

TEXAS.

Henrietta Fricke, Brenham.

WASHINGTON.

Retta M. Richards, Finley.
 Charles A. Fiedler, Newport.
 Daniel L. Jackson, Port Gamble.
 Hugh M. Thompson, Selah.

HOUSE OF REPRESENTATIVES.

THURSDAY, January 10, 1924.

The House met at 12 o'clock noon.

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

Our Heavenly Father, whose being is without beginning and without end, and whose mercy is from everlasting to everlasting, whatever the needs of this day may be, impart to us Thy gracious presence. Inspire us with the loftiest conceptions of truth and right. Help us by faith and courage to hasten the dominion of Thy kingdom of peace and happiness. May it soon become coextensive with the being of man throughout the earth. Let love and contentment reign in all hearts to-day. In the name of Jesus. Amen.

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

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 790. An act for the establishment of a Federal industrial institution for women, and for other purposes; and

S. 1199. An act authorizing the appointment of William Schuyler Woodruff as an Infantry officer, United States Army.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 790. An act for the establishment of a Federal industrial institution for women, and for other purposes; to the Committee on the Judiciary.

S. 1199. An act authorizing the appointment of William Schuyler Woodruff as an Infantry officer, United States Army; to the Committee on Military Affairs.

PERMISSION TO EXTEND REMARKS.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to make an insertion in the RECORD of a communication from Hon. W. C. McChord, of Kentucky, a most eminent lawyer, relative to the adjustment of our foreign indebtedness.

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

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, under the leave to extend my remarks in the RECORD I will print the following:

SPRINGFIELD, KY., November 21, 1923.

HON. BEN JOHNSON, M. C.,
 Washington, D. C.

DEAR SIR: When we fellows who live in the rural districts of our Representatives in Congress have nothing special to do, we are inclined to kill time by memorializing those in authority, especially our Congressmen, on national subjects about which we probably know nothing, or criticizing their action on some important measure, not understanding the conditions under which such action has been taken.

I hope, however, that you will bear with me while I lay down some premises and ask your conclusions. My apology for doing so is that a citizen such as I, who has no voice in the affairs of the Nation, much less those of the world, can do nothing but think and deplore the drifting of world affairs, as it seems to me, into a chaotic condition.

We lived through the World War, that terrible time when for months together we, who had sons in France following the flag, did not know whether they were living or dead.

When the war had worn itself out and our boys had returned home, we hoped that there would be no more armed conflicts; that there would be created the League of Nations or some other such organization by which all international controversies would be adjusted without bloodshed. It seems, however, that because of petty jealousies incident to party politics in the United States American participation in such an organization can not be effected. Yet, since the armistice

of 1918 world unrest and confusion have steadily increased, and "the next gale that sweeps across the Atlantic may bring to our ears the clash of resounding arms," and into the struggle the United States will surely be drawn, as in 1917.

There must be some way to prevent another calamity such as the World War. The appeal is going to the men in Congress from all parts of the Nation to do something to this end.

It is admitted on all sides that the real cause of the world unrest is the inability of those in authority to devise a plan by which Germany can pay the indemnity which she justly owes and should be required to pay to the full extent of her ability without destruction of her national existence.

How this may be done is the problem in which the people of the United States, and we might say all the civilized nations of the world, are vitally interested at this time, not only for the sake of their business or financial interests but also of preventing another world war as soon as the contending nations may be prepared to fight.

Those who know anything about the subject of the controversy admit that Germany can not pay her debt in cash now or at any time in the near future and that the only way she can satisfy her creditor nations is by the issue of long-term bonds bearing such a rate of interest as will induce capital to seek them as investments.

In response to this suggestion it may be said that no one would buy German bonds at any price; that they would be worth no more than the German mark in the markets of the world. This is true unless the German creditor nations and other nations will by some sort of system stabilize German credit.

How this may be done without involving the other nations to a greater extent than they are now involved is the real problem.

Let us assume, for the sake of submitting the proposition which I desire to suggest, that the total liability of Germany to her creditor nations is \$30,000,000,000 and that of this sum she owes \$10,000,000,000 to France and an equal amount to England and the remaining \$10,000,000,000 to, say, three of the other principal nations of the world.

Let us assume, again, that France owes the United States \$5,000,000,000 and that England owes us a like amount. And let us assume, which we may safely do, that neither France nor England can or will pay in full the debts they owe the United States, or any other nation, until France and England can collect what Germany owes them; and we all know that Germany can never pay as long as the iron heel and mailed hand of France crush and throttle her.

Now, suppose Germany should issue her bonds, payable to bearer or to her creditor nations, and deliver to France and England, \$10,000,000,000 of these bonds, due in, say, 50 or 100 years hence, bearing interest at the rate of 5 or 6 per cent or any rate that would attract investment in well-secured bonds.

That my suggestion may be understood fully, let us work out the proposed transaction between Germany, France, and the United States, which will apply to the other four principal nations which may become the owners of such German bonds. Have France transfer to the United States \$5,000,000,000 of these bonds in payment of France's indebtedness to the United States, the bonds to be accepted by the United States with France's guaranty of the payment of principal and interest indorsed on or made part of the bonds. Thus the United States would have the joint obligation of France and Germany to pay the obligation of France to the United States.

Let the United States likewise guarantee the payment of the principal and interest of these bonds and exchange them for Liberty bonds or sell them in the markets of the world and with the proceeds retire Liberty bonds or make use of the proceeds as may be deemed best.

This method of liquidation between the United States and France would be applied in the same way in the payment of England's debt to the United States and other creditor and debtor nations, with the result that the United States would retire \$10,000,000,000 of its bonded debt, and France's and England's debt to the United States would be satisfied only when and as Germany complies with her obligations to the United States in the payment of the principal and interest on the bonds, the payment of which shall have been guaranteed and sold or held by the United States.

But suppose Germany would pay only the interest on these bonds for a term, which she would at least do. Thus France, England, and the United States would have benefited to the extent of such payments.

Now, let us suppose that Germany would, at some indefinite time, repudiate the balance of her entire indebtedness. France and England would still owe the United States the unpaid part of their original indebtedness, by virtue of their guaranty of the German bonds.

With the consummation of the proposition outlined, to say the least of it, the world would be given a time during which pending calamities would be averted, and rehabilitation of the devastated nations be undertaken with a hope of success.

The results of the adoption of the plan outlined have another and a more optimistic angle from which they may be viewed. With the five principal nations of the world either holding or having guaranteed the payment of these German bonds, would not the moral

force of the great German creditor nations be sufficient to induce Germany to conduct her internal affairs, as well as her dealings with her neighboring States, in such a way as to enable her to comply with her obligations?

In other words, would not such a combination of the material interests of these five principal creditor nations automatically create a real league of nations without the complications which have grown out of the Versailles convention and ultimately lead to the establishment of an international court having jurisdiction to determine and settle all international controversies without war, for the realization of which all the Christian nations of the world and the individual citizens thereof are devoutly praying?

Again, let me suggest another aspect of the proposition outlined above. The tax-paying people of the United States are feeling the indirect effect of, and are complaining because the Government has issued the large amount it has of nontaxable securities. If, with the proceeds of the German bonds, these nontax-paying securities could be retired, the substituted German bonds would be subject to taxation and the difference between the interest on the German bonds and the retired Liberty bonds would be sufficient to pay taxes and leave the original investors in Liberty bonds the same rate of interest as was agreed to be paid on the original investment.

It is believed by many thinking people that France has despaired of a league of nations or any organization that will protect her from Germany, when, in the future, the latter shall have gotten on her feet again, and England and the other allied nations have withdrawn their support from France, and that as a matter of self-preservation she has determined to pursue a policy by which Germany will be crushed and rendered unable to come back. If so, and the United States fails to offer some practical solution of the problem, it is not hard to foretell what is in store for coming generations.

I offer these suggestions for what they are worth. If in your judgment they merit consideration, use them as you deem proper; if not, consign them to the wastebasket.

Yours very truly,

W. C. McCHORD.

APPROPRIATIONS—INTERIOR DEPARTMENT.

Mr. CRAMTON. 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. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes; and pending that, I ask the gentleman from Oklahoma [Mr. CARTER] if he cares to enter into any agreement at this time as to limitation of time for general debate.

Mr. CARTER. Mr. Speaker, from the requests I have on this side I judge we are going to have a very illuminating discussion in this general debate, and I think we ought to proceed with as much deliberation as possible. It will perhaps save us time under the five-minute rule. I have requests for a little over five hours.

Mr. CRAMTON. Would it be agreeable to the gentleman to agree then on 10 hours of general debate, with the understanding that if any of that time is not used we can take up the bill?

Mr. CARTER. That will be satisfactory, I think, Mr. Speaker.

Mr. CRAMTON. I ask unanimous consent, Mr. Speaker, that the time for general debate upon this bill be limited to 10 hours, 5 hours to be controlled by the gentleman from Oklahoma [Mr. CARTER] and 5 hours by myself, with the understanding if that time is not fully necessary that the bill may then be taken up.

The SPEAKER. Is there objection to the request of the gentleman from Michigan that the time for general debate be limited to 10 hours, one half to be controlled by himself and the other half by the gentleman from Oklahoma [Mr. CARTER]?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I think the time on general debate is liberal, but I want to ask the gentleman from Michigan [Mr. CRAMTON] whether he is going to be liberal with us in the debate under the five-minute rule? This bill seeks to appropriate \$272,000,000, and the hearings embrace 1,073 pages, and we may not be able to reach the items we may have objection to under the five-minute rule.

Mr. CRAMTON. The gentleman from Texas knows I am always liberal, and will continue to be so in the conduct of this bill.

Mr. BLANTON. The gentleman from Michigan is one of the most liberal men in Congress—on the prohibition question and otherwise.

Mr. TILLMAN. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Michigan [Mr. CRAMTON]

whether or not he seeks in this bill at this time to destroy about 20 land offices throughout the country?

Mr. CRAMTON. To be exact, it seems to me the number is 24. [Laughter.]

Mr. TILLMAN. And among the number is the one at Harrison, Ark.?

Mr. CRAMTON. I regret to say that is the situation.

Mr. TILLMAN. If the gentleman regrets that, why not strike out Harrison, Ark.? Representing that district, I regret it also.

Mr. CRAMTON. The House, I am sure, will be glad to hear from the gentleman on that matter.

Mr. TILLMAN. Reserving the right to object further, the gentleman is still inclined to be liberal in the matter of time—

Mr. CRAMTON. But not money.

Mr. TILLMAN. But not money; yes. Then the gentleman will be kind enough to grant me sufficient time to make my wishes known in that respect?

Mr. CRAMTON. I am sure my colleague, Mr. CARTER, will take care of the gentleman.

Mr. TILLMAN. I understand Mr. CARTER's time is about all taken up.

Mr. CARTER. I should think, Mr. Speaker, that we would have considerable discussion around the land-office problem when we get to it under the five-minute rule. If the gentleman from Arkansas [Mr. TILLMAN] desires to speak under general debate, I will undertake to take care of him the very best I can, although he did not speak to me until I had made this agreement.

Mr. TILLMAN. That is very indefinite.

Mr. CARTER. I will do the very best I can, but I may have to curtail him a few moments.

Mr. CRAMTON. The gentleman from Arkansas will not be cut out.

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

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Michigan that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Interior Department appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5078, the Interior Department appropriation bill, with Mr. TILSON in the chair.

The clerk reported the title of the bill.

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

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Chairman, I yield to the gentleman from Illinois, the chairman of the Committee on Appropriations [Mr. MADDEN], such time as he may desire within my limitation.

Mr. BLANTON rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. BLANTON. To make a point of order. As one Member of the Congress I would like to hear the gentleman from Illinois [Mr. MADDEN] all day and to-morrow also, but it is out of order to yield him such time as he desires unless it is within the limitation of 10 hours.

The CHAIRMAN. It will be subject to the rule, of course.

Mr. CRAMTON. I think the gentleman from Texas did not hear my statement, "such time as he desires within my limitation."

CLASSIFICATION OF SALARIES OF CIVILIAN EMPLOYEES IN THE DISTRICT OF COLUMBIA.

Mr. MADDEN. Mr. Chairman and gentlemen of the committee, this is the first appropriation bill reported in this session of Congress. Since the last appropriation bills were completed there has been enacted a classification law fixing the compensation of employees of the Government within the District of Columbia. The Committee on Appropriations, as the servant of the House, feels its responsibility in working out the problems affecting the Treasury under that act and has given a great deal of study as to how it shall meet the responsibilities imposed upon it by the House under this and other acts. I think, therefore, it might be wise for me, as chairman of the committee, to give to the House such informa-

tion as might be of value, from the committee's standpoint, to enable every Member of the House to have as clear an understanding as possible of what the situation is and what the policy of the Committee on Appropriations will be.

I will undertake first to give an historical sketch of the practice in the past with respect to the compensation of Government employees and what will happen under the so-called Lehlbach Act—the new classification act—and what the committee has done to conserve the Treasury in connection with the execution or administration, as you may choose to put it, of this new law fixing compensation.

The question of pay of civil employees of the Government, exclusive of postal employees, has always been a troublesome question in the past, both to Congress and the departments. There has been no uniform policy of procedure in the departments in previous years, except for statutory salaries—that is, salaries fixed by specific law. Each head of department could make his own rates under general lump sums, and no two heads of departments in the Government have made the same rates for the same class of work, and so a system of discrimination in favor of a certain class and against certain other classes has grown up in the Government until it has become a source not only of great annoyance but of great injustice, and a source of more or less trouble, and justly so. I never could understand any reason why two men or two women working side by side doing similar work and equally efficient should be paid different rates of compensation; but that has been so, and it would probably continue to be so unless some uniform system were adopted. My own thought is that in the long run the compensation act will work out uniformity of practice and work out a system of justice to those who are engaged in the service of the Government, which is something that has never existed before.

The Government as an employer never had a pay policy toward all of its civil employees, outside of the postal and military and naval services, which could be called uniform or which proceeded upon a rational, well-defined basis. The recent war further upset the pay inconsistencies already existing in the Government. We were called upon during the war to bring in a large number of people from all sections of the Nation to perform the civil work of the Government during the war. Manifestly, it was impossible during that period to get people into the service for temporary employment on the pay schedules that existed before the war began, and so the administration then in power was compelled to take into the service the necessary employees and pay them what the conditions which existed then demanded, and the result was—and that result has continued up to this hour—that many of those who came into the service for the war period were paid a very much higher rate of compensation than those who had been in the service for many years before.

They continued to be paid a much higher rate than those who had been in the service, and there appeared to be no attempt to remedy the injustice. The injustice never has been remedied, but it is hoped that when the full effect of the classification act is felt the injustice heretofore existing will have been eliminated, and that uniformity of pay and uniformity of practice will prevail throughout every department of the Government.

The \$240 additional compensation, which we paid as a bonus to the people in the Government service, was intended to equalize the pay to meet the conditions which were abnormal and under which the cost of living was much higher than it had been when the rates of pay were fixed. It was only a temporary expedient, however, to cover the increased cost of living. The bonus was the only general increase in compensation that was made for the civil employees, generally, outside of those in the Postal Service.

In the Postal Service, where there are 325,000 Government employees, there was a reclassification of their compensation as of June 5, 1920, which added \$115,000,000 to their annual pay roll and lifted the entrance pay of the clerks and carriers, as I recall, from \$800 to \$1,400, and lifted the maximum pay from \$1,200 to \$1,800. That rate of pay for the postal employees exists to-day. When the classification act of 1923 is put into operation the other employees of the Government, from my information, will not be receiving more for the same kind of work than the postal employees have been receiving since June 5, 1920. I believe I state the facts. I think all those who have been in the House for a good many years know that I had a great deal to do with working out the postal classification law.

The pay of the commissioned personnel of the Army, Navy, Marines, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service, was adjusted, as you all recall, during the last Congress. First, it was in the form of temporary

legislation and then finally enacted into permanent law. The readjustment under that pay act resulted in adding to the pay roll of these services which I have enumerated in the aggregate approximately \$50,000,000 per annum.

The matter of the adjustment of the pay of civil employees of the Government was not taken up for permanent legislation until the passage of the classification act of 1923, approved March 4 last.

Here is the synopsis of the act. It specifies definite schedules and rates for the personnel in the District of Columbia. It does not apply to the field. There are 54,000 employees on the Government pay roll in the District affected by this act. There are one hundred and some odd thousand employees outside of the District whose salaries are not directly affected by this classification act.

The act requires a classification to be made and submitted to Congress. The Personnel Classification Board has not finished this work and will probably not have it done for some time to come. My hope was that the field service classification and the District classification would be put into effect at the same time, for one set of employees is just as deserving as the other, but the board selected under the act found it physically impossible to do the two things and have the law become effective as of the 1st of July. It is not hopeless yet, but there is no positive certainty that between now and the 1st of July the classification for the field service will be in such a situation that we can appropriate for it. In case it is not it will be necessary for the Congress to carry on the payment of the bonus which we have been paying since the middle of the war until the field classification can be made to apply.

The act makes duties and responsibilities the basis of pay. This is the first time that has ever been done uniformly in the history of the Government. The pay has been fixed in a haphazard way, sometimes as a matter of favor by the head of the office and the character of the service to be performed has not had the consideration it deserved in fixing the compensation. After this the pay will be based wholly on efficiency rating and on the duties performed as these duties are specified by the act and interpreted by the board.

The act divides the departmental activities into services and grades, and these are based on the duties and responsibility of the work. There are 5 services and an aggregate of 44 grades.

The services and the grades under that are as follows:

a. Professional and Scientific Service (seven grades)—

Grade 1. Seven pay rates, making six promotion steps, 1 of \$60, 1 of \$80, and 4 of \$100 each.

Grades 2 and 3. Seven pay rates each, making 6 promotion steps of \$100 each in each grade.

Grade 4. Seven pay rates, 6 promotion steps of \$200 each.

Grade 5. Five pay rates, making 4 promotion steps of \$200 each.

Grade 6. Four pay rates, making 3 promotion steps of \$500 each.

Grade 7. One rate, \$7,500, maximum.

b. Subprofessional service (eight grades)—

Grades 1 to 5. Seven pay rates each, making six promotion steps of \$60 each in each grade.

Grade 6. Seven pay rates, making six promotion steps, one of \$60, one of \$80, and four of \$100 each.

Grades 7 and 8. Seven pay rates each, making six promotion steps of \$100 each in each grade.

c. Clerical, administrative, and fiscal service (14 grades)—

Grades 1 to 4. Seven pay rates each, making six promotion steps of \$60 each in each grade.

Grade 5. Seven rates, making six promotion steps, one of \$60, one of \$80, and four of \$100 each.

Grades 6 to 10. Seven pay rates each, making six promotion steps of \$100 each in each grade.

Grade 11. Seven pay rates, making six promotion steps of \$200 each.

Grade 12. Five pay rates, making four promotion steps of \$200 each.

Grade 13. Four pay rates, making three promotion steps of \$500 each.

Grade 14. One rate, \$7,500 maximum.

d. Custodial service (10 grades)—

Grade 1. Seven pay rates, making six promotion steps of \$30 each.

Grades 2 to 7. Seven pay rates each, making six promotion steps of \$60 each in each grade.

Grade 8. Seven rates, making six promotion steps, one of \$60, one of \$80, and four of \$100.

Grades 9 and 10. Seven pay rates each, making six promotion steps of \$100 each in each grade.

e. Clerical-mechanical service (five grades)—

Grade 1. Forty-five to fifty cents per hour.

Grade 2. Fifty-five to sixty cents per hour.
 Grade 3. Sixty-five to seventy cents per hour.
 Grade 4. Eighty to ninety cents per hour.
 Grade 5. Seven pay rates, making six promotion steps of \$100 each.

The assignments are made to the services and the grades by the Personnel Classification Board, which consists of the Director of the Bureau of the Budget, or an alternate from that bureau designated by the director, a member of the Civil Service Commission, or an alternate selected by the commission, and the Chief of the United States Bureau of Efficiency or his alternate. The heads of the departments allocate all employees to the services and grades upon a basis of uniform procedure prescribed by the board. The allocations of the heads of departments are reviewed by the board, revised by them if necessary, and upon the board's approval become final.

The Committee on Appropriations or the Congress can not revise the administrative action of the board. The Congress ought not to listen to appeals. Action upon them lies before the Classification Board. Chaos is sure to follow if Congress opens up the question of appeals. I do not mean to say that appeals ought not to lie somewhere, because the allocation of the personnel in the Government to the various services under the act on the information which they have been able to accumulate in the departments and in the board may not be exact and may not do exact justice to some work or individuals. Where any person has a grievance over his allocation, or the specifications of the employment which he is performing for the Government, or the pay under the allocation, he ought to have some place to go where he could get the difficulty adjudicated, and that place has been fixed in the law. The board itself has the power to listen to appeals. It may have done injustice in many cases in the work already performed. It is not to be expected that in a great work like this that everything would be perfect at once. There will be inaccuracies; there may be injustices; there may be wrong allocations made inadvertently. In all such cases there ought to be rectification of the difficulty, and so the board which has charge of this work is sitting, and the appeal may be had by any person to the board for a change in the decision already rendered.

In making the appropriations for the various services of the Government the House and the Senate, of course, will make them upon the basis of the decisions already reached by the board, and it may be that in the review work some changes will have to be made between now and the 1st of July. So I suggest that we ought not to listen to appeals; that we ought to let these appeals go where they ought to go and where the law provides they shall go.

