be seen by a careful study of this report and the accompanying diagrams.

The many improvements made in the city of Harbin for the benefit of the railroad's employees, the improvements made all along the road for the same purpose and for the comfort of the traveling public, after everything had been practically ruined by the armies of occupation, the retreating armies of Kolchak, etc., can not but astonish one. These enormous improvements were made in a short time under the present general manager, for all of which he receives no credit from the discharged surplus employees and grafters who can no longer steal the road blind. He is being accused by these people of having squandered the road's money. This accusation is absolutely unjustified. All the money spent has been spent for the benefit of the road.

The present general manager has not only not used any of the road's funds for his own use but has spent large sums of money of his own for the benefit of the employees of the road and their families, and he himself is, comparatively speaking, a poor man to-day. He no doubt, made some mistakes, most of which can be summarized by saying that he has been too lenient with many of his jealous adversaries and too good hearted toward a lot of shiftless employees.

C. J. MAYER,
American Trade Commissioner.

LEAVE TO WITHDRAW PAPERS—BERTRAND HEIM.

Mr. KIRKPATRICK, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in connection with H. R. 993, for the relief of Bertrand Heim, no adverse report having been made thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. TUCKER, for to-day, on account of sickness (at the request of Mr. BLAND of Virginia).

To Mr. PATTERSON of Missouri, for two days, on account of important business.

To Mr. BIRD, for eight days, on account of urgent business.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that February 21 they had presented to the President of the United States, for his approval, the following bills:

H. R. 2049. An act for the relief of the Delaware River Lightering Co.;

H. R. 3461. An act for the relief of Eugene Fazzi;

H. R. 3499. An act for the relief of the Atlas Lumber Co., Babcock & Willcox, Johnson, Jackson & Corning Co., and the C. H. Klein Brick Co.;

H. R. 4619. An act for the relief of the Link-Belt Co., of Philadelphia, Pa.;

H. R. 4620. An act for the relief of Th. Brovig;

H. R. 4622. An act for the relief of the Lloyd Mediterraneo Societa Italiana di Navigazione, owners of the Italian steamer *Titania;*

H. R. 5249. An act for the relief of Ephraim Lederer, collector of internal revenue for the first district of Pennsylvania;

H. R. 5475. An act for the relief of the Standard American Dredging Co.;

H. R. 5648. An act for the relief of Ike T. Boyles;

H. R. 6177. An act for the relief of the owner of the fishing smack *Mary S. Dolbow;*

H. R. 8214. An act to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing the said steamship, and to make an appropriation therefor;

H. R. 9049. An act declaring the act of September 19, 1890 (26 Stat., ch. 907, sec. 7), and the act of March 3, 1899 (30 Stat., ch. 425, sec. 9), and all acts amendatory of either thereof, shall not hereafter apply to a portion of the west arm of the south fork of the South Branch of the Chicago River, and for other purposes;

H. R. 9316. An act for the relief of Robert J. Ashe;

H. R. 9887. An act for the relief of the Pennsylvania Railroad Co.;

H. R. 13808. An act granting the consent of Congress to the commissioners of Venango County, their successors and assigns, to construct a bridge across the Allegheny River, in the State of Pennsylvania;

H. R. 3836. An act for the relief of Nolan P. Benner;

H. R. 13128. An act authorizing an appropriation for the construction of a road within the Fort Apache Indian Reservation, Ariz.; and

H. R. 13481. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

DEATH OF MRS. JOHN A. LOGAN.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, this morning at 4 o'clock there passed away in this city one of the Nation's great characters, Mrs. Gen. John A. Logan. Eighty-five years ago next August Mrs. Logan was born in the little town in southern Illinois which happens to be my home. Early in her life she was united in marriage with General Logan, then a rising young lawyer, and from that time until the death of the general their lives were so closely and so beautifully intertwined that the public services and the name and the fame of the one can not be separated from those of the other.

General Logan was one of the world's greatest volunteer soldiers, one of this Nation's greatest generals, and one of our most illustrious statesmen; and through all the troubled and critical years of the Civil War, as well as the turbulent and critical years of reconstruction following the war, Mrs. Logan was his constant companion, his helpmate, and his inspiration.

Mrs. Logan first came to Washington, I believe, in 1858, when General Logan was elected to Congress from the district I now have the honor to represent; and during most of the years since then she has been a resident of this city. Her home here has ever been a shrine for those who from experience recalled the eventful days when our Republic trembled, as well as for many thousand others to whom the services and the sacrifices of the heroic men and women of those days have been an inspiration. By her splendid character, her devotion to the highest ideals, and her patriotic endeavors Mrs. Logan has contributed much good to the city and to the Nation.

I am informed that on next Saturday afternoon funeral services will be held, and her remains will be laid to rest be-

side those of General Logan at the Soldiers' Home here in Washington. I am sure many of the Members of the House will take advantage of the privilege to attend. I feel, Mr. Speaker, that by the death of Mrs. Logan our country has lost one of its greatest and most honored characters.

Mr. GARRETT of Tennessee. Mr. Speaker, probably the fact that he was a great man was because he had so great a consort.

LEAVE TO EXTEND REMARKS.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

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

There was no objection.

RECESS.

Mr. MONDELL. Mr. Speaker, I move that the House stand in recess until 8 o'clock p. m.

The SPEAKER. The gentleman from Wyoming moves that the House stand in recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House stood in recess.

EVENING SESSION.

The recess having expired, the House (at 8 o'clock p. m.) resumed its session, with the Speaker in the chair.

Mr. STAFFORD. Mr. Speaker, I move that the consideration of bills on the Private Calendar unobjected to be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Wisconsin moves that bills on the Private Calendar unobjected to be considered in the House as in the Committee of the Whole.

The motion was agreed to.

THE MICHIGAN BOULEVARD BUILDING CO.

Mr. EDMONDS. Mr. Speaker, I present a conference report on the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co., for printing under the rules.

Mr. BLANTON. Reserving the right to object, has there been any extraneous matter placed upon it by the Senate?

Mr. EDMONDS. No; the bill is agreed to as it passed the House.

Mr. BLANTON. Nothing placed on it as a rider?

Mr. EDMONDS. No.

The report and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co., 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 amendments.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,
Managers on the part of the House.

ARTHUR CAPPER,
F. R. GOODING,
PARK TRAMMELL,
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. 5918) for the relief of the Michigan Boulevard Building Co. submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The amount is reduced from $31,931.69 to $18,931.69.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,
Managers on the part of the House.

The SPEAKER. The Clerk will report the first bill in order on the calendar.

The first business on the Private Calendar was the bill (H. R. 8051) for the relief of the Commonwealth & Dominion Line (Ltd.), owner of the British steamship *Port Phillip*.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I ask that the bill be passed over without prejudice until the author of the bill can be present.

Mr. BLANTON. A point of order, Mr. Speaker. The calendar which I have shows a star where we left off the other night.

The SPEAKER. The Chair is informed that there was a special order for taking up this bill first.

Mr. EDMONDS. We agreed at the meeting the other night that this should be taken up first.

Mr. REED of New York. I want to say to the gentleman from Wisconsin that the gentleman from New York [Mr. HICKS] was suddenly called out of town. He is anxious that the bill should pass.

Mr. STAFFORD. This bill does not follow the established form adopted by the Committee on Claims for referring claims of this character to the United States District Court sitting as a court of admiralty. It further provides in section 2, which is very exceptional, an appropriation. Besides that I do not think any of these bills should be referred to the admiralty court with claims for demurrage for the delay in the use of the vessel. The other night I objected to one bill because the limitation was not incorporated. There is a bill on the calendar, No. 457, which contains the form of bill which the Committee on Claims has been reporting in these cases. I ask that this bill be passed without prejudice.

Mr. REED of New York. If the gentleman objects, of course there is nothing else to do.

Mr. STAFFORD. I do not object, but I ask that it be passed over without prejudice.

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

There was no objection.

COMPAGNIE FRANCAISE DES CABLES TELEGRAPHIQUES.

The next business on the Private Calendar was the bill (H. R. 14091) for the relief of the Compagnie Francaise des Cables Telegraphiques.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to inquire of the chairman of the committee why the committee did not follow the recommendation of the Acting Secretary of Commerce and submit this bill to the United States District Court for determination of damages and not to the court sitting as a court of admiralty?

Mr. EDMONDS. I call attention to the fact that the department sent us the bill to be entered in this way. I do not know why, but I think because there was some controversy as to the amount.

Mr. STAFFORD. I take issue with the gentleman. On page 2 of the report is the draft of the bill and it is not the bill reported by the committee. It is a bill substantially in the form the committee has been following this session in reference to bills referring to the district court sitting as a court of admiralty. I direct the gentleman's attention to the difference between the recommended bill and this bill which is reported. The bill from the Acting Secretary of Commerce says that it "be referred to the district court of the United States in the district of Massachusetts with jurisdiction and authority to determine the liability of the United States therefor."

Mr. EDMONDS. The gentleman wishes to have judgment given against the United States. We changed it because it is not the practice in the House to have judgment rendered. There is no demurrage. It is damage to a cable. If the gentleman wishes to have judgment against the United States I want to say that that is against the practice of the House.

Mr. STAFFORD. The gentleman says there is no demurrage charge that can arise?

Mr. EDMONDS. I understand not; it is damage to cables.

Mr. STAFFORD. Could there not arise in that connection damage by reason of business that has been interfered with by reason of the breaking of the cable? The cable company makes a claim against the Government of $11,000. That the Department of Commerce disputes.

Mr. EDMONDS. That is right.

Mr. BLANTON. Mr. Speaker, I am going to object, and it will save time if I object now.

The SPEAKER. Objection is heard.

ALASKA COMMERCIAL CO.

The next business on the Private Calendar was the bill (S. 2294) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Alaska Commercial Co., a corporation, and the amount expended by it from November 5, 1920, to April 18, 1921, in repairing and rebuilding the wharf belonging to said

company at Dutch Harbor, Alaska, which wharf was damaged and partially destroyed on or about November 5, 1920, through collision therewith of the United States steamship *Saturn*, United States Navy, and to render judgment therefor.

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

Mr. STAFFORD. Mr. Speaker, reserving the right to object, why can not the Navy Department pay the damages under the blanket authority which we recently vested in them in such cases as this?

Mr. EVANS. Because the sum is too large.

Mr. STAFFORD. Is there any claim for demurrage arising in this case?

Mr. EDMONDS. I do not believe so.

Mr. STAFFORD. As I recall, there was a dispute as to the amount of damages.

Mr. EDMONDS. They made a claim of $13,000, and in the opinion of the department the bill was excessive. I doubt if any claim for demurrage could arise on this claim. We drew the bill up in the ordinary form.

Mr. STAFFORD. As I recall this case, it was a poorly constructed wharf, the piles being in the water only 3 or 4 feet. A storm came up and the wharf collapsed. Why should we be responsible for damages to a wharf if the vessel was properly there, when a storm arose which is an act of God?

Mr. EDMONDS. I do not believe the gentleman's statement is quite accurate. The wharf was probably useful to these people, and in an endeavor to get out of bad weather this Government boat tied up at the wharf and broke it down.

Mr. STAFFORD. While the Government boat was moored to the wharf a squall came up, and in confirmation of my position that the wharf was in poor condition, I note that the Acting Secretary of the Navy, Theodore Roosevelt, states that in his opinion the wharf was not properly built; that the piles were in the water only 3 feet. Mr. Speaker, I object to this bill.

BUFFKIN & GIRVIN.

The next business on the Private Calendar was the bill (S. 1670) for the relief of Buffkin & Girvin.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Buffkin & Girvin, of Jacksonville, Fla., out of any money in the Treasury not otherwise appropriated, the sum of $2,114, in settlement of their claim for funds paid by them to the Government under protest, for manure, which was never delivered by the Government under certain contracts the said firm had with the Government for the purchase of manure at certain Army camps during the recent war.

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.

F. J. BELCHER.

The next business on the Private Calendar was the bill (S. 3609) for the relief of F. J. Belcher, jr., trustee for Ed Fletcher.

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

Mr. BLANTON. Mr. Speaker, let us have the bill reported.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to F. J. Belcher, jr., trustee for the benefit of Ed Fletcher, out of any money in the Treasury not otherwise appropriated, the sum of $21,838, in full payment for damage to lands owned by said Ed Fletcher inflicted thereon by the Government while occupying said lands as an Army training camp.

Mr. BLANTON. Mr. Speaker, I object.

Mr. SWING. Mr. Speaker will the gentleman withhold his objection for a moment?

Mr. BLANTON. Yes.

Mr. SWING. I sincerely hope that the gentleman will not object to this bill. From my own investigation into the case and from my personal knowledge, because I have been over the ground and was there before the Army camp was located at that point, and also since, I regard this as an exceedingly meritorious claim. I introduced a companion bill which went to the Committee on Claims and to the subcommittee of which the gentleman from Massachusetts [Mr. UNDERHILL] was the chairman. That subcommittee has also reported favorably.

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

Mr. SWING. Yes.

Mr. BLANTON. This bill embraces $21,000?

Mr. SWING. Yes.

Mr. BLANTON. Does the gentleman know anything about the bill which we just passed without objection?

Mr. SWING. No.

Mr. BLANTON. The preceding bill, instead of calling for $21,000 called for $2,100. It passed without objection or debate. It involves a claim for a lot of manure which the parties claim they were entitled to, but a part of which was distributed by soldiers and sold to somebody else instead of being delivered to them. One report shows that there was only $361 due upon it. I doubt whether the Government owed more than $361. I let the bill pass to save time. I thought perhaps we could save more by saving time and then killing some of these big bills than in wasting time on $2,100 bills.

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

Mr. SWING. Yes.

Mr. LOWREY. I just want to say as a member of that Committee on Claims that I feel sure if the gentleman from Texas could have examined the evidence thoroughly he would not object to this bill. I was on the subcommittee that considered it, and on the main committee.

Mr. BLANTON. And the gentleman considered a lot of ex parte statements and affidavits.

Mr. LOWREY. I did it with what integrity I had, as a member of the committee.

Mr. BLANTON. The gentleman never saw the witnesses and was not able to judge whether their testimony was correct or not. I have seen ex parte statements and affidavits come in bundles where the evidence of one present witness would refute the whole bundle.

Mr. LOWREY. I just offer my statement for what it is worth.

Mr. SWING. It is a large claim, but that is not the controlling question. The controlling question is how much damage was done.

Mr. BLANTON. My idea is just this: This is a night when bills are considered that are unobjected to, bills that are supposed to be small bills or bills where there could be no objection at all. Some of the new Members do not understand why one man should stop a bill to-night. There are days of each session for the consideration of the Private Calendar when one man can not stop a bill. It is only on such nights as this in the closing hours of Congress that that can be done, and a $21,000 claim against this Government ought to have more than five minutes' consideration of this House at all times.

Mr. SWING. Let me just state the case on the United States Government's own investigation, not on ex parte statement. This man, out of his sense of patriotism, at the Government's request, turned over to the Government 3,000 acres of land for use for five years by the United States Government.

Mr. BLANTON. Yes; and the land is still there. It never has moved.

Mr. SWING. The Government moved 6 miles of it. It dug trenches over 6 feet deep extending over 6 miles in length. It put concrete emplacements at one end of it and a whole battery of cannon there and practiced artillery firing from one end to the other.

Mr. BLANTON. Did they not have the right to do it under the lease?

Mr. SWING. Certainly; the lease was free, $1 for five years or 20 cents a year, and he is paying out over $1,000 a year taxes.

Mr. BLANTON. He merely entered into a bad contract.

Mr. SWING. It is not a contract. He was in New York and they wired him that the Government wanted it and he wired back that the Government could have anything he had, and being patriotic——

Mr. BLANTON. In other words, he commercialized his patriotism.

Mr. SWING. No; but he ought not to be punished because of it. Should a man's patriotism be used to inflict punishment on him? If you borrowed a man's bicycle, would you return it to him with a wheel broken? The Government had it. They dug 6 miles of trenches; they shot it full of big pits—the dugs are there—they left them and left the trenches as they were. They said they are willing to pay, and then they went to work and found out by actual test what it would cost to fill them up, and they estimated that it would actually cost more to fill the trenches than is included in this bill.

Mr. BLANTON. Will the gentleman yield? This patriotic citizen was in New York, and the Government represented that it wanted some of his land—about 3,000 acres—and he proceeded to let it to them for five years under certain stipulations.

Mr. SWING. They wired him with reference to the land, and he wired to them that "they can have anything I have got."

Mr. BLANTON. Without any strings; and the Government used it, and after the Government used it——

Mr. SWING. They abused it.

Mr. FIELDS. Do I understand the amount carried in this bill was what the War Department estimated it would cost to fill the trenches and put them back in condition?

Mr. SWING. Absolutely.

Mr. FIELDS. Such as when they received it from him?

Mr. SWING. Let me read you what the judge advocate says:

When the property was abandoned, excavations to the extent of 17,480 cubic yards, consisting of trenches, dugouts, gun pits, etc., were left thereon. That the Government had a valid right to make these excavations is indisputable, but that right does not carry with it the right to leave them upon relinquishing possession of the land in a condition which not only makes the land unsafe but constitutes a permanent damage thereto so long as they are left undestroyed. This claim has been investigated by a local board and the cost of refilling these trenches, etc., was found to be slightly more than $1.25 per cubic yard. This cost was determined by the filling of some 1,500 yards of trenches, etc., by the Government, and is also the lowest figure procurable from commercial contractors. To refill these holes will require by actual measurements the removing of 17,480 cubic yards of earth. At $1.25 per cubic yard, this would cost $21,850. The claimant, however, has agreed to accept the sum of $21,838, and the local board recommends the payment of this sum. This recommendation is concurred in.

Mr. FIELDS. He asks for no rental on the land, but asks that the Government put it back in the condition in which they found it.

Mr. SWING. He asks them no rental money, but he said that if they would fill the trenches and put it in the same condition that it was before they took it he would be satisfied. They said they would rather make a cash settlement.

Mr. BLANTON. Let me give my view. If this bill was for the Government to place the land back in the shape in which it found it I would not object for one minute, but it is a bill to pay a man $21,000 in cash. Now, the land for the purpose for which it is suitable or desired may not be damaged at all by having these trenches and holes in it. Suppose a man in New York wants to make a golf course of it. Would he not want some holes and mounds on it, if he wanted to use it for a golf course? That is one of the main purposes for which most men in New York want some land.