In making initial assignments and allocations to services and grades, the act laid down the following rules:

SEC. 6. That in determining the compensation to be established initially for the several employees the following rules shall govern:

1. In computing the existing compensation of an employee, any bonus which the employee receives shall be included.
2. If the employee is receiving compensation less than the minimum rate of the grade or class thereof in which his duties fall, the compensation shall be increased to that minimum rate.
3. If the employee is receiving compensation within the range of salary prescribed for the appropriate grade at one of the rates fixed therein, no change shall be made in the existing compensation.
4. If the employee is receiving compensation within the range of salary prescribed for the appropriate grade, but not at one of the rates fixed therein, the compensation shall be increased to the next higher rate.
5. If the employee is not a veteran of the Civil War, or a widow of such veteran, and is receiving compensation in excess of the range of salary prescribed for the appropriate grade, the compensation shall be reduced to the rate within the grade nearest the present compensation.

Procedure under the law after the original allocations have been made and in effect July 1, 1924, I shall also undertake to give. The law provides that all new appointments shall be made at the minimum rate of the appropriate grade or class. Changes from one grade to another must be approved by the classification board, because those changes mean change in work or responsibility or work and responsibility. The head of any department can not transfer employees from one grade to another without the approval of the board. The board is required to review and revise a system of efficiency ratings which the department heads and the heads of bureaus are required to maintain, and promotion from one step to another within a grade is only permissible under the act upon the basis of the efficiency ratings, which must be kept according to the uniform system. Efficiency ratings must be maintained by the

bureaus and departments under a system approved by the board, and the law on that subject is as follows:

SEC. 9. That the board shall review and may revise uniform systems of efficiency rating established or to be established for the various grades or classes thereof, which shall set forth the degree of efficiency which shall constitute ground for (a) increase in the rate of compensation for employees who have not attained the maximum rate of the class to which their positions are allocated; (b) continuance at the existing rate of compensation without increase or decrease; (c) decrease in the rate of compensation for employees who at the time are above the minimum rate for the class to which their positions are allocated; and (d) dismissal.

The head of each department shall rate in accordance with such systems the efficiency of each employee under his control or direction. The current ratings for each grade or class thereof shall be open to inspection by the representatives of the board and by the employees of the department under conditions to be determined by the board after consultation with the department heads.

Reductions in compensation and dismissals for inefficiency shall be made by heads of departments in all cases whenever the efficiency ratings warrant, as provided herein, subject to the approval of the board.

The board may require that one copy of such current ratings shall be transmitted to and kept on file with the board.

I come now to the subject of promotions. Promotion within grades from one salary rating to another rating within the same grade are covered by section 7, which is as follows:

SEC. 7. Increases in compensation shall be allowed upon the attainment and maintenance of the appropriate efficiency ratings to the next higher rate within the salary range of the grade: *Provided, however,* That in no case shall the compensation of any employee be increased unless Congress has appropriated money from which the increase may lawfully be paid, nor shall the rate for any employee be increased beyond the maximum rate for the grade to which his position is allocated. Nothing herein contained shall be construed to prevent the promotion of an employee from one class to a vacant position in a higher class at any time in accordance with civil service rules, and when so promoted the employee shall receive compensation according to the schedule established for the class to which he is promoted.

That seems to be a salutary provision.

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

Mr. MADDEN. I will yield.

Mr. STENGLE. I have noted for the last few moments the great emphasis that the gentleman is laying upon efficiency rating. I want to inquire as to whether or not efficiency rating will be made by the immediate bureau chief or by the head of the department, and if it is made by them will it be subject to review by the Civil Service Commission?

Mr. MADDEN. It will be subject to review and revision by the board.

Mr. STENGLE. Yes; but why not—

Mr. MADDEN. The law fixes that. I am simply stating what the law is. The law itself sets out what the board shall consist of, one member of the Civil Service Commission—

Mr. STENGLE. The gentleman is speaking of this particular bill or existing law?

Mr. MADDEN. No; of the classification law for which we are now about to make appropriations. This bill we are reporting here, of course, is only an incident to it.

Mr. STENGLE. In passing from one grade or classification to another the promotion will not include the efficiency rating?

Mr. MADDEN. Yes; it must. If he goes out of one grade into another grade the board must approve, and if he goes from one rating to another rating within the grade the department then will make promotion to the next higher step without the board's approval.

Mr. STENGLE. Will not the danger the gentleman referred to a moment ago with reference to increased pay be found equal to the personal efficiency rating by some bureau chiefs?

Mr. MADDEN. Well, I think not. I think when I get through I will be able to satisfy the gentleman that we tried to guard against that. Of course, there is the human element that enters into the question.

Mr. BLANTON. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLANTON. In that connection the gentleman from Illinois has spoken of appeals to Congress?

Mr. MADDEN. I meant for higher pay; that is all.

Mr. BLANTON. Those appeals for higher pay and other appeals in reference to the Bureau of Efficiency—it so happens

that every time this efficiency chief of the Bureau of Efficiency, in his efforts to bring about efficiency, steps upon the toes of any of the individual employees of the Government then there is a concerted effort upon their part to appeal here and there to destroy the chief. What means has the gentleman to propose to protect the chief as we should protect the Comptroller General, whom we created, in the exercise of his discretion?

Mr. MADDEN. I think there is too much truth in what the gentleman says.

Mr. BLANTON. I was hopeful the gentleman was going to suggest some means of protecting these individuals in the duties which we have placed upon them to perform.

Mr. MADDEN. Well, I am going to try to see what I can suggest before I get through. I am simply outlining the historical scope here, and I have some suggestions to make a little later on. I think I know the case the gentleman refers to very well. Now, I have talked about the manner in which promotions may be made. It prohibits the employees in the grade from going up more than one rate at a time and from being increased beyond the maximum rate of his grade. It does not say how often these promotions may be made from one to another of the salary ratings within the grade, however. It does say that in no case shall the compensation be increased unless Congress has appropriated the money from which the increase may be lawfully paid. Here we find a restriction on the department chiefs that we will undertake to say we are paying some attention to. For, after all, I would like to have it understood by members of the committee who have not been here—and those who have been here before understand it—that the Committee on Appropriations is your servant, is the servant of the House, and as such servant is trying to conserve the Treasury of the United States. We try to speak for the taxpayer. There ought to be some place in the Government where he has a chance, and this will be his chance.

Mr. BLANTON. Will the gentleman permit me—

Mr. MADDEN. Certainly.

Mr. BLANTON. I was not criticizing the gentleman, because I have been following him. I believe he is sincerely, earnestly, conscientiously, and faithfully in favor of retrenchment, and I am following him all the time.

Mr. MADDEN. I am sure the gentleman was not criticizing me, and I have no such thought in mind; I want to assure the gentleman of that. Now, the problem of the Committee on Appropriations is to appropriate in such a way as to carry out reasonably and fairly this new law. I believe that is the first and last obligation. We can not under any circumstances attempt to set the law aside.

There is only one place that can be done, and it is here; it is for the gentlemen of the House and the Senate to decide whether the law should be as it is, and while it is as it is we will do the best we can as your servants to see that it is properly executed. I think we have the obligation of safeguarding the appropriations against the abuse of too frequent promotions under the automatic promotion privilege within grades made discretionary with the administrative officers under certain conditions. That is what the gentleman talked to me about. I am going to get to the remedy. The problem is to prevent the natural tendency to work personnel up gradually so that everybody will eventually get to the top in each grade except a variable percentage affected by turnover. Of course, that ought not to be permitted; it must not be permitted. It is not honest. There is somebody else concerned about this besides those who are on the pay roll. And while I am in favor of doing justice to the men on the pay roll and the women, too, I am not in favor of making them the paramount consideration. I think the Government in all its aspects should be taken into account; that is, those who are on the pay roll and those who are not, and those who are not are, of course, in a very much greater number. The problem is to prevent the natural tendency to work the personnel gradually up in such a way that everybody will get to the top. That ought not to be tolerated, and we may just as well say it here, so that the department heads will understand that that is the policy of the House, and it ought not to happen. Promotions ought never to happen after the classification is in force, except in the natural way; that is, promotions from one salary rating to another within the grade under the law.

The duty of Congress and the special duty of the Committee on Appropriations, it seems to me, is to adopt a uniform policy in making all appropriations in all bills carrying the classification act into effect that will make the application of the law uniform in all the departments of the Government. The committee policy in this respect is written in a limitation which I expect, before I close, to present to the House for its information, and this limitation will be carried in every appropriation

bill. It has been thoughtfully worked out. A great deal of time has been given to its consideration.

The object has been from the start to do justice not only to the Treasury of the United States but to the people who are employed by the United States, and it will result—the recommendation which we make will result—in eliminating from the appropriation acts specific appropriations for specific services. That is, statutory salaries can no longer exist with any degree of safety under the act. We shall be compelled to appropriate in lump sums. If we do not appropriate in lump sums we will not permit the new law to function fairly the first year. Lump sums I have always objected to in the past. I have objected to them because the heads of departments had unlimited power to fix any salaries they pleased. But the situation is entirely changed by this classification act. The department heads no longer will have that authority. Salaries are fixed, and must be paid in accordance with the new law. They will be uniform.

Heretofore, less than 10 per cent of the civil personnel of the Government, both in and out of Washington, has been carried on the statutory rolls, and about 90 per cent upon lump-sum rolls. So the departure to lump-sum rolls is not so radical as it might at first appear. All lump sums will be safeguarded, therefore, better than heretofore, by the provisions of the classification act. I would like to get this into the minds of the Members who are here, that the lump-sum appropriations will be guarded better than they have been guarded before, because payments of compensation will be guarded by the act, by the size of the sum or the amount appropriated, and by the limitations which we propose to put into the bill; and lastly, by the Personnel Classification Board being required under the law to approve changes from one grade to another, and by such limitations as Congress may see fit to place on lump sums, regulating the number of persons who may be employed, or the number who may be allowed in the upper grades, where higher pay rates prevail.

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

Mr. MADDEN. Yes; certainly.

Mr. McKENZIE. Heretofore, under the system of appropriations we had a certain number for whom the appropriations were carried, and then we would have to have an additional lump-sum appropriation for the departments. Now under that lump-sum appropriation heretofore there was leeway given to the departments to employ help temporarily. Is that true?

Mr. MADDEN. Yes.

Mr. McKENZIE. Now, under your proposed scheme for fixing the lump-sum appropriation for a certain character of work in a certain department, there can be no additional clerks added to that number?

Mr. MADDEN. That is exactly it, unless we provide an additional roll.

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

Mr. MADDEN. Yes.

Mr. BLANTON. That is not altogether the situation, as stated by the gentleman from Illinois, as to temporary employments. For instance, we have in the Department of Justice now this situation, where one day one of the great assistants, Mr. Crim, resigns his position, and next day he is employed to do at a higher salary the very same work that he should be doing as such assistant.

Mr. MADDEN. That can not exist under this system unless his duties are changed and the board approves.

Mr. BLANTON. Then the gentleman has worked out a great plan for the benefit of the country.

Mr. MADDEN. The committee has imposed a restriction. Let me illustrate. Let me assume now that we have a particular grade in the law department, the Department of Justice, in which there are several salary ratings, steps 1, 2, 3, 4, 5, 6, and 7. The department chief is prohibited by the act and by the restrictions that we are proposing from promoting anybody in that grade more than one step at a time, and then he must restrict himself on all his personnel in that grade so he will not exceed the average of the rates set for the grade in the act. I think we have fairly covered the necessary protective features in the various appropriation bills.

Mr. STENGLE. Mr. Chairman, will the gentleman yield there just a moment?

Mr. MADDEN. Yes, sir.

Mr. STENGLE. In the event the occupant or incumbent of the highest step in the grade should die or be promoted, who would be eligible under your plan to take the promotion?

Mr. MADDEN. One in the same grade.

Mr. STENGLE. Who would have the selection?

Mr. MADDEN. The head of the department.

Mr. STENGLE. At a rate fixed by the chief, or by whom?

Mr. MADDEN. The schedule of rates is fixed by law, and this schedule must be adhered to by the department chiefs or the bureau chiefs.

Mr. STENGLE. Yes; but not automatically; there must be some judgment on the part of the chiefs.

Mr. MADDEN. I realize that; but it is all subject to review by the board.

Mr. STENGLE. And that board consists of those the gentleman mentioned a moment ago, including the Chief of the Bureau of Efficiency.

Mr. MADDEN. Yes; but as a board they are not attached to any of the departments.

Mr. STENGLE. The reason I ask the gentleman from Illinois [Mr. MADDEN] these questions—

Mr. MADDEN. That is what I am here for.

Mr. STENGLE. Is for information. The gentleman will recall, no doubt, that I have for five years had charge of that kind of work in the largest cities of this country, and that I know something about these weak spots.

Mr. MADDEN. Of course, I know there are weak spots, and I do not attempt to defend them. I want the gentleman to realize that. Now, take, for example, a case like that to which the gentleman [Mr. STENGLE] has just called my attention, where a death occurs. The estimates which have already been made restrict the amounts for personal services by cutting off, say, 2 or 3 per cent of the amount that would be required to pay all the salaries within the grade, on the theory that there will be lapses, and the law itself provides that no promotion can be made by anybody unless the money is there with which to pay the cost of the promotion. So we have it tied up both ways. That is not done to do any injustice to anybody; on the contrary, it is done in order to see that justice is done to everybody. That is the purpose, and that is what we are attempting to do.

Considerable study and thought has been given to the method to be pursued in making appropriations for salaries under the new law, and the general conclusion arrived at is that any method of appropriating for such salaries different from the one recommended in the bill would encounter difficulties during the first and experimental year of the law, and would not permit a fair and reasonable functioning of the law. The committee has concluded, therefore, that it would be more advisable for the coming year to appropriate by the lump-sum method in paying the salaries fixed under the law, and to accompany that method of appropriating with a general limitation on the appropriations in the bill which will reasonably and fairly restrict the discretionary authority given under the law to administrative officers to make promotions from one salary rating to a higher salary rating within the respective grades. It is believed that this limitation does not change the terms of the classification act; in fact, I may say definitely that it does not; it dovetails in with the act and puts one more restriction around the expenditures.

The exceptions to the application of the limitation found in the proviso attached—and that will be explained when I reach the limitation—are designed to prevent the limitation from changing the classification act; it is recommended as a fair limitation on the salary appropriations found in the bill. The purpose of the restriction is to prevent—and here is the crux of the whole thing—the average of the salaries of all persons found in any classification grade in any bureau or office from exceeding the average of the compensation rates specified for the grades. Do I make that clear?

Mr. STENGLE. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. STENGLE. Have you in those limitations made any provision for what is commonly known in that service as the "nigger in the woodpile?"

Mr. MADDEN. I think we have covered everything that can be covered. We have met that proposition by limiting the amount that is to be paid for the service, and the law itself says that no promotion can be made beyond the limit of the appropriation set out in the bill for the service, and we have always made the appropriation less than the full limit of the cost if all persons were there continuous from one end of the year to the other. We take into account the question of lapses by keeping out a certain fixed percentage, which we have ascertained by the practice of the past to be the cost. So I think we have safely guarded all this, as nearly as it is possible for human ingenuity to do it. Now the limitation we recommend does not mean that no person in that grade shall draw a salary greater than the average of the rates specified for the grade, but it does mean, in the distribution of personnel within the grade, that there may be personnel at the higher rates, personnel at the lower rates, and personnel at the middle rate, but that in

averaging up the salaries of the personnel the general average shall not exceed the average rate for the grade. This will result in a uniform distribution in grades in bureaus throughout the departments generally.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. JACOBSTEIN. Will you kindly continue the illustration you started to make. You stated you would illustrate the principle of the average for the classification.

Mr. MADDEN. I will do that a little later, or I can do it now just as well, if it pleases the gentleman. I think I might illustrate it with this paper. Here are the steps in the grades [indicating]. That is step 1, that is step 2, that is step 3, that is step 4, that is step 5, that is step 6, and that is step 7 [indicating]. It just happens that there are that many steps on this paper; it was not intended to be used for this purpose, but I find there are seven steps on this paper. Now, we will take this grade with seven pay steps. The salary in this step [indicating] would be \$1,200, and the salary in this step would be \$1,260; then that step would be \$60 higher, that step \$60 higher, and that step \$60 still higher. So that in order not to exceed the average of the salaries in the grade in making the expenditures, they would have to keep the average expenditure at that step; that is, step 4, out of seven steps. That would involve so many people in all the steps, step 6, 5, 4, 3, 2 and 1, instead of all being put in step 7, and in making our restriction we provide that the average of the salaries paid in any grade shall not exceed the average of rates for the grade. Do I make that clear?

Mr. STENGLE. Not exactly.

Mr. MADDEN. I will illustrate it in another way: We will say we have 10 men in step 1 drawing \$1,000, and 10 men in step 2 at another rate, and so on. Then we would take all of these sums and add them together and divide by the number of people and get the average, and then that average could not be more than the average of the rates set out in the law for that grade. If you do not do this, here is what is going to happen: It will cost hundreds, yes, thousands and millions of dollars—that is, if we do not put on that restriction—because they will have them all in step 7 instead of in step 6, step 5, and so on.

Mr. STENGLE. Will the gentlemen yield?

Mr. MADDEN. Yes.

Mr. STENGLE. Let me inquire, if you please, if there happened to be in that particular grade or that particular bracket, if you please—

Mr. MADDEN. Only one man—

Mr. STENGLE. No; a number of men, who, by reason of their service rating, were entitled to an equal opportunity for an increase in salary; in such a case what provision would you make in connection with the equality business to which you have just referred?

Mr. MADDEN. The law itself provides for the salary; we do not fix the salaries, you know; we are only working out the problem of paying them and seeing that too much money is not paid to them and at the same time not too little. The law itself adjusts the compensation that can be paid. If the ratings which men and women in the departments have to-day are higher than the law fixes, those ratings can not be lowered; the law itself provides that they can not be lowered, but if the ratings are lower than the law provides they will go up gradually as vacancies occur in the different steps in the different services, and the others will come down gradually to the average level as vacancies occur in the various activities. But we can not change the levels to-day; we simply have to take them and put them in as we find them in the record except where they are under the level of the law, and where they are under the level of the law this provision we recommend will allow them to go up gradually as funds permit, and the tendency under the new act and under the provision which I am outlining here will be to bring down those grades in which the average of pay is higher than the average of the grade, and bring up those that have an average of pay under the average of the grade rates. It will not all be worked out to-day or to-morrow, because it will take two or three years before it is finally worked out, but I think it is fair to say it will take time because you can not take a man by the scruff of the neck and throw him into a place or out of a place without doing him injustice, and that is something we do not want to do. We want to protect his rights.

Mr. STENGLE. Will the gentlemen yield there?

Mr. MADDEN. Yes, surely.

Mr. STENGLE. The point I am trying to bring out, and it may be that because of my peculiar conversation I am unable to make myself clear—

Mr. MADDEN. Not at all. The gentleman is very easily understood, but perhaps I may not make myself understood.

Mr. STENGLE. The point I want to make is this: There has been considerable emphasis laid on efficiency.

Mr. MADDEN. Yes.

Mr. STENGLE. Suppose there is a vacancy in what we call the within-grade promotions and that vacancy is at the top of that grade and there are three people in the subgrade within the grade below with identically the same efficiency rating. I want to know who selects from among those three in order to give the opportunity to rise provided for by our efficiency work.

Mr. MADDEN. The gentleman is now asking me something I can not answer because I have nothing to do with that feature of it at all, and I could only imagine that the bureau chief would finally make the determination, if it was within the grade, and submit it to his chief.

Mr. STENGLE. Then I submit, what is the use of efficiency rating if the bureau chief is to do the selecting?

Mr. MADDEN. You can not enact any law that will automatically operate on a man's efficiency. Somebody must have the responsibility of doing that job, and you can not eliminate the human element. You can not do that by machinery.

Mr. BLANTON. Will the gentleman yield there?

Mr. MADDEN. Yes. All we are trying to do is the best we can.

Mr. BLANTON. The gentleman states the only means we have of forcing bureau chiefs to keep within this restriction is fixing the limit of appropriations.

Mr. MADDEN. No; that will not be the only thing, as the gentleman will see when I get to the limitation which I will read to the committee.

Mr. BLANTON. I want to ask the gentleman what is going to be his policy in Congress, if he cares to give it—

Mr. MADDEN. Yes.

Mr. BLANTON. With respect to deficiencies that these bureaus bring in from time to time before the gentleman's committee.

Mr. MADDEN. They can not create a deficiency for salary compensation.

Mr. BLANTON. But the gentleman knows they do frequently get around those provisions.

Mr. MADDEN. Not for that purpose. They can not create a deficiency under this act and they do not come to us with deficiencies for these purposes, and I will say that if they should present a deficiency for this purpose it would not be allowed. I will say very frankly to the gentleman that they have already had notice of that. There must be a legitimate cause for a deficiency which the law has recognized before any recognition is given to such a deficiency by our committee. Of course, there are certain legitimate cases. For example, we have just passed out of a great war and we have a great many obligations to settle over in Europe. We have bills that were contracted over there during the war, and on account of some dispute that may have existed between the people who had the claims and the Government of the United States, final adjustment has not been made of a great many such bills, which I assume are legitimate bills, and therefore from time to time new settlements are coming in, and they come before us and consist of bills that have been pending for four or five years, and, of course, they are legitimate deficiencies and we can not refuse to recognize them when they are properly authenticated.

I want to say that this classification has been a big task and has not been an easy one. The Classification Board has not always been harmonious in its work in trying to get an adjustment, but I think they have done the very best they could. I have conferred with them a good many times, not with any view to shaping their course in any way but in an effort to get them to reach conclusions so that we might be able to put the classification act into force and do justice to those who are in the Government service. They finally worked out a plan. I do not suspect it is absolutely perfect. I do not think we can say anything is perfect. New conditions arise that necessitate changes from day to day, and that will be true in this case. There are 54,000 places that have been allocated within the District of Columbia under the new law.

The statement was made when the conference report on the bill was under consideration in the last session of Congress that it would probably cost \$2,000,000 above the existing base pay and the bonus at the time for the employees of the Government under the classification act.

The increased cost over and above the existing compensation rate figures up about \$3,200,000. That is closer than estimates

usually come to facts. I am sorry it costs that much. I was rather hoping it would not cost any more than what we were paying, but the law was passed by Congress and it is being put into effect by those who were charged with that responsibility. The pay rolls for the District employees, independent of the bonus, amount to about \$79,500,000 a year; the bonus amounts to about \$11,500,000, making a total of \$91,000,000, and to this \$91,000,000, the additional cost per annum within the District is about \$3,200,000.

The work is not perfect. I do not think anybody will claim perfection for it. It is not my work. It is the work of those who were charged by law with the responsibility. Appeals are pending and they are being acted upon and will continue to be acted upon and considered until July 1, when the new rates go into effect. It is now stated that the best estimate that can be made is that the appeals may result in about 2 per cent changes in the existing allocations. That is as near as the amount can be ascertained now.

I regret that it was not possible to cut the increase of \$3,200,000 down to \$2,000,000 or not have any increase at all, but I think I may say a word for the information and perhaps the guidance of those who are not on the floor but are on the Government pay roll, and that is that the best that could be done has been done, and I advise those who are in the service to give the best measure of service to the Government they can for the compensation set out in the law; to ease their minds and to cease bickering—a good deal of that has been going on at different times—and to realize that we are all servants of the public, that we have a certain measure of patriotic obligation which ought to impel us to do the best we can, with a sense of satisfaction, in performing the functions that are imposed upon us in whatever position we occupy and in such a way as to make for a greater happiness throughout the Nation, instead of engendering bitterness and strife in an effort to get more from those who pay the bill and who themselves bear the greatest burden.

I will now undertake to tell you what this limitation is.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. JACOBSTEIN. Can you tell us how many of the 54,000 will have their compensation reduced?

Mr. MADDEN. There will not be any compensations reduced.

Mr. JACOBSTEIN. None at all?

Mr. MADDEN. When I said there would not be any reductions I perhaps should have said that there may be some in this way: Where a man finds himself in a grade and his present pay is above the maximum of the grade he must come down to the maximum of his grade. That is the law, found in section 6.

Mr. JACOBSTEIN. But as a general rule there will not be reductions for very many people?

Mr. MADDEN. There will not be many reductions. In the long run, when this act is fully in effect, all the disparity that exists to-day should be set aside, and for the first time in the history of the Government uniformity should exist, as nearly as it is possible to have it.

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

Mr. MADDEN. Certainly.

Mr. STENGLE. I think my friend from New York [Mr. JACOBSTEIN] was trying to discover what percentage of the many thousand employees located here in the District would be reduced in grade and in compensation at the same time.

Mr. MADDEN. There will not be any of them.

Mr. STENGLE. In laying out the plan I understood you to say there were three classes—one class that was down and would be lifted up, another class that was there when we got there and was held, and a third class that was beyond there and brought back.

Mr. MADDEN. But he will not be brought down to-day. That would happen when the changes are made.

Mr. STENGLE. But eventually they will be demoted in the simplest sense of the word?

Mr. MADDEN. These people will not be demoted. The average pay where it is too high will come down as new persons come in at the minimum rate under the law. There is only one way a man can be demoted, and that is where he is above the maximum rate fixed in the law for his grade.

Mr. STENGLE. That is the point I am raising—that at the present time, because of this new plan, some men who have for years been drawing salaries for some particular position above what is now determined as the grade line will be de-

moted to the extent of bringing them back to the grade line set up under this plan.

Mr. MADDEN. It does not require the reduction on him. He will stay where he is.

Mr. STENGLE. In other words, the murder will be deferred.

Mr. MADDEN. The gentleman has not got that right; the gentleman must not put words into my mouth. I am glad to answer any question that the gentleman asks, but I must answer it in my own way.

Mr. STENGLE. I hope the gentleman will not misunderstand me. I am trying to get the facts.

Mr. MADDEN. I think the gentleman is very clear, and I hope I am not so dull as not to understand him and tell the gentleman what I think. The provision I have been alluding to is as follows:

That in expending the appropriations or portions of the appropriations contained in this act—that is, in the bill that is pending here—for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, the average of the salaries of the total number of persons under any classification grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act.

Does the gentleman understand that?

Mr. STENGLE. I do.

Mr. MADDEN. Then it provides that this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical mechanical service.

The reason that we do not apply it there is that that is a per hour service, and steps between the rates of pay are only 5 or 10 cents an hour. So the salaries would probably be at either the maximum or minimum rate, and we eliminate that because it would be foolish to try to reach an average on so small a differential.

It does not require the reduction of salaries of any person whose compensation is fixed July 1, 1924, in accordance with the rules of section 6 of the act, nor does it prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923 and is specifically authorized by other law.

The provision that I have just read has been carefully thought out. It was submitted to the chairmen of each subcommittee of the Appropriations Committee by me, and after long consideration finally adopted. It was not the first thing adopted; it was adopted after many views had been expressed, and after that I submitted it to the entire membership of the committee every man of whom approved of it, and we fixed this as the permanent policy of the committee in all the bills submitted to the House during this session of Congress. If it is found at the end of the year that it is not stringent enough, or too stringent, it is easy to modify it, but I think the first year we ought to give the law a chance. We ought to be just to everybody and try to be fair with ourselves, to protect the Treasury to every legitimate extent we can, and have the country understand that there is somebody somewhere acting as their servant that is really looking out for their interest. [Applause.]

Mr. DENISON. Will the gentleman yield?

Mr. MADDEN. Certainly.

Mr. DENISON. Putting into effect the classification act will not have the effect of changing any compensation fixed by a special statute?

Mr. MADDEN. No; we can not do that.

Mr. DENISON. Is there any penalty provided by law for the head of any bureau or department chief who has discretionary powers with reference to classification for willfully and corruptly abusing that power?

Mr. MADDEN. Nothing but the criminal law. There is no penalty in the act itself.

Mr. MORTON D. HULL. Mr. Chairman, will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. MORTON D. HULL. This bill provides appropriations for certain institutions?

Mr. MADDEN. Yes; that are under the Interior Department.

Mr. MORTON D. HULL. Does it not apply to certain hospitals?

Mr. MADDEN. It applies to certain institutions, hospitals, and others that are under the jurisdiction of the Interior Department.

Mr. MORTON D. HULL. How do the appropriations for these schools and hospitals compare with like appropriations in preceding years?

Mr. MADDEN. The gentleman from Michigan [Mr. Crampton] will have direct charge of the bill, and when we come to discuss that here he will be very glad to go into it. I would like to go into that, but I do not want to take up the time of the committee now. I am here only to make a general statement on this salary matter. I think the gentleman will find that the appropriations are less than they were.

Mr. MORTON D. HULL. I am thinking specifically with reference to the Howard University.

Mr. MADDEN. The appropriation for the Howard University is more than it was last year—quite a little more.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLACK of Texas. The only purpose I had in interrupting the gentleman from Illinois was that the other gentleman from Illinois [Mr. DENISON], not having refreshed his memory of the law, seemed to be under the impression that the departments did the classification work.

Mr. MADDEN. They do not do that.

Mr. BLACK of Texas. The classification act provides a board consisting of a member from the Civil Service Commission, one from the Bureau of the Budget, and another from the Bureau of Efficiency.

Mr. DENISON. But the departments do have certain discretions in promotions.

Mr. BLACK of Texas. Yes; they will have.

Mr. MADDEN. I do not know whether I answered my colleague correctly. I think he asked whether the law changed the statutory salaries, or permitted it. It changes all statutory salaries on positions affected by the law except those in certain grades named in the law which are above the maximum for the grade.

Mr. DENISON. In other words, if Congress has heretofore fixed certain salaries which are above those fixed by these classifications, those will remain the same?

Mr. MADDEN. In certain grades only.

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

Mr. MADDEN. Yes.

Mr. BLANTON. I think the gentleman and his committee should be complimented for keeping the bill within the Budget, and at the head of the committee table the gentleman is perhaps able to say, "You can go just so far and no further," but is the gentleman going to be prepared upon the floor, where cuts have been made, to protect the bill?

Mr. MADDEN. I hope so.

Mr. BLANTON. Against onslaughts by combinations?

Mr. MADDEN. I hope we will.

Mr. BLANTON. That is what is going to come, and that is what the gentleman ought to look out for.

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

Mr. MADDEN. Yes.

Mr. LAZARO. According to the newspapers the Patent Office is complaining upon the ground that they have not a sufficient force.

Mr. MADDEN. This bill provides an additional appropriation of \$180,000, which is made immediately available, for the purpose of bringing current the work of the Patent Office.

Mr. LAZARO. The gentleman is aware that there are thousands and thousands of applications for patents filed which are vital to the interests of this country.

Mr. MADDEN. We are sympathetic with the Patent Office, and we have done everything we could do to correct the situation.

PERMISSION TO EXTEND REMARKS.

Mr. GARNER of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by inserting therein some data with reference to the rates of taxation.

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

There was no objection.

Mr. GARNER of Texas. Mr. Speaker, under the leave granted me to extend my remarks in the Record, I include the following:

committee which framed the bill. But we must, of course, take the responsibility for our acts. Under the old form there was more or less of a geographical arrangement which on the face of it seemed to indicate the apportionment of expense by States. But as a matter of fact so much additional was carried in certain lump sums outside the geographical arrangement that there was not any real information given by that arrangement. If you desired to know how much was given in the bill for education, how much for irrigation, how much for medical relief, the bill was a hodgepodge, and it did not give the practical information which you would most desire. So in this rearrangement the committee has availed itself of the scientific, I may say, classification that was presented in the Snyder Act, as you will find in reading such headings as "Industrial assistance," "Irrigation and drainage," "Education," "Relief of destitution and conservation of health," "General support and civilization," and so forth. I repeat, I hope this change will meet with the approval of the House. It involved much more labor on the part of your committee than you would very well realize.

The outstanding features of the bill as to Indian matters I will call attention to as briefly as I can. Under the head of industrial assistance the appropriation for the current year is \$467,000; the Budget estimate was \$462,000 for 1925. The bill before you carries \$535,000, which is \$63,000 above the current law and \$68,000 above the Budget. This is due to increase practically in one item, the item relating to "industry among the Indians" on page 24 of the bill. That item is one that has been carried for several years. It is a reimbursable item; it is used to furnish seed, tools, stock, and other animals to the Indians, the cost of such seed, stock, and so forth, to be reimbursed to the Government later by the Indians. In the early days of that appropriation larger sums were carried and some expenditures for tribal herds were made which did not prove to be well administered, and in recent years the item has carried a prohibition against any part of that fund being used for the purchase of tribal herds. The item before you carries that limitation, but it does, however, permit the purchase of stock, and so forth, to be furnished to individual Indians. The notable thing about it is that out of the about \$4,000,000 that has been used in that way over \$3,000,000 has already been repaid to the Treasury. As I say, it is a reimbursable item that actually does reimburse. In addition, those who are most familiar with the Indian problem, such as my very honored colleague, Mr. CARTER, of Oklahoma, the Indian Commissioner, Mr. BURKE, and others, indorse it as one of the most effective means of helping the Indian to help himself.

Mr. ROACH. Will the gentleman yield?

Mr. CRAMTON. In a moment. So we have taken the liberty to go above the Budget figure in this matter to the extent of \$68,000.

Mr. ROACH. I wish to ask, for personal information and the information of members of the committee, whether the proposition to which this appropriation is addressed, namely, the purpose of furnishing grain, stock, machinery, and so forth, to the Indians, has as a general rule proved profitable or not?

Mr. CRAMTON. Well, without attempting at this time a general discussion on that item because, as I say, I want to keep this address within reasonable limits, the fact that three-fourths of the amount expended for this purpose, and some of which was not well administered in the expenditure, the fact that three millions, or three-quarters, has been repaid by the Indians themselves of this expenditure to encourage stock raising, and so forth, among the Indians, shows that it has been attended with success. Now the gentleman's question perhaps also involves the general subject of agricultural development, which in turn brings up the question of irrigation, another large item in the bill, and other expenditures. It brings also into play this proposition with which the gentleman is probably more familiar than I am. That is, that there are different tribes of Indians; there are Indians and Indians. There are Indians who for centuries have been agriculturists, and who continue to be so. There are those who in the old days were hunters and fishermen and warriors, and some of them have been rather slow to turn to agriculture. But I do not want to go too much in detail on that point now.

Mr. ROACH. Just another question. I do not want to interrupt the gentleman unnecessarily. This appropriation carries an increase over the appropriation of last year?

Mr. CRAMTON. Yes.

Mr. ROACH. That will be justified on the floor, I suppose. I want to know—

Mr. CRAMTON. I hope I have already justified it.

Mr. ROACH. There is very little in the report to justify it, I will say to the gentleman right now.

Mr. CRAMTON. Yes.

Mr. ROACH. What other reason has the gentleman for giving medical relief and industrial assistance?

Mr. CRAMTON. I will come to that later.

Mr. ROACH. I thought the gentleman was discussing that matter now.

Mr. CRAMTON. No. I was discussing the matter of industrial assistance, and I intend to touch upon that other matter later.

The next matter that is of importance is that of irrigation and drainage, an aggregate item to the extent of \$2,223,950 for the current year from Treasury funds. The amount fixed in the Budget was \$1,759,050, and the amount in the 1925 bill is \$1,534,100. The bill before you is a decrease as to this of \$789,850 below the current law. It is \$224,950 below the Budget.

Now, those changes are essentially because of these items: In the first place, with reference to the construction of a canal for the Gila River Reservation in Arizona, for which the appropriation and estimate was for \$150,000 in each case, and where the bill recommends \$250,000 instead. This action of the committee with reference to irrigation as compared with our action on this Gila River item for the Pima Indians and the item which I shall next discuss, for the Flathead, Fort Peck, and Blackfeet Indians in Montana, will illustrate what I tried to say a moment ago in answer to the question of the gentleman from Missouri [Mr. ROACH].

The Pima Indians were agriculturists for as far back as the memory of the white man recalls. In the old days they had water enough to cultivate their land. But last spring, when I visited them, I saw many, many fields that were fenced and had been fenced for a number of years and had been under cultivation that are now a barren waste, because the encroachments of the white men above them had taken away their water and they had insufficient water to cultivate their lands that they used to cultivate.

Now there is a situation where industrious Indians desire to be self-supporting; Indians who believe in agriculture and who are skilled, you may say, in irrigation, but the changed situation has deprived them of the water that is necessary for them.

Now, so much for that general situation. There is pending what is known as the San Carlos irrigation project. It is a great project, rivaling in size and importance the Salt River project, the Roosevelt Dam, Ariz. The one was developed and the other awaits. Of course that would have its relation not only to these Indian lands but to many public lands as well. There has been constructed what is known as the Ashurst-Hayden Dam, a diversion dam, and from that diversion dam a canal is under construction that is to bring the water from the diversion dam down through many lands in white ownership, and finally to the Pima Indians. But the Pima Indians are at the end of the trail, and they will be the last ones to get the benefit of that canal. The present project, as it exists to-day, will require about \$700,000 to build, and at the rate of \$150,000 a year it will be five years before the Pimas can get water on those deserted fields. That seemed to the committee to be undesirable if it could reasonably be prevented. Further we asked the Indian irrigation service and the Indian Bureau how much more money it will cost to build the project in annual construction units of \$150,000 than it would with some enlarged construction units, and we found that, comparing the \$150,000 unit as heretofore with the \$250,000 unit which the service required, that was about the maximum that was desirable, and we found it would make a difference of \$100,000 or more in the cost of that canal, and that seems to be based on experience and good judgment. Therefore the committee exercised what it thought to be its own best judgment in raising the item above the Budget figure.

And I will say in reply to the suggestion of my friend from Missouri [Mr. ROACH] that the committee feel that, having been in the field and having familiarized ourselves with the project and with the situation, we owe it to Congress to give our best judgment, based upon our own observation.

Then come three items of irrigation where we propose decreases. Those are in connection with the other kind of Indians involved. These are projects in a country where it is somewhat in the shadowland between dry land and irrigation. When they have lots of rainfall in the wet years they feel they do not need irrigation, and then in the drier seasons they know they do need it. The Indians on these reservations have never been farmers and have not yet gotten to the point where they want to be, as a rule. They did not want the irrigation district built, but the pressure of the whites, as I understand it—although I am not thoroughly versed in the history of these

items—the pressure of these whites, as I understand it, has brought about the construction and a large degree of construction as to these items.

The first one is that of the Flathead Reservation. I should say, first, however, that there is a justification and a necessity sometimes in these irrigation projects of going forward with construction some considerable distance ahead of the demand of the Indians, because the time will come when those Indians must learn to farm, and that is the goal of their development; but in the meantime there are water rights to be protected. If the Government should sit idly by and permit private interests and the whites to utilize the entire water resources, there would be nothing left for the Indian when he finally determined he wanted to use those water resources. So there are occasions when the Government is justified and when it becomes necessary to construct these irrigation works for the Indians in advance of the demands of the Indians. But in our cuts in these items we have made inquiry and have been unable to learn that there is any question of that kind involved.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BLANTON. Is there not this trouble connected with that situation? The gentleman has spoken about the encroachments of the white man on the water privileges of Indians. Wherever you find Indians you find white people, and are not many of these demands coming from the white neighbors of Indians who want the water rights developed?

Mr. CRAMTON. Well, I assume that the encroachments of the whites have been made by those who are the neighbors of the Indians, generally speaking.

Mr. BLANTON. And in some cases these demands for water development are inspired by their white neighbors, who are equally benefited with the Indians when the United States Government expends the money?

Mr. CRAMTON. I would not say equally, because history shows that they get the long end of it in many cases.

Mr. ROACH. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. ROACH. I recall that the gentleman from Illinois [Mr. MADSEN] who preceded the gentleman stated that the gentleman from Michigan was thoroughly familiar with all the details of the bill and would discuss them. I want to know whether or not these large appropriations for irrigation are to be made for any tribe of Indians that has tribal funds?

Mr. CRAMTON. No. All through the bill, wherever the Indians have moneys of their own which can be used they are used, and all of these irrigation items are reimbursable, but when I can not say.

The first item is that of the Flatheads. In the current year the appropriation for that project was \$555,000, the Budget estimate for next year is \$300,000, and the bill carries \$50,000, which is \$505,000 under the current law and \$250,000 under the Budget estimate. That is due to a decision of the committee to continue only operation and maintenance on the existing project and provide nothing for an extension or continuation of construction of the project. I will insert in my remarks full details from the hearings in connection with these matters, but just now will merely touch the outstanding high lights. On this project, under the whole project when it is finally completed, there will be 228,400 acres irrigable; under works as now constructed there are 105,500 acres irrigable; there are actually irrigated to-day, out of that 105,000 acres only 30,811 acres, less than one-third of the total. Of that, 2,000 acres are cultivated by Indians and 28,811 cultivated by the whites. The operation and maintenance charges to June 30 of last year amounted to \$511,612. There has been collected from white water users—and you will notice that the white water users had fourteen-fifteenths of this land—\$124,800 of the operation and maintenance cost, or about one-fourth; for fourteen-fifteenths of the land that received the water and was actually under irrigation they paid one-fourth of the operation and maintenance charges.

I find this—and this is set forth in the hearings—that under the law of Montana a man may, in a dry year, take water from this project when water is available for irrigation, but that next year, if there is a pretty fair rainfall, he can say, "I will dry farm this year." In that event he does not use the water and he contributes nothing that year for the operation and maintenance charges.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. CRAMTON. Yes; I yield to my friend from Montana.

Mr. EVANS of Montana. I beg to suggest to the gentleman that I know of no such law and I do not believe such a law exists. Evidently this project is not understood by the gen-

tleman, and I do not think it is understood by the Indian Office, either.

Mr. CRAMTON. That may be so.

Mr. EVANS of Montana. And I do not think it is quite understood by the gentlemen from the Reclamation Service who testified before the committee, because I do not think any of the gentleman from that service has seen the project.

Mr. CRAMTON. I shall be glad—and I know the House will be—if the gentleman will discuss that item when it is reached. I can only yield now for a very direct question, because I know I am going to wear out my welcome with the House before I get through.

Mr. EVANS of Montana. I think the gentleman's assertion was that there was such a law in Montana.

Mr. CRAMTON. I was about to read a statement with regard to that law. Of course, I am not as fully informed as to the laws of Montana as is my friend from Montana, but I was going to put it in and read it to you. There had been some statement made by the officials of the Reclamation Service and the Indian Service who appeared before us, and I made some inquiry about it. It is a project which is under the management of the Reclamation Service under the Director of the Indian Service. After some testimony had been given I made this statement in the hearings:

Do I understand you then to say that under the law of Montana, if this project is constructed and canals and laterals are constructed that carry the water to various lands that John Jones, a white owner of land to which water has been brought, can next year say that he is going to pasture his land and does not want any water, let it flow by him and not contribute a nickel to the cost of operation and maintenance?

Then Mr. Beadle, who is the chief clerk of the Reclamation Service, and who had come before us in response to the request of the committee, in order that we might get the fullest possible information, said:

Mr. BEADLE. Yes, sir; under the present conditions, he can.