Mr. SWING. He was only in New York temporarily.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Mr. Speaker, I object.

HUGH MARSHALL MONTGOMERY.

The next business on the Private Calendar was the bill (H. R. 13724) for the relief of Hugh Marshall Montgomery.

The Clerk read the title of the bill.

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

Mr. BLANTON. May we have it reported?

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent for lot 4, containing 54 acres, of section 3, in township 17 north, and range 5 west, Choctaw meridian, in the State of Mississippi, to Hugh Marshall Montgomery.

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

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

GREAT LAKES ENGINEERING WORKS.

The next business on the Private Calendar was the bill (H. R. 6601) for the relief of the Great Lakes Engineering Works.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill is entirely satisfactory so far if it does not require the United States District Court to sit as a court of admiralty if there be a limitation inserted excepting claims for demurrage.

Mr. EDMONDS. I will offer such an amendment.

Mr. STAFFORD. With that understanding I will be glad to withdraw the reservation of objection.

The Clerk read as follows:

Be it enacted, etc., That the claim of the Great Lakes Engineering Works, a corporation organized under the laws of the State of Michigan, with its principal place of business in the city of Detroit, in said State, owner of the steamship *Frank H. Goodyear*, and certain docks on the Detroit River, at Ecorse, Mich., against the United States for damages alleged to have been caused by collision between the United States steamship *Isla de Luzon* and said steamship *Frank H. Goodyear* on May 24, 1917, in the Detroit River at Ecorse, Mich., may be sued for by the Great Lakes Engineering Works in the District Court of the United States for the Eastern District of Michigan sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the Great Lakes Engineering Works, or against the Great Lakes Engineering Works in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by the order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

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

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 2, line 3, after the word "suit," insert "to the extent only of such damages suffered other than claims for demurrage to said vessel."

The amendment was agreed to.

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

C. M. RIEVES.

The next business on the Private Calendar was the bill (S. 3154) for the relief of C. M. Rieves.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SANDERS of Indiana). Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That there is hereby relinquished to C. M. Rieves, of Marion, Ark., all right, title, and interest of the United States in the unsurveyed part of the east one-half of section 11, lying south of the unsurveyed north half of the northeast quarter of said section, in township 8 north of range 8 east of the fifth principal meridian in the State of Arkansas.

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

AUGUST NELSON.

The next business on the Private Calendar was the bill (H. R. 13024) for the relief of August Nelson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the homestead entry No. 027376, Cheyenne, Wyo., made by August Nelson on October 11, 1920, under the act of February 19, 1909 (35 Stat. L., p. 639), for lots 3 and 4, east half of the southwest quarter, and southeast quarter of section 30, township 25 north, range 81 west, sixth principal meridian, be, and the same is hereby, validated, and the Secretary of the Interior is hereby authorized to issue patent thereon upon the submission of satisfactory proof of compliance with the law under which the entry was allowed.

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

The SPEAKER pro tempore. The Clerk will report the next bill.

MILES J. DAVIS, DECEASED.

The next business on the Private Calendar was the bill (H. R. 13612) authorizing the issuance of patent to the legal representatives of Miles J. Davis, deceased.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent to the legal representatives of Miles J. Davis, deceased, upon homestead entry, Buffalo, Wyo., No. 014165, made August 2, 1920, for the east half of the west half, west half of the east half of section 34, south half of the south half of section 27, and south half of the south half of section 26, township 54 north, range 75 west, sixth principal meridian, upon which proof of compliance with law has been filed.

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

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

The SPEAKER pro tempore. The Clerk will report the next one.

WYATT A. MARSHALL.

The next business on the Private Calendar was the bill (H. R. 13614) for the relief of Wyatt A. Marshall.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the homestead entry No. 038158, made by Wyatt A. Marshall on February 23, 1921, under the act of December

29, 1916 (39 Stats. L. p. 862), for the south half of section 28, township 4 north, range 12 east, New Mexico principal meridian, be, and the same is hereby, validated, subject to future compliance with the law.

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

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

The SPEAKER pro tempore. The Clerk will report the next bill.

JOSEPH H. LOKKEN.

The next business on the Private Calendar was the bill (H. R. 14028) for the relief of Joseph H. Lokken.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to certify to the Secretary of the Treasury the amount paid as purchase money by Joseph H. Lokken in connection with commutation proof on his homestead entry made at Glasgow, Mont., office serial 050325, west half northeast quarter, section 27, township 29 north, range 48 east, Montana meridian.

SEC. 2. That upon receipt of the certificate from the Secretary of the Interior, as provided in section 1 of this act, the Secretary of the Treasury is hereby authorized and directed to make payment of the amount so certified out of "Proceeds of Fort Peck Indian lands, act of May 30, 1908," and issue his warrant in settlement thereof.

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

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

The SPEAKER pro tempore. The Clerk will report the next bill.

RAYMON B. HARRISON.

The next business on the Private Calendar was the resolution (H. J. Res. 222) authorizing the President of the United States to amend the discharge certificate issued Ramon B. Harrison, formerly captain, Infantry, United States Army.

The title of the resolution was read.

The SPEAKER pro tempore. Is there objection?

Mr. FIELDS. May we have the resolution reported, Mr. Speaker?

The SPEAKER pro tempore. The Clerk will report the resolution.

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the amendment may be read instead of the preamble, which is striken out, and the original matter contained in the bill.

The SPEAKER pro tempore. The Clerk will report the resolution without the preamble.

The Clerk read as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and empowered to revoke the certificate of discharge from the military service given, on December 23, 1920, at Governors Island, New York, to the said Ramon B. Harrison, then holding the rank of captain, Infantry, United States Army, under the provisions of the act of Congress entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, and issue in lieu thereof and as of date of January 21, 1921, date of his acquittal and release from military custody, an honorable discharge: *Provided*, That upon his being granted an honorable discharge from the military service as provided for herein, the said Ramon B. Harrison shall be entitled to the payment of $60, as provided in section 1406 of the act of Congress entitled "An act to provide revenue, and for other purposes," approved February 24, 1919, and also to the payment of full pay and allowances to which his rank of captain, Infantry, United States Army, entitled him at Governors Island, N. Y., up to and including January 21, 1921, not otherwise paid to him.

With a committee amendment, as follows: Strike out all from line 3, page 1, to line 2, page 3, and after line 2, page 3, insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged officers, Ramon B. Harrison, who was a captain of Infantry, United States Army, shall hereafter be held and considered to have been discharged honorably from the military service of the United States on the 23d day of December, 1921.

Mr. FIELDS. Reserving the right to object, Mr. Speaker, may we have the resolution explained?

Mr. WURZBACH. Mr. Speaker, this bill was reported out of the Committee on Military Affairs by Mr. HILL, who is not present to-night, but I know something of the facts of the case. This officer was discharged without honor while he was awaiting trial by court-martial. Under the law of 1920 emergency officers were required to be discharged on or before December 31, 1920, and this man was, in accordance with that law, discharged without honor on, I think, December 23. Thereafter, in January, he was tried and acquitted.

Mr. FIELDS. I remember the case now. It was a very meritorious case.

Mr. WURZBACH. Yes; it was a meritorious case.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I reserve the right to object.

Is that the only explanation the gentleman could give about the merits of the bill? There have been men charged with offenses, I submit to my colleague; for instance, a well-known case that has been before the Congress, that of the officers connected with the escape of Grover Cleveland Bergdoll. They were tried by court-martial and honorably acquitted. Yet they let a deserter escape purposely, designedly.

Mr. WURZBACH. I will say in reply to the gentleman that I think we have got to assume that in the case of judgments in courts-martial, the same as with judgments in courts of law, they ought to carry with them some validity.

Mr. BLANTON. We ought to quit chousing Grover, then, if we are going to pursue that policy. We have choused him in another bill, on a bill that applies to everybody in the United States except Bergdoll. I agree with the bill. I do not think we ought to give him any quarter whatever. But if we are to carry out that policy, we would assume that every court-martial acquittal means innocence, but in fact it sometimes means guilt.

Mr. WURZBACH. If this trial had taken place before December 31, 1920, and he had been acquitted——

Mr. FIELDS. If he had been acquitted 10 days earlier he would have had an honorable discharge.

Mr. TILSON. Yes; he would have had an honorable discharge.

Mr. BLANTON. I have investigated some of the bills coming out of the Committee on Naval Affairs and out of other committees when court-martial proceedings were pending, and the man was discharged before the court-martial proceeding was had.

Mr. TILSON. He was forced out by the law.

Mr. FIELDS. He was forced out.

Mr. TILSON. The law compelled him to be discharged at that time, and therefore he had to be.

Mr. BLANTON. Have either of the gentlemen investigated this case personally?

Mr. FIELDS. I have.

Mr. BLANTON. Does the gentleman think it is meritorious?

Mr. FIELDS. I think it is very meritorious.

Mr. BLANTON. I withdraw the reservation. My colleague has investigated the case.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was accordingly read the third time, and passed.

By unanimous consent the title of the bill was amended to conform to the text.

COMMONWEALTH & DOMINION LINE.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 415, the first bill considered this evening, and passed over temporarily, to allow the gentleman from New York [Mr. REED] to offer a substitute.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to return to Calendar No. 415. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 8051) for the relief of the Commonwealth & Dominion Line (Ltd.), owner of the British steamship *Port Phillip*.

Mr. STAFFORD. Under reservation of objection I ask unanimous consent that the substitute to be offerd by the gentleman from New York [Mr. REED] may be read in lieu of the House bill.

The SPEAKER pro tempore. The gentleman asks unanimous consent that the substitute to be offered by the gentleman from New York [Mr. REED] be read in lieu of the bill. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I offer a substitute.

The SPEAKER pro tempore. The gentleman from New York [Mr. REED] offers an amendment in the nature of a substitute, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the claim of the Commonwealth & Dominion Line (Ltd.), owner of the British steamer *Port Phillip*, against the United States for damages and loss alleged to have been caused by the collision of said vessel with the U. S. collier *Proteus*, in New York Harbor, on October 16, 1918, may be sued for by the said owner of the British steamer *Port Phillip* in the District Court of the United States for the Eastern District of New York, sitting as a court of admiralty

and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit to the extent only of such damages suffered, other than claims for demurrage to said vessel, and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owners of the British steamer *Port Phillip* or against said owners in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court; and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the adoption of the amendment of the gentleman from New York [Mr. REED].

The amendment was agreed to.

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

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

ANNA M. TOBIN.

Mr. HUDSPETH. Mr. Speaker, I ask unanimous consent to return to calendar No. 203 (S. 2323).

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to return to calendar No. 203. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anna M. Tobin, independent executrix of the estate of Frank R. Tobin, deceased, the sum of $1,000, in full settlement for damages to said estate by soldiers of the United States Army in 1916 and 1917 near El Paso, Tex.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

The SPEAKER pro tempore. The Clerk will report the next bill on the calendar.

CHARLES SWANSON.

The next business on the Private Calendar was the bill (H. R. 10682) authorizing issuance of patent to Charles Swanson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill proposes to grant a patent to an individual for part of an abandoned military reservation. Is the gentleman in charge of the bill present? There being no one present in charge of the bill, I will object.

The SPEAKER pro tempore. The gentleman from Texas objects. The Clerk will report the next bill.

ANTON ROSPOTNIK.

The next business on the Private Calendar was the bill (S. 3594) for the relief of Anton Rospotnik and the exchange of certain lands owned by the Northern Pacific Railway Co.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, will any Member have any objection to an amendment providing that the exchanged lands shall be of approximately the same value? We have had some abuses in the exchange of lieu lands out in the Northwestern States, where they took land of the same area but of much greater value. I do not think there will be any objection to the amendment, and I withdraw the reservation of objection.

The SPEAKER pro tempore. The gentleman withdraws the reservation of objection. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the Northern Pacific Railway Co., upon its filing with the Secretary of the Interior a proper relinquishment disclaiming in favor of the United States all title and interest in or to the north half northwest quarter, section 15, township 8 south, range 20 east, in the Bozeman (Mont.) land district, under its mineral indemnity selection, list No. 146, embracing said tract, shall be entitled to select and receive a patent for other vacant unreserved nonmineral public lands of an equal area in that State; and the Secretary of the Interior is hereby authorized and directed to permit, after the filing of such relinquishment by said railway company, the homestead entry of Anton Rospotnik, to be reinstated as though said entry had been properly allowed, the same to remain subject to compliance with the laws governing entries of like character.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 12, after the word "State," insert "and of approximately the same value."

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

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

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

The SPEAKER pro tempore. The Clerk will report the next bill.

LEGAL REPRESENTATIVES OF THOMAS JOHNSON.

The next business on the Private Calendar was the bill (H. R. 10825) for the relief of the heirs, assigns, and legal representatives of Thomas Johnson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I ask that the bill be reported, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the location numbered 20, township 6 north, range 9 west, second principal meridian, Indiana, which has been surveyed in the name of Thomas Johnson, as appears from the field notes of survey on file in the General Land Office, be, and the same is hereby, confirmed to the said Thomas Johnson, and the Commissioner of the General Land Office shall issue his certificate as register ex officio and cause a patent to be issued for said claim to Thomas Johnson, his heirs, assigns, and legal representatives: *Provided*, That this act and the patent which may be granted in pursuance of the same shall only operate as a relinquishment on the part of the United States and shall in no way prejudice any valid adverse right, if such exist, to the said land; the intent being that title shall inure to the true owners of the land under the laws of Indiana, including laws of limitation and prescription, as though patent had issued during the lifetime of said Thomas Johnson.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. 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 and passed.

PENSIONS.

The next bill on the Private Calendar was the bill (H. R. 14200) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill has been passed upon, has it not?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice until the end of the calendar is reached.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that this bill may be passed over until the end of the calendar is reached. Is there objection?

Mr. BLANTON. Reserving the right to object, this committee has a special status where it can bring up a bill at any time?

Mr. FULLER. That is not correct. There are two Fridays of the month as days on which private pension bills may be considered.

Mr. BLANTON. And to-morrow is one of them.

Mr. FULLER. To-morrow would be the day, but our experience is that it is a day when private pension bills can not always be considered, because something else is in the way.

Mr. BLANTON. If you can get the recognition of the Speaker, you can consider it.

Mr. FULLER. Yes; but it will take less time now than it will then.

Mr. GARRETT of Tennessee. Invalid pension bills are privileged, but bills from the Pension Committee are not privileged.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROBSION. I trust that the gentleman will not press his objection.

Mr. FULLER. It will take less time now than it will tomorrow to consider it.

Mr. STAFFORD. This is the only day that these private bills can be considered. Let us proceed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NEW YORK STATE FAIR COMMISSION.

The next business on the Private Calendar was the bill (H. R. 13903) for the relief of the New York State Fair Commission.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

Mr. MAGEE. Will the gentleman reserve his objection?

Mr. BLANTON. I will reserve it.

Mr. MAGEE. There is no question about this amount found by a board of auditors of the War Department. There were two claims filed by the commission, one for 1918 and one for 1917. The claim for 1918 was taken up first, because the officers who knew about the claims for 1917 were in France. The award fixed something like $8,000 for the claim of 1918, which was paid. When the officers who knew about the 1917 claim returned from France the claim for that year was heard, and this award was made. The claim of the commission was for $28,517.86, and the amount of the award was $12,098.25. Now, I had charge of this claim under the former administration in New York when we had a Republican administration. The administration has now changed, and I want to show the same diligence in behalf of Democratic administration that I showed for the former administration. [Laughter.] Nobody raises any question as to the merits of the claim.

Mr. BLANTON. The "gentleman from Texas" would try to stop a Democratic bill just as quick as he would a Republican claim. They all look alike when they take money out of the Treasury. I make no distinction at all.

Mr. MAGEE. There is no question about the claim.

Mr. BLANTON. The claim amounts to $12,000.

Mr. STAFFORD. What was the payment of the seven thousand and some odd dollars for?

Mr. MAGEE. That was for damages during 1918. It was during the mobilization of the United States soldiers that damaged the fairgrounds in Syracuse.

Mr. STAFFORD. What is the payment of $12,000 for?

Mr. MAGEE. For the damages of 1917.

Mr. EDMONDS. The department said if they had not run short of money it would have been paid.

Mr. BLANTON. If it was not for the fact that I am afraid we are going to run short of money, I would not object. The fairground was used by the Government in mobilizing troops. I imagine that it benefited New York more than any other part of the United States, because if the troops had not been mobilized, instead of a commercial submarine rising up out of the water in the New York Harbor some morning, as it did during the war, there would have been a war submarine rise up and the fairgrounds would have been about the first place that the kaiser would take for mobilizing his troops.

Mr. EDMONDS. The only navy that can go to Syracuse would be the Swiss navy. [Laughter.]

Mr. MAGEE. I will say that the State offered the fairgrounds to the Federal Government.

This is not money to be paid for the use of the fairgrounds. During the mobilization the soldiers appropriated and destroyed property of the State Fair Commission, and the claim is for damages to property.

Mr. BLANTON. My colleague, the gentleman from Texas [Mr. Box], who is on the committee, advises me that he investigated the matter and knows that it is all right. I take his judgment for it.

Mr. MAGEE. I would not tell the gentleman that the claim was all right unless I believed it to be so.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $12,098.25 to the New York State Fair Commission for damages to property and buildings on the State fairgrounds, Syracuse, N. Y., by United States troops during the mobilization in 1917, being the amount heretofore duly ascertained and awarded by the War Department.

With the following committee amendment:

In line 6, after the word "commission," insert the words "in full settlement against the Government."

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

The amendment was agreed to.

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

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

WILLIAM COLLIE NABORS.

The next business on the Private Calendar was the bill (S. 1405) for the relief of William Collie Nabors.

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

Mr. BLANTON. Mr. Speaker, reserving the right to object, I understand that there will be an amendment offered reducing the amount to $3,000.

Mr. EDMONDS. The amendment is already printed in the bill.

Mr. BLANTON. And the committee is going to insist upon the amendment?

Mr. EDMONDS. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Collie Nabors the sum of $5,000 for damages suffered by reason of his being struck and seriously injured by a Government motor cycle which was ridden or driven by a regularly enlisted soldier of the United States Army.

With the following committee amendment:

Line 6, strike out the figures "$5,000" and insert in lieu thereof "$3,000, in full settlement against the Government."

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

The amendment was agreed to.

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

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

JOHN N. HALLADAY.