Later I said this:

Should it not be the policy of the Indian Service or the Reclamation Service, or whoever is responsible for taking up a project like this, before they go to an expense of \$5,000,000, to determine whether the people whose lands are to be benefited want the water? And if the law of the State is in the condition that you say the law of Montana is, should not these people be obliged to make a contract with the Government before we ever enter into these construction works?

Mr. BEADLE. There is an obligation of that kind which does not come fully into play as yet, for the same reason as we gave for some of these other things, the incomplete state of the project. The law of Montana includes an act permitting the organization of irrigation districts as the laws of the other Western States do. Even with the incomplete project, if the lands could be organized as irrigation districts it would be possible for that district to compel the unwilling white owner within its boundaries to carry a share of the burden. I do not know whether the United States could now require that, except, of course, it could adopt the radical measure of withholding its appropriations for this project, or something of that sort.

And that is what the committee proposes; that until those white landowners are willing to enter into a contract which will put the payment of the operation and maintenance charges upon their shoulders, instead of upon the Treasury of the United States, we will stop the construction of that project.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. EVANS of Montana. Permit me at this point to keep the record straight, and to suggest that the white man has not yet title to these lands. There is a contract now between the white man and the Government to pay those charges, but the Government is withholding the title to the land and it will not pass title to the land until a man pays those charges.

Mr. CRAMTON. I will ask the gentleman from Montana—who, of course, knows much more than I do about this project and about the laws of his State—whether it is not a fact that each year the man who is in possession of those lands and is tilling them exercises his option as to whether he will use the water that has been brought to his gate, and if he does he is supposed to contribute some portion—perhaps not the whole portion—toward the expense of operation and maintenance, but if he does not use the water then the water goes by his gate; he does not contribute a nickel toward the expense of operation and maintenance. Is not that the situation?

Mr. EVANS of Montana. I think to a certain degree that is the situation, but it is charged against his property, and he never can get title to the property.

Mr. CRAMTON. It is not even charged against his property.

Mr. EVANS of Montana. Perhaps not all of it.

Mr. CRAMTON. That is the testimony of the department. It may be a thing that is easily corrected; and if so, I hope we will have the cooperation of the gentleman from Montana in correcting it.

Mr. EVANS of Montana. Then, I understand it is the disposition of the committee, so far as they can influence Congress, to simply cut off the continued progress of this proposition until some time—

Mr. CRAMTON. Until two things happen.

Mr. EVANS of Montana. I would like to know what they are.

Mr. CRAMTON. First, until the white owners of land are bound to pay and do pay their reasonable share of the operation and maintenance charges; and, second, until the Indian or the white settler comes in there in sufficient numbers to make necessary development of additional acreage. At present with water for 30,000 out of 105,000 acres it seems like we might pause in our further work of construction.

Mr. EVANS of Montana. Is the gentleman sure water can be furnished for 105,000 acres?

Mr. CRAMTON. Well, water can be furnished for a lot more than 30,000 acres, and when we get up near the danger line we will talk about it further. Of course, I realize this is all before the House. The committee can only bring in recommendations, and the recommendations of the committee is that this construction work should cease until there is some clear necessity for further expenditure and some businesslike prospect of repayment.

Mr. EVANS of Montana. Could the gentleman suggest to the House what the gentleman would do with the Government's investment of \$4,500,000 there now?

Mr. CRAMTON. I am going to hope that some time the Government will get some of it back, but I have not any immediate prospect to offer the House. I do not like to send a matter of \$505,000 along with it as yet. Of course, I appreciate the gentleman from Montana and his State are interested in this project, but this committee can know neither friend nor foe. We must try to guard the Treasury.

Mr. EVANS of Montana. I am quite in accord with the gentleman with regard to guarding the Treasury. The trouble is Congress has dillydallied on the proposition for the last 15 years instead of completing it. It would have been completed long ago under a reasonable administration of affairs.

Mr. CRAMTON. Of course, this committee is only responsible for the last two or three years. I think we have been about two years too slow in taking this action.

The following extracts from the hearings on this subject are of interest in this connection:

Mr. MERITT. The construction, maintenance, and operations, Flathead irrigation system, Montana:

Tribe, Confederated Flathead.....	population.....	2, 628
Area of reservation.....	acres.....	228, 408
Irrigable under project.....	do.....	138, 500
Under constructed work.....	do.....	105, 500
Actually irrigated.....	do.....	30, 811
Cultivated by Indians.....	do.....	2, 000
Cultivated by whites.....	do.....	28, 811
Number of Indians engaged.....	.....	155
Number of whites engaged (owners).....	.....	390
Number of whites engaged (lessees).....	.....	402
Construction costs for fiscal year.....	.....	\$316, 100. 39
Construction costs to June 30, 1923.....	.....	4, 530, 671. 40
Operation and maintenance charges for fiscal year.....	.....	46, 505. 72
Operation and maintenance charges to June 30, 1923.....	.....	511, 612. 26
Maintenance charges collected from water users.....	whites.....	124, 800. 00
Estimated additional cost to complete.....	.....	1, 800, 000. 00
Estimated cost per acre when completed.....	.....	51. 50
Average value of irrigable land per acre.....	.....	100. 00
Irrigation project started 1908.		
Work done by Bureau of Reclamation.		
Average annual precipitation, 16 inches.		
Source of water supply, various streams.		
Crops produced, alfalfa, grain, potatoes, and other vegetables.		
Market for products, local and general; good.		
Railroad through project.		

Mr. CRAMTON. Do I understand you then to say that under the law of Montana, if this project is constructed and canals and laterals are constructed that carry the water to various lands that John Jones, a white owner of land to which water has been brought, can next year

say that he is going to pasture his land and does not want any water, let it flow by him and not contribute a nickel to the cost of operation and maintenance?

Mr. BEADLE. Yes, sir; under the present conditions, he can.

Mr. CRAMTON. Should it not be the policy of the Indian Service or the Reclamation Service, or whoever is responsible for taking up a project like this, before they go to an expense of \$5,000,000, to determine whether the people whose lands are to be benefited want the water? And if the law of the State is in the condition that you say the law of Montana is, should not these people be obliged to make a contract with the Government before we ever enter into these construction works?

Mr. BEADLE. There is an obligation of that kind which does not come fully into play as yet, for the same reason as we gave for some of these other things, the incomplete state of the project. The law of Montana includes an act permitting the organization of irrigation districts as the laws of the other Western States do. Even with the incomplete project, if the lands could be organized as irrigation districts it would be possible for that district to compel the unwilling white owner within its boundaries to carry a share of the burden. I do not know whether the United States could now require that, except, of course, it could adopt the radical measure of withholding its appropriations for this project, or something of that sort.

Mr. CRAMTON. That looks like a practical suggestion, Mr. Beadle.

Mr. BEADLE. Questions of policy respecting all of these projects, of course, rest primarily with the Indian Service and not with the Bureau of Reclamation.

Mr. CRAMTON. And perhaps primarily with Congress; some of the worst decisions of policy and responsibility come back to Congress. When they cut down the use of the water, it puts an unfair burden on those who do use the water.

Mr. CARTER. You have got your capital expenses, your investment cost, and everything during all of that period, just the same.

Mr. CRAMTON. This committee will not, I am satisfied from these gentlemen, stand for that kind of a game if we can help it. It is said, "Many of the white landowners greatly desire extension of the canals and laterals so as to bring their land under irrigation, and have repeatedly urged larger annual appropriations with this end in view." Are those the landowners who, when water is available to their lands, spasmodically fail to make use of it, and quite regularly fail to contribute the cost of maintenance and operation? Is that the class of white landowners that we are extending this project for? If you can not answer that question, what assurance have we that these white landowners who are greatly desiring extensions and who are repeatedly urging large appropriations, if we take the water to their lands, will in a businesslike way become responsible for the annual share of the operation and maintenance? Have we any assurance of that, can you say, Mr. Meritt?

Mr. MERITT. We have not any more assurance that we will get maintenance and operation from them than we have from those that are already served. The situation is exactly the same.

Mr. CRAMTON. It is further said, "The gravity water supply is not sufficient to take care of the lands to be reclaimed under this project."

What is the real situation as to that land? How large an acreage actually has a fairly sufficient water supply at present?

Mr. BEADLE. A little over 100,000 acres are under ditch and can all be served some water, but the storage is not sufficient to guarantee full supply for every acre every year.

Mr. CRAMTON. This statement says, "At the present time adequate water supply is not available for the system." You hold that there is an available water supply for 105,000 acres, but not for the complete project of 138,000 acres; is that it?

Mr. BEADLE. I think that is true in most years at least. It varies from year to year, and the program suggested certainly involves the construction of more storage works, and that is regarded as necessary to give an ample water supply for all of the years. There has been a year of shortage when the controlling element was the water available.

Mr. CRAMTON. Here is the situation about storage, as I understand it. I do not want to prove anything, but I want to develop what the situation is. We have got enough water. We do not have to spend another nickel, so far as the 105,000 acres that now have water rights are concerned. Ordinarily about 5 years out of 6, or 9 out of 10, or at least 2 out of 3, there is enough water for these 105,000 acres, and in those years only about one-third of that 105,000 acres will use the water. But there comes a dry season once in three years, let us say, when the rains are limited and everybody passes up the dry farming and jumps in and wants water from the project at a time when there is the least water. Therefore there arises the necessity for storage in order to have a reserve for such an occasion. So we are to go on spending millions of dollars, not to take care of the year-by-year use but to take care of the emergency needs of those who do not appreciate the water at any other time. Is that the argument for this appropriation?

Mr. BEADLE. Those elements all exist. I do not feel confident of the figures, but that picture is a true one, I think, and applies generally to projects located in that zone, except additional expenditure is needed for storage for lands already under ditch and the use of water available is better than the figures indicate.

Mr. CRAMTON. Will you please, Mr. Beadle, put in the record a definite statement of the law of Montana on this subject?

Mr. BEADLE. The State law does not go to that point, but if suitable Federal legislation were passed and the lands of this project were included in an irrigation district organized under the laws of Montana (secs. 7166-7264, Revised Codes, Mont., 1921), such district would have a taxing power under which all the lands of the district could be forced to make annual contributions on account of construction and operation and maintenance, without reference to the rainfall or the personal inclinations of the various landowners.

Mr. CARTER. Mr. Meritt, was this project initiated by the Indian Bureau?

Mr. MERITT. No, sir.

Mr. CARTER. Was it requested by the Indian Bureau?

Mr. MERITT. My recollection is that the project was initiated by Senator Dixon, of Montana, while he was a Member of the House of Representatives.

Mr. CARTER. And did it have the approval of the Indian Bureau at that time?

Mr. MERITT. A favorable report was made to Congress by the department on the project.

Mr. BEADLE. The Bureau of Reclamation, answering the question of the Indian Service, suggested an appropriation of \$800,000 for the Flathead project for the fiscal year 1925.

Mr. CRAMTON. What will be done with the \$300,000 that is requested? Will it be used for canals or for a storage system?

Mr. BEADLE. That figure was set by the Indian Service, and Mr. Meritt could better answer that.

Mr. CRAMTON. Well, the work will be done by the Reclamation Service?

Mr. BEADLE. The practice is, when the appropriation becomes fixed, for the Indian Service to ask the Bureau of Reclamation to suggest a program for its approval or amendment.

Mr. CRAMTON. But if \$300,000 is given, will that be used for canals and laterals or for storage? If you do not know, put it in the record, please.

Mr. BEADLE. No program has been made by the Bureau of Reclamation for the use of a \$300,000 appropriation, but it should be used partly for storage and partly for canals. Of course it would be used partly for operation and maintenance.

Mr. CRAMTON. Please put in the record a statement, after consultation between the Reclamation Service and the Indian Service, as to what program is intended under the \$300,000 appropriation, if one is made.

Mr. BEADLE. This information can not be furnished here but will be secured from the field—

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, January 4, 1924.

Hon. L. C. CRAMTON,
Chairman Committee on Interior Department Appropriations,
House of Representatives.

MY DEAR MR. CRAMTON: At the recent hearing on the Flathead project you asked that the Indian Service and the Bureau of Reclamation agree upon a program of expenditure for the fiscal year 1925, assuming that the appropriation would be \$300,000.

Accordingly the Bureau of Reclamation has suggested, and the Indian Service concurred in the following program:

Completion of Tabor feed canal.....	\$75,000
Continued enlargement of Pablo feed canal.....	25,000
Miscellaneous lateral extensions, including system of 7,000 acres near Ronan.....	132,000
Continued enlargement Moise Canal.....	8,000
Structures for Revaix Creek laterals.....	10,000
Operation and maintenance.....	50,000
Total.....	300,000

Very truly yours, J. B. BEADLE, Chief Clerk.

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
January 4, 1924.

Hon. L. C. CRAMTON,
Chairman Interior Department Appropriations Committee,
House of Representatives.

MY DEAR MR. CRAMTON: At the recent hearing on the Blackfeet, Flathead, and Fort Peck projects you asked that figures be supplied later regarding water charges against the white and Indian water users. In this connection there are in use the following terms:

Water-rental charges: While a project is uncompleted and service is partial it is operated on the rental basis, with a charge for water delivered that is intended to be a fair charge under the existing conditions but not necessarily equal to the cost. The Blackfeet, Flathead, and Fort Peck projects are all operated on this basis.

Operation and maintenance charges: When a project is completed, construction charges per acre announced, and operation is on a basis intended to return its full cost annually, the announced charges for operation and maintenance are given this different name. In this technical sense there are no operation and maintenance charges on the Blackfeet, Flathead, and Fort Peck projects as yet.

Operation and maintenance cost: This will vary somewhat from any charge, because the latter includes an element of estimate and may vary substantially in some cases, particularly as to rental charges.

These technical terms are based largely on the reclamation extension act of August 13, 1914 (38 Stat. 686).

Your request, I understood, went to the rental charges assessed and collected. For this we have the following figures to date:

Project.	Whites.			Indians.
	Owners.	Lessees.	Total.	
Blackfeet:				
Assessed.....	\$8,336	\$31,824	\$40,160	\$6,379
Collected.....	8,066	27,539	35,605	3,007
Flathead:				
Assessed.....			175,200	28,500
Collected.....			124,800	14,400
Fort Peck:				
Assessed.....	1,918	1,340	3,258	3,548
Collected.....	1,559	1,340	2,899	1,367

Very truly yours,

J. B. BEADLE,
Chief Clerk.

Mr. LEAVITT. Is it true that the cut in the appropriation for the Blackfeet project is due to the belief of the committee that they are not developing along agricultural lines and are still in the class—

Mr. CRAMTON. As I recall it, so far as the Blackfeet project is concerned, I am advised they are making better progress than the other Indians in the use of their opportunities. It is my recollection there was practically nothing in the bill for new construction in that connection. The item, however, was under the management of the Reclamation Service, and that seemed to be very difficult. Without criticizing anyone, I will say that that arrangement increased the difficulties of the committee in getting information about the situation. It seemed to the committee that that increased the difficulties of an economical policy being adopted by either the Indian Service or the Reclamation Service. We have put a provision in the bill transferring the management of operation and maintenance to the Indian Service, where, because they have men on the ground in connection with other work of the agency, they can secure greater economy of operation and maintenance. Then we made a cut in the item, but left an amount sufficient, as we understand it, in the judgment of the Indian Service, to cover the operation and maintenance under their charge. So we have really simply transferred the item with some resulting economy to the Government. That is the situation in the case of the Blackfeet project.

Mr. LEAVITT. It is not the purpose of the committee then to take action on the ground that the Indians are not developing in agriculture?

Mr. CRAMTON. No; I understand it is the best of any one of these three projects.

Mr. LEAVITT. They have made remarkable progress in the last three years.

Mr. CRAMTON. I understand so.

Mr. LEAVITT. And should be encouraged rather than discouraged.

Mr. CRAMTON. And we have cut out no new construction, the gentleman will notice, but we have cut in two the cost of operation and maintenance, and that is in the interest of the Treasury and the Indians and everybody.

The Fort Peck is the next item in the bill I want to discuss. For the current year the appropriation was \$60,000, the Budget estimate \$80,000, and the bill provides for \$20,000, so that we have made a cut of \$40,000. There may have been a trifling amount of construction, but in the main this cut is in greater economy of operation and maintenance.

Next is the Fort Peck item, the third of this trinity of cuts in Indian irrigation projects. For the current year the appropriation was \$30,000 for operation and maintenance. The Budget estimate is \$30,000, and we have cut that in two, making

it \$15,000, with a saving of \$15,000, and require the transfer of the management to the Indian Service, and we have their assurance, as we understand it, that they can operate and maintain it for \$15,000. Let me now show you the importance of that. The Fort Peck project, under the final project, would consist of 152,000 acres; under present constructed work there are 23,115 acres; actually irrigated, 622 acres; cultivated by Indians, 406 acres; cultivated by whites, 216 acres; number of Indians engaged, 165, and so forth. Thirty thousand dollars a year for operation and maintenance with 600 acres of land under irrigation, \$500 per acre per annum for operation and maintenance. Some \$700 or \$800 per capita for every Indian went into operation and maintenance. I suggested in the hearings that we might better give the money to the Indians and shut down the plant. That, of course, is not feasible, but we have cut the cost of operation and maintenance there down to the minimum.

I quote the following on this from the hearings:

Mr. MERITT. Maintenance and operation, Fort Peck irrigation system, Montana.

Tribe, Fort Peck Sioux; population.....	2, 113
Area of reservation.....acres.....	722, 453
Irrigable under project.....do.....	152, 000
Under constructed works.....do.....	23, 115
Actually irrigated.....do.....	622
Cultivated by Indians.....do.....	406
Cultivated by whites.....do.....	216
Number of Indians engaged.....	165
Number of whites engaged (lessees).....	10
Construction costs for fiscal year.....	\$8, 862. 22
Construction costs to June 30, 1923.....	798, 296. 93
Operation and maintenance charges for fiscal year.....	12, 420. 15
Operation and maintenance charges to June 30, 1923.....	93, 303. 54
Estimated additional cost to complete.....	5, 165, 000. 00
Estimated cost per acre when completed.....	40. 00
Average value of irrigable land per acre.....	50. 00

Operation and maintenance charges are not collected from water users.

Irrigation project started, 1908.

Work done by Bureau of Reclamation.

Average annual precipitation, 14 inches.

Source of water supply, Missouri River and Big Muddy and Porcupine Creeks.

Crops produced, alfalfa, grain, potatoes, and other vegetables.

Market for products, local and general, fair.

Railroad through project.

Mr. CRAMTON. What is the reason that there is only 622 acres using this water out of 23,000? That is to say, about 1½ per cent of the land that has water available is using it, and even as to that 1½ per cent the operation and maintenance charges are not finally paid back.

POLICY IN REGARD TO THE OPERATION OF FORT PECK SYSTEM.

Mr. BEADLE. Similar reasons to those on the Flathead, and the slowness of the Indians in using water anywhere. The Bureau of Reclamation has urged that this project be simply taken over in its present shape by the Indian Service and handled as it is by the Indian agent.

Mr. CRAMTON. Why should not that be done, Mr. Meritt?

Mr. MERITT. It has been my personal view that that is exactly what should be done, and we have recommended it to the department.

Now, as to the matter of education which the gentleman from Missouri referred to, the total items from the Treasury for education, there should be added to this a matter of two hundred and some odd thousand dollars for school buildings; but aside from that there is taken from the Treasury in this bill for distinct items devoted to Indian education \$5,118,675. The Budget provides \$5,229,000 and the bill carries \$5,374,000, an increase above the current law of \$255,325 and above the Budget \$145,000.

I take this opportunity to advert to the general policy that has actuated the subcommittee in its action on the Indian appropriations, and that is that wherever we can cut down the cost of administration, we cut it down; wherever we can cut down on general support and rationing, we cut that down.

But we are believers in the importance of education and health work among the Indians, so in this bill while we make other cuts and economies we are giving amounts above the Budget both for education and medical relief.

As to this matter of education, there is first an item for the support of the Indian schools that covers the day schools and the reservation boarding schools and the payment of tuition in the public schools so that Indians may attend the public schools. Incidentally, the committee agrees with the bureau that it is desirable wherever the possibility exists of encouraging the

attendance of the Indian children at the public schools. That is very beneficial. These items will make possible a larger expenditure in that direction. For that item the appropriation for the current year was \$1,799,500. The Budget is \$2,000,000, and the present bill is \$2,000,000, the same as the Budget. That is an increase of \$200,500 for that item.

Then there are numerous nonreservation boarding schools which you will find grouped together by name and location, and in each case you will find the item carries the appropriation for so many pupils, so much for maintenance, and a few items for repairs and for construction.

The law fixes the maximum per capita cost, and the appropriations are entirely below the maximum cost permitted by law. They run from \$200 to \$225 per capita, covering the board, medical attendance, clothing, and instruction for these pupils.

These items used to worry me considerably as I thought of what we could give them for \$200 a year. I visited a number of the schools last spring and in the summer, and I was delighted to find that even at that low cost they were being well taken care of and receiving a good education. That is made possible, in part, because in these items and largely throughout the bill the Indian Service is conducted on a very economical basis. For instance, in Albuquerque I saw a new gymnasium and assembly hall which we authorized a year ago for \$42,500. It is a large gymnasium and a large assembly hall, accommodating perhaps 1,200 pupils. They are well-built structures of brick, splendid structures, and if these two items had been built under the school system in the District of Columbia that would have cost over \$200,000 or \$250,000 at a minimum. In Albuquerque if they had been built for any private concern they would have cost two or three times what they cost the Indian Service. Why? Because they were using the older boys largely in the construction. After the brick walls were put up the carpenter work, the plumbing work, and the electric wiring were done by these boys. It is a splendid economy for the Government and a splendid training for the boys as well.

Now, in reference to the Indian schools there is this further situation, as you will find from the hearings and the report. There was a time when it was difficult to get the Indian children in school. The time has come now when the Indian parents want the children in the schools, and there are more Indian children who want educational advantages than we have accommodations for in the Indian school system. So, throughout the nonreservation boarding-school items wherever it appeared that the capacity was greater than the current proportion for maintenance, we have increased the stated capacity in the bill and increased the maintenance appropriation to correspond, to permit the filling of every Indian nonreservation school to its full capacity. There have been two or three instances where the construction of some dormitories or sleeping porches or enlargement of dining rooms, and so forth, could be had by an expenditure of \$25,000 or \$30,000, and the capacity could be increased 25 or 50. We have included items of that kind even though it was above the Budget.

But we have thrown the items into one general clause and have made it possible thereby, while increasing the various items to the extent of about \$100,000 above the Budget, to confine the increase above the Budget in this item to \$45,300.

There is a third item of increase in connection with Indian education, and that is to fulfill our treaties with the Navajo Indians in the Southwest. We made a treaty with them to provide them with school facilities. They are a nomadic tribe, following their herds with the seasons from one part of the country to another, traveling many miles in the course of the seasons. It is, of course, entirely impossible to provide day schools for them and it is a matter of boarding schools. There are several thousand of those children as yet unprovided for. We appropriated \$100,000 a year for several years. Last year we increased that to \$200,000, not to maintain, but to provide new school facilities for those Navajo children. The Budget cut that amount this year to \$100,000, but the committee have ventured to restore the current law, and the bill carries again \$200,000 for the Navajos.

I come now to relief of distress and conservation of health. This is a gratuity item that amounts to \$410,000 the current year. There is provided in the Budget \$445,376 and in the current bill before you \$540,000. That is \$130,000 above the current law and \$94,624 above the Budget. It is also for the relief of distress, but primarily and chiefly for the conservation of health. Wherever I have gone on the Indian reservations or in the schools, I have been impressed by the utter meagerness of activities in that direction. I remember up at Keams Canon they had fitted up a hospital and there were available a number of beds. The hospital was lighted and heated. They

had a doctor and a nurse, and they had the Navajos and the Hopi Indians all about them. They did not have enough money to maintain the beds in the institution that were waiting. So also in different cases your committee has been impressed with the lack of medical facilities. There is a great need expressed for the treatment of trachoma among the Indians, as well as tuberculosis.

The Commissioner of Indian Affairs, before our committee, expressed a desire that seemed well founded—that instead of having field matrons, I think they are called, he should be provided with people who are more or less trained as nurses. These field matrons are supposed to go about the reservation and care for Indians and advise them and assist them. They receive only about six or seven hundred dollars a year. Their capacity, of course, is somewhat limited. The Indian Office would like instead to put those who have more or less training as nurses into those positions, paying better salaries but getting a higher standard of service. That appealed to the committee. It is not expressed in this item, but it is possible under this increase for the Indian Service to take some steps along that line and to give more attention to the prevalence of trachoma and tuberculosis and other diseases among the Indians. I hope this increase will meet the approval of the House. Nothing has impressed me more this year than at the Sacaton Agency, where I found the hospital was well filled. The Indian women are uniformly going there now for confinement cases. There is to be added for conservation of health, in addition to this item of \$540,000, an item of \$85,000 for similar purposes in the item for general support and civilization.

I come now to the items for general support and civilization. That is the catch-all language. That is the language under which is maintained the administration of the agencies. There is sometimes a large pay roll involved there. A large percentage of it goes into salaries, but it must be remembered that that includes the salaries of those who are trying to teach the Indians how to support themselves, instead of sending the money directly to them in rations, as was the old system. That item in the current law, a gratuity item, was \$1,450,100.

The Budget estimate was \$1,399,130, and the bill before you carries \$1,375,900. That is \$74,200 below the current law and \$23,230 below the Budget. There would have been a greater reduction except that there is included an increase in Arizona to permit the construction of telephone lines to the railroads, in each case to the agencies at Sells and at Keams Canyon, each of which is from 50 to 70 or 80 miles from any other communication. Of course, that construction, about \$25,000, will repay itself in economies in a few years.

The items of which I have spoken are gratuity items. There are, however, from tribal funds of the Indians, for similar purposes, for general support and civilization, several items. The current year they amount to \$1,862,800. The Budget estimate is \$1,858,300, and the bill before you carries \$1,873,300. That is an increase of \$10,500 over the present law and of \$15,000 over the Budget. These are moneys taken out of the funds of the Indians, and the committee has accepted the Budget figures for them, except in the one case of the Klamath Indians in Oregon, where the Budget was \$110,000. Those Indians have or soon will have, out of their rich timberlands, abundant funds, and the gentleman from Oregon [Mr. SINNOTT] has assured us of the need of greater expenditures. The committee also has the following wire from the Indians stressing their needs:

Hon. N. J. SINNOTT,

House of Representatives, Washington, D. C.:

Heartily indorse increase appropriation to one hundred twenty-five thousand to enable Government to better care for old and sick people of Indian tribe of Klamath Reservation, Oreg.

SELDON E. KIRK,

Chairman Tribal Council, Klamath Indians.

The \$110,000, therefore, was increased to \$125,000, to be taken from the funds of the Indians.

I come now to the item of annuities and per capita payments. In that connection there were two items that were in the Budget that are not in the bill before you. Those were the per capita payments of perhaps \$75 or \$100 each to certain tribes of Indians in Minnesota. I shall not take time now to go into that further. I understand the matter has been before the Committee on Indian Affairs. The reason why those items were eliminated was that in each case the Indians have large funds of money in the Treasury, and they need the money now probably, and the per capita payments will take only a portion of the funds; but the committee remembered

that in each of those cases there exist treaties that were made in 1889 to the effect that those funds should not be distributed for 50 years, and that at the end of 50 years—and that time has not yet expired—a distribution should be made to those members of the tribes who should then be living. Of course, the Indians who are living to-day and who would share in the per capita payments might not be living at the end of the 50 years, and it is also likely that there will be many living at the end of the 50-year period who are not living now.

The committee feared that if, with the present state of the record, we were to make such payment to these Indians now that at the end of the 50-year period we would have a lawsuit on our hands from some of these Indians. Those that got the percentage payment now could not later complain, but those living at the end of the 50-year period that did not share in this payment would complain, and we might have to pay twice. So the committee have felt that until action is taken by these tribes that will be legally binding, so that the Government can never be called upon to pay the amount twice, this item should be deferred.

Mr. KNUTSON. Will the gentleman now yield?

Mr. CRAMTON. I will.

Mr. KNUTSON. The gentleman in his last sentence has answered what I desired.

Mr. CRAMTON. I hope so.

Mr. HASTINGS. If the gentleman will yield further, with reference to the per capita payment to the Chippewas, the Committee on Indian Affairs reported out a bill this morning and, as I understand it, had language in the bill that would safeguard the Government in the way the gentleman has indicated.

Mr. CARTER. If the gentleman will permit, the gentleman from Oklahoma [Mr. HASTINGS] is considered one of the best lawyers in our State and, in my opinion, he is as well versed on Indian law as any living man. But has the gentleman examined the matter closely so as to be convinced that it will protect the Treasury against any future claim which these Indians might bring?

Mr. HASTINGS. I thank my colleague for the compliment he has paid me, but I desire to say that I am not familiar with the law with reference to the Chippewas except that the Commissioner of Indian Affairs came before the committee and I understood the measure had language there which would protect the Government. I am not personally familiar with it.

Mr. CARTER. If the gentleman will yield further, I will say that this feature of this matter was quite thoroughly considered by the subcommittee, and the Indian Bureau upon our request prepared an amendment for the protection of the Treasury; but in the opinion of the gentleman in charge of this bill, and I concurred with him, that did not sufficiently protect the Government, and that is why the payment was left out of this bill. Now, the gentleman has stated the case very clearly. There was a treaty made in 1889 which provided that these funds should be paid out per capita at the end of 50 years to all Indians then living. If it is paid to-day some of those to whom it is paid will die before the expiration of that time and others will be born. Those who are born will have a claim upon those funds, and those who die will have been paid funds belonging to others according to treaty provisions. Consequently the members of the tribe then living will be back upon Congress requesting and demanding the right to go into the court and adjudicate their claim to this money with the contention that the Government has unjustly paid money to Indians to which it did not belong and thereby diminished the share of those living at the time.

There is no question about the right of Congress to use these funds as it sees fit. That has been decided in the Lone Wolf case and in the Cherokee Baby case. Congress has plenary power to handle tribal funds in the discretion of Congress; but that will not preclude those people from coming back after their funds have been paid out and asking that they may go into court with a claim which will cause an expenditure from the Federal Treasury, and that is what the gentleman from Michigan and myself were trying to prevent when we left out the payment to the Chippewas. We agree that the money ought to be divided as quickly as possible, but that we should not do it until an agreement should be had from the business committee of that tribe, or whoever the authorities are, modifying the agreement of 1889 so as to preclude any possibility of a claim coming up against the Government hereafter.

Mr. KNUTSON. Would the chairman of the committee permit a question?

Mr. CRAMTON. With pleasure I will yield.

Mr. KNUTSON. I desire to ask the gentleman from Oklahoma if previous payments made to the Chippewas of Minnesota were safeguarded in the manner he has indicated?

Mr. CARTER. They were not. I made some protest about it, as the gentleman may recall.

Mr. KNUTSON. That is my recollection.

Mr. HASTINGS. If the gentleman will just allow me to say a word, I do not remember the particular language in which the amendment was offered and accepted to the bill which we ordered favorably reported this morning to the effect that this had to be accepted or ratified by the tribe before any payment was made. I do not know what the exact language was to that effect.

The CHAIRMAN. The gentleman from Michigan has consumed an hour.

Mr. CRAMTON. I shall yield myself further time under the necessities of the case.

The CHAIRMAN. Is there objection to the gentleman continuing? [After a pause.] The Chair hears none.

Mr. CARTER. If the gentleman from Michigan will permit me, I will add this: I have such great faith in the legal judgment of our friend from Oklahoma that if he will examine carefully this treaty and this bill to see if it does protect the Treasury against any further claim of these people I shall be very glad indeed to support the proposition.

Mr. HASTINGS. Mr. Chairman, if I may say one more word, probably particular attention was not invited to the law to which my colleague referred, namely, that there was a treaty of 1889 or an agreement—

Mr. CRAMTON. A treaty.

Mr. HASTINGS. Such as we have stated here, and hence my particular attention was not invited to it this morning when we considered this matter, and I shall be very glad to give it further consideration.

Mr. BLANTON. Will the gentleman from Michigan yield?

Mr. CRAMTON. I will.

Mr. BLANTON. The gentleman from Oklahoma intimated that we had a treaty with the Chippewa Tribe authorizing this payment and that that of itself would be a bar to the recovery against the United States 16 years hence, when the treaty of 1889 will be out within the 50-year period. That would not bar them, I call the attention of the gentleman to the fact, for this reason: The members of that tribe in 1889 saw fit to protect their posterity 50 years hence. They could be children of that tribe that are born in the next 16 years, and to make a new treaty with the present membership of the tribe would interfere with the rights of those Indians dead and gone who actually made the treaty.

Mr. CRAMTON. Will the gentleman from Texas now allow me to make a statement in my time? This item is not in the bill. An amendment will be offered, and then we can discuss it. I have exhausted the time that I hoped would be sufficient, and I have got to take more time. I do not want to trespass on the time of the House further than I have to.

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

Mr. CRAMTON. Yes.

Mr. WEFALD. I want to remind members of the Indian Committee that there is also another bill pending, introduced with reference to the per capita payment to the Chippewa Indians. It is somewhat different in its language from the bill that you gentlemen have examined this morning. I will ask that that bill also be given consideration.

Mr. CRAMTON. That is a matter, of course, pending in the Committee on Indian Affairs.

Mr. WEFALD. I ask the gentleman to excuse me for asking one question more. I am a new man and do not know how to proceed. But it is very important that that per capita payment be allowed at this time, because I have received petitions from the Indians up there asking that Congress do something along that line, because in this severe winter weather they are sick, many of them, and some will die, no doubt, if they are not cared for. I ask that the bill introduced by me be considered, because the bill is drawn under the treaty of 1889.

Mr. CARTER. I am not only extremely in favor of dividing those funds but also other funds belonging to Indians at the earliest possible moment, and I shall be glad to cast my vote to divide the funds of Indians who need the money. But the Federal Treasury should be protected against any claim that may come hereafter.

Mr. WEFALD. But those Indians for whom I have introduced this claim in this bill say that the Government is safeguarded under that treaty.

Mr. CRAMTON. I think I will take the opportunity, since we have been refreshed now by this period of relaxation, to say this: This particular item will illustrate how very valuable to the House and to the subcommittee are the services

of the gentleman from Oklahoma [Mr. CARTER], whose knowledge of the subject enables him to carry all these details in his mind, and he was able to call this particular treaty of 1889 to the attention of the subcommittee.

This is the third Interior bill on which I have worked with that gentleman, and I want to acknowledge now my great indebtedness to him for the assistance he has always given me on the bill as a whole and particularly as to Indian matters in it. There is no one in the country whose knowledge of the subject is equal to his, and my confidence in his integrity is equal to my confidence in his knowledge. [Applause.] And being from an Eastern State, handling this bill that so largely affects the West, my indebtedness has been very great, not only to the gentleman from Oklahoma [Mr. CARTER] but to the gentleman from Idaho [Mr. FRENCH] as well. Each of them has rendered splendid service always, putting the interest of the Treasury and of the country ahead of any sectional or personal interest. And I am glad this year to have the gentleman from Colorado [Mr. TAYLOR] with us as well; and the gentleman from Ohio [Mr. MURPHY], an Easterner, a new recruit to the committee, and I are both indebted for instruction and training to the gentleman from Oklahoma.

Now, as to the Indian Bureau as a whole, the totals in some cases we have increased and in others we have reduced. The result is that the gratuity items, some of them reimbursable, but all of them being items that come from the Treasury, were for the current year \$11,317,655. As estimated by the Budget Bureau, they were \$11,001,496. In the bill before you they are \$10,951,020, or \$366,635 below the current law, and show a net reduction under the Budget of \$50,476. The items payable from tribal funds amount to \$2,406,600. In the current law they are \$2,170,800 and in the Budget \$2,185,800. In the bill before you they are \$220,800 below the current law and \$15,000 above the Budget.

Recently the Secretary of the Interior, in calling together the so-called Committee of One Hundred to study Indian problems, made an address at the opening of that session. Some publicity went out to the country concerning that, in which, as frequently happens from a hasty hearing or reading of an address, newspaper correspondents came to erroneous conclusions. One newspaper in Detroit published a dispatch which closed with this statement:

The United States last year spent \$42,072,114.05 on Indian work.

The newspaper in Detroit which commented on that statement in an editorial repeated that misinformation in this statement:

It seems that the Federal Government spent \$42,072,114.05 in Indian work last year, and the Secretary believes it high time to let the Indians take care of themselves.

I think that does not properly represent the Secretary's viewpoint—that the Indians should now take care of themselves—and the last statement was not justified by the Secretary's statement, and it gives a wrong impression to the country.

As I have already pointed out on this bill, the charge upon the Treasury is only about \$11,000,000. I will put in the Record the following statement of expenditures for 1923 and 1924:

Expenditures, 1923, for the Indian Service from Treasury appropriations.

Regular appropriations	\$10,103,682.00
Deficiencies and supplementals	664,097.89
Civilization of Sioux (permanent and indefinite)	292,165.55
Interest on trust funds (permanent and indefinite)	967,195.00

Total, 1923

12,027,030.44

Estimated expenditures, 1924, for the Indian Service from Treasury appropriations.

Regular appropriations	\$11,087,065.00
Civilization of the Sioux	250,000.00
Interest on trust funds	1,050,000.00

Total, 1924

12,387,065.00

Of course, to be added to the 1924 figures would be any deficiency items that we pass this winter. The other expenditures, amounting to about \$30,000,000, is the money of the Indians themselves, and that amount is not the expenditure of money of the United States.

Now, I may be permitted for a moment to take up a discussion of the appropriations for the Pension Office. There is only one change there to which I wish to call your attention, and that is a reduction of \$7,500,000 for the payment of Army and Navy pensions. The current appropriation was \$253,000,000, the Budget figure was \$230,000,000, and the bill before you carries \$222,500,000 for that purpose. That is an item, of course, over which the Bureau of Pensions has no control;

they simply have to pay pensions in accordance with the laws that have been passed by Congress and in accordance with the rates contained in such laws. On the one hand, if we appropriate too much, it can not be spent and it remains in the Treasury; on the other hand, if we appropriate too little, they can come in and get a deficiency, the pensions, in any event, being paid. On the one hand, the committee does not desire to knowingly create a necessity for a deficiency, but we do not care, on the other hand, to make an appropriation that we feel sure does not represent fairly well the real amount that will be necessary.

Now, the peak in the payment of pensions, so far as existing laws are concerned, has been reached and passed. It took a long time after the Civil War to reach it, but it was reached, I may say, in the year 1923, the fiscal year. For the fiscal year 1924 we appropriated \$253,000,000. The Pension Office estimate was \$255,000,000. The estimate of the Pension Office at this time is, with the year half gone, that instead of spending \$253,000,000 they will not spend this year over \$230,000,000. So, therefore, in our total appropriations for last year there was an item of \$23,000,000 that was not necessary, as events have proved.

Now, with that opinion of the bureau as to what will be expended during the current year, and while we appropriated \$230,000,000, we feel that \$230,000,000 will not be used this year, and we do not agree with the Pension Office that \$230,000,000 is necessary for 1925. We went into the matter carefully and with more detail than I care to go into with you at this time, and as a result of our investigations we felt perfectly safe in reducing the amount to the extent of \$7,500,000. My personal opinion is, from such study as I can give the matter in my amateur way, that unless the laws should be changed the expenditures will likely not exceed \$215,000,000 in 1925. But we have wanted to be safe, although we have not gone to the extreme degree of safety that the bureau did in their estimates.

Now the Patent Office. The Patent Office has an intimate relation to the industrial life of the Nation. It is a department that is self-supporting, as the statement that I have put in the Record will show. To date in the Patent Office, balancing expenditures for that work with its revenues, there is a net surplus in the Treasury of \$8,463,314.79 because of an excess of revenues over expenditures for that bureau. In other words, the man who makes an application for a patent pays all the expense of the Government in connection with its consideration, and the men who apply for patents are entitled to service, but they do not get that service. I will put in the Record the following statement showing the tremendous increase in patent applications during the past three years:

Applications for patents for inventions.

Year ended June 30—	
1914	69,311
1915	66,497
1916	67,348
1917	68,690
1918	62,399
1919	62,755
1920	51,948
1921	84,248
1922	88,243
1923	79,020

Applications for patents, including reissues, designs, trade-marks, labels, and prints.

Year ended June 30—	
1914	81,539
1915	79,116
1916	80,621
1917	81,538
1918	73,307
1919	75,657
1920	102,940
1921	107,656
1922	113,597
1923	102,188

Applications awaiting action.

June 30—	
1914	22,283
1915	18,270
1916	16,559
1917	16,058
1918	14,769
1919	17,735
1920	34,355
1921	49,334
1922	67,867
1923	71,927

For instance, in 1919 the total applications for patents, including reissues, designs, trade-marks, labels, and prints, was 75,657; in 1920 the total went up one-third, up to 102,940; in 1921, 107,656; in 1922, 113,597; and in 1923, 102,188. At the close of the last fiscal year, ending June 30, there were 71,927 applications awaiting action. In 1919, when that great increase began, there were only 17,735 awaiting action.

Now, the Patent Committee of this House has authorized legislation for increasing salaries and increasing personnel for the Patent Office. This committee supplemented that last year by increasing somewhat the personnel, and yet the Patent Office is not up to date. There is a disposition on the part of patent lawyers, on the part of Members of Congress, and on the part of others to say, What is the matter with the Patent Office that they do not get up to date? Well, I have made some special study of the situation in these past two years. I have gone to the office; I have gone over these matters; I have read the reports of the commissioner, and I have become satisfied—and I am sure the subcommittee is fully satisfied—that the present Commissioner of Patents is one of the most faithful and energetic officials anywhere in the Government. He has been trying most conscientiously to bring the work of that office up current; he has tried to bring it up current not only by using the increased appropriations and increased personnel but also by reforming the methods of the office, by cutting out lost motion, red tape, and so forth. In the hearings and in the statements I may later put in the Record you will find details showing the reforms he has brought about. Still the work is not up current. I know that examiners and other men there have worked most conscientiously; they have worked overtime and they have worked holidays in a tremendous effort to catch up. If you should file an application for a patent to-day you would promptly get a receipt for the application; it would then remain in the average division for nine months before any further action would be taken. That is a serious delay and hampers industry.

Mr. ROACH. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. ROACH. At the last session of Congress statements were made on the floor of the House in reference to the necessity of reorganizing the Patent Office in order to make it more workable and more efficient. Now, this appropriation contemplates that, does it not?

Mr. CRAMTON. I will say it simply contemplates a continuation of the very efficient reorganization which is going on in the Patent Office under the efficient direction of the commissioner.

Mr. ROACH. And which is very necessary.

Mr. CRAMTON. And I will explain what the committee proposes in a moment. As I say, it is about nine months before any further attention will be paid to your application, while the bureau feels such an application ought to be reached in 15 days after it is filed.