The next business on the Private Calendar was the bill (S. 4028) for the relief of John N. Halladay.

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

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I am frank to say to gentlemen interested in this bill that I have had some difficulty in bringing myself to the conclusion that the bank did not have notice of the wrongdoing of this wholesale crook, who married the acting postmistress, in the issuing of these postal money orders, 74 of which were for $100 each and 4 for $50 each, all cashed by one bank. I never knew of a case where the facts reeked with such open violation of the postal regulations. The acting postmistress was the daughter of the postmaster at Oak, Ala.

Mr. EDMONDS. The daughter was the guilty party.

Mr. STAFFORD. Yes. She was the acting postmistress. Her father was invalided. She would go around with the regular blanks, postal money orders, and buy automobiles, and have the orders circulated and then cashed. Only six months was the punishment for openly defrauding the Government.

Mr. McDUFFIE. But that is only in one case. The other case is yet to be tried.

Mr. STAFFORD. Of course, we are not concerned with the question of punishment at this time. All I am concerned with is whether the bank was put on notice by reason of the frequency with which these money orders were presented.

Mr. SMITHWICK. It ran over a period of nearly a year, from October, 1920, to June, 1921. The money orders were always paid. There was no evidence that the bank had notice at all. The orders were always paid and, of course, there was no reason why they should go around and inquire whether they were good.

Mr. STAFFORD. They were all issued by the acting postmistress, the wife of the crook Mendel, who was going around in joy parties all over the South, buying automobiles and hootch, and issuing money orders for them.

Mr. McDUFFIE. I agree with the gentleman that she was a crook and that the husband was a crook, but I do not agree with the gentleman that we ought to make the postmaster and the bank suffer for the reason that these others were crooks.

Mr. STAFFORD. Oh, no; but the only question is whether the bank should have had notice that these were being issued fraudulently.

Mr. SMITHWICK. They were always paid.

Mr. STAFFORD. Issued always for $100 by the same person.

Mr. SMITHWICK. I understand; but it was a large bank with a great many clerks handling these orders. How could they know? They would go to the local post office and get the money on them.

Mr. STAFFORD. Mr. Speaker, I shall give the benefit of the doubt to the bank, and I withdraw the reservation of objection.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of John N. Halladay, former postmaster at Oak, Ala., with $8,012.13, and to certify said credit to the General Accounting Office, said sum being a balance due the United States which is chargeable to the embezzlement of funds and theft of money-order forms which were printed for and stolen from the post office at Oak, Ala., and unlawfully uttered in Pensacola, Fla., and Mobile, Ala., by Mr. and Mrs. Leon W. Mendel.

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

Mr. BLANTON. Mr. Speaker, I move to strike out the last word. If this money, or any part of it, went to this postmaster or his assistant, I should have objected to the bill. Here is the case: The postmaster permitted his married daughter to issue postal money orders. She had a crook for a husband, and under his domination and influence she issued postal money orders promiscuously to this crook and sent them to him in two States. He cashed them and spent the money. The postmaster ought to have been held responsible, and was held so far as his bond would go, but his bond did not go far enough. It lacked $8,000 of paying the Government back the money that it lost when it had to pay the money orders. If the matter concerned only the postmaster, his daughter, and a crook husband, I would see to it that they never got a cent, but all of this money goes to the Post Office Department in settlement of amounts it has had to pay for the Government. The only reason I take any time at all is to bring this to your attention. We ought to take some steps to stop this sort of stealing. Embezzlement is going on in various post offices scattered all over the United States, and the bonds are not sufficient to protect the Government.

Just such cases as this come up not merely from Alabama, but they come up in Texas, they come up in New York State, they come up in California and Oregon, they come up everywhere, and how long are we going to let it go helter-skelter, public money being paid out to pay defalcations? We must see that the Post Office Department takes steps to see that the Government's rights are protected and proper bonds are taken in amounts and terms sufficient to cover defalcation by crooks, many of whom are still in the Post Office Service, and I say we ought to take steps, especially the Post Office Committee, in conjunction with the Post Office Department and the Department of Justice, to see if Congress can not stop the loss of the people's money.

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

FIRST NATIONAL BANK OF NEW CARLISLE, IND.

The next business on the Private Calendar was the bill (H. R. 4667) for the relief of the First National Bank of New Carlisle, Ind.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object; there is an adverse report on this bill.

SHERMAN MILES.

The next business on the Private Calendar was the bill (H. R. 10177) for the relief of Sherman Miles.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. Sherman Miles, United States Army, the sum of $380.55, in reimbursement of the said amount paid by him for the storage from January 1, 1917, to June 30, 1918, of household effects and professional books used by him when first lieutenant, Field Artillery, United States Army, military attaché at Sofia, Bulgaria.

The committee amendments were read, as follows:

Page 1, line 6, strike out "the sum" and insert "so much of the amount."

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

Page 1, line 7, after the figures insert the words "as has been refunded by him."

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

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

ROBERT E. WYCHE.

The next business on the Private Calendar was the bill (H. R. 13751) authorizing the Secretary of the Interior to sell and patent certain lands to Robert E. Wyche, a resident of Caddo Parish, La.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That upon the payment of $1.25 per acre the Secretary of the Interior be, and is hereby, authorized to sell and patent to Robert E. Wyche, a resident of Caddo Parish, La., the southwest quarter of northeast quarter and southeast quarter of northwest quarter of section 15, township 20 north, range 11 west, Louisiana meridian, containing 80 acres, more or less, land which he and his grantors have occupied under claim and color of title, and of which they have had actual possession, beneficial use, and enjoyment, believing themselves to be owners in good faith, for more than 30 years: *Provided*, That application for the purchase of the described tract of land be filed at the United States land office at Baton Rouge, La., within 90 days after the passage and approval of this act, and that no adverse claim thereto be officially of record as pending when the application is allowed and the sale consummated.

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

D. C. DARROCH.

The next business on the Private Calendar was the bill (S. 2946) for the relief of D. C. Darroch.

The Clerk read the title of the bill.

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

Mr. BLANTON. Reserving the right to object——

Mr. PARKER of New Jersey. Mr. Speaker, I desire to say there were seven to six and I filed a minority report, and I am ready to argue and to fight the bill right here.

Mr. STAFFORD. Mr. Speaker, under those circumstances, I object.

JESSE C. DENNIS AND WILLIAM RHETT ELEAZER.

The next business on the Private Calendar was the bill (S. 2168) for the relief of Jesse C. Dennis and William Rhett Eleazer.

The Clerk read the title of the bill.

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

Mr. FULMER. I would like to inform the House that I propose to amend this bill, and I think the House should be informed before we pass the objection stage.

Mr. STAFFORD. Which one is that?

Mr. FULMER. Calendar No. 446.

Mr. BLANTON. Reserving the right to object, in what particular does the gentleman intend to amend it?

Mr. FULMER. By striking out the figures in line 7 of "$2,500" and increasing the amount——

Mr. BLANTON. That being the case, I object.

Mr. FULMER. Will the gentleman reserve it?

Mr. BLANTON. I will reserve it.

Mr. FULMER. Mr. Speaker, this claim was made by two men in the city of Columbia who entered into a competitive bid for a mail route in South Carolina. The contract was awarded to these men—Dennis and Eleazer—for carrying the mail during peace time in 1916. They continued to carry that mail for about a year or a little over, and then about the middle of 1917 the Government established Camp Jackson at that place.

Not known to them at the time they accepted this contract, and, of course, the Government at that time did not know that they proposed to establish a camp there; but they continued for about seven and a half months after the camp had been established at a considerable loss until they had exhausted all of their means and had to give up the route in March, 1918.

Mr. BOX. Will the gentleman explain to the House by what error the amount called for in the bill was reduced so that it is found necessary to amend it? I think that is important for the House to understand.

Mr. FULMER. I want to lead up to that, and I was going to explain that. So they continued about seven and a half months at a tremendous loss, and finally, after they had exhausted their means, they gave up the contract March 7, 1918, forfeited their bonds, and the bonding company turned over to the Government the amount of the bond for the balance of the time, something like two years, $3,420.

These people put in their claim, and the Senate passed the bill on the strength of a letter from Mr. Barrett, and when the bill came over to the Committee on Claims they did not

have anything to show that these people had really paid this $3,420 to the bonding company, and they reported only $2,500. In the meantime they agreed with me that if I could get the proper papers to show that these people had paid the $3,420 an amendment would be put on from the floor. Mr. Barrett said, however, that he had no way of telling how much had been paid, but he said that the seven and a half or eight months would amount to $2,500. That is the only information he gave to the committee, and that is the amount the committee reported.

Mr. EDMONDS. Mr. Speaker, I want to say that the fixing of this amount was through a mistake in the committee, and I think the only equitable way to pay this man would be to pay him $4,285.

Mr. BLANTON. Mr. Speaker, I would like to call the gentlemen's attention to one or two matters. On July 1, 1916, which was the end of certain carriers' contracts for carrying the mail all over the United States, the Post Office Department advertised for new bids, and they let new four-year contracts. The contractors in almost every State in the Union entered into new four-year contracts. The war then came on in the next year. Gasoline went up, Ford automobiles went up, Ford tires went up, Ford inner tubes went up, lubricating oil went up, the parts to the cars went up, everything went up. It cost them all more money. They all lost money.

Now, if the gentleman's bill were a bill to relieve all of these contractors I would support it. But here is a little isolated case where the gentleman imagines that his particular constituents are the only ones that lost. I know two of the best men in the United States who had exactly the same kind of a contract.

They were under bond to carry the mail. They carried it up to the time that it broke them, and then they went to the Post Office Department and said, "Here, we want to give it up. We have got two more years to carry the mail. We will pay the bond. We will borrow the money and pay the bond if you will relieve us." The Postmaster General said, "No; we can not relieve you. You are under contract. If you do not carry that mail, we are going to hire somebody to do it, and you will have to pay it." The department hired somebody else to do it and paid them $6.50 a day each more than the contractors ever received, and it broke them both.

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

Mr. BLANTON. Yes.

Mr. TILSON. Does not the gentleman recall that some time in 1918, in the midst of the war, there were so many of these cases of hardship that we authorized the Postmaster General by law to adjust these cases, and he did adjust a number of them?

Mr. BLANTON. Yes; but there was a limitation to that law, and there were many of them that did not come within the terms of it. I can cite case after case from numerous States that we have had under investigation which did not come under that law at all, and the Postmaster General did not give any relief.

Mr. TILSON. This was a case in bankruptcy.

Mr. BLANTON. There is a case down in Tennessee where they put a post, where the men claim that they lost $23,000 on the contract.

Mr. STAFFORD. Mr. Speaker, I must demand the regular order.

Mr. BLANTON. I feel I must object. I object.

The SPEAKER. The gentleman from Texas objects.

The Clerk will report the next bill.

AMBROSE I. MORIARTY.

The next business on the Private Calendar was the bill (S. 2750) to provide for the advancement on the retired list of the Regular Army of Second Lieut. Ambrose I. Moriarity.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. MILLER. Will the gentleman withhold that?

Mr. STAFFORD. I will.

Mr. MILLER. Mr. Speaker, this is one of the most pathetic cases I have ever heard of. Lieutenant Moriarity was graduated at West Point in the class of 1887. He was a classmate of General Hersey, of the United States Army, and General Russell, and his class was one of the most famous classes that ever was graduated at the Military Academy.

The man has lain for 21 years in a hospital unable to move a joint of his body. Every joint in the man's body has grown solid. His teeth were removed so that they could feed him with a tube. He is suffering from that dreaded disease called arthritis deformans. He is unable to dress himself. He is unable to grasp his pen in his hand. There is not a joint in the man's body that is not absolutely and solidly grown, so that the entire flexibility is gone.

He was retired from the Army as second lieutenant, drawing the pay of $138.12 per month. There is no Army hospital that will receive him, because Army hospitals are not made for the care of incurables.

He has gone about from one hospital to another with his attendant. The amount of money that he receives is not sufficient to pay the care of this attendant and the board of himself. He inherited a few thousand dollars from his father's estate, which he spent completely in undertaking to cure himself of this dread disease. He contracted the disease in the service of the United States Government. In the winter of 1887 he and his company were encamped on the cold shores of Lake Michigan, sent there by the United States Government to be in readiness to protect the city and citizens of Chicago at the time of the execution of the Haymarket rioters or anarchists. Afterwards he resigned from the Army and entered Yale University. A brilliant student, he graduated in the law class and entered upon the practice of the law with probably as bright a future as any young man who ever came from that famous university. Thus he was a graduate not only of West Point but of Yale. His old love for the Army returned and he went back into the Army as a second lieutenant in the Ninth Infantry, and was stationed in Arizona, amid the awful extremes of heat and cold, as he was sent about in the Indian campaigns in that country.

The exposure to extremes of weather there resulted in this disease, and he was retired from the Army as a second lieutenant on the pay that I have stated. He has no means of his own, and his pay is insufficient for an attendant to feed him and take care of him. The Senate has passed this bill increasing his retired rank to that of a captain. It was hoped that it would pass him with the retired rank of a major, because that would keep him comfortably, but the Senate reduced it and retired him with the rank of a captain, which will give him approximately $230 a month, a meager livelihood for a man so helpless and dependent as he is.

I tell you, my friends of the House, any man whose service for his country has resulted in such a physical condition as that of this man deserves to have this measure of relief afforded him, and I hope the House will join with the Senate in retiring him at this grade.

Mr. FIELDS. I understand he can not even help himself to a drink of water.

Mr. MILLER. He can not reach out his hand to get a drink of water; can not move a joint of his body. I am hopeful that the gentleman from Wisconsin will let this bill go through.

Mr. STAFFORD. Mr. Speaker, under reservation of objection, I am aware of the distressing circumstances that the gentleman has stated, because I have very carefully read the report. But we must have some harmony in the award of gratuities to persons afflicted like this unfortunate Army officer. In the early part of this Congress a case was presented where a man in civilian life, employed in the Post Office Department as a postal clerk, was struck and injured, and the result of the injury was the same as in the case of this unfortunate officer. That man is not able to move a joint of his body. He has to be fed, and all we voted for him was a pension of $60 a month. This man is receiving $128.

Mr. MILLER. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MILLER. It is possible that the man of whom you speak has some friends or relatives. This man has not a relative in the world, no one to give him a friendly hand or a drink of water.

Mr. STAFFORD. There is no certainty that this trouble grew out of the man's Army service. There is a presumption to that effect. One hundred and twenty-eight dollars a month is a pretty liberal pension, and I feel constrained to object.

Mr. MILLER. I am very sorry.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The Clerk will report the next bill.

JOHN A. DOUGLAS.

The next business on the Private Calendar was the bill (H. R. 1252) to remove the charge of desertion from the military record of John A. Douglas.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I object.

Mr. MILLER. I suppose there is no use in my making a statement.

Mr. STAFFORD. I will reserve the objection. A few moments ago the gentleman from New Jersey called attention to one of these desertion cases where the vote in the committee was 7 to 6. I am quite well acquainted with the facts in this case. Perhaps the gentleman is better acquainted with them. Here was a boy taken ill in the Army, who went home to be cared for, and was prevailed upon by his mother not to return to the Army but to go to Canada to avoid service in the Army. Now he wishes to have an honorable discharge. Is that a correct statement of the facts?

Mr. MILLER. Not all.

Mr. STAFFORD. I mean in short, is it?

Mr. MILLER. This boy was 17 years of age. He enlisted in the Army against the wishes of his parents. He went to the front. It seems that his Army life was overshadowed with distressing sickness. He was furloughed and sent home. While he was home his regiment and company were mustered out of the service, and the muster roll bears the indorsement "Absent on sick leave at Davisville, Mich.," which was the boy's home.

Mr. STAFFORD. Will my friend kindly point out in the report where that statement is made? I have read the report twice quite thoroughly, although not every line of it.

Mr. MILLER. There is quite a long report from the Adjutant General on this case. It says here—

On February 28, 1865, and April 30, 1865, he was reported absent on sick furlough, and on the muster-out roll of the company, dated June 26, 1865, he was reported a deserter with remark: "Went on sick furlough at Davisville, Mich., February 18, 1865."

That is at the top of page 2.

Mr. STAFFORD. Where does it state about the company's record?

Mr. MILLER. I can simply read to the gentleman from Wisconsin the report of The Adjutant General of the War Department:

The records show that John Douglas was enrolled February 26, 1864, at Pontiac, Mich., and was mustered into service February 29, 1864, as a private in Company G, Twenty-second Michigan Volunteer Infantry, to serve three years. On February 28, 1865, and April 30, 1865, he was reported absent on sick furlough, and on the muster-out roll of the company, dated June 26, 1865, he was reported a deserter, with remark: "Went on sick furlough at Davisville, Mich., February 18, 1865."

Applying to this department for removal of the charge of desertion and for an honorable discharge, John Douglas under date of January 14, 1890, testified as follows:

"That he served faithfully until on or about the 17th day of January, 1865, when, without any intention of deserting, he left the regiment under the following circumstances: That for about two months previous to January 17, 1865, at Chattanooga, he was sick, and on or about said January 17, 1865, or a few days previously, Doctor McConnell, regimental surgeon there, examined him and ordered him sent home, and on or about said day he was given a furlough by said doctor on account of sickness and disability, and came home. That after coming home he was examined by one Doctor Anderson, a Government physician then at Lexington aforesaid, and when his furlough run out it was extended in time by said Doctor Anderson. That he continued sick and unable to do any work and entirely unfit for service in the Army or labor of any kind until along in the early part of the summer of 1865. That he was not able to do soldier duty until long after the Army was disbanded. That he was young and inexperienced and was unadvised as to the proper course to pursue in the premises and did not know the necessity of a discharge and never asked for one. That he never deserted the Army or intended to desert it, but simply came home on the order of the regimental physician, Doctor McConnell, as aforesaid."

Mr. STAFFORD. Let me read what I based my statement on:

He was taken ill at Atlanta, remained with the regiment until it went into winter quarters at Chattanooga, Tenn., was sent home on a furlough for 30 days; the time of furlough was extended for 20 days, but his mother insisted that he go to Canada with an uncle who was then visiting at his home. He remained there until the close of the war.

Mr. MILLER. Yes; it seemed that an uncle or some relation came from Canada and asked permission of the mother to take the boy home to see if he could not be cured and restored to health. There is nothing in the record, I submit to the gentleman from Wisconsin, showing that this man was a deserter, but, on the contrary, that he was one of these unfortunate men whose Army career seemed to be full of sickness. I think the man is entitled to the relief which the committee recommends.

Mr. GLYNN. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. GLYNN. The 30 days' furlough carried it beyond the date of the armistice, and so presumably the soldier thought there was nothing more to do.

Mr. MILLER. Yes; like many others.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to remove the charge of desertion standing on the records of the War Department against John A. Douglas, late of Company G, Twenty-second Regiment Michigan Volunteer Infantry, and grant him an honorable discharge as of date of February 18, 1865.

The following committee amendment was read:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, John A. Douglas, who was a member of Company G, Twenty-second Regiment Michigan Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of that organization on the 18th day of February, 1865."

Mr. STAFFORD. Mr. Speaker, I offer the following amendment to the committee amendment:

The Clerk read as follows:

Page 2, at the end of line 6, add the following: "*Provided*, That no pension pay, bounty, or other allowance shall accrue prior to the passage of this act."

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

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

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

The title was amended.

JESSE C. DENNIS AND WILLIAM RHETT ELEAZER.

Mr. BLANTON. Mr. Speaker, with the understanding that not more than the amount stated in the original bill will be allowed, I withdraw objection to Calendar No. 446.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that we return to Calendar No. 441.

The SPEAKER. The Clerk will report the title to the bill.

The Clerk read as follows:

S. 2168. An act for the relief of Jesse C. Dennis and William Rhett Eleazer.

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

There was no objection.

The next business on the Private Calendar was the bill (S. 2168) for the relief of Jesse C. Dennis and William Rhett Eleazer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jesse C. Dennis and William Rhett Eleazer, of the county of Richland and State of South Carolina, in the sum of $4,590 in full compensation for loss and damage suffered by the said Jesse C. Dennis and William Rhett Eleazer under their contract for transporting United States mail at Columbia, S. C., said loss having been brought about by the establishment of Camp Jackson in the vicinity of Columbia subsequent to the execution of said contract.

With the following committee amendment:

In line 7, strike out the figures "$4,950" and insert in lieu thereof "$2,500."

Mr. BLANTON. Mr. Speaker, the gentleman who has the bill in charge and members of the committee stated that the committee amendment ought to be voted down and the amount $4,590 left in the bill.

Mr. MONDELL. Mr. Speaker, after a bill has come up by unanimous consent and there is a demand for the original sum—if that is going to be the practice I do not think we will get much further along with the Calendar.

Mr. BLANTON. That was understood.

Mr. FIELDS. The gentleman gave notice that he would ask for the original sum in the bill.

Mr. MONDELL. I did not hear it.

Mr. STAFFORD. I understood the position taken was that the gentleman was going to withdraw the objection by reason of the gentleman from South Carolina agreeing to take the amount of $2,500.

Mr. BLANTON. The gentleman from South Carolina was going to offer an amendment to increase it to over $5,000, and I told him I would object if he did it. He agreed to limit the amount to $4,590, the amount stated in the bill, and I withdrew the objection. By voting down the committee amendment it will leave the amount $4,590. I gave notice, and I thought everybody understood it.

Mr. MONDELL. I did not understand it. This is a very doubtful claim at any rate. I should have objected in the first instance if I had known there was going to be any increase in the amount.

Mr. EDMONDS. As a matter of fact, this loss was occasioned by the fact that there was a camp established there.

Mr. BLANTON. And the chairman of the committee was one of those who convinced me that this is a just claim in $4,590.

Mr. EDMONDS. We have passed claims of this character before, and this amount will be the correct amount, I think. These men were carrying the mail ordinarily. A camp was established in the neighborhood, and the extra cost of carrying the mail is what has caused their loss. If we vote down the committee amendment, it will leave what I think is the correct amount.

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

The committee amendment was rejected.

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.

MARTIN CLETNER.

The next business on the Private Calendar was the bill (S. 2632) to correct the military record of Martin Cletner.

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

Mr. MONDELL. Mr. Speaker, I object.

Mr. MILLER. Mr. Speaker, will the gentleman withhold his objection?

Mr. CURRY. Mr. Speaker, I hope the gentleman will withhold his objection.

Mr. MONDELL. I reserve the objection.

Mr. CURRY. Mr. Speaker, this is a bill that I think ought to be approved by the unanimous consent of the House. A couple of days ago we adopted an amendment to the Army appropriation bill prohibiting the enlistment of persons under 21 years of age. Of course, I did not believe in that amendment, but, nevertheless, it was adopted. During the Civil War, both North and South, the boys were fired with patriotism and enlisted on both sides. In Pennsylvania a young man a little over 16 years of age wished to enlist in the Army.

Mr. MILLER. Nineteen years of age.

Mr. CURRY. He was 19 years old when he was discharged. His father objected, and he ran away from home, and under an assumed name he enlisted. He served faithfully, and while with his company and regiment on the Potomac River near Harpers Ferry, not having much to do at the time, he went fishing on the river. He got a little way away from the camp and was captured by Mosby's men. He was such a child that after they had him for two or three days they took the uniform off him and put on a Confederate uniform and told him to go home.

He tried to find his company, but could not do it. He went home at last, and his father told him that he had secured his release from the Army. He stayed home about a year. He found that what his father told him was not true. He ran away from home again and enlisted under his right name and served to the end of the war, and had an honorable discharge. During his second enlistment he was in several engagements and was captured for nine months. He was a prisoner of war in Andersonville prison. I know this old man very well.

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

Mr. CURRY. Yes.

Mr. BLANTON. The report shows that he first enlisted in July, 1862.

Mr. CURRY. Yes.

Mr. BLANTON. He served for four months and deserted, and he was a deserter from November, 1862, until January, 1864?

Mr. CURRY. Yes.

Mr. BLANTON. When he reenlisted under an assumed name.

Mr. CURRY. No; under his own name. He enlisted originally under an assumed name.

Mr. BLANTON. He stayed in the service from January until May, 1864?

Mr. CURRY. Until the end of the war.

Mr. BLANTON. No; the report shows that on May 27, 1864, he was again missing in the line of march.

Mr. CURRY. He was again missing in the line of march, and he was captured and was in Andersonville Prison. After he got out of prison he reported to his regiment and received an honorable discharge. He did not desert the first time. It is simply a technical desertion.

Mr. BLANTON. I am sure the gentleman is right in his position, but I want him to explain a statement in the report. After he enlisted in July, 1862, and deserted four months afterwards, the report shows that Martin Cletner was enrolled January 5, 1864, was mustered into the service January 22, 1864, and that on the roll of his company dated June 30, 1864, he was reported as missing on the march from Wright Tavern, May 27, 1864, and on the roll dated October 31, 1864, as having deserted on the above-mentioned march on May 27, 1864.

Mr. CURRY. Let the gentleman read the rest of it.

Mr. TILSON. He was in Andersonville prison about that time.

Mr. BLANTON. The record shows that he was captured June 3, 1864.

Mr. CURRY. Yes.

Mr. BLANTON. He was missing May 27, and he was captured June 3.

Mr. CURRY. There was no desertion at all in the second enlistment.

Mr. BLANTON. There were several days from his desertion until his capture.

Mr. CURRY. There was no desertion at all in his second enlistment and he received an honorable discharge.

Mr. STAFFORD. Mr. Speaker, I shall have to insist upon the regular order.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to remove the charge of desertion from the military record of Martin Cletner, late of the First Independent Company, Pennsylvania Volunteer Engineers, and of Company C, Third Regiment New Jersey Volunteer Cavalry, and grant him an honorable discharge.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Martin Cletner, who served under the name of Martin Cubbler as a member of Captain Wrigley's independent company, Pennsylvania Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of that organization on or about the 24th day of November, 1862."

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

Mr. STAFFORD. Mr. Speaker, I move to amend the committee amendment by an amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. STAFFORD: At the end of the committee amendment insert: *"Provided*, That no pay, pension, bounty, or other allowance shall accure prior to the passage of this act."

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

The amendment to the amendment was agreed to.

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

The committee amendment was 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 title was amended to read: "An act for the relief of Martin Cletner."

HARRIET B. CASTLE.

The next business on the Private Calendar was the bill (H. R. 14089) granting six months' pay to Harriet B. Castle.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to cause to be paid, from the appropriation for beneficiaries of officers who die while on the active list of the Navy, to Harriet B. Castle, widow of Guy W. S. Castle, late lieutenant commander, United States Navy, an amount equal to six months' pay at the rate the said Guy W. S. Castle was receiving at the date of his death.

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

MRS. JOHN D. HALL.

The next business on the Private Calendar was the bill (S. 3412) for the relief of Mrs. John D. Hall.

The Clerk read the title of the bill.

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

Mr. STAFFORD. I object.

Mr. EDMONDS. Will the gentleman reserve that?

Mr. STAFFORD. For one minute.

Mr. EDMONDS. I would like to call the attention of the gentleman to the fact that every other officer who had property damaged was paid the damages except Colonel Hall, who happened to be traveling throughout the country and could not get his claim in time.

Mr. STAFFORD. Mr. Speaker, the facts are these: The property of this Army officer was in storage over a year in San Francisco. He was retired one month before the earthquake. He left there and was traveling over the country. Why should he not have insured the property rather than have the Government pay for it. I object.

CHARLES B. STRECKER.

The next business on the Private Calendar was the bill (H. R. 6108) to permit the correction of the general account of Charles B. Strecker, former Assistant Treasurer of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

TRYGVE KRISTIAN LODE.

The next business on the Private Calendar was the bill (H. R. 8291) for the relief of Trygve Kristian Lode.

The Clerk read the title of the bill.

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

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this is a bill that seems to have been hurried through by the energetic action of the very active and distinguished gentleman from Minnesota [Mr. NEWTON]. I find on reading the report the committee acted upon the statement of the gentleman rather than the report of the department that this Jens Lode was not receiving the credit for the money that had been paid at the time of the entry by the original Lode.

Mr. NEWTON of Minnesota. Yes. That question was not put up to the department by the correspondence that had preceded. The matter was presented to me through Mr. Honeycutt by mail and the committee was having a meeting very shortly following and that question came up, and I said I did not know anything but what was in the letter that came to me but that I would call up the Public Land Office and get the facts.

I called them up, and they looked into the matter and called my office and advised me that the Government had $224 that the man had paid in and that there was no assignment or anything of that kind, so the Government had every dollar that was paid in and in addition got the money coming from the man who had succeeded to the interest of the soldier, who went in the Army shortly after he filed on the claim.

Mr. STAFFORD. This successor in title, so to speak, Jens, paid the entrance fee and all the other fees?

Mr. NEWTON of Minnesota. Yes.

Mr. STAFFORD. I withdraw the objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to certify to the Secretary of the Treasury the amount paid as fees, commissions, and purchase money by Trygve Kristian Lode in connection with homestead entry at the United States land office, Glasgow, Mont., as follows: Serial No. 048301, made May 8, 1917, for the southeast quarter of section 28, township 30 north, range 52 east.

SEC. 2. That upon receipt of the certificate from the Secretary of the Interior, as provided in section 1 of this act, the Secretary of the Treasury is hereby authorized and directed to make payment of the amounts so certified out of any moneys not otherwise appropriated and issue his warrant in settlement thereof.

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

PENSIONS, ETC.

The next business on the Private Calendar was the bill (H. R. 14288) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. I ask unanimous consent that this bill take its place at the foot of the calendar and be considered after these bills have been considered.

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

LEASE OF CERTAIN LAND, MILITARY RESERVATION, FORT LEAVENWORTH, KANS.

The next business on the Private Calendar was the bill (H. R. 13004) authorizing the Secretary of War to lease to the Kansas Electric Power Co., its successors and assigns, a certain tract of land in the military reservation at Fort Leavenworth.

The Clerk read the title of the bill.

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

Mr. BLANTON. Mr. Speaker, I ask that the bill be reported, subject to objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he hereby is, authorized and empowered to lease to the Kansas Electric Power Co., a corporation, its successors and assigns, for a consideration and under terms and conditions to be determined by said Secretary of War, the following-described tract of real estate in the military reservation at Fort Leavenworth, in the State of Kansas:

Beginning at a point which is located as follows: Starting from the northeast corner of the east coping of concrete bridge on Grant Avenue over the Leavenworth, Kansas & Western Railroad; thence north 71° 6' east, a distance of 1,073.8 feet, to the northwest corner of the United States Government motor transport building; thence north 72° east along the line parallel to the north side of said United States Government motor transport building, a distance of 1,026.3 feet to the aforesaid point of beginning; thence south 18° east, a distance of 847 feet; thence north 72° east, a distance of 433 feet, more or less, to a point located on the west right-of-way line of the said Leavenworth, Kansas & Western Railroad. Returning to the original point of beginning; thence north 18° west, a distance of 850 feet, to a point; thence north 72° east, a distance of 543 feet, more or less, to a point located on the west right-of-way line of the Missouri Pacific Railroad; thence in a southerly direction along the west boundary of the Missouri Pacific Railroad right of way to said point above mentioned on the west right-of-way line of the said Leavenworth, Kansas & Western Railroad; exclusive of the rights of way granted to said Leavenworth, Kansas & Western Railroad and said Missouri Pacific Railroad, and containing, exclusive of said railroad rights of way, 15.5 acres, more or less; reserving, however, to the United States, or its assigns, the coal, or royalty for the coal, underlying said lands; for the purpose of constructing and maintaining thereon an electric power plant and such other works as may be necessary or proper to enable said corporation, its successors or assigns, to furnish Fort Leavenworth, the disciplinary barracks, the Federal prison, the soldiers' home, and the motor transport shops, together with the city of Leavenworth and such other communities and patrons as may be served by said plant, with an adequate supply of electrical energy.

SEC. 2. That said corporation, the Kansas Electric Power Co., its successors and assigns, shall have the continuous and uninterrupted use of said real estate for the uses and purposes herein above set out, under the direction and control of the Secretary of War and subject to the terms and conditions of the lease to be executed by said Secretary of War as herein provided, so long as said tract shall be used for the purposes herein specified: *Provided, however*, That if said corporation, its successors or assigns, shall cease to use and occupy said premises for such purposes, then and in that event said lease shall become null and void.

SEC. 3. That this act shall take effect and be in force from and after its passage.

Mr. BLANTON. Mr. Speaker, reserving the right to object, there are several points of proper objection to this bill I will state to my friend from Kansas, and I would like for him to explain. The way the bill is written you can see it is contemplated that the continuous use of this property—15½ acres—for all time and eternity is to be granted to this corporation. We do not know what we are going to get for it. There is no stipulation as to the time. It is not for a term of years. It is just left entirely to the discretion of the Secretary. You see what I contend for. The coal royalty is reserved to the Government. Why should it not be that oil and other minerals royalty be reserved to the Government? Usually where you find coal you find oil and valuable gas and other valuable minerals.

Mr. ANTHONY. Coal is the only mineral known to exist in that part of the country.

Mr. CLARKE of New York. I would like to know why there should not be a general mineral reservation in there, applying to all minerals. I think that is a very proper reservation.

Mr. BLANTON. And there ought to be a fixed term of years here, and there ought to be something else besides furnishing power at a stipulated price. It is something to have power.

Mr. CLARKE of New York. Unless the gentleman will assure us that there will be an amendment in there for a general mineral reservation I shall have to object.

Mr. ANTHONY. I have no objection to that.

Mr. STAFFORD. I will say that I intend to offer an amendment following the suggestion of the Secretary of War, that it shall be for a term of 50 years with the privilege in the discretion of the Secretary of renewal for a like term.

Mr. BLANTON. What does the Secretary of War say?

Mr. STAFFORD. Secretary Weeks goes into it and says this will be an advantage to the Government.

Mr. BLANTON. Except furnishing power at the same price that they charge everybody else. I am glad to see that the new majority whip is onto his business and is going to see to it that these limitations are placed on these bills.

Mr. STAFFORD. There are two aspirants for that post tonight.

Mr. ANTHONY. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. ANTHONY. This is an authorization of a lease. It places in the hands of the Secretary of War the full power for properly protecting the Government and prescribing the terms of the lease. The fact is this company wants 15 acres of ground on the reservation, which is low and swampy, of no governmental use. It has been investigated by the commanding officer at Leavenworth, and by a Quartermaster officer sent out by the Secretary of War, and it is fully approved by him, and his approval is fully set forth in the report.

Mr. BLANTON. If it were any other Member than our colleague here from Kansas, I should not be so disposed to object. [Laughter.] Because of all the Members of the House he least of all needs to carry home any bacon. [Laughter.] It looks to me like 15½ acres of Government land bacon.

Mr. ANTHONY. You will notice that the Secretary of War proposes to exact a rental return equivalent to the estimated value of the 15 acres of land, and he says the corporation has agreed to make a material reduction in the present rates charged for electricity, so that he says the lease will be of material advantage to the Government at this time. My own estimate is that there will be reductions in the electrical rates for the four governmental institutions mentioned in the bill. If they take electricity from this new plant, that will amount to not less than a $10,000 saving. The Government is now paying about $60,000 a year for electricity.

Mr. BLANTON. The gentleman will not object to placing in here a limitation in addition, to the effect that the Secretary of War will not make the term longer than 25 years at a time?

Mr. ANTHONY. In my opinion 50 years will be short enough, because undoubtedly the company intends to bond itself for the erection of a plant.

Mr. BLANTON. We should treat them as we do foreigners, and make it 62 years. [Laughter.]

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I offer the following amendment on page 1, line 4.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 4, after the word "lease," insert "for a term of 50 years, with the privilege, in the discretion of the Secretary of War, of renewal for a like term."

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

The amendment was agreed to.

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

Mr. BLANTON. Mr. Speaker, there is another amendment that the gentleman from Kansas is going to offer. If he does not offer it, I will offer it. On page 3, line 3, after the word "coal," insert "and other minerals," and after "royalty" strike out the words "for the coal" and insert "on same."

Mr. PARKER of New Jersey. Are oil and gas regarded as minerals?

Mr. TINCHER. Yes.

Mr. CLARKE of New York. That is so.

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

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 3, line 3, after the word "coal," insert the words "and other minerals"; and after the word "royalty," strike out the words "for the coal" and insert "on the same."

Mr. STAFFORD. Mr. Speaker, will the Clerk please report the latter part of the amendment?

The SPEAKER. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 3, line 3, after the word "coal," insert the words "and other minerals," and after the word "royalty," in the same line, strike out the words "for the coal" and insert "on the same."

Mr. BLANTON. Mr. Speaker, I ask leave to so modify it.