Now, with all the efforts they have made they have been able to reduce the number of waiting applications about 1,000 a month. They are gaining 1,000 cases a month. But with 67,000 cases awaiting action, which was the latest information I have, it would be over five years before they would catch up, if the volume of new business continued as at present. It is not fair to the country to have that long period of waiting. It is not fair to the Patent Office service, because they are going to receive unmerited criticism from those who are not in touch with the situation. So this subcommittee, to make the story as short as possible, went into the situation on its own initiative. Of course, the Patent Office is prohibited from making any requests above that of the Budget. But we took up the matter with the commissioner in an effort to reduce the delay and enable him to bring things up as quickly as possible. You can not go out and hire a big squad of patent examiners as you would a bunch of clerks, because you need men of training.

It takes time to organize them. So the Commissioner of Patents plans that 100 additional examiners on a temporary roll would be needed. With them it would take some little time to get the force organized, and then it takes a little time to have them get used to their jobs and really turn out an efficient amount of work; but if we would give him these 100 examiners and approximately \$150,000 for the first year and continue it the second year with about \$200,000, he hoped at the end of that time to have his work well up toward current. Of course, if there is another influx and an increased number of applications brought about by greater speed in their disposition, it will take longer to catch up. He felt, further, that was about as large a new personnel as he could effectively handle in the situation. Therefore we have put in here an item for that personnel and we cut out sick leave and we cut out annual leave

for the temporary force in order to make it as economical as possible.

In addition, they have about 2,000,000 copies of miscellaneous patents. They have the largest 10-cent store in the world, they say, down there. You can go in there and pay 10 cents and get a copy of any patent ever printed. It is a tremendous stock. In the old days, and now to some extent, they are filed in wooden file cases and poorly put away. When a boy would go in to get one of these patents he might get out two or three and not discover it until he left, and the theory was that these patents cost about 6 or 7 cents apiece to print and it would cost more to find the proper place and put the patent back than it would to print another one, and therefore they have let this stock of miscellaneous copies accumulate to the number of about 2,000,000. The present commissioner has experimented and has decided that for one-half cent or less, handling it in a big, systematic way, he can restore them and save printing bills in the future. The Budget recommended an item of \$20,000 for a temporary per diem force to put these things in order, and we have continued that.

Then there was in the Budget an item of \$10,000 for file cases. The commissioner has gradually been doing away with these old wooden file cases, which were undesirable and too cumbersome, but there still remain some of the wooden cases. It will give you some idea of the volume of their files when I say that the commissioner estimated that if those wooden file cases that he still has could be substituted by steel stacks, this would save 2,500 square feet of floor space in the bureau, and they need additional space. The Budget had recommended \$30,000 for steel stacks, of which \$10,000 would be available to clean up this old accumulation of wooden stacks. Forty thousand dollars was to be the total amount necessary to clean up the situation. The committee have put in the other \$30,000 with the idea that the commissioner would be able to clean up that whole situation out of this appropriation. We hope that this action of the committee will meet with the approval of the House. I may say the commissioner felt it was not very important that it be made immediately available because of the time that must elapse in conducting civil-service examinations, and so forth; but when the bill was reported to the full committee, the full committee was so much in favor of the items we have inserted that they insisted the item be made immediately available, and so it is in the item before you.

Mr. SMITH. Will the gentleman yield?

Mr. CRAMTON. Certainly.

Mr. SMITH. You spoke of the employment of 100 additional examiners at a cost of \$150,000 a year.

Mr. CRAMTON. No; not per year. I am glad the gentleman mentioned that.

Mr. SMITH. You certainly propose to pay them more than that.

Mr. CRAMTON. The salaries will run from \$1,800 to \$2,000 under the classification act of 1923. There will be three principals at \$3,800, 20 fourth assistants at \$2,000, 20 at \$1,920, and 57 at \$1,860; but it will take a little time to get them in the service, and they will not all be employed for the full year, and that is the reason why the amount for the second year will be higher than the first year. Some would only be employed 10 months and others 11 months, and so on.

Gentlemen, I come now to the subject of reclamation, an item that is of interest, particularly to our western country, and I am frank to say it is of great importance to the whole Nation. I am not one of those who feels that the farmer in the East needs to worry about the development of additional areas in the West. I have, during my committee work in the last four years, visited nearly all of the Government reclamation projects, and visited some of them twice. My knowledge, of course, to a large extent, is superficial, because I have never lived on such a project or lived in the West; but I have given the subject the best study I could, and my opinions are definitely fixed that the reclamation policy of the Government is a wise national policy and should be continued and extended. [Applause.] I think there is nothing more important in the future life of our Nation than to put an American citizen on a piece of land that he himself owns and that he himself tills. They are to-day, and always will be, the backbone of an American democracy.

In addition to that, looking at it in a more immediately selfish way—I have used this illustration in the House before and I do not desire to dwell upon it—but I have been impressed as I have gone over these western projects, how much my farmers up in Michigan, and I represent a splendid agricultural district, are indebted to the development of the West through reclamation, because as I have gone over these projects I have seen that the men who are up on the project

appreciate the supremacy of the Michigan automobile, and always I find, in the great majority, Michigan automobiles are used. Because of the assistance these projects have given to the development of that great industry in Michigan, a better market has been provided for the farm products of my district. The gentleman from Washington [Mr. SUMMERS] and the gentleman from Idaho [Mr. SMITH] have in the past put in the Record very illuminating data on this subject. We of the East do not need to worry.

As I went over the Imperial Valley last March, about the 15th of March, they were just then completing their shipments of head lettuce to eastern markets. They did not compete with my farmers in Michigan. They did not care who were growing head lettuce in the early part of March, and so it is that the narrow, selfish view, in the long run, is always the worst view and the losing view. I hope there is no question about my attitude on reclamation as a policy. There were some conditions, however, that this year made the committee feel the need of special care in proceeding with its work.

I would like to say here that I have no animosity toward any man in the Government service and I have no occasion to defend any man at any time in the Government service. My obligation, as is the obligation of this whole subcommittee, is to do its duty the best way it knows how and bring the facts to this House, so that the House may act with as much intelligence as is possible, and therefore I want to present to you some facts pertaining to the situation affecting this great national policy.

Let me say a word to my colleagues from this side of the Mississippi. Under the reclamation law under which these projects were built, a reclamation fund, a revolving fund, was created in the Treasury. From time to time money is appropriated for that fund for the construction of reservoirs, canals, and other items necessary in an irrigation program. The man who goes upon the land and who receives water from one of these projects is to pay back to the Government, under that law, the cost of construction, and thereafter the cost of operation and maintenance, and that money goes back into the reclamation fund to be used in developing other projects. He pays back that money for construction charges in 20 annual payments, 30 per cent the first 10 years and 70 per cent the last 10, with no interest. In other words, he pays 5 per cent interest for 20 years and then it is all wiped off the slate. Therefore it is important to the man on the land whether the construction costs are reasonable or whether unfair items are included.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. CRAMTON. Yes; but I am going to ask to be diverted just as little as possible.

Mr. SUMMERS of Washington. You used the expression, "it would then all be wiped off the slate." You mean when they have made their 20 annual payments.

Mr. CRAMTON. I mean 20 annual payments on the principal are made with no interest, which is just the same as if they paid interest of 5 per cent for 20 years and then the principal was forgiven. It amounts to the same thing.

Mr. SUMMERS of Washington. But they have paid all that was ever charged up against them.

Mr. CRAMTON. Why, of course, 20 annual payments without interest are just the same as if they were paying 5 per cent interest, and at the end did not have to pay any of the principal. I just want to emphasize the fact that the original law was a fairly generous proposition, and there was a reason for it. It was an experiment, and there would be mistakes made, and it needed to be generous. My theory is, as the gentleman knows, because I have expressed it whenever I have appeared before a western audience—I have assured them of my belief in the policy, but I have also maintained on any occasion when I have spoken that now it ought to be treated as a business proposition, and nobody should expect another project to be developed unless they expect to pay back to the Treasury every penny that the project costs. [Applause.] There is no reason why the farmers in my State should be called upon to put money in the Treasury, with the burdens that are upon that Treasury now, in order to build a project in Washington, a splendid country, and not expect that those people, who are to live upon that land so developed and to have the beautiful homes I have seen out there in the gentleman's own district, will pay back what the project cost.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. SUMMERS of Washington. The farmer in the gentleman's district will not put up one single dollar for this work. The fund is derived from the sale of public lands.

Mr. CRAMTON. I will make that clear. I will say what the gentleman has in mind. They do not under the present fund, but there is bill after bill in this Congress asking for an extension of this policy—for the Colorado River project, for the Columbia Basin project—that can not be built unless the Treasury of the United States is called upon to lend the benefit of its credit in the construction of these projects. I am not talking for the moment as to the projects heretofore constructed or now under construction. I am saying that the time has come when we are dealing with the beginning of new projects and should look upon it as a business proposition.

In the hearings I made the following statement, in which I quoted in part the statement of Secretary Work before our subcommittee:

The Appropriations Committee has felt the need of special care in proceeding with its work this year, so far as it had reference to reclamation, because at a time when the demand is nation-wide for economy in public expenditures a very serious question has been raised as to the feasibility of reclamation as a national policy as exemplified by the results of 20 years' experience under the reclamation act.

Some of the criticism—and, in fact, the criticism that has come as to the result of this Federal experiment in reclamation—has come from very high authority; in fact, from the Secretary of the Interior, who is the head of the department that has this work in charge. When the Secretary of the Interior appeared before this committee at the opening of the hearing he made statements as follows concerning reclamation, and those statements I will repeat. There are, briefly, two points in his statement on pages 47, 48, and 49 of the typewritten transcript of these hearings:

"The Reclamation Service was authorized by Congress about 22 years ago, and \$20,000,000 was appropriated as a nucleus for a revolving fund; that is, the purpose being to build these reclamation projects in the arid regions. The records indicate that this revolving fund would revolve in 10 years; the money would be coming back into it and would be available for new projects. That is, it would carry itself. Twenty-one years of that service elapsed when I went in there and found that \$181,000,000 had been spent and \$45,000,000 had been returned. I found also by further analysis that the costs of projects were higher, I thought too much higher, than the estimate.

"So this table that I speak of, a copy of which all of you have, shows that, taken by and large, that of the 28 projects that were started 3 failed utterly and in others the actual cost was double the estimated cost and the irrigation acreage was one-half of the estimated acreage to be irrigated, and the difference between \$181,000,000 and \$45,000,000 in 21 years in a fund that was supposed to revolve in 10 years, which had paid back less than 10 per cent, excited my curiosity, and the clamor that was coming from the different projects of the country, and the request for preferred payments, both of construction charges and operation and maintenance charges, indicated that the proposition as a whole was insolvent, and it was not possible for me to do this work with my bureau.

"This bureau had created this condition through its director—allowed it to be created. It was not possible to do it. Thereupon I undertook to find out the facts, and we have been diligent in that. The Secretary of the bureau was interested in that. It was not possible for me to make this reorganization with the force I had, so I put the Secretary's force to work on it, and I got some inspectors from the Post Office Department—borrowed them to reorganize it—and I got accountants from outside who worked over the books, with the idea of establishing a bookkeeping system that I could understand. From the annual reports we were not able to get a continuous, consecutive statement that would harmonize all of it.

"This reorganization is well under way. The bureau is reorganized and is at work. The field force has not been seen yet, but soon will be.

"That was the purpose of getting in this outside force to save Government projects that were on the rocks. Only 1 of the 28 projects had paid up its annual assessments as they came due."

And in addition, on page 51, he says:

"Assuming that these projects had been charged twice as much, the construction charges, for operation and maintenance charges, or both, should in equity be asked to pay; then there will have to be a readjustment. There will have to be some charged off."

This committee, of course, as an appropriation committee, is not concerned about any other issues involved except this one as to the solvency of these projects, the success or failure of reclamation as a policy, but we are obliged to consider those issues because we are asked in this bill to approve appropriations for approximately \$10,000,000 to continue to operate many of these projects and provide for a continuance of construction work upon others, and in order to decide those questions fairly and with due regard to the wishes of the House, it seems necessary that we should have all available information as to those particular issues.

Now, the fact-finding commission upon which the department will rely very greatly is at work, and, of course, its conclusions are not available. It has seemed to me that the best source of information

open to the committee, in addition to the Reclamation Service that has been sitting here very kindly with us for two days, would be Mr. Arthur P. Davis, who was for many years connected with the service, and for a number of years at its head, and who has my fullest confidence as to his capacity and integrity, and who no doubt has right at hand a great deal of information bearing immediately upon the issues outlined, and I ventured myself to ask Mr. Davis to come before us. He comes before us on my initiative, and not upon his, although he has been very kind to respond to my invitation. We will be very glad to hear from you on the line of the particular inquiries that I have suggested.

The Secretary has emphasized that in his view the cost of construction has been too high, and as a necessary corollary if that is true large amounts ought to be wiped off the slate.

I will say that this subcommittee at my suggestion—and I am willing to take the full responsibility—ventured to call before us, in addition to all the officials of the Reclamation Service, Commissioner Davis, Engineer Weymouth, Field Commissioner Cannon, and Chief Clerk Beadle to give us such information as they could. Your subcommittee desiring to know the facts in response to the statement as to whether reclamation is a failure or not ventured to call before it one other citizen, Arthur P. Davis, who for many years was in the service and for a number of years its director.

I will make this one observation first: We understood that our committee is not a legislating committee. It is an appropriating committee and always remembers that fact. I am not interested in any personality or any other issues except the one as to whether we ought to spend \$10,000,000 next year for the further development of irrigation projects and for their operation and maintenance.

Mr. KNUTSON. Does this bill carry an appropriation of \$10,000,000 for this year?

Mr. CRAMTON. Yes; nearly that, for operation and maintenance and construction.

Mr. KNUTSON. Did the gentleman take into consideration the great surplus of foodstuffs that the farmers have left on their hands?

Mr. CRAMTON. I remember all the time the fact that if I want an Oregon or an Idaho apple and go to the market I have to pay 5 or 10 cents for one, and there are many people who can not afford that fruit. But at the same time—and the gentleman from Idaho [Mr. SMITH] and the gentleman from Washington will correct me if I am in error—I understand that this year on these reclamation projects in Idaho and Washington you could buy these same apples as low as \$3 to \$7 a ton on the trees, but the market was not high enough to pay for picking them. That will emphasize to the gentleman from Minnesota that the problem of marketing the fruit and products of the irrigation areas is the same as the problem of marketing the farm products of Michigan and Minnesota.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. BANKHEAD. The total appropriation in the bill for reclamation purposes is \$9,946,000. I would like to inquire of the chairman of the subcommittee if that means that the cash is actually available out of that fund at the present time?

Mr. CRAMTON. Yes, I am going to take that up a little later.

Mr. KNUTSON. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. KNUTSON. The gentleman is speaking about the apples selling in Idaho for \$7 a ton—I presume the solution lies in raising more apples.

Mr. CRAMTON. No; but in some better marketing system, for a correction of a method so that, on the one hand, you will not have a population not able to buy, and, on the other hand, products without a market. [Applause.]

Mr. LEAVITT. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. LEAVITT. It is not the purpose to hold against the irrigation projects in such districts as eastern Montana, where no fruit can be raised, the price of apples in the East.

Mr. CRAMTON. No; and I hope I have not offended anybody in Montana by reference to the price of apples.

Mr. LEAVITT. Has the gentleman's committee taken into consideration the situation of some projects in the West where the hardships of the settlers were caused by the failure to complete the projects through delay on the part of the Government?

Mr. CRAMTON. I want to say that I hope I will not have to discuss every feature of the Reclamation Service. I appreciate all these problems, but in my time I can only discuss certain policies which I think are incumbent on the committee.

Mr. LEAVITT. I will agree that the money which the Government has spent on these projects should be paid in full as quickly as possible. That is the Montana attitude on that, with the possible exception of one project that was built at the instigation of the Government. Has the committee considered that it would be a business proposition to get those payments back in accordance with the ability of the people to pay, according to what they raise—

Mr. CRAMTON. Oh, my friend has been down before the fact-finding commission, and perhaps they can answer that question. That is what they have been working on.

Mr. Chairman, I am going to ask the House to read the statement of the Secretary of the Interior to see what his summary is, and I am going to ask them to read the following summary of the testimony of Mr. Arthur P. Davis:

Mr. ARTHUR P. DAVIS. Mr. Chairman, the main question that I understand you are driving at is the question of the solvency of the Reclamation Service projects, either individually or as a whole. My judgment is that the majority of the projects are excellent investments. I think we can show information that will convince anyone that no similar sum of money which has been expended in public works, since my recollection at least, has produced greater or more lasting results than those invested in reclamation in the West. There is at present throughout the country—almost universal in agricultural regions—an agricultural depression. The Secretary refers there to the fact that of the 26 projects the Reclamation Service has undertaken, only one has paid up all that is due. Now, there are, I suppose, between five and ten thousand counties in the United States, and I doubt if out of that number he can find one that has not some delinquent taxpayer in it. I have never known of a case in flush times, or any other time, when a county has not had delinquent taxpayers. It is true some of these projects are badly behind with their payments, but to say that is true of all but one is not fair.

Regarding the general proposition of solvency or insolvency of these projects, I think the condition has very materially changed within the last year.

Last year was the year of the greatest agricultural depression. The season closed is better. Agriculturally, as I understand the situation, it is better financially. The farmers are better off than they were about a year ago.

In a press notice released December 7, 1923, and also in a table filed in this hearing, Secretary Work lists in parallel columns the names of the various "projects," the "original estimated cost," and the "net construction cost" to June 30, 1923. The entire statement is based upon the assumption, which he uses throughout, that the original estimated cost is for the identical structures included in the column of "net construction costs." This is the fundamental error that runs all through this press notice.

In the early days it was the assumption, announced in Congress and also by the President, that the purpose of the reclamation act was the construction only of such projects and features as were too expensive and difficult for private enterprise and only such parts of the project as had those characteristics. It was assumed and sometimes promised that the projects benefited by the construction of such large features as reservoirs and main canals would build their own canal systems and distribution systems.

In many instances they already had these systems, which, however, required enlargement and extension to adapt them to the new conditions contemplated, but such enlargements and extensions were to be made by the water users themselves and in some cases this was made a specific requirement of the contract. At later dates additional reservoirs and additional units of the project were sometimes undertaken. It was found that the water users were unable or unwilling to carry out the extensions and enlargements expected of them or even to acquire title to the canal systems which were necessary for utilization of the water. Under these circumstances, the Government was requested to undertake large additional work, and did so with the approval of the Secretary of the Interior and sometimes on its own initiative.

A parallel case would be that of a householder who should send to his dealer a list of articles upon which he desired estimates of cost. On receiving this estimate, he orders the goods and consumes them. The next week he orders other goods and the next week still others, all of which he proceeds to consume as received. When the bill arrives at the end of the month, including the charges for all of these items, he makes complaint because the bill exceeds the "original estimate," which was for only a fraction of the goods he received.

In the later years, with the approval of Congress, on a large number of projects drainage works have been carried out which were never contemplated in the original estimates, and, in fact, can not be estimated for with any degree of accuracy in advance of the need for drainage which follows a period of irrigation.

As time passed, however, the Reclamation Service learned that those upon the projects desiring to escape their payments were prone to resort to the same unfair comparison that Doctor Work has here used by speaking of the original estimates of the "project" and the ultimate cost of the "project" as though they applied to the same works and the identical project, using this argument to prove waste and discredit the service and thus escape their payments.

Partly for this reason the policy was adopted of requiring a new contract for each additional feature the Government was requested to undertake, so that in many cases the additional work is represented by separate, additional contracts. This statement would apply to more than half of our projects. Being represented by different contracts, therefore, it is impossible to confuse the new works so represented with the original contract.

In some cases, such as the Gunnison Tunnel and a few others, unexpected difficulties were encountered which increased the time and the expense above what anyone had any right to expect, and this has been made a subject of reproach to the service.

In estimating the cost and in constructing this tunnel the Reclamation Service secured the services of such men as George Y. Wisner, W. H. Sanders, and John H. Quinton, all engineers of long experience in tunnel and other work. Mr. Quinton, particularly, had built about 70 tunnels, having just completed the great Third Street Tunnel in the city of Los Angeles, and he was placed in charge of this work before construction was started and remained in charge throughout. He had as principal assistant a younger man, also experienced in similar work, Mr. I. W. McConnell, whose record on the Gunnison Tunnel was such that he was offered larger pay repeatedly, but would not leave the work until the tunnel was built, and has since been constantly employed at much higher compensation than the Government ever paid him.

The difficulties were treacherous ground, large quantities of hot water, intense heat in the tunnel, and large volumes of explosive and deadly gases. These were not predicted by the geologist and could not be reasonably foreseen. They were successfully coped with but increased the cost and delayed the completion.

As illustrating other experiences we may point out the Chatsworth Tunnel, in California, the cost of which was estimated and the construction prosecuted by perhaps the oldest and most experienced tunnel organization that ever existed in America, that of the Southern Pacific Railroad. Owing to similar unforeseen difficulties, mainly treacherous ground, this tunnel cost nearly three times the estimated cost, and many lives were lost in its prosecution.

RECLAMATION COSTS MORE THAN AMOUNTS ESTIMATED.

Aside from unexpected difficulties and the additional work undertaken, it is a fact that many of the works built by the Reclamation Service, especially in the earlier years, cost more than the estimated sum. This is especially true of estimates made within the first year or two of the existence of the service, before the organization was perfected and before the high standard of work which it has pursued had become standardized. Engineers experienced on western work were employed to make these estimates and in many cases made them on the basis of previous work which they had carried out and which were standard on private irrigation work in the West, but cheaply built with light wooden structures and light banks. These estimates had in some cases to be increased for this reason.