The SPEAKER. Is there objection?

There was no objection.

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

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

The SPEAKER. The Clerk will report the next bill.

FORE RIVER SHIPBUILDING CO.

The next business on the Private Calendar was the bill (S. 1298) to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.

The title of the bill was read.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. BLANTON. I object.

The SPEAKER. The gentleman from Texas objects.

Mr. EDMONDS. Will the gentleman reserve his objection?

LEAVE TO EXTEND REMARKS.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the seventy-odd proposed amendments to the Constitution of the United States.

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

There was no objection.

Mr. McSWAIN. Mr. Speaker, we are told that there are now pending over 70 different propositions to amend the Constitution of the United States. As I am not the author nor am I especially interested in any such proposals, I feel that I can discuss the general demand for such amendments without any personal bias or concern. I feel that I am in a position to consider the matter from a nation-wide aspect, having in view at one glance the entire past history of our country and looking forward with faith and confidence to a still greater future for the American people. We must remember that formal and written constitutions are relatively a very modern invention. We must also remember that constitutions are but statutes speaking the sovereign will of all the people in a solemn manner for the purpose of organizing the government itself. Therefore constitutions are the law fixed by the people to govern the government and to prescribe its relations to the people collectively and individually.

NEARLY EVERYBODY WANTS SOME CHANGE.

The amendments now pending may be grouped into two general classes: First. Those that seem to indicate some sort of dissatisfaction with the Federal organic law as it now exists. These wish a change to meet what they consider to be changed conditions. Second. The second group of proposed amendments represents the attitude of those who do not wish any change and, therefore, seek to make any future changes more difficult. Paradoxical as it seems, the second group who seek changes are most earnestly opposed to any change except the changes proposed by themselves. This group proposes to change the article of the Constitution with reference to amendments to the Federal Constitution by providing that any State may require that any amendment to the Federal Constitution in future shall be submitted to a popular vote in order to constitute ratification by such State.

AS PEOPLE CHANGE, SO MAY CONSTITUTIONS.

It seems to be assumed by some that it was a mistake on the part of the makers of the Constitution to provide for any change whatever in the future except by well-nigh unanimous consent. The argument assumes that if the Constitution had not contained a clause prescribing the manner in which the same might be amended that therefore it could never have been amended. Such an assumption is unfounded. The very power of the people that created the Constitution, acting through the several States, could change it just as they created it. It is beyond the power of one generation to bind the hands of future generations by any constitution or law. Just as it is beyond the power of one Congress to pass any law which can not be repealed or amended by a future Congress, so the people acting in a sovereign capacity at one time can not bind the same people acting in the same way for all future time.

Mr. Speaker, some superficial text-writers in discussing our constitutional system have left the impression that the Federal Constitution was and is the foundation of all government in America, and they have stated positively and clearly that the several State governments and constitutions are modeled and framed after the fashion of the Federal Constitution. Many historians, being caught by the laudatory phrases of Gladstone with reference to our Federal Constitution being the "most wonderful work ever struck off by the brain and purpose of man at a given time," have left the impression that the Federal Constitution was something entirely and completely new at the time it was set up. This false assumption has led to the impression by many unthinking and impressionable people that the men who sat in the convention at Philadelphia from May until September, 1787, and framed the draft of the Federal Constitution to propose to the States were so wise and so learned and so patriotic as to be practically inspired by divine wisdom and power.

I yield to no man, Mr. Speaker, in my respect for the heroic men of that period. But it is not necessary to show one's admiration and prove one's patriotism by obscuring the actual historical facts. The facts are that the men in that convention were hard-headed, practical men of affairs. That Constitution represents many compromises and is the result of many conflicts. That Constitution was the most matter-of-fact, nonsentimental, utilitarian instrument that the men of that period could execute. In fact, about 50 years after the Constitution became operative there developed a cult so profoundly moved by a conviction of duty to abolish chattel slavery in negroes that when they saw provisions in the Federal Constitution recognizing the existence of slavery and pledging the Federal Government to exercise its power in some respects to protect the slave owner in his prop-

erty, they declared that Constitution of the fathers to be "A league with death and a covenant with hell." William Lloyd Garrison, the author of this denunciation, is honored in many parts of our country, not only in the textbooks but his form and features perpetuated in bronze and marble in the most public places.

This remark quoted above of the great Gladstone was a part of a bright epigram in order to contrast the difference between the British constitution as a "growing organism" as against the American Constitution as a "fixed organism." In the same breath he described the British constitution as "the most subtle organism which has proceeded from progressive history." But rhetorical expressions employed for the purpose of emphasis must not be relied upon as historical facts. In truth both the American Constitution and the British Constitution are the products of progressive history. They are both living organisms and are both constantly changing in two ways: First, by practice and interpretation, and next by conscious amendment or addition.

In fact, Mr. Speaker, there is very little room for originality in matter relating to governments. Most of us are apt to believe that the Declaration of Independence was an original composition inspired by the heart and brain and formulated by the pen of Thomas Jefferson alone. As a matter of fact, a little digging into the prior history shows that the stately phrases and lordly sentences of that immortal document are largely accumulated from a variety of sources extending over many years. Many of the thoughts and some of the words are to be found in the famous charge to the grand jury by Judge Drayton at Cheraw, S. C., in 1765. The sturdy frontiersmen of western North Carolina had met at Charlotte, N. C., on May 20, 1775, and promulgated the "Mecklenburg Declaration of Independence." The stalwart lovers of liberty in Virginia in May and June, 1776, led by George Mason, formulated the first Bill of Rights to find place in any American Constitution. The most casual reading of that epoch-making Virginia document will show that Thomas Jefferson was debtor to George Mason. James Otis in Boston was thundering forth the same immortal sentiments. Scores of newspapers and magazines and pamphlets were scattering the principles of free government amongst the Colonists for at least five years before they were all concentrated and boiled down into one single eloquent utterance on July 4, 1776.

HISTORIC ROOT OF DEMOCRACY.

But back of all this feeling and thought and discussion was a universal evolution of ideals respecting the fundamental principles of government. John Milton had gathered but a mustard seed of truth from Plato and Thomas More and Oliver Cromwell and from hundreds of other sources and had produced a living, vigorous plant of literature upon the subject. John Locke had discussed the subject with philosophic abstraction and with a decorous deference to existing institutions so as not to render insecure his own place and fortune, but those who read between the lines and those who made logical application of his propositions could but see that they inevitably led to the conclusion that government rests upon the consent of the governed; that the majority of the governed have the right to alter their government at will; and that there rests upon the majority the obligation so as to administer to the government as to secure the life, the liberty, and the opportunity to pursue happiness to all the people.

THE PEOPLE, NOT PAPERS, PRESERVE LIBERTY.

Mr. Speaker, I notice recently a cult that ascribes something like inspired significance to the abstractions contained in the preamble to the Federal Constitution. One writer says "the preamble contains the key to the Constitution, it utters its spirit, and unfolds its deep philosophy." Mr. Speaker, such superficial sentimentality is more apt to be hurtful than helpful. Sensible people do not have to set up idols in order to worship. Reasonable people know that God Almighty did not hand down the Constitution of the United States along with the Ten Commandments from the glorious heights of Sinai. People with common sense know that the matter-of-fact framers of the Federal Constitution were human and with limited human vision, and that the permanence and stability of their work is not due to any peculiar and God-given power, nor to any sudden stroke of superior genius, but is due to the traditions of liberty and order that rest in the people themselves of these States, and is further due to the enlightenment and to the devotion to the ideals of civilization that the succeeding generations have entertained. From early times men have argued that because the preamble contained these words, "to promote the general welfare," then the Federal Government can and should enact any legislation and enter into any activity that may conceivably promote the general welfare. Of course, a sober second thought will reveal to such hasty thinkers that the purpose of the people in establishing the Federal Constitution was to promote the general welfare in so far as such promotion was possible by the exercise by the Federal Government of those powers expressly conferred upon it by the Constitution.

I wonder what these rhapsodists would say about the expression "to secure the blessings of liberty to ourselves and to our posterity"? How would they define liberty? Where is that liberty defined in the Constitution? I well imagine that nearly every person has a different conception of liberty. The bootlegger has one conception and the consistent prohibitionist another conception. As a matter of fact, the terms "liberty" and "freedom" and "justice" can not be completely defined by anyone and the mind can only partially conceive of their meaning by a comprehensive study, not only of existing law and of existing institutions but of the evolutionary processes by which Anglo-Saxon institutions have developed.

THE TRIPARTITE DIVISION OF POWERS.

It is falsely assumed that the framers of the Federal Constitution were the first to divide the powers of government into three equal and coordinate divisions, known, respectively, as the legislative, executive, and judicial departments. As a matter of fact, 11 of the 13 original States had very shortly after independence was declared in 1776, and at least one and maybe others before the Declaration of Independence, had proceeded to frame State constitutions in which the tripartite division of powers was clearly outlined. The constitution of Massachusetts, framed in 1780, is an orderly and systematic distribution of these three chief governmental powers. The men of that period who read at all were usually very familiar with the writings of Montesquieu on the "Spirit of Laws," published about 1758, and he clearly outlines the division of the powers of government into legislative, executive, and judicial.

It is also stated upon apparently good authority that Montesquieu obtained his ideas from reading the works of John Locke, which were published about the year 1691. However, a consideration of Locke's "Treatise on Government" discloses the fact that Locke seems to have ignored the judicial department of government. He divides the powers of government into legislative and executive and then he subdivides the executive powers into domestic and federative. By domestic he means the enforcement of laws among the people at home, and by federative he means handling the diplomatic affairs of the government in its relation with all foreign governments. I assume that in the classification of Locke the judicial powers would be included within the classification of "domestic executive powers." In other words, he would consider the courts as but agencies by which the government executes the laws enacted by the legislative branch. As a matter of fact, there is a very close and intimate contact between the executive and judicial departments. In the first place, so far as criminal laws are concerned, the executive department of the government must first institute criminal proceedings and then prosecute them before the courts and after judgment is rendered must take charge of the convicted person and enforce the judgment of the court. In other words, the court is powerless to act except upon cases affirmatively brought before it by the executive department, and the court is powerless to enforce its judgments except by the power lent it by the executive department.

The court is like a man without either hand. It can not stretch out its right hand to grasp offenders and bring them into court, and it can not stretch out its left hand and punish offenders duly convicted. The court is personified by the brain and the heart of the person without either hand. It has the brain to perceive the facts and judgment to weigh the facts, and the conscience to do what truth demands and the lips to pronounce the decision of head and heart, and there the court stops. How tremendously important it is, therefore, that the court should never decide except upon full hearing into all the facts, and that its decisions should reflect a conscience free from passion and void of selfish interest.

THE ONLY ORIGINAL FEATURE.

There is not a single original idea in the Federal Constitution so far as government in general is concerned, though there is an original application of a well-established governmental principle as applied to Federal Government. This original feature is the fact that under Federal Government, in contrast with that existing under the former Articles of Confederation and in contrast with all other federated governments, it was to have the power of directly taxing the citizens of the whole country for the support of the Federal Government, and the laws of this Federal Government were to be directly and im-

mediately obligatory upon the citizens of all the States within the confederation. Consequently we have the original and novel situation of two entirely separate and distinct governments operating at the same time upon the same people and within the same territory. It is not to be wondered at that there should have developed misunderstandings and conflicts between these two separate and distinct governments, and therefore the student of history and of government is not surprised that these controversies resulted in the War of Cessation, commonly called the Civil War, but more properly and appropriately designated as the War between the States.

LET CONGRESS STOP PASSING UNCONSTITUTIONAL LAWS.

Mr. Speaker, the matter of the power of the courts to declare an act of the legislative department, having received Executive approval, to be void because of unconstitutionality is receiving a great deal of consideration at this time. Without discussing the merits of that question one way or the other, I desire to present a consideration which should eliminate the question just mentioned to the realms of academic discussion. If the Members of Congress and the President would do their duty, then no Supreme Court would ever have a chance to declare an act of Congress unconstitutional. It is the habit of "passing the buck" by Members of Congress that has brought about a situation that is giving concern to many people. Let me remind the Congress and the country that there is the same high obligation upon the Members of Congress to protect and defend the Constitution that there is upon the President and the members of the Supreme Court. As a matter of fact, the constitutional oath administered to the President requires him "to protect and defend the Constitution." The oath taken by every Member of Congress binds him "to protect and defend the Constitution," but when you come to the oath prescribed by law to be taken by every judge of the United States courts from the Chief Justice of the Supreme Court down, you find that it binds the judge "to administer justice without respect to persons and to do equal right to the poor and the rich agreeably to the Constitution and laws of the United States." So there is the chief and primary obligation on the Members of both Houses of Congress to say whether the bill proposed to be enacted into law is constitutional. In fact, that ought to be the first question asked.

If that question is answered affirmatively, then the question of the wisdom and policy of the proposed legislation may be considered. It should make no difference with a Member as to his sympathy with the aim and object of the legislation. The question of constitutionality or unconstitutionality meets him at the very threshold if he is to remember his oath. I fear that too many are apt to say: "Oh, the constitutionality is a matter for the courts. We think the legislation will do good and it may never get into court, and if it does at least five of the members of the Supreme Court may be so much in sympathy with the object of the legislation that they will do as Congress is doing, to wit, sacrifice the Constitution for some economic or social or political purpose."

CONGRESS BEST JUDGE OF CONSTITUTION.

Mr. Speaker, the courts have a great deal to say about what was the intention and the purpose of the framers of the Constitution. I feel satisfied that the framers of the Constitution never intended that the Members of Congress would neglect their duty in passing conscientiously and deliberately upon the constitutionality of proposed legislation. The framers of the Constitution knew that future Members of the Congress could know as much about the purpose and intent and plan and scope of Federal Government and the Federal Constitution as any members of the Supreme Court. The framers of the Federal Constitution knew that it was not any cryptic, or mysterious, or unnatural instrument with some hidden and weird and puzzling meaning that could be ascertained only by being juggled over and "conjured" in a dark room. On the contrary, they knew that the words of the Constitution were a rather inadequate expression of its spirit and purpose. They knew that the principles of liberty, if they are to endure, must reside in the breasts and brain of the people rather than in musty and mysterious documents.

The framers of the Constitution knew that when all their language was taken together it would plainly reveal, especially when construed by the rule fixed in the tenth amendment, that it was to be and is a government of limited powers, and that unless a power were expressly conferred or fairly implied as necessary and proper for the execution of the express powers, then all such was denied to the Federal Government and must be exercised by the States and by the States alone. Surely they knew that all the Members of Congress for all future time would be able to understand the English language, and they had reason to assume that many Members of the future Congress would be trained lawyers, and therefore there was good reason for the framers of the Constitution to believe that all the Members of Congress in both Houses could and would understand the Constitution and would abide by it.

CONSTITUTIONAL PRINCIPLES CAN BE GENERALLY UNDERSTOOD.

Mr. Speaker, constitutions must be and are susceptible of being understood in their broad principles and outlines by all the people. Our universally accepted system of popular sovereignty declares that the Constitution is made by the people. If, therefore, the people made it, surely the people understand it. If the people understand it, then surely their more than 500 representatives freshly elected by the people can understand the Constitution better than nine judges who have not been elected by the people to their office, and some of whom have never been elected by the people to any office and whose lives have been given to the study of mere controversies between persons.

The only trouble is that these Members of Congress have gotten in the habit of failing to study the Constitution. They have overlooked their duty to study the Constitution. But if the Members of Congress would do their duty in this respect, and if the President, who should, above all persons, understand the Constitution, and who is sworn especially to protect and defend the Constitution, should do his duty and strike down by the veto every bill that he regards as unconstitutional—if Congress and the President would do these things, then the Supreme Court would have no fair nor reasonable opportunity to say that there is a real conflict in any case between the Constitution and the statute, and that as between these two in conflict the statute must yield and the Constitution must stand.

WHAT WE MEAN BY "AMERICANISM."

When we speak of "Americanism" and of the "American system," and when we urge loyalty to the "American Constitution," we must remember all that is implied within these terms. The great underlying and fundamental proposition implied by Americanism, after the preliminary conception of popular sovereignty, is our dual division of governmental powers between the States and the National Government. Some people seem disposed to feel that such a reminder is out of date and that talk about "State rights" is an anachronism, and seem to feel that to be loyal to this dual system of Government implies some sort of disloyalty to the National Government. As a matter of fact, Mr. Speaker, the Federal Government and the Federal Constitution are as much dedicated and obligated to the preservation of the States in their full reserved powers as to the preservation of the Federal power in its fullest constitutional extent.

The 13 States existed before the Federal Government existed. Undoubtedly they created the Federal Government. It is true that 35 other States, nearly 75 per cent of all the States, have since been created by the authority and power and permission of the Federal Government. But be it said to the credit of the strength and vigor of American ideals that those in control of the Federal Government conferred upon these 35 States admitted into the Union after the original 13 had created this great Federal system the same full and complete enjoyment of local State sovereignty, under the Constitution, that the original 13 States had. This fact is a fine tribute to the firm conviction of those who later administered the Federal Government that the full integrity and vigor and independence in all internal matters of the States themselves are essential to the peace and progress and power of the American people.

"AN INDESTRUCTIBLE UNION OF INDESTRUCTIBLE STATES."

Mr. Speaker, so many are the advantages that we have derived from the division of governmental power between the States and the Nation that even if such a system had not been created by the States it would be wise and politic for us now to adopt that system. It seems that Providence has guided the American people ever since the discovery of this continent. The settlement of different parts of the country by different classes and groups and religious sects of the English people is now seen to have been a happy and fortunate disposition.

The mingling with these English elements of the Dutch of New York, the French of Louisiana, the Germans of Pennsylvania, the Spanish of Florida, and the patches of Scandinavians and Swiss and other nationalities here and there has brought about a tolerance, a breadth, a liberality, and a generosity distinctly and exclusively American. But there remained enough of provincialism and localism and selfishness of the people of the different colonies to compel them to be chary about surrendering all the powers of government to a single central agency. They had left the homes of their fathers in Europe to enjoy religious freedom and civil liberty amidst the hardships and dangers and loneliness of a new country. They

divined what we now see, the dangers and tyrannies of a huge bureaucracy, consequently they grudgingly gave up to the Federal Government only those powers that bitter trials in war and grim necessity in peace had shown to be essential to the preservation of their dearly bought and much beloved liberties. The results have been marvelous. In the main the people have enjoyed the greatest possible freedom consistent with State and national obligations. Though the population has been multiplied by fifty and though the area has been multiplied by more than three and though the wants of civilization and the creations of modern science have multiplied a thousandfold the activities and interests of the people, the individual citizens in South Carolina and in Texas and in Wisconsin, with certain inevitable exceptions, enjoy the same personal liberty that the Pilgrim Fathers in Massachusetts did or that the cavaliers in Virginia did.

OUR DUAL SYSTEM INSURES SAFETY.

Mr. Speaker, the safety of American institutions rests with the States. Modern experience has shown that the greatest precaution for the safety of students in colleges and of patients in hospitals and of inmates in asylums is to have them scattered in a number of different buildings disconnected, so that fire originating in one place may be localized before widespread damage is done. It is like the device of the unsinkable ship that has a number of separate water-tight compartments. Though the ship be rammed by another ship or be torpedoed by a submarine, yet the entire ship is not sunk because the inrush of water is confined to the particular compartment broken in. So it is with the American "Ship of State." Each of these 48 States, in the language of Mr. Justice Holmes, is "an isolated chamber of experiment." Though excessive socialistic ideas take possession of one State, their dangers are perceived by others and the evil checked before widespread harm is done. Though the baleful and damning power of corporate wealth get possession of one State, yet the evils are confined to the single State affected and the example becomes a warning lesson to other States. If all the powers of government for the 110,000,000 of Americans scattered over this entire part of the continent were concentrated in the hands of one government at Washington, then the enemies of that government, by whatever name those enemies may be called, whatever may be their motives, could concentrate and multiply their assaults upon that single place and might overthrow the Government itself to the everlasting distress of the people and the destruction of national ideals and power and prosperity.

WHAT MEANS OUR MONROE DOCTRINE?

Mr. Speaker, in these times of turmoil, of agitation, and of world disorder, it seems that nearly every platform and pulpit sends forth a warning that for this reason or for that reason "civilization is trembling in the balance; that if something happens, or does not happen, the human race will reenter an epoch of stagnation and decline, like the 'dark ages'; and that out of this through the slow centuries the peoples must eventually grope to a new day." Personally I share no such gloomy apprehension. A little study of the history of former periods of agitation and of unrest will show that similar direful predictions were then made also. And yet a comprehensive view of history demonstrates that every revolution, made necessary by undesirable conditions, such as our forefathers endured for years before they threw off the claims of British authority, has in fact been one of the processes of evolution. For Americans who love to breathe the spirit of freedom, liberty, justice, and democracy these days are filled with high hopes. Americans have been the champions of human freedom since before the American Revolution. The principles of governmental independence, as announced in the Declaration of Independence, reacted upon the people of France, and in a few years, and after much blood and suffering, lasting through scores of years, that people have stepped out into the full light of liberty. But well do we remember the "jeremiads" of Edmund Burke, who poured forth his powerful and eloquent denunciations of the excesses prevailing in France, and from being the champion and defender of justice and liberty, as he had been during our controversy with England, he became the spokesman for reaction and for autocracy and despotism.

The Bourbons and their friends argued that if such a liberal as Edmund Burke was disgusted at the failure of democracy to function and the suicidal crimes of democracy, as evidenced by the "reign of terror" in Paris, then all others were justified in concluding that man could be safely and sanely governed only upon the principle of the "divine right of kings," and the divine right of the favorites of kings, and the divine ordination that all other men are proscribed to a life of servitude and servility. But Americans did not lose their faith in democracy. When Napoleon, that child of revolution, was finally caught and curbed, then the despots of Europe decided that it was time to restore the power of royal prerogatives among those South American peoples who had won their independence by the sword from their mother country at a time when she and her royalistic allies were kept busy trying to outflank "the Little Corporal." So Spain said that she would regain her lost provinces in South America. Then the American people rose to the last man and backed the sentiment of the Monroe doctrine to the effect that the North American Republic would consider the restoration of kingly power in South America as an unfriendly act. The Monroe doctrine means and can mean only this—that if Spain by the assistance of other hereditary rulers could overthrow democracy in South America, then England by the same token and by the same assistance could overthrow democracy in North America and reestablish her dominion in this land which had been "dedicated to the proposition that all men are created equal and endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness, and that to secure these things governments are instituted among men, deriving their just powers from the consent of the governed."

When America was in the throes of a great Civil War for four years, undecided whether or not her Government or any government was dedicated to the principles of liberty, justice, and democracy, European autocracy stealthily conspired against the rights of free men and established a monarchy by the power of their military machines in our sister Republic of Mexico. When peace was reestablished amongst the States, and with peace returned power, then we notified France and the world that Maximilian must move from Mexico.

We were the friends of humanity in 1898 when the oppressed Cuban people were driven hither and thither like cattle by the bayonets of a Spanish bully. We have declared—and I believe we mean still to keep our pledge—that the people of the Philippine Islands shall in due season enjoy the inalienable right of any nation to decide upon the form of their own government, to determine its policies, and to control all their affairs, internal and external.

We have watched the overthrow of despotism in China, and we have rejoiced when that people seemed to be waking from their age-long sleep. We have seen an unspeakable and indescribable despotism in Russia that sent without cause or trial its victims by the thousands to freeze in Siberia broken by the power of a popular uprising; and though for a time at least the old hereditary czardom is replaced by a more numerous oligarchy, yet we have faith to believe that out of sovietism will ultimately grow representative democracy and that the patient, faithful, honorable Russian people will finally come into their own. If the French could survive a reign of terror and could upon the ruins of a commune rear the form of a stable and liberal Republic, then surely we should not lose hope in the possibility of Russia to do the same thing. People with liberal minds were happy when the German masses drove from their borders the imperial impersonation of hereditary military power. People who genuinely love freedom in America love to find other peoples coming into the possession of the same blessing. If every nation were as America is, truly representative of the will and interests of the masses, then international and world peace would prevail forever.

We have no selfish designs upon the lands, or the resources, or the labors of any people on the globe. We rejoice that fully three-fourths of all the people of the world have followed our example since 1776, and have set up for themselves governments that represent the feelings, and needs, and the desires of the great masses of the people who produce the wealth, who perform the labor, and who fight the battles for those nations.

WE NEED PATIENCE; DEMOCRACIES ARE SLOW.

So, Mr. Speaker, we should have faith in the permanence and the final universal triumph of the fundamental principles of Americanism. When we have faith then we will have patience. It is entirely obvious that there is too much impatience at this time. The extreme progressives chafe at the restraints and requirements of orderly and settled constitutional government. The reactionaries are impatient of every step and expression that promises a change toward liberalism. Some people wish legislation of a particular kind and hurry to procure it, irrespective of the means or agency employed. The result is that many rush to Congress with propaganda that counts into the thousands and weighs by the tons, when as a matter of fact they ought to be employing their propaganda on the State legislatures. Why, Mr. Speaker, I have known people to urge upon me that Congress should enact such and such legislation, and when I told them that Congress does not have the power to legislate upon the subject mentioned, and recommended that

they approach their representative in the State legislature upon the subject, they would then say that they hardly considered it worth while to bother the State legislature. If an idea is good and worth while, then its champions should be patient enough to ascertain the proper constitutional method for enacting the idea into law. As a result of this impatience we find intolerance and mutual distrust.

The ultra progressive would wipe out the Constitution where it stands in his way. The ultra reactionary would fix the Constitution so it never could be changed. What we need above all is for our people to grasp the fundamental principles of "Americanism" which implies the divine right of a settled, well ascertained majority to govern under the Constitution and the right of the requisite constitutional majority to change the Constitution itself. But at the same time, we need to warn our people from the forum and by the press about the unspeakable dangers certain to follow in the wake of this widespread powerful tendency to concentrate power in the hands of Federal bureaucrats. I believe that the people are already realizing that the pendulum for the first half century after the Civil War had swung too far in the direction of federalization and centralization. I believe that the pendulum is now beginning to swing back, and that the people are realizing the wisdom of Thomas Jefferson's warning and are willing to follow his precepts when he taught us that just as much of the governmental power should be kept just as close to the people as possible. Jefferson shows us how the township should hug to its bosom township affairs, and the county be jealous of county rights, and the State should guard all of its powers and prerogatives, so that the Nation could not suck into a mighty maelstrom of red tape and bureaucracy the vast volume of business that comes home to the bosoms and breasts of men.

So, Mr. Speaker, I patiently march on the highway of progress. I have confidence that the future of America is safe and that the world itself will come through the throes of many sorrows and griefs to a yet fuller realization of human power and of human happiness than ever before. Since early manhood I have rejoiced to see the rising tide of democracy throughout the world. To my mind, as I have read history, it has confirmed my faith in America. It has been to me a triumph of American ideals. As I have viewed it, America became a world power when she planted her feet upon the bedrock of eternal truth proclaimed in the Declaration of Independence. I have followed through the pages of history the action and reaction of that truth from nation to nation and have felt a joyful thrill at witnessing the world bear testimony to the power of America. We are too apt to forget that the power of America does not consist merely in her resources; nor in her Army and Navy; nor yet in her man power by the millions; nor in her fields, forests, and mines; but the real power of America consists in the force of her ideals, in the truth of her principles, and in the confidence that all mankind has in her unselfish devotion to the principles of a righteous and just representative government. There may be eddies along the banks of the stream; there have been reigns of terror, and communes, and soviet savagery; but he must be blind who can not see that the great stream of human history bears upon its bosom the ever-accumulating volume of representative government and the indisputable evidence of the final and complete triumph of democracy. "The individual withers, but the races progress more and more." As the tide of democratic progress advances certain individuals and certain special class interests may suffer here and there, and the writhing victims may raise a cry of protest against the forces that crush them. But it has ever been thus.

It is the inexorable law of human progress. It is the will of God as revealed in His word. But just so sure as God is good and just and true, just so surely are all nations upon the face of the earth coming finally and gloriously into the complete possession of their own. Mankind has raised the question, voiced by the English masses seeking for more complete control of their own affairs, and asks with the British poet:

When wilt Thou save the people? O Lord of Mercy, when?
Not thrones and crowns, but nations;
Not kings and lords, but men.
Flowers of Thy heart are they;
Let them not pass like grass away;
Let them rule, who work and fight, and pay;
God save the people!

SCHOONER "MOUNT HOPE."

The next business on the Private Calendar was the bill (H. R. 14249) for the relief of the owners of the American schooner *Mount Hope*.

The Clerk read the title of the bill.

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

Mr. STAFFORD. I understand the chairman of the committee is going to offer an amendment as to demurrage charges. I have no objection to the bill with that amendment.

The SPEAKER. The Chair hears no objection. The Clerk will report the bill.

The bill was read, as follows.

Be it enacted, etc., That the claim of the owners of the American schooner *Mount Hope* against the United States for damages and loss alleged to have been caused by the collision of said vessel with the United States steamship *Navesink*, off Pollocks Rip Lightship, on November 21, 1916, may be sued for by the said owners of the American schooner *Mount Hope* in the district court of the United States for the eastern district of New York, sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owners of the American schooner *Mount Hope* or against said owners in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

Mr. EDMONDS. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 2, line 1, after the word "suit," insert "to the extent only of such damages suffered other than claims for demurrage to said vessel."

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

The amendment was agreed to.

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

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

MRS. R. S. ABERNETHY.

The next business on the Private Calendar was the bill (H. R. 7267) granting permission to Mrs. R. S. Abernethy, of Lincolnton, N. C., to accept the decoration of the bust of Bolivar.

The Clerk read the title of the bill.

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

Mr. STAFFORD. I object.

Mr. MOORE of Virginia. Will not the gentleman reserve his objection for a minute?

Mr. STAFFORD. Yes.

Mr. MOORE of Virginia. This bill has been carefully considered by the Committee on Foreign Affairs, which has made a unanimous report after very mature consideration. The only purpose of the bill is to enable the sister of a sailor who rendered valuable service in connection with operations in South American waters to receive a mere decoration. It is not to receive a bust, but it is to receive a ribbon which is denominated in the bill as the decoration of the bust of Bolivar.

Mr. STAFFORD. Why should we recognize that at this late day?

Mr. MOORE of Virginia. Why should we not?

Mr. STAFFORD. I do not care at this late hour to go into the merits of this question, but I remember the distinguished gentleman from Texas [Mr. CONNALLY] made a very earnest fight against the policy of allowing the German Government—I think it was the German Government—to recognize some of our consular and diplomatic officers with gifts and the like. I do not know what became of that bill.

Mr. MOORE of Virginia. If the gentleman would read the report which was very carefully prepared by my colleague on the committee [Mr. COLE of Iowa] I think it would go far toward removing his objections to the bill.

Mr. STAFFORD. It is a very illuminating and a full historical report, as I can see by glancing at it, but I confess that I have not had the time to read it.

Mr. MOORE of Virginia. I think my friend often reaches conclusions without having had the time to read reports on bills.

Mr. STAFFORD. I beg the gentleman's pardon. I read the reports very carefully, and when I have not had the time to do so, I am always open to conviction. I keep an open mind. If I had read the report perhaps I would be more positive as to my position.

Mr. MOORE of Virginia. If the distinguished gentleman will allow me, this is a very simple matter. The lady is anxious to receive this ribbon. I have no interest in the bill. The lady is not a resident of my State. It is my friend, the

gentleman from North Carolina [Mr. BULWINKLE] who introduced the bill. I trust the gentleman will find it in his heart to withdraw his objection.

Mr. STAFFORD. I withdraw the objection.

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

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That Mrs. R. S. Abernethy, of Lincolnton, N. C., be authorized to accept the decoration of the bust of Bolivar tendered by the Government of Venezuela to her brother, Lieut. Commander Rufus Z. Johnston, United States Navy, and that the Department of State be permitted to deliver the decoration to Mrs. R. S. Abernethy.

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

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

CERTAIN LANDS AT CAMP JACKSON, S. C.

The next business on the Private Calendar was the bill (S. 4404) authorizing the Secretary of War to transfer to trustees to be named by the Chamber of Commerce of Columbia, S. C., certain lands at Camp Jackson, S. C.

The Clerk read the title of the bill.

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

Mr. BLANTON. I reserve the right to object. This bill authorizes the transfer of 1,192 acres of land in the military reservation at Camp Jackson. Why should we transfer 1,192 acres of land to some trustees and let them sell it or dispose of it for charitable or educational purposes? Why can not the United States Government perform its own charity work?

Mr. FULMER. If my friend from Texas will allow me, I will be glad to tell him the reason why.

Mr. BLANTON. That is what I would like to have—an explanation.

Mr. FULMER. I will be glad to explain it to the gentleman. In 1917 various public-spirited citizens in South Carolina by public subscription bought and paid for 1,192 acres of land and presented it as a gift to the Government without any cost whatsoever.

Mr. BLANTON. Why?

Mr. FULMER. For camp purposes.

Mr. STAFFORD. Will the gentleman permit?

Mr. FULMER. Yes.

Mr. STAFFORD. Here was a committee of public-spirited citizens who donated certain land for the purpose of having a United States camp located at Camp Jackson.

Mr. BLANTON. For commercial benefit.

Mr. STAFFORD. Having donated it, they now want the Government to return it gratis.

Mr. FULMER. If the gentleman will allow me to explain, I do not think he will have any objection. If you will read the report of the Subcommittee on Military Affairs under date of January 5, 1922, you will find that they recommended that this land be given back to the donors free of any expense. This land was given to the Government by a corporation. This corporation is not asking that the land be given back to them, but the welfare board, in connection with the chamber of commerce, ask that they may have this land given back to them, to be placed in the hands of trustees, for educational purposes, agriculture, and so forth. If you will read the letter of the Secretary of War, you will see that he recommends this.

Mr. STAFFORD. But after receiving property from private individuals for certain purposes, why should the Government give it back for nothing?

Mr. FULMER. I should like to read the letter of the Secretary of War.

Mr. STAFFORD. I have read the letter as set forth in the report.

Mr. MILLER. The Government had had the use of it.

Mr. FULMER. Yes; and it is nothing now but an expense to the Government. They got the use of it.

Mr. MILLER. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. MILLER. It was the opinion of the committee that where patriotic citizens subscribed for a tract of land and it was the disposition of the Government to return it, it having served all the purposes the Government had for it or ever will have, that the property given in this patriotic way should be returned to those citizens.

Mr. STAFFORD. Is that going to be the policy where a private association has donated land to the Government which the Government has improved by expending large sums of money for highways——

Mr. MILLER. There is nothing of the kind on this land.

Mr. STAFFORD. There are highways on the land.

Mr. MILLER. Yes; for Government use.

Mr. FULMER. There are no improvements on it and the part of the original tract they retain. They are giving back on the outside 1,192 acres that are not nearly so valuable.

Mr. STAFFORD. Are they giving land in exchange for this?

Mr. FULMER. No.

Mr. BLANTON. Mr. Speaker, I want to state to the gentleman that the pople made this donation for the benefit that this military camp would bring to their community. It brought a great horde of soldiers there. Merchants were able to sell large supplies and they reaped a great benefit, like every other community in the United States that had a military camp. The Government spent lots of money there that they never will get back. It would sell the buildings for about 5 per cent of what they cost—that is what they usually get on them—it will not get one cent back for roads, they will not get one cent for sidewalks, for the light system, the water system.

Mr. FIELDS. There is nothing of that kind on this land.

Mr. BLANTON. If it is not, it is the first military camp that I have heard of that did not have them.

Mr. McSWAIN. This bill does not include the whole camp.

Mr. BLANTON. It includes 1,192 acres, which is almost two sections of land.

The SPEAKER. Is there objection?

Mr. BLANTON. I object.

Mr. FIELDS. I want to state——

Mr. MONDELL. If there is to be objection, Mr. Speaker, I think that we should pass on to the next bill.

Mr. BLANTON. The gentleman from Wisconsin will object if I do not. Mr. Speaker, I withdraw my objection.

Mr. STAFFORD. I object.

CAPT. NORMAN RANDOLPH.

The next business on the Private Calendar was the bill (H. R. 14317) granting permission to Capt. Norman Randolph, United States Army, to accept the decoration of the Spanish Order of Military Merit of Alfonzo XIII.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, we have just passed a bill reported by the distinguished gentleman from Virginia [Mr. MOORE], granting the bust of Bolivar as a decoration. This is for the decoration of an Army officer by the King of Spain?

Mr. FISH. The Spanish ambassador.