The principal reason for the increase of actual costs over the estimated cost of Government structures, where this has occurred, has been due to the positive change in value of the dollar in which those costs are expressed. When estimates were made in 1902 they were necessarily made on the basis of the experience of the previous decade. A diagram showing index prices for the last 30 years shows that where average prices were quoted at 54 in 1895, the same were above 180 in 1920. This diagram pertains to the country as a whole, and to fit western conditions should be modified for a period from 1906 to 1910. In 1906 the city of San Francisco was destroyed by fire, and this happened in the midst of a great boom in railroad construction, especially in the Northwest. The demands for the reconstruction of San Francisco and other western work so completely absorbed construction materials in the West as to greatly increase its cost and to compel the Reclamation Service to ship its cement from Chicago and other materials and labor largely from various eastern points.

The Northern Pacific Railroad, which was carrying on construction work during this period, made careful estimates of the cost of work carried out by them in 1908 as compared with similar work constructed in 1905, and their investigations showed that there had been an average increase in construction costs in those three years of about 75 per cent.

This is in accordance with the experience of other railroads, of irrigation projects constructed under the Carey Act, and of various other operations during the same period.

The accompanying diagram showing the per capita circulating medium and the average wholesale prices of commodities shows that from

1897 to 1920 the average prices of commodities rose from 54 to 186—that is, in those 23 years prices more than trebled—and that by 1916 these prices had just about doubled. This was due to causes not ascertainable by those who made estimates and can not properly be charged as an error of judgment, much less as incompetency.

Net construction cost, Oct. 30, 1923.....	\$148,557,275.98
Construction charges repaid.....	16,045,846.97
Construction charges due and unpaid.....	2,156,908.71
Net operation and maintenance.....	15,897,984.27
Net operation and maintenance repaid.....	11,675,937.09
Net operation and maintenance due and unpaid.....	1,895,818.94
Total due and unpaid.....	4,052,727.65

You may have some misapprehension, but let me remind you that the net construction cost of all of these projects until October 30 is \$148,557,275 plus. Construction charges repaid amount to \$16,045,846. You will say that it is not coming back very fast; that it is not being reimbursed. The fact is that it is not due. All there is on these projects to-day that is due and unpaid of construction costs is \$2,156,908.71. The total operation and maintenance charges amount to \$15,897,984, and the amount of operation and maintenance charges repaid are \$11,675,937.09, and there is due and unpaid \$1,895,818.94. The total out of \$148,000,000 that is due and unpaid is \$4,052,727. That is not sufficient justification for saying that reclamation is a failure and that most projects are bankrupt. The situation that has been emphasized by the gentleman from Minnesota [Mr. KNUTSON] and by I think my friend from Montana [Mr. LEAVITT], and which will be emphasized I think by all these gentlemen from the West, who know the situation, is that the man on a reclamation project farming has had the same difficulty these last two or three years of high costs of production and low prices for his products, hardly knowing how to make both ends meet, as have had the farmers east of the Mississippi Valley, but that does not mean that for all the years to come agriculture in this country is going to be an avenue to bankruptcy. I hope in my State, I hope in Minnesota, in Washington, in Idaho, the time will come when the farmer, whether he be a dry farmer or an irrigating farmer, or an honest-to-God farmer in the old-fashioned way, such as we have in Michigan, will again find his business profitable. We are not discussing this great policy only from the viewpoint of some abnormal condition which has existed during the last year or two. Conditions are improving in respect to the facility of these men to make their payments for operation and maintenance, as well as construction, but two fears that I have in respect to the statements that have been made before our committee and elsewhere by the Secretary of the Interior are these:

First, that you men from east of the Mississippi will get an unfair opinion of reclamation as a policy and deal with it in the future too niggardly. On the other hand, that the people in the West will get an unreasonable expectation of having their obligations to the Government wiped off the slate. I want to say now that it is going to be, I hope, a hard road for anyone to travel who tries to get through this Congress legislation to wipe off the slate obligations wholesale in connection with the construction costs of these projects.

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

Mr. CRAMTON. Yes.

Mr. HUDSPETH. Is there a single project where the people of that project are asking that their obligations to the Government be absolutely canceled at this time?

Mr. CRAMTON. They are getting close to it.

Mr. HUDSPETH. They are asking for deferment.

Mr. CRAMTON. Oh, no. I have a great deal of sympathy with the idea of deferment under some conditions.

Mr. HUDSPETH. I did not know that any project was asking that their obligations be canceled.

Mr. CRAMTON. They get pretty close to it, and with proper encouragement from Washington they are going to get worse every day. I sympathize with the gentleman from Texas and with the gentleman from Washington [Mr. SUMMERS]—

Mr. HUDSPETH. I want to state—

Mr. CRAMTON. I sympathize with you gentlemen who have to bear the brunt of these demands for the wiping off the slate of obligations, but I do not believe the Congress will ever wipe them off. However, you gentlemen have to bear the brunt of those attacks.

Mr. HUDSPETH. I will state to my friend that I am not in sympathy with that sentiment, if it exists, of cancelling these obligations, and that the project in my district is not asking that a single obligation be canceled at this time.

Mr. CRAMTON. I am glad to hear that.

Mr. LEAVITT. And I say the same for Montana.

Mr. SUMMERS of Washington. And also for Washington.

Mr. CRAMTON. Oh, this is getting to be a splendid experience meeting.

Mr. SUMMERS of Washington. So far as I know, there is no demand for a wiping off of the charges. There is a demand in some places, but not from my State, for deferment. The Yakima project in the State of Washington has repaid 94.5 per cent of construction and 99.47 of operation and maintenance. It is a successful project, and I think irrigation projects ought not to be put into one pot and all condemned because of the poorest projects.

Mr. CARTER. Mr. Chairman, will the gentleman from Michigan yield to me in order that I may ask the gentleman from Washington a question?

Mr. CRAMTON. Yes.

Mr. CARTER. What is the value of the land per acre on the Yakima project?

Mr. SUMMERS of Washington. That depends upon the development. It runs all the way to \$2,000 an acre.

Mr. CARTER. Some has sold as high as \$3,000 an acre.

Mr. SUMMERS of Washington. Possibly so.

Mr. CARTER. Oh, yes; according to the records of the county of Yakima. That would make the cost for construction not excessive.

Mr. SUMMERS of Washington. The cost is not excessive.

Mr. CRAMTON. And if the gentleman from Washington [Mr. SUMMERS] will permit, I visited with him the Shamrock Cherry Orchard, if I remember the name correctly. Mr. Irish, the proprietor of that orchard, said that he was harvesting in this year of agricultural depression and fruit depression \$1,500 an acre from his cherry orchard. The cost of construction was not worrying him much.

Mr. Chairman, I have thrown in these general suggestions because I have thought that there was occasion for it. In considering the particular bill before us the committee has felt some obligation to give special consideration to particular items, as I have stated.

You understand the way the committee works. We do not have unlimited time for our investigation. We are not like the fact-finding commission that can take all winter and summer for it. We have got to get our bill in the House. We try to study between times, but this committee tried conscientiously to get at the facts in the time at their disposal with reference to the items in this bill. I think I now will get to the inquiry of my friend from Alabama [Mr. BANKHEAD]. I will put in a detailed statement and epitomize it now. The estimate of the service is that on the 1st of July next there will remain \$4,000,000 unexpended in the reclamation fund, and that there will be some returns to the extent of \$15,500,000 in the next year for that fund. This comes from receipts from the sale of land, receipts from oil-lease royalties, construction, repayment operations, and so forth, which I will set forth in detail. That makes a total of \$19,500,000, but their oil receipt estimates of a million dollars from that in connection with oil royalties would leave \$18,500,000. They have got to repay a million dollars to the Treasury; in fact, the Treasury will just hang on to a million dollars as the repayment of a bond loan from the Treasury to the reclamation fund several years ago. The full statement is:

RECLAMATION FUND RESOURCES.

Reclamation fund fiscal year 1925.

Probable unencumbered balance in fund July 1, 1924.....	\$4,000,000
Receipts from sale of public lands.....	\$815,000
Receipts from oil-lease royalties.....	7,000,000
Receipts from power and potassium royalties.....	15,000
Construction repayments.....	4,000,000
Operation and maintenance repayments.....	2,500,000
Rentals of irrigation water.....	250,000
Power returns.....	300,000
Miscellaneous returns.....	620,000
	15,500,000
Total.....	19,500,000
Less:	
Repayment on bond loan.....	1,000,000
Budget.....	10,856,000
	11,856,000
Carry over July 1, 1925.....	7,644,000

The Budget has come to Congress with an estimate of \$10,856,000 for operation and maintenance and new construction, or a total of \$11,856,000, as against \$18,500,000. It was

¹ These estimates were made in August, 1923. Later information indicates a reduction of about \$1,000,000 in receipts from oil royalties.

the estimate of the Reclamation Service in our hearings that there will still remain unexpended the incoming year, in accordance with the expectation and figures as presented by the Budget, \$6,644,000. Now, in connection with that I think it is desirable I put the facts of the situation before the House, so those from the West who are keenly interested in this problem may know pretty well what the situation is. The preliminary statement, the estimate that was made by the Interior Department in August to the Bureau of the Budget pertaining to reclamation, totaled \$16,185,000. You find an itemization of that in the hearings. The Budget Bureau sent that total from the Interior Department back to that department. It was not only reclamation, but the entire Budget, because the total for the Interior Department was higher than the Bureau of the Budget felt it could approve. The Secretary of the Interior, or whoever in the department was in charge of these matters, then modified that Budget for the department to the extent of several million dollars. The Budget had not said to the department where they must make a cut, but simply told them how much the cut must be. I am advised reliably that the Interior Department proceeded to make that cut first out of the Indian trust fund expenditures and secondly out of the reclamation fund, not out of the administrative items of the bill. The result was that when the Budget Bureau finally passed upon the department estimates there was in the Budget, what appears in the record as the final estimate of the Reclamation Service, \$9,877,670 instead of \$16,000,000 for the Reclamation Service. There was, however, some marked "Secondary," marked with an "S," in the statement, amounting to \$7,422,325, which they said they would like to have added if they could get it. But they had elected in the department to make their cut very largely out of the reclamation appropriation. The Budget Bureau told them they could have a million more than \$9,877,000, so you get \$10,856,000, of which I spoke as being the Budget figure.

Now, all you western men are trying to figure out how you can get in the reclamation appropriations the difference between \$10,856,000 and \$18,500,000 and not have \$7,000,000 left at the end of the next year. Now, I think it will be of interest to you if I give such information as I have about that. In the first place the Bureau of the Budget, I understand, did not pass upon the feasibility of any project with reference to reclamation, but simply dealt with the totals. They would have given, if the department had made that cut elsewhere—they would have approved the total of \$7,000,000 more for reclamation next year, subject to one limitation. They would not recommend the commencement of any new projects, but for the construction of projects under way, for operation and maintenance, they would have approved any total the Interior Department would have presented within the reasonable limits of the fund. Now, the position of the House, I think, ought to be very much the same. It seems to me a reasonable policy that this money—for a time we appropriated what was needed in the fund, and you men were accused of paper appropriations, and we stopped that two years ago. I think this money in the fund, to the extent we feel sure will be in the fund, might well be appropriated, but not to-day for the beginning of new projects for two reasons: First, while the department has more or less uncertainty as to their policy down there, uncertainty as to which projects are feasible and which are not, we ought not to encourage new projects—

Mr. COLTON. Will the gentleman yield right there?

Mr. CRAMTON. Let me give you the second reason. The second reason is that there can be economy of construction secured if we permit larger construction units in the items under construction and not run them along for years in dribbles.

The idea is to hurry up the ones we have under way and finish them, and then start some new ones.

Mr. COLTON. Will the gentleman yield now?

Mr. CRAMTON. Yes.

Mr. COLTON. Are you appropriating in this bill only for approved projects and units?

Mr. CRAMTON. That depends upon the question by whom approved, and when they have been approved. I will say, however, that we are appropriating in this bill for nothing but what has been approved at some time by everybody, including the Secretary of the Interior and the Reclamation Bureau and the Budget Bureau; and that applies, as to approval this year, to every item except one, and that is the Baker project, which I will discuss later. That has been approved frequently by everybody, but this year the Reclamation Service has not favored us with a recommendation, pro or con, concerning it.

Mr. COLTON. That applies to units as well as new projects?

Mr. CRAMTON. I am not sure as to the distinction which the gentleman makes. It applies to units as well.

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

Mr. CRAMTON. Yes.

Mr. BANKHEAD. The gentleman knows my attitude on this question.

Mr. CRAMTON. Yes; he has hopes that we might start in Alabama, while I have no hope that we will start it as to Michigan.

Mr. BANKHEAD. I am not discussing that phase of it now. I may do it later, perhaps. What are the functions of the Secretary and the so-called fact-finding commission.

Mr. CRAMTON. That appears in the hearings, where his entire statements concerning it are given. I may summarize it in this way, and I hope without being unfair at all. The present Secretary came to the conclusion to which I have referred, and he felt that there should be an investigation of all the projects and their conditions. He appointed a commission—it was all appointed by the Secretary—composed of distinguished men. They are now in Washington. I understand that they are to take up their sessions in Salt Lake City, Utah, about January 17.

Mr. BANKHEAD. What inquiry are they to make?

Mr. CRAMTON. I have put in the hearings the complete scope of the work as outlined by them. It is purely a departmental matter, for which the committee is not responsible. Our committee did not call the fact-finding commission before us. You will find it stated in the hearings by me to Commissioner Davis that inasmuch as they were at work, and probably had no rounded-out conclusion, it would be only an embarrassment for us to call them before us. It was stated, however, to Mr. Davis that if they had information that we ought to have we would be glad to have that information brought to us.

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

Mr. CRAMTON. Yes.

Mr. SWING. The expenses of the fact-finding commission are paid out of what fund?

Mr. CRAMTON. Out of the reclamation fund. It is in the act. The only expense outside of traveling expenses is \$25 a day for each member for subsistence.

Mr. BLANTON. The coal fact-finding commission cost us \$260,000. What authority has the President to appoint a fact-finding commission which sits all over the United States at the expense of the people?

Mr. CRAMTON. It is provided in the reclamation act.

Mr. BLANTON. But Congress has not authorized any Secretary to send such a fact-finding commission all over the United States.

Mr. CRAMTON. I have assumed that the reclamation act, which was passed by Congress, did give the Secretary of the Interior full authority to take that action if he saw fit.

Mr. BLANTON. Then the Secretary of any one of the other 10 departments has the same authority?

Mr. CRAMTON. No. The Secretary of the Interior is the only one who has to do with the expenditures of the reclamation fund, and I am speaking entirely of the authority in the reclamation act.

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

Mr. CRAMTON. I yield myself more time, and if the gentlemen will let me proceed I will go as fast as I can.

Now taking up the particular items of the bill, the policy of the committee was this: We are all uncertain, and I think there is uncertainty in the air, but after the pilgrimage of the fact-finding commission the report of that commission will come in due time, and then I think the atmosphere will be reasonably clear. Pending that, we have to act on our present information. We must provide for operation and maintenance of existing projects. We must provide for continued construction where construction was under way, because even if the fact-finding commission and Congress should later conclude that part of the construction cost should be wiped off the slate, we would probably get off better by completing such projects than by abandoning them partly constructed.

Perhaps some of the gentlemen from the West will look upon some items with a little jealousy, on the ground they are new construction. One of them is that in connection with the Yuma project in Arizona. There was an item of \$250,000 proposed by the Reclamation Service, contained in the Budget, for construction of a hydroelectric power plant at the syphon drop on the main channel of the Yuma Canal. There is the Yuma project, a public project, gravity flow, and there is the Yuma-Mesa project, which is a pumping project, which was built under a special act of Congress under special terms. The pumping project uses power brought over the longest transmission line

in the world, and of course power is expensive. The Yuma project uses power for pumping of drainage, and that project and the Yuma-Mesa project are using power at very high rates. They say, in substance, "If you give us the \$250,000 to build this power plant—they have got the dam and the power running to waste—we can utilize that power and save the cost of the plant in six years."

When we asked the representatives of the Reclamation Service just what they proposed as to the repayment of the cost to the Treasury—because we felt we should know how the money was going to get back to the Treasury—Mr. Weymouth said in substance that the construction cost would be repaid after the 20-year period was finished. In an insert in the hearings they have suggested that the net return for power used by the Mesa was to be applied to the repayment of construction costs, and the gross returns from the sale of surplus power were to be applied to the reduction of operating costs until fully covered, then to repayment of construction costs.

The committee have, however, concluded to put in what we think is a fair provision, and we provide that "no part of said sum of \$250,000 shall be expended until a contract shall have been entered into between the Secretary of the Interior and the Yuma County Water Users' Association, in the manner provided in section 4 of the reclamation extension act, approved August 13, 1914." That is a provision as to the kind of action to be taken by the district "wherein said association shall agree to repay the total cost of said power plant in 12 years." We give them 12 years in which to repay it. We are assured by that provision that in 12 years the money comes back into the reclamation fund.

Then there is the Boise project in Idaho, one of the great projects. We are completing this current year the Black Canyon Dam, which I was permitted to visit last June. There, again, a lot of power is running to waste. Eventually that is to be used for the Boise-Payette division of the Boise project in order to bring a large amount of land under irrigation, but it will be some time before that will be possible. There is an item of \$450,000 in the Budget approved by the Reclamation Service for the construction of a power plant at that dam. There is some reason for building it at this time, because our construction camp is there, our equipment is there, and probably 20 per cent or 25 per cent can be saved by building it now rather than later, and eventually it will have to be built. But the immediate occasion for the consideration of this item now is for the purpose of furnishing water to the Gem irrigation district, a private irrigation district. That is a pumping project and has to pay a large price for its power. That project is almost bankrupt and about to lose its present supply of power. We asked the Reclamation Service, when they were before us in this case, what kind of a contract was to be made with these purchasers of power, with this private district, which is practically an insolvent customer and heavily encumbered by liens, liens that are not worth anything now. In order to save anything from the wreckage, they will be glad to let the Government's claim be substituted as a first lien; but if it is not done before we appropriate the money, it will never be done. So we have put a provision in the bill to this effect:

And provided further, That no part of the money appropriated under this paragraph shall be expended for the development of electric power until the Secretary of the Interior shall have in hand contracts (1) for the purchase of all electric power developed in excess of that immediately needed for the pumping of water on the lands irrigated under the Boise project at rates sufficient to include interest at 5 per cent per annum on the power development cost and to include all depreciation on the power plant, (2) to guarantee, with sufficient surety, monthly cash payments for power charges, if sold for purposes other than irrigation, and annual payments in advance if sold for irrigation purposes, and (3) to provide, with the agreement of all holders of existing liens, that the cost of such power shall constitute a first lien upon the lands or irrigation district for which the same has been purchased.

Now, it may seem a little harsh to require payment in advance for the power furnished to this more or less insolvent private irrigation district, in view of the fact that we also have a first lien provided for, but the trouble is that nobody out West ever expects the Government to foreclose a lien on anything, and the only way we can be assured of getting the money from that district is through the provision we have inserted, which is quite a customary provision.

There is one other project that I have to speak of, the Minidoka project, one of our big projects, but a project where there is a very unhealthy local sentiment with regard to their obligations to the Government. It is a project where, I have been reliably informed, if the farmers go to a bank and want to borrow money they are asked what they want to do with the

money; if they say they want to pay their obligations to the Government they are told they can not have it, but that their credit is good if they want it for something else; it is a project where directors of irrigation districts have gone among the people on the project and advised them not to pay the Government. However, I understand negotiations are under way for the creation of a different situation there, with some prospects of results.

What I especially wanted to talk about is in connection with the so-called American Falls Reservoir. In 1919 there was a drought and several private irrigation districts were scared stiff about the danger of a crop loss from the unusually small amount of water. As a result of that they speedily got together in a mass meeting and wanted the Government to build a dam at American Falls that would provide storage for the waters of Snake River. That meeting was held August 2, 1919. Very soon applications followed for 530,000 acre-feet of water from such a reservoir, and 85 per cent of those applicants said they wanted the Reclamation Service to build the reservoir rather than anybody else. The board of engineers of the Reclamation Service, on April 10, 1920, reported a possible storage capacity of 3,000,000 feet in such a reservoir, but that 1,300,000 acre-feet would be a safe and stable supply to care for the district then under irrigation, but with threats of insufficient water, and that they could take care of 450,000 acres of new land from such a reservoir. It was estimated by that board of engineers that if a reservoir were built with a capacity of 600,000 acre-feet it would cost \$5,300,000, or an acre-foot cost of \$8.83; that with a capacity of 1,500,000 acre-feet it would cost \$8,600,000, or \$5.75 per acre-foot; with a capacity of 3,000,000 acre-feet, which would be full capacity, it would cost \$13,500,000, or \$4.50 per acre-foot. Of course, the larger the capacity of the reservoir the less it would cost, and everybody concerned was interested to have as large an acreage as possible.

As a result of that contracts were entered into in March, 1920, for 335,170 acre-feet of water for private districts, in addition to whatever the Government would want for itself. The Government agreed to go ahead under those contracts provided the private irrigation districts would cooperate with the Government, not that they wanted to come in under the Reclamation Service, but that they would cooperate with the Government in building that reservoir, and would pay in advance their fair share of the cost of constructing the reservoir as it went ahead; that is to say, if 1,000,000 acre-feet of water were provided in the reservoir and the private districts had 250,000 acre-feet, or one-fourth of its capacity, they would pay one-fourth of the construction cost as it went along in advance.