Mr. STAFFORD. How many requests are there pending of that kind?

Mr. FISH. Only two altogether. This was reported out from the Committe on Foreign Affairs, and it is similar to the one that just went through. I hope the gentleman from Wisconsin will not object.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation of objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Capt. Norman Randolph, United States Army, be authorized to accept the decoration of the Spanish Order of Military Merit of Alfonso XIII, tendered by his excellency the Count of Vinaza, the ambassador of Spain at the Peruvian Centennial, and that the Department of State be permitted to deliver the decoration to Capt. Norman Randolph, United States Army.

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

JOHN W. STANTON.

The next business on the Private Calendar was the bill (S. 2934) to provide for the issuance to John W. Stanton by the Secretary of the Interior of patent to certain land upon payment therefor at the rate of $1.25 per acre.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to issue patent to John W. Stanton, of Great Falls, Mont., for the west half of the southwest quarter of section 2, the north half of the northwest quarter of section 11, and the northeast quarter of the southeast quarter of section 3, all in township 23 north of range 4 east, principal meridian of Montana, upon payment by said John W. Stanton therefor at the rate of $1.25 per acre.

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

FEDERAL BUILDING SITE, DUQUOIN, ILL.

The next business on the Private Calendar was the bill (H. R. 14183) to authorize the Secretary of the Treasury to sell a portion of the Federal building site in the city of Duquoin, Ill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered, in his discretion, to sell to the Christian Church of Duquoin, Ill., that portion of the Federal building site in said city, fronting 30 feet on the eastern boundary of said site extending eastwardly of that width, 100 feet, along the entire northern boundary of said church property; at such time and upon such terms as he may deem to be to the best interests of the United States; to convey the land to said Christian Church by the usual quitclaim deed; and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt derived from the sale of public property.

Mr. DENISON. Mr. Speaker, I offer an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 10, after the word "terms," insert "but at not less than the appraised value, to be determined by him."

Mr. BLANTON. Mr. Speaker, I hope the gentleman will not offer that amendment.

Mr. DENISON. I have offered it at the suggestion of the gentleman from Wisconsin [Mr. STAFFORD].

Mr. BLANTON. We let these bills pass upon the report and the bill. I understand they are going to get a great deal more than the land has ever been appraised for. That is the reason I let the bill go by. The land cost $3,000 when it was originally purchased by the Government.

Mr. STAFFORD. Here is a bill authorizing the Secretary of the Treasury to sell these lands.

Mr. BLANTON. I would rather leave it to him to fix the terms.

Mr. STAFFORD. That is what we are doing—at not less than the appraised value, to be determined by him.

Mr. BLANTON. But if you insert that language it is going to authorize him to take it at the appraised value which may have been made 20 years ago.

Mr. STAFFORD. I think this is safeguarding the interests of the Government.

Mr. BLANTON. I would rather leave it as it is.

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

The amendment was agreed to.

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

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

BIG ROCK STONE & CONSTRUCTION CO.

The next business on the Private Calendar was the bill (H. R. 12751) to convey to the Big Rock Stone & Construction Co. a portion of the hospital reservation of United States Veterans' Hospital No. 78 (Fort Logan H. Roots) in the State of Arkansas.

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

Mr. STAFFORD. Mr. Speaker, reserving the right to object, on reading the bill I notice that its purpose is to give title to some of the property which is now under lease by this stone and construction company.

Mr. JACOWAY. Yes.

Mr. STAFFORD. The authorization for the lease was made within a year or two?

Mr. JACOWAY. As I recall, it was in 1912.

Mr. STAFFORD. What is the land being used for now?

Mr. JACOWAY. The stone is being used for the construction of roads and for riprapping the Mississippi and for streets and other purposes, both public and private.

Mr. STAFFORD. Is it a hard stone?

Mr. JACOWAY. It is a very hard stone, and is especially adapted to the construction of roads.

Mr. STAFFORD. How far is the quarry removed from the hospital?

Mr. JACOWAY. I would say from 3,000 to 4,000 feet farther from the hospital than are the operations at the present time. That is my recollection.

Mr. STAFFORD. Are there any buildings between the hospital and where they are quarrying?

Mr. JACOWAY. No. This land that is sought by the Big Rock Stone & Construction Co. is a rocky piece of ground on the banks of the Arkansas River. It is of no value to the fort. The least price at which it can be purchased under this bill is $150 an acre. I can not state this with certainty, but I think the land originally cost the Government about $5 an acre. This is 20 acres of the portion of the land on which is located the hospital, and is adjacent to the 3,000 acres owned by the Government, deeded in fee by the city of Little Rock to the Federal Government when Camp Pike was located.

Mr. STAFFORD. Are there any other competitors for this land?

Mr. JACOWAY. Not that I know of.

Mr. STAFFORD. The gentleman is acquainted with the land?

Mr. JACOWAY. I am in a general way.

Mr. STAFFORD. My fear was that it might disturb the purpose of the hospital grounds.

Mr. JACOWAY. No. In answer to his question, will say a special agent was sent there by the Veterans' Bureau, and he and the officer in charge made a report upon it, which the gentleman will see in the report.

Mr. STAFFORD. The trouble about the report is that it is too short, and I have to get the information elsewhere.

Mr. JACOWAY. Both of these gentlemen say that it will not interfere with the running of the hospital and interpose no objection to the Big Rock Stone & Construction Co. purchasing this land set out by metes and bounds in my bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Director of the United States Veterans' Bureau be, and he is hereby, authorized and directed, upon the payment by the Big Rock Stone & Construction Co., a corporation existing under the laws of the State of Arkansas, of such sum as he may determine to be the reasonable value of the premises (but not less than $150 per acre), to convey to the said company the following-described portions of the hospital reservation of the United States Veterans' Hospital No. 78, North Little Rock, Ark. (Fort Logan H. Roots), near the city of Little Rock, State of Arkansas, to wit:

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence north along section line 300 feet; thence west approximately 810 feet to east bank of Arkansas River; thence in a southeasterly direction along bank of river to intersection with section line between sections 20 and 29; thence east along said section line approximately 670 feet to point of beginning, same being a strip of land 300 feet in width, located in section 20, township 2 north, range 12 west, lying immediately north of the present property of the Big Rock Stone & Construction Co. and containing approximately 5 acres:

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence east along section line 529.2 feet; thence north 60 degrees 27 minutes west 608.3 feet to intersection with section line between sections 20 and 21; thence south along said section line 300 feet to point of beginning, same being a triangular tract of land lying entirely within section 21, township 2 north, range 12 west, and lying directly northeast of the present property of the Big Rock Stone & Construction Co., and containing 1.82 acres.

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence east along the section line 529.2 feet; thence south 1,927.8 feet to a point on the east boundary line of an 18.75-acre tract purchased from the United States by the Big Rock Stone & Construction Co., approved by an act of Congress August 14, 1912; thence north 31 degrees 5 minutes west along said east boundary line 1,025 feet; thence north along section line between sections 28 and 29 1,050 feet to point of beginning, same being a strip of land lying entirely within section 28, township 2 north, range 12 west, and lying along the east side of the present property of the Big Rock Stone & Construction Co., and containing 18.09 acres; beginning at the southeast corner of a 2-acre tract of land purchased from the United States by the Big Rock Stone & Construction Co. under authority of an act of Congress approved August 14, 1912; thence south 33 degrees and 30 minutes east 500 feet; thence south 54 degrees and 30 minutes west approximately 200 feet to the east bank of the Arkansas River; thence in a northwesterly direction along the bank of the river to the south boundary line of the hereinbefore mentioned 2-acre tract of land; thence north 54 degrees and 30 minutes east along said boundary line approximately 200 feet to the point of beginning, same being a strip of land located in section 28, township 2 north, range 12 west, lying on the south side of the present property of the Big Rock Stone & Construction Co. and containing approximately 2.29 acres, this 2.29-acre tract being now occupied by the Big Rock Stone & Construction Co. under lease from the United States Government authorized by the act of Congress approved May 26, 1920.

Upon the further condition that the two and twenty-nine one-hundredths-acre tract of land hereinbefore described shall not be used for any blasting operations or for any other purpose detrimental to the use by the United States of the remainder of said reservation, and that the Big Rock Stone & Construction Co. shall not use for any blasting operations or any other purpose that will interfere with the use by the United State of the remainder of said hospital reservation the 1-acre tract of land acquired from the United States Government by purchase authorized by an act of Congress entitled "An act to convey to the Big Rock Stone & Construction Co. a portion of the military reservation at Fort Logan H. Roots in the State of Arkansas," approved May 26, 1920; and upon the further condition that the United States shall have the privilege of using the Arkansas River front of the property heretofore conveyed by the United States Government to the Big Rock Stone & Construction Co., and of property conveyed under the authority of this act for the construction of any revetments, piers, wharves, or similar structures along the banks of the Arkansas River abutting on the land and the free passage over the land to such revetments, piers, or wharves; and that the United States Government shall also have the right of passageway on, over, or under any portion of the land owned by the Big Rock Stone & Construction Co. already ac-

quired or which may be acquired by said company under authority of this act for roads, pipe lines, wires, and other purposes which may be deemed necessary for the use of the said hospital reservation by the United States Government.

SEC. 2. That this act shall take effect and be enforced from and after its passage and approval.

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

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

FRANK J. SIMMONS.

The next business on the Private Calendar was the bill (H. R. 7810) for the relief of First Lieut. Frank J. Simmons, Quartermaster Corps, United States Army.

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

Mr. STAFFORD. I object.

GEORGE EMERSON.

The next business on the Private Calendar was the bill (S. 726) for the relief of George Emerson.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to George Emerson, of Great Falls, Mont., late a second lieutenant in the Air Service, Division of Aeronautics, United States Army, out of any money in the Treasury not otherwise appropriated, the sum of $235, to reimburse him for money withheld from salary due him, upon his discharge from the Army, on or about October 31, 1919, and still so withheld; and there is hereby appropriated for such purposes, out of any money in the United States Treasury, not otherwise appropriated, the sum of $235.

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.

ELI N. SONNENSTRAHL.

The next business on the Private Calendar was the bill (S. 1280) for the relief of Eli N. Sonnenstrahl.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

LEWIS W. FLAUNLACHER.

The next business on the Private Calendar was the bill (S. 1516) for the relief of Lewis W. Flaunlacher.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I find that the Committee on War Claims has one standard as to the amount of damages that should be awarded to persons injured in accident, and the Committee on Claims another, the amount of the Committee on War Claims being about twice that from the Committee on Claims. My attention was not called to that until after we had gotten along with the calendar quite a way night before last. In this case, if the gentleman is willing to accept what the Senate considered was a reasonable amount and get this bill out of the way it is acceptable, but if he is going to increase the pay of a wealthy man because he is injured in an accident there will be an objection interposed.

Mr. REED of New York. Mr. Speaker, I would be willing to accept an amendment, but I would like to make this statement in justice to the committee. I want those who are present to understand the situation. Mr. Flaunlacher was a man of large earning capacity, a real estate man in New York. He was traveling out the road to Camp Upton, had tire trouble, and drew his car alongside the road with all the lights on. A colored sergeant, driving company troops to Camp Upton, came along, admittedly drunk, turned, and drove into Mr. Flaunlacher's car. He is now absolutely crippled for life as a result of this collision. The testimony of the doctors show that his limb is withered and he will always be lame. The amount that we allowed was $4,000, and the Senate allowed $2,000. The amount allowed by the Senate does not even equal his earning capacity during the time he was in the hospital.

Mr. STAFFORD. Of course the earnings would run into the thousands for rich men, and this man has an earning capacity of $10,000 a year.

The SPEAKER. Is there objection?

Mr. STAFFORD. Not with the Senate amendment.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lewis W. Flaunlacher, as reimbursement for expenses actually incurred by him as the direct result of personal injuries received by him on September 3, 1917, near Camp Upton, Long Island, when he was struck by an automobile operated by the United States Army, the sum of $719.53, and as full compensation for loss of earnings, pain, and suffering from said injury and resulting surgical operation, and permanent disability of the right leg resulting from said injury, the sum of $1,280.47; in all, $2,000.

The committee amendments were read, as follows:

Page 2, line 2, strike out "$1,280.47" and insert "$3,280.47" and strike out the figures "$2,000" and insert "$4,000."

The question was taken, and the amendments were rejected.

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

LIEUT. HENRY N. FALLON, RETIRED.

The next business on the Private Calendar was the bill (S. 3553) for the relief of the family of Lieut. Henry N. Fallon, retired.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. FOCHT. I will ask the gentleman if he will withhold his objection for a minute?

The SPEAKER. Two gentlemen objected.

Mr. BLANTON. I will withhold it if the gentleman from Wisconsin will.

Mr. STAFFORD. I will withhold it.

Mr. FOCHT. As the report indicates, this soldier has been confined in St. Elizabeths and made his escape. He was really a ward of the Government at the time. His mother sent after him and paid all the expenses of bringing him back, paid money which otherwise would have had to have been paid by the Government. She and her daughter are in the city now in order to be near this boy, and living in a small room. This bill was reported by the chairman of the War Claims Committee [Mr. SNELL]. I have just had word that Senator PEPPER, who is interested in this, and who has absolute confidence——

Mr. BLANTON. Having had word from Senator PEPPER, the gentleman rises to try to get this bill through?

Mr. FOCHT. I think it would be ample, but we have the report of Mr. SNELL——

Mr. BLANTON. What does the gentleman personally know about the bill? I personally investigated it and I know my colleague from Wisconsin has.

Mr. FOCHT. Mr. SNELL makes a report which is here which says that we ought to pay this woman this money. I have been on the committee with Mr. SNELL for many years, and I know——

Mr. STAFFORD. Let me say that this lieutenant was confined in St. Elizabeths Hospital. The superintendent was considering the granting of a parole and had decided to grant it. Just the night before the parole was to go into effect he took French leave and now we are called upon to reimburse the family for trying to locate him and bring him back.

Mr. FOCHT. Would not the Government have been obligated to find him?

Mr. STAFFORD. No. As the superintendent of the hospital says, if we would attempt this policy it would cost the Government thousands and thousands of dollars. I object.

Mr. FOCHT. I know where they have done it repeatedly.

The SPEAKER. Objection is made. The Clerk will report the next bill.

CLAIMS FOR DAMAGES INCIDENT TO THE OPERATION OF THE ARMY.

The next business on the Private Calendar was the bill (S. 4313) for the payment of claims for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army.

The title of the bill was read.

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

Mr. STAFFORD. This is an omnibus claims bill. It includes claims that have been passed to-night. I object.

The SPEAKER. The gentleman from Wisconsin objects. The Clerk will report the next one.

THOMAS J. ROSE.

The next business on the Private Calendar was the bill (H. R. 1859) for the relief of Thomas J. Rose.

The title of the bill was read.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. STAFFORD. Reserving the right to object, is there anyone here to give some information about this case? If not, I object.

The SPEAKER. Objection is made. The Clerk will report the next bill.

VALLEY TRANSFER RAILWAY CO.

The next business on the Private Calendar was the bill (H. R. 14082) to authorize the Valley Transfer Railway Co., a corpora-

tion, to construct and operate a line of railway in and upon the Fort Snelling Military Reservation in the State of Minnesota.

The title of the bill was read.

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

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, this is a companion bill to the authorization that was passed on Monday, authorizing them to build bridges across the Mississippi River. Now it is proposed to grant them a right of way on the lowland approximate to the Mississippi River adjoining to and on the property of the Fort Snelling Military Reservation. As I understand the report, there is a railroad right of way there.

Mr. NEWTON of Minnesota. Yes; that of the Chicago, Milwaukee & St. Paul.

Mr. STAFFORD. How much valuable space is there on the low ground along the Mississippi?

Mr. NEWTON of Minnesota. I should say from 150 to 175 yards in width down to possibly 75 yards in width at the narrowest point.

Mr. STAFFORD. Is not this a very valuable way of getting access to these places?

Mr. NEWTON of Minnesota. It is about the only way in which Pike Island can be approached from the city of Minneapolis; so that, it being the only way that it can be approached, it is valuable to that extent. Now, just how valuable this island is going to be when it is developed after buildings are put upon it, I am unable to inform the gentleman.

Mr. STAFFORD. It has been some years since I have visited Fort Snelling. It was merely a visit. I can not carry the details in my mind. If it is a right of way that would be valuable to other railroads entering the city by way of Pike Island, I do not think it should be granted to one company, because these rights of way become more valuable as the years go on.

Mr. NEWTON of Minnesota. I would say to the gentleman that the only use to which this could be put, speaking from my knowledge of the ground, would be for the purpose of a belt line running on the island.

The location is not adapted to running any extended series of tracks there. The Milwaukee road only runs the Iowa Short Line through there because it is not adapted to that purpose. It would not be adapted to anything except a mere line of railroad to get on to this island to connect with that bridge. As the Secretary of War says, it is only about 100 yards in width.

Mr. STAFFORD. What is the idea of developing the island?

Mr. NEWTON of Minnesota. For manufacturing purposes.

Mr. STAFFORD. It could not be used as a means of ingress and egress from the city?

Mr. NEWTON of Minnesota. No. My information is that what I have stated is the sole purpose of it.

Mr. STAFFORD. This would not impair the value of Fort Snelling?

Mr. NEWTON of Minnesota. No; and you will notice it is a revocable permit, and it is under conditions that the Secretary of War shall prescribe.

Mr. STAFFORD. I withdraw my reservation.

The SPEAKER. The reservation is withdrawn. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to give to the Valley Transfer Railway Co., a corporation organized under the laws of the State of Minnesota, its successors and assigns, a permit to locate, construct, maintain, and operate a line of railway, with single or double tracks, across the Fort Snelling Military Reservation in the State of Minnesota, upon such location and under such regulations and conditions as shall be approved by the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With a committee amendment, as follows:

Line 6, before the word "permit," insert the word "revocable."

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

The committee amendment was agreed to.

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

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

The SPEAKER. The Clerk will report the next bill.

PACIFIC COMMISSARY CO.

The next business on the Private Calendar was the bill (S. 84) for the relief of the Pacific Commissary Co.

The title of the bill was read.

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

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I wish to inquire of some gentleman making this report as to the reason why we should reimburse this commissary company for a business loss in connection with the feeding of officers at this post—Camp Lewis, I believe—during the war?

Mr. McSWAIN. This claim I would describe as an equitable claim. When the first training camp was instituted at the Presidio, Fort Smith, 17 miles from Tacoma, then recently constructed, the Government ordered 1,500 commissioned Army officers to report there. When the commandant of the camp learned that they were on their way, he realized that there was no way in camp to feed these men. There were no troops there at the time, and the buildings that constitute the cantonment were under construction. If they had been required to go back 17 miles each night they would have lost an enormous amount of time.

Mr. STAFFORD. They went ahead and fed these 1,500 officers and fixed the price that the officers should pay?

Mr. McSWAIN. Yes.

Mr. STAFFORD. In the Army the officers get a certain allowance for rations. They received that money from the officers. After the war was over they found that they had made their rates to the officers too low, and now they are seeking to come to the Government to recover on account of an erroneous estimate that they made in charging the officers for meals.

Mr. McSWAIN. Let me explain the case to the gentleman. This private concern—a little $2,000 corporation—was under no obligation to take care of these officers. When the war burst most civilians, including myself, assumed that the commandant of a big camp spoke for the Government. This man Sullivan, representing the Pacific Commissary Co., was approached by the commanding officer of the camp and asked if he would help him take care of these men and feed them, saying that they had to eat.

Mr. McARTHUR. He was very urgently solicited to do it, was he not?

Mr. McSWAIN. Yes.

Mr. STAFFORD. But, nevertheless, he did it under a business arrangement. The price was fixed, and he made a wrong estimate as to price.

Mr. McARTHUR. The price was not fixed.

Mr. STAFFORD. The price was fixed for the officers' meals.

Mr. McSWAIN. Fixed at a dollar a day, with the understanding that the Pacific Commissary Co. would not net any profit but that the Government would bear any loss, with the understanding that this commanding officer would authorize an increase in the price in the future if it was found that it was too low a price.

Mr. McARTHUR. The Pacific Commissary Co. did not seek at any time to make any profit out of this.

Mr. McSWAIN. That is what I say. They were not to make any profit out of it, and were to be indemnified against loss. Therefore they would not have sustained any loss but for the fact that the quartermaster at the camp kept on for five or six months before he rendered an account. In the meantime the price of rations was going up, and when he rendered his account it was found that they had lost on the feeding of the officers and certain other losses about $30,000.

Mr. STAFFORD. I will be very frank with the gentleman, I do not like this bill at all. I think this company took a business chance and lost. The gentleman says it is a case of equity. If we allow this bill at the amount recommended by the committee, what assurance have we that it will not be increased in conference? Will the gentleman fight to the end to keep down the amount?

Mr. McSWAIN. I have no authority to speak for anyone. My friend, the gentleman from Oregon [Mr. McARTHUR], is personally acquainted with the claimants.

Mr. McARTHUR. I think I can reasonably assure the gentleman that the Senate will accept the House amendment.

Mr. STAFFORD. With the assurance that this bill will not be increased in conference, and that it will not come back with an increased amount, I will withdraw the objection. They can not make out any claim for $31,000. These are the closing days of the session. With that understanding I will not object, and will allow the amendment to be adopted.

Mr. BLANTON. I reserve the right to object. I want to ask a question. Here is the way I understand this matter: These officers got this commissary company to furnish them just a little bit better meals than the Government was paying for. They put in a claim at first for $31,000, and the committee in passing on that matter found that that claim was unjust and reduced the amount by $22,916.26. To that extent, at least, the committee held that the company was trying to gouge the Gov-

ernment. I am sure the gentleman from South Carolina would not approve of anything like that, because I know him too well.

Mr. McSWAIN. I acted for the committee. I literally went through hundreds of pages of testimony and five or six account books in order to try to find out what was the truth of the situation. The claimants very earnestly insisted that they were equitably entitled to the whole amount, and, as a matter of fact, they did lose on the whole transaction at Camp Lewis about $31,000; but I, looking at it from the civilian point of view and the point of view of the taxpayers, concluded that in equity they ought to receive a refund of about $9,000. The effect of that would be that while they fed these officers and incurred a loss of $30,000, only 6 days of that will fall upon the Government and 15 days will fall upon the Pacific Commissary Co.

Mr. BLANTON. But this extended over four long months in 1917. Now I want to submit this proposition to my colleague. In war time there are petty officers all over the United States who are in control of such situations. The Congress fixes a certain price at which meals can be purchased.

Mr. McARTHUR. But there was no price fixed.

Mr. BLANTON. The law fixes the price. We fix the rations for the Army and Navy. We do that in peace time as well as in war time.

Mr. McARTHUR. Will the gentleman yield to me?

Mr. BLANTON. I yield.

Mr. McARTHUR. The Pacific Commissary Co. did this as a mere matter of accommodation. They did not stand to make anything.

Mr. BLANTON. These officers were not satisfied with the kind of rations that their own Government fixed for them. They wanted something a little better. It cost a little more money. After the whole proposition was over, after peace came, they wanted to gouge the Government for this amount.

Mr. McARTHUR. The gentleman is in error about that.

Mr. McSWAIN. I think the gentleman is looking at it from the wrong point of view. I was very much opposed to the claim until I studied it over a period of several months.

Mr. BLANTON. I commend the gentleman for cutting down the claim $22,000.

Mr. McSWAIN. The gentleman's proposition is based on the assumption that the Government rations officers. It does not do so. The Government was under no legal obligation to feed these men.

Mr. McARTHUR. It was an emergency.

Mr. McSWAIN. The Pacific Commissary Co. for years has been feeding railroad laborers and construction forces generally. It was feeding the construction force that was building the camp. When these 1,500 officers came there the camp commander rushed up to these men and said: "Here, you have got to help me feed these men."

Mr. BLANTON. They knew that the Government allowed officers a certain amount in lieu of subsistence.

Mr. STAFFORD. Mr. Speaker, I think I will have to demand the regular order.

Mr. MONDELL. This is a perfectly just claim as reduced.

The SPEAKER. Is there objection?

Mr. BLANTON. I object, Mr. Speaker; but on the statement of my colleague [Mr. BULWINKLE], who has made an investigation, I would like to withdraw the objection to the Fallon case, calendar No. 468.

Mr. McARTHUR. I hope the gentleman will withdraw his objection to this bill.

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to return to the Fallon case.

Mr. BOX. I object.

THURSTON W. TRUE.

The next business on the Private Calendar was the bill (S. 2984) for the relief of Thurston W. True.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I can not see where this man is entitled to more than $794.

Mr. FULMER. I will accept that amount.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Thurston W. True, of Columbia, S. C., the sum of $1,000, out of any money in the Treasury not otherwise appropriated, in full satisfaction of all claims for damages against the United States arising out of the vacating by such Thurston W. True of his premises for several months during the war against Germany, in compliance with an order issued under authority of the War Department that such premises were to be used by the United States Government for a military camp.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 5, strike out the amount of "$1,000" and insert "$794."

The amendment was agreed to.

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

JOHN R. KISSINGER.

The next business on the Private Calendar was the bill (H. R. 14358) for the relief of John R. Kissinger.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this matter has been partially corrected in the War Department appropriation bill, and I object.

COLORED UNION BENEVOLENT ASSOCIATION.

The next business on the Private Calendar was the bill (H. R. 13617) to dissolve the Colored Union Benevolent Association, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I see the chairman of the Committee on the District of Columbia here at this late hour, always attending to the duties of his committee. I would like to know what is the purpose of this bill that seeks to vest authority in three trustees with the right to disinter the remains in a colored cemetery and have them transferred to some other tract of land, allow them to sell the property and receive 5 per cent as the commission for services?

Mr. FOCHT. This is an old colored association which has a cemetery for the burial of colored persons out beyond Rock Creek Park. They want to make improvements and they want to get rid of it.

Mr. STAFFORD. I have known of persons objecting to living beside colored people, but I did not know that they objected to the colored dead that had been buried.

Mr. FOCHT. They want to dissolve a corporation.

Mr. STAFFORD. It is a serious matter to disinter the remains of any person.

Mr. BLANTON. Would the gentleman mind telling us whether this involves the cemetery or any of the graves that were concerned or figured in the campaign in the gentleman's district during the last year?

Mr. FOCHT. I am not going to make a retort to that, but after the bill is passed I may reply. We have had numerous instances where cemetery associations have been dissolved in the city, where they wanted to make improvements.

Mr. STAFFORD. How many are buried in this cemetery?

Mr. FOCHT. Perhaps 30 or 40.

Mr. STAFFORD. Who are these trustees?

Mr. FOCHT. They are to be named by the commissioners, and they will be under rules and regulations.

Mr. STAFFORD. No; they are designated by the bill.

Mr. FOCHT. They are the ones that have had the control of the association. They will be under the direction of the commissioners.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

A bill (H. R. 13617) to dissolve the Colored Union Benevolent Association, and for other purposes.

Be it enacted, etc., That from and after the passage of this act the charter of the Colored Union Benevolent Association of the District of Columbia shall cease and determine except as to the following-named trustees, namely, George E. Emmons, Harry A. Clarke, and Whitefield McKinlay, all of whom are citizens of the United States and residents of the District of Columbia, and their successors, are hereby continued as such corporation for the purposes hereinafter stated, with full power to fill any and all vacancies of said trustees which may occur by death or resignation until the sale, distribution, and winding up of the affairs of the said corporation as hereinafter directed shall have been effected.

SEC. 2. That the said trustees be, and they are hereby, authorized, empowered, and directed, under such regulations as the Commissioners of the District of Columbia may prescribe, to transfer the bodies interred in said cemetery to some other public cemetery or cemeteries or place within the District of Columbia, to be reinterred at the expense of the Colored Union Benevolent Association. And the said trustees, after qualifying by giving such bond as may be required and approved by the probate court of the District of Columbia, be, and they are hereby, authorized, empowered, and directed to sell and convey in fee simple the land known as the cemetery of the Colored Union Benevolent Association and the buildings thereon, and any other tract or parcel of land purchased for cemetery purposes and the buildings thereon of the said association, and apply the proceeds of such sales, together with all other moneys and assets of the said association, as hereinafter directed.

SEC. 3. That the said trustees be, and they are hereby, authorized, empowered, and directed to convey the said real estate by mortgage or deed of trust to secure a loan or loans, at such time and at such rate of interest as may be practicable, which money so raised shall

be used by them for the purpose of carrying out the provisions of this act, for which they shall be accountable as for other moneys coming into their hands as trustees under this act.

SEC. 4. That after paying all obligations and liabilities of the said association, including a compensation to the said trustees of 5 per cent of the gross amount of sales aforesaid, together with reasonable attorney's fees and other necessary expenses in the discharge of the duties imposed upon them by this act, the said trustees shall distribute the remainder of such amount, per stirpes, to the heirs at law or next of kin of the owners of the said real estate and the personal property of the said association, as such ownership may be evidenced by the records of said association. Before making any distribution, however, the said trustees shall first receive the approval of the probate court of the District of Columbia.

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

WILLIAM HOWARD MAY AND OTHERS.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 214, S. 2746, an act for the relief of William Howard May, ex-marshal of the Canal Zone; William K. Jackson, ex-district attorney of the Canal Zone; and John H. McLean, ex-paymaster of the Panama Canal, now deceased.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to William Howard May the sum of $280.32, being the amount collected from the said William Howard May for rent of quarters while holding the office of marshal of the district of the Canal Zone.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to William K. Jackson the sum of $77.13, being the amount collected from the said William K. Jackson for rent of quarters while holding the office of district attorney of the Canal Zone, said refunds to be made out of the appropriation for maintenance and operation of the Panama Canal.

That the Comptroller General of the United States be, and he is hereby, authorized and directed to reopen the accounts of John H. McLean, former paymaster of the Panama Canal, and allow credit to the said John H. McLean, for payments made by him, as follows: $470.12 paid to Charles R. Williams as a refund of the amount collected from him for rent of quarters while holding the office of district attorney of the Canal Zone; $403.33 paid to Miguel A. Otero as a refund to him of the amount collected for rent of quarters while holding the office of marshal of the Canal Zone: $214.83 paid to Burt New as a refund of the amount collected from him for rent of quarters while a land commissioner in the Canal Zone; and $114.68 paid to George A. Connolly as a refund of the amount collected from him for rent of quarters while a land commissioner in the Canal Zone.

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

There was no objection.

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.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to return to No. 447 on the Private Calendar.

Mr. STAFFORD. I object.

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

ADJOURNMENT.

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

The motion was agreed to; and accordingly (at 10 o'clock and 58 minutes p. m.) the House adjourned until to-morrow, Friday, February 23, 1923, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1018. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of West Fork of White River, Ind., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ZIHLMAN: Committee on Labor. H. R. 14185. A bill to make an investigation of the needs of the Nation for public works to be carried on by Federal, State, and municipal agencies in periods of business depression and unemployment; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. H. Report 1685. A report on disposition of useless papers in the Department of Commerce. Ordered to be printed.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. Res. 548. A resolution requesting the Federal Trade Commission to investigate and to report to the House the facts relating to the ownership of radio patents, and for other purposes; without amendment (Rept. No. 1686). Referred to the House Calendar.

Mr. HERSEY: Committee on the Judiciary. H. R. 14084. A bill to amend section 1025 of the Revised Statutes; without amendment (Rept. No. 1687). Referred to the House Calendar.

Mr. HERSEY: Committee on the Judiciary. H. R. 14085. A bill to amend section 284 of the Judicial Code of the United States; without amendment (Rept. No. 1688). Referred to the House Calendar.

Mr. LEHLBACH: Committee on Reform in the Civil Service. S. 4167. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, in order to extend the benefits of said act to certain employees in the Panama Canal Zone; with an amendment (Rept. No. 1689). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDREWS of Nebraska: Committee on Election of President, Vice President, and Representatives in Congress. S. J. Res. 253. Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress; with an amendment (Rept. No. 1690). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. MADDEN: A bill (H. R. 14408) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1924, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. SUMMERS of Washington: A bill (H. R. 14409) authorizing the use of the vessels of the United States in the prevention of smuggling; to the Committee on Ways and Means.

By Mr. CAMPBELL of Kansas: A resolution (H. Res. 551) providing for the consideration of S. J. Res. 265; to the Committee on Rules.

By Mr. HUDSPETH: A resolution (H. Res. 552) for the immediate consideration of H. R. 13550; to the Committee on Rules.

By Mr. ANDREWS of Nebraska: A resolution (H. Res. 553) for the immediate consideration of S. J. Res. 253; to the Committee on Rules.

By Mr. HAWLEY: A resolution (H. Res. 554) for the immediate consideration of H. J. Res. 449; to the Committee on Rules.

By the SPEAKER (by request): Memorial of the Legislature of the State of Idaho, urging Congress to fix a minimum price for wheat at $1.50 per bushel at shipping points; to the Committee on Agriculture.

Also (by request), memorial of the Legislature of the State of Idaho, petitioning Congress to give careful consideration to the situation of the silver-mining industry; to the Committee on Mines and Mining.

Also (by request), memorial of the Legislature of the State of Oregon, favoring an amendment to the Federal grain standard act; to the Committee on Agriculture.

By Mr. McARTHUR: Memorial of the Legislature of the State of Oregon, urging an amendment to the Federal grain standards act; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon requesting Congress to appropriate money for the construction of a system of highways through and adjacent to the national forests; to the Committee on Roads.

Also, memorial of the Legislature of the State of Oregon opposing further immigration into the United States in excess of the present quota; to the Committee on Immigration and Naturalization.

By Mr. McCLINTIC: Memorial of the Legislature of the State of Oklahoma relating to the matter of the disposal of the water rights and matters connected therewith at Muscle Shoals, Ala.; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BELL: A bill (H. R. 14410) for the relief of Emory Lord; to the Committe on Appropriations.

Also, a bill (H. R. 14411) for the relief of Hoyt G. Barnett; to the Committee on Appropriations.

Also, a bill (H. R. 14412) for the relief of Arthur McRee; to the Committee on Appropriations.

Also, a bill (H. R. 14413) granting a pension to Mrs. C. S. Giles; to the Committee on Pensions.

By Mr. CABLE: A bill (H. R. 14414) granting an increase of pension to Scott Fitzgerald; to the Committee on Pensions.

By Mr. SHELTON: A bill (H. R. 14415) granting a pension to Nancy Morgan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

7388. By the SPEAKER (by request): Petition of Joseph Melendez, jr., of Hormingueros, P. R., urging a congressional investigation of the condition of Porto Rico; to the Committee on Insular Affairs.

7389. By Mr. COLE of Ohio: Petition of citizens of Sycamore, Ohio, asking for the abolishment of paragraph 7, section 900, of the internal revenue bill, providing for a tax on ammunition and firearms; to the Committee on Ways and Means.

7390. By Mr. GALLIVAN: Petition of Suffolk County Council, Veterans of Foreign Wars, William C. Sweeney, secretary, Boston, Mass., urging immediate and favorable action on the Bursum bill, S. 1565; to the Committee on Military Affairs.

7391. By Mr. KISSEL: Petition of Emergency Committee on Near East Refugees, New York City, favoring legislation to alleviate conditions prevailing in the Near East; to the Committee on Foreign Affairs.

7392. Also, petition of International Typographical Union, Indianapolis, Ind., opposing the passage of the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

7393. Also, petition of C. Kenyon Co. (Inc.), Brooklyn, N. Y., favoring the construction of a dam by the Federal Government in the Imperial Valley; to the Committee on Flood Control.

7394. Also, petition of National Council of Farmers' Cooperative Marketing Association, Louisville, Ky., urging Congress to accept the terms recommended by the American commission of the funding of the British debt; to the Committee on Ways and Means.

7395. By Mr. LAYTON: Petition of the George Paul Farrel Camp, No. 1, United Spanish War Veterans, Wilmington, Del., favoring the passage of House bill 13298, to extend the benefits of the war risk insurance act; to the Committee on Interstate and Foreign Commerce.

7396. By Mr. MEAD: Petition of Chamber of Commerce of Buffalo, N. Y., supporting the Winslow bill covered by civil aeronautics act of 1923 (H. R. 13715); to the Committee on Interstate and Foreign Commerce.

7397. By Mr. PATTERSON of New Jersey: Petition of Lillian Council, No. 85, Sons and Daughters of Liberty, of Glassboro, N. J., indorsing restricted immigration; to the Committee on Immigration and Naturalization.

7398. By Mr. STRONG of Pennsylvania: Petition of Ford City Council, Order of Independent Americans, protesting against any increase of the 3 per cent quota in the restriction of immigration; to the Committee on Immigration and Naturalization.