Under that agreement the Government has gone ahead, and we have been making appropriations for two or three years for that work, and up to the end of this fiscal year the Government will have spent \$2,275,000, while the private districts, instead of spending about one-half or one-third, which would have been their fair proportion, have only contributed \$408,500. Now, of course, there are some reasons for that. Those districts got into financial difficulties, so that last June a new contract was made with one enlarged or consolidated district. There are two or three smaller ones also that I am not going to take up now. I am speaking particularly of a contract made on the 15th of June last, with the American Falls Reservoir district, of which one Mr. Shepherd is the president. That district succeeded a number of small districts that were in originally, and some lands that were not in originally. A new contract was made with that district and that is the contract I want to tell you about. Congress was given to understand that there was going to be a certain basis of contribution by these private districts, and on that understanding we have made our appropriations, and, as I have said, we have spent over \$2,000,000. But this committee now learns that the private districts have not as yet contributed their fair share, and that one new district is formed and given a contract that vitally changes the situation. The Secretary of the Interior approved that contract personally on the 15th of last June, as shown by the following:

WASHINGTON, D. C., June 15, 1923.

HON. HUBERT WORK,

Secretary of the Interior, Washington, D. C.

SIR: Herewith I am submitting a contract between the United States and the American Falls Reservoir district, executed this day, and providing for the purchase by the said district of 300,000 acre-feet of water in the proposed American Falls Reservoir.

The said contract has been executed, signed, and sealed by the proper officers of the district and is now delivered with the express understanding that in the event your honor or other proper officer of the United

States fail, either by securing necessary legislation, condemnation, or otherwise, to secure the Indian lands essential to the construction of the said American Falls Reservoir, then and in that event all the obligations resting upon the district under the said contract shall be held for naught and regarded as fully discharged, and no demands shall be made upon the district under the said contract until the said Indian lands are secured and the district shall not be considered as being delinquent in any of the payments referred to in the said contract, and no penalties shall begin to attach until after the said lands have been secured and the district shall have been given notice of the availability of the said lands and shall have been allowed reasonable time thereafter in which to sell its bonds, thus making it possible for the district to supply the funds derived from sale of said bonds to meet the obligations of the said contract.

Kindly acknowledge receipt of the said contract and acceptance of the conditions herein contained.

Yours respectfully,

AMERICAN FALLS RESERVOIR DISTRICT,
By R. E. SHEPHERD,
President Board of Directors.

Receipt of the said contract, under the foregoing conditions, is hereby acknowledged and accepted.

HUBERT WORK.

I hold, and the committee holds, that that change of contract is cause for Congress suspending further appropriations for that project until the terms are restored under which we commenced to work.

I will tell you what the changes are. My opinion is that the Secretary of the Interior had full authority under the law to make the contract about which I am going to speak. I rather hope, however, he did not know what was in the contract, although perhaps it is lese majesty to say that. But I will tell you what the changes are. I am not going to mention all of them, but the most essential changes in this contract which I hold in my hand. Accompanying the approval of the contract, which takes about 40 typewritten pages—I think 37—there was a letter to the Secretary of the Interior from the president of the board of directors of the district, under date of June 15, above set forth, and which, summarized, was to this effect: In that reservoir district are to be a large amount of Indian lands overflowed when the reservoir is put in use. I have been over those Indian lands, and I think they have been appraised in fairness to the Indians, but the Government has not yet decided what it will do with the Indians' lands.

Of course, it will have to take them over, but whether they will pay the Indians for the lands or give them other lands has not been decided. That is a problem for the Indian Office and not for the Bureau of Reclamation. The letter from Judge Shepherd of June 15, to which I refer, provided that this contract should be approved, but there should be no obligation on the American Falls Reservoir district to make any payments; there should be no penalties, forfeitures, or payments required under this contract until the problem of these Indian lands was finally disposed of by Congress. From my point of view, that was just an excuse, and not a reason, because the Government has control of these Indian lands, and if we build a \$10,000,000 dam we will not stop the use of the reservoir for lack of those lands, and any time the Government wants to settle that question they can settle it, because they control the Indian lands, and Shepherd has no need to worry about that. I hope it will be settled speedily.

We have eliminated the provision with reference to it from this bill because it is legislation and belongs to the Committee on Indian Affairs, of which Mr. SNYDER is chairman. It was only an excuse, but it was an excuse, in my view. If a decision as to the Indian lands should run along for three or four years—and the construction of the dam will take at least that long—then this letter exempted that district from paying a nickel until the question of the Indian lands was finally disposed of. In other words, they would save the interest on two or three million dollars for three or four or five years. But the Budget carried an item prepared by the Reclamation Service that provided, as I have said, for disposition of the question of the Indian lands. Further, it carried an item to this effect:

No part of the appropriation for the Minidoka project shall be expended on said reservoir until the companies and districts which have contracted for cooperation with the United States in the construction of the reservoir shall have been paid or shall have deposited in the United States Treasury cash or Government securities amounting to at least \$1,500,000.

At first blush, it looked like the action of the committee had borne some fruit. I might say the committee was out in American Falls in June and learned of this contract, and intimated

we would not recommend any more appropriations until the old conditions were restored, and it looked like this million and a half dollars was something tangible as a result of our visit to American Falls; but when you come to read the contract there is not anything to it at all. Here are the vital changes in the contract. I do not know much about the local conditions. I do not know enough about reclamation to say that I have found all the undesirable features of that June 15, 1923, contract, which I will refer to as the Shepard contract, but I have found some, and I am going to call them very briefly to your attention and possibly put in the Record the complete text to which I refer.

Mr. SMITH. May I ask the gentleman a question?

Mr. CRAMTON. Yes.

Mr. SMITH. The provision inserted in the bill originally, at the suggestion of the Department of the Interior, providing that no part of the appropriation should be spent until the irrigation district paid in \$1,500,000, would certainly have precedence over the contract on which there appears to be a limitation.

Mr. CRAMTON. It is entirely in accord with the contract. Mr. SMITH. In other words, the Commissioner of Reclamation would not have any money to expend until it was contributed by this irrigation district, the Government having already appropriated and expended its proportion of construction cost.

Mr. CRAMTON. Just a minute and I will explain that.

Mr. SMITH. There would not be any money to carry the work along until the money was put up by the American Falls district.

Mr. CRAMTON. I will explain that, and I know you will feel just the same as I do when I get through with my explanation.

Under the original contract of 1920 it was contemplated that the districts would contribute their share as we went along; in fact, pay it every 90 days in advance on a statement of estimates. Under this new contract it appears to give this Shepherd district 280,000 acre-feet of water, with a further provision that any time in eight years after the approval of the contract they can have 20,000 acre-feet more. That is the first thing. We build the reservoir and they have eight years to decide whether they are going to take 20,000 additional acre-feet of water out of the reservoir. Of course, when they finally decide, they are to pay up and pay interest on their deferred dues; but they first have an opportunity to see whether everything is a success and everything is fixed their way as to this extra 20,000 acre-feet. So it appears that on all the construction as it goes ahead they pay their share of 280,000 out of 1,000,000 feet in the reservoir; that is, they are going to pay a little better than a quarter of it as it goes ahead, but let me show you how they have got the Government sewed up.

The contract of 1920 was drawn by the Reclamation Service. My judgment is the contract of 1923 was drawn by the American Falls Reservoir Co. Why? Because everything is their way. For instance, we give them 280,000 acre-feet of water. Then we give them at any time within eight years 20,000 acre-feet more. But that is only the beginning. That district has the Government tied up in perpetuity with obligations indefinite and unknown as to that district. I hold they are only a customer. They need water badly and are crazy to get it. They want the Government to build a reservoir and relieve their necessities, and when we have sold them 300,000 acre-feet of water and they pay for it that closes the transaction, but they insist on running the Government's policies for the next century. For instance, the contract provides that after the dam is built and the reservoir is in use some judge out in Idaho, who passes on these things, is to apportion the water among the lands of the American Falls district; and if that judge holds that in order to "fully and fairly meet the necessities of the apportionment" a greater amount of water is necessary, we have got to furnish it. Of course, they will pay, but it is an indefinite obligation. There are many other regions that want water from this reservoir. We can not commit ourselves as to our whole program until that judge in Idaho at some time decides whether Mr. Shepherd's district needs some more water or not to "fairly and fully meet its requirements." If it does, they have a first lien on that additional water.

That is not all. We first build it, we will say, for 1,000,000 acre-feet of water, with an estimated total possible of 3,000,000 acre-feet. Ten years or 25 years later, with the development of that wonderful region and with its great possibilities for irrigation, the Government concludes it will double the capacity and provide for 2,000,000 acre-feet of water. When we do, the contract says that this one customer we had back in 1923

is entitled to its share of that additional water, to be used either on their existing lands or otherwise, so far as I can determine from the contract.

And that is not all. We may increase the reservoir from 1,000,000 to 2,000,000 acre-feet and 50 years later, with further development and with changed conditions the Government may conclude to increase it to 3,000,000, the full capacity, and still "Old Dull Care" is riding on Uncle Sam's back, and says, "You have got to give the American Falls Reservoir district its proportion of this increased capacity." Now, I do not know much about it—and I have asked one or two men who know more about it—but I can not learn that the Government ever gave any such lien on its future policy to any one private customer for water.

There is an item in there also about appraisal of the Idaho Power Co. I want to say I esteem D. W. Davis, the Commissioner of Reclamation. I think he is a gentleman of capacity and integrity. This is not any criticism of him. There is, however, a provision in that contract that the Government will take over the property of the Idaho Power Co. subject to an appraisal by a certain man therein named, representing the Shepherd company, and by the Commissioner of Reclamation, and if they can not agree they choose a third. Of course, the commissioner of reclamation is a resident of American Falls, and it seems to me it would be extremely embarrassing to him to have that contract remain in its present terms. Furthermore, it eliminates the restriction on the winter use of water. What may be the local effect of that the gentleman from Idaho [Mr. SMITH] will know better than I. It eliminates all compliance with section 2, I think, of the Warren Act. I do not know the effect of that. The gentleman from Idaho [Mr. SMITH] will know better than I. I come now to the prize joker in the estimate. I do not know that anybody intended it that way, but this is what it does mean; the contract provides that payments that are made in advance by the private district, in the later adjustment, if it proves that payment made in advance was in excess of what was really due from the district the Government shall repay at the rate of 6 per cent as to that extra amount. If the amount paid is not sufficient then the private district shall pay 6 per cent on such amount as is lacking.

We may assume that it may be two, three, four, or five years before that Indian land question is disposed of. And note that after it is disposed of the private district has a "reasonable time thereafter" in which to sell its bonds. I do not know what would be "a reasonable time."

Now this reads:

The said contract has been executed, signed, and sealed by the proper officers of the district, and is now delivered with the express understanding that in the event your honor or other proper officer of the United States fail, either by securing necessary legislation, condemnation, or otherwise, to secure the Indian lands essential to the construction of the said American Falls Reservoir, then and in that event all of the obligations resting upon the district under the said contract shall be held for naught and regarded as fully discharged, and no demands shall be made upon the district under the said contract until the said Indian lands are secured and the district shall not be considered as being delinquent in any of the payments referred to in the said contract, and no penalties shall begin to attach until after the said lands have been secured and the district shall have been given notice of the availability of the said lands and shall have been allowed reasonable time thereafter in which to sell its bonds, thus making it possible for the district to supply the funds derived from the sale of said bonds to meet the obligations of the said contract.

Suppose that this bill should pass next Monday and immediately after Mr. Shepherd comes to the Treasury and deposits a million and a half dollars. What then is the situation? Judge Shepherd's company will draw 6 per cent on a million and a half dollars until some time in the future when we dispose of the Indian lands. So that provision does not amount to shucks in the bill.

What could the committee do about this? It was difficult for us to decide. I tried to work out a limitation like we did in the other cases; but here is a valid contract, and we can not see a way to work it out; and so we concluded to let the other fellows worry about it and see what they can work out. They have the situation in their own hands. Judge Shepherd and the Secretary of the Interior can abrogate the contract and restore the original plan any time they want to with modifications that changed conditions have made necessary. So we have put a limitation in the bill simply that no part of this appropriation shall be used for further construction of the American Falls Reservoir.

Now, when the bill comes up on the floor of the House my friend from Idaho may be able to offer a limitation that will protect the Government and sweep away these entanglements that Judge Shepherd has fastened on the Government. Then the Committee of the Whole will be ready to consider the limitation and possibly a restoration of the item of six hundred and some odd thousand dollars that was stricken from the bill. If the letter I have quoted does not postpone all demands, then, as no payments have been made, the company has under the contract forfeited its right in the option of the Secretary.

Now, there is one other item—the Newlands project—containing an item of \$245,000 for beginning the Spanish Spring Reservoir. It is about a \$7,000,000 proposition. The present project is having a lot of trouble. I asked the commissioner of reclamation, Mr. Davis, did he consider this proposed new extension as a feasible one. He said that the field commissioner, Mr. Cannon, had been out there, and he would answer the question. I asked Mr. Cannon this question.

The existing project construction charges due and unpaid amount to \$24,590, and the operation and maintenance charges unpaid \$92,139. Let me ask you a question; first, Mr. Cannon, I suppose you have been on the Newlands project a number of times. Do you consider that the agricultural possibilities and the marketing facilities are such that the Government is justified in attempting this new extension if it is going to cost the settler \$100 an acre for his water-rights facilities? Mr. Cannon said, "Not at this time." Then I asked him, "You do not think it is feasible at this time?" and he said "No sir." And we struck it out.

There is one item where we put something in that was not in the Budget—the Baker project in Oregon. I will read briefly in regard to that from my statement taking this up in the hearings:

We will return, gentlemen, to one item that is not carried this year in the bill, the Baker project of Oregon. In taking up the consideration of that item, I think I should make this statement. I have heretofore said that it is not the policy of this committee to give consideration to appropriations for any new project in the 1925 bill. I have, however, emphasized in the course of the hearings that Congress, in 1914, took from the Reclamation Service the authority to designate new projects and expressly reserved that authority to itself.

The procedure has been to make those designations through the appropriation bills for construction purposes. The Congress appropriated in the 1923 bill \$400,000 for the Baker project and in the 1924 bill \$500,000. The 1923 appropriation substantially lapsed, and I understand it is expected that the current appropriation substantially will lapse, as they are not available beyond the year for which they are appropriated.

As I have suggested this morning, Commissioner Davis, if, following the designation of a project by Congress, the Reclamation Service should secure new information which gives it reason to believe that the project is not feasible, I think the service would do the right thing to defer action until Congress can be made acquainted with the facts, and then Congress may make the decision.

It is to be remembered, however, the decision is for Congress and not for the Reclamation Service. The action of Congress for two successive years has been to designate the Baker project. No explanation has come to Congress from the Reclamation Service as to its failure to proceed with the construction of the project as instructed by Congress, or its failure to ask from the Congress or the Budget a further express appropriation for the Baker project. The committee owes it to Congress to investigate fully such a situation.

That was the situation when we had up the item, and we went ahead and heard people from that locality and gave the matter much consideration. We investigated the past hearings, went into the question as fully as we could, and as a result there is carried in this bill a reappropriation, not a new item, of the 1924 item or whatever remains of the \$500,000 appropriation. Since that time we have had some information that the department was holding up its decision until it heard from the Agricultural Department. My information is that, more or less, the Agricultural Department has overruled the findings of the reclamation engineers as to certain engineering features of the project, but I suppose that will be discussed more when we reach that item in the bill.

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

Mr. CRAMTON. Yes.

Mr. LEATHERWOOD. Has the report of the Agricultural Department been given to the committee?

Mr. CRAMTON. Yes; after this bill was reported to the House.

Mr. LEATHERWOOD. Will the gentleman be kind enough to inform the committee what that report contains?

Mr. CRAMTON. I gave the gentleman a statement that, in my judgment, the Department of Agriculture has overruled the board of engineers of the Reclamation Service as to a number of irrigation engineering problems; but the Interior Department has not yet stated in their transmission of that information to Congress whether or not to-day or at all the Interior Department wants to term the Baker project as either feasible or nonfeasible; whether the Interior Department still supports its own board of engineers or accepts the verdict of the Agricultural Department. We will discuss that more when we reach that item, I suppose.

Mr. LEATHERWOOD. I wondered if the gentleman would be kind enough to give us that report? Would the gentleman make it a part of his remarks?

Mr. CRAMTON. It is a very voluminous report, but the gentleman will have full opportunity to examine it. It is on my desk.

Mr. LEATHERWOOD. It is not as voluminous as that contract, I think, to which the gentleman recently referred.

Mr. CRAMTON. Oh, I am not going to put that into the Record, but I think I shall put in the language in it that I have challenged. I do not think I want to put that whole report in, but the gentleman has full liberty to examine it, as has any other Member of the House.

Mr. COLTON. Do I understand the gentleman to take the position that an appropriation is tantamount to a direction to the Secretary of the Interior to proceed?

Mr. CRAMTON. Without answering that specifically, because it is not necessary under the circumstances of the case, when the Budget recommends an item and the President of the United States over his signature sends that Budget to the Congress and this Congress puts the item for the project in an appropriation bill, and the President signs that appropriation bill, then the President has approved the item, and Congress has approved it and it is approved. [Applause.]

Mr. LEATHERWOOD. Does the President when he signs that pass upon the economic feasibility or practicability of the project?

Mr. CRAMTON. No; I would not say that the President, when he sends in the Budget, which is 3 inches thick, of fine print, goes into the details of every item; but I was thinking of the technical question the gentleman from Utah [Mr. COLTON] raised. The President has approved this. What he considered and did not consider I do not know.

Mr. LEATHERWOOD. Does the gentleman's committee contend that there must not be a discretionary power vested somewhere as to the advisability of construction?

Mr. CRAMTON. I think I have set forth my theory very carefully in two places in the hearings as to that. In one of those places I have already read what I said, that I thought the Commissioner of Reclamation did his duty, when we made an appropriation and he had new information that Congress did not have, indicating that the project was not feasible, when he held up construction until he could put that new information before Congress; but that is not the situation that is now before us.

I come now, Mr. Chairman, to the Bureau of Education. We gave them \$110,000, about \$17,000 above the Budget, to promote medical relief to the natives of Alaska, a very desirable item.

I shall put into the Record a summary that appears in the report of the action of the committee as to the items of the various bureaus, demonstrating that we have only increased the items of the Budget as to any bureau in two cases; one the Patent Office, for the reason stated, the other a small amount in the Bureau of Education.

Summary.	Appropriation for 1924.	Budget for 1925.	Bill for 1925.	Above or below 1924 appropriation.	Above or below Budget.
Secretary's office....	\$1,461,020	\$1,713,490	\$1,671,340	+ \$210,220	- \$42,250
General Land Office.	2,892,660	2,970,440	2,783,420	-109,340	-187,020
Indian Affairs, Bureau of.....	11,317,655	11,001,496	10,951,020	-366,635	-50,476
Pension Office.....	254,774,660	232,120,680	224,616,000	-30,158,660	-7,504,680
Patent Office.....	2,395,485	2,668,800	2,808,800	+413,315	+140,000
Reclamation Service	12,250,000	10,981,000	9,946,000	-2,304,000	-1,035,000
Geological Survey....	1,670,190	1,805,272	1,642,760	-27,430	-162,512
Mines, Bureau of....	1,769,700	1,909,573	1,890,700	+121,000	-18,873
National Park Service.....	1,689,730	1,733,250	1,747,035	+57,305	-6,215
Education, Bureau of.....	644,260	680,720	702,380	+58,120	+21,660

Summary.	Appropriation for 1924.	Budget for 1925.	Bill for 1925.	Above or below 1924 appropriation.	Above or below Budget.
Government in the Territories, and Alaska Railroad...	\$2,150,540	\$1,845,910	\$1,320,910	-\$829,630	-\$525,000
St. Elizabeths Hospital.....	1,146,500	1,520,000	1,008,000	-138,500	-512,000
Columbia Institution for the Deaf..	107,000	109,000	109,000	+2,000	.....
Howard University.....	232,500	815,000	365,000	+132,500	-450,000
Freedmen's Hospital	172,800	174,700	165,700	-7,100	-9,000
Increase of compensation.....	2,845,309	.....	.....	-2,845,309	.....
Grand total, Department of the Interior.....	297,520,009	272,099,331	261,727,965	-35,792,044	-10,341,366

Mr. Chairman, I have taken a lot of time. I do not think that I have ever since I have been a Member of the House taken up so much time on one occasion as I have upon this. However, I have felt it incumbent as a matter of duty to the House and to the Committee on Appropriations to make this presentation in extenso. There are a number of new men sitting in Congress. This is the first great annual appropriation bill on which they are called upon to act. Let me remind them, and let me also remind those who have been in Congress longer, of a fact which commonly escapes the consideration of business men and business organizations throughout the country who are flooding us day by day with a demand for a reduction of taxes. They seem to forget what ought not to be forgotten—that you can not continually increase appropriations and at the same time reduce taxes. There must be an intimate connection between the amount of money that the Government spends, set forth in its appropriation bills, and the amount that it collects, set forth in its tax bills. I hope, however much you may question the judgment of the Committee on Appropriations, especially the judgment of the subcommittee, and we are not infallible, nor do we claim to be so, that in so far as your best judgments will permit, you will grant us your cordial support in the consideration of this measure. I thank you. [Applause.]

Mr. TAYLOR of West Virginia. Will the gentleman permit a question?

Mr. CRAMTON. Certainly.

Mr. TAYLOR of West Virginia. May I inquire concerning the appropriation for the Bureau of Mines as to how it compares with the estimates?

Mr. CRAMTON. Well, generally speaking, there is some little increase. We gave an increase of \$15,000 for a certain item to make possible a certain silver investigation, which will probably be discussed further, and there is a reduction of \$23,000, which was with the consent of the head of the bureau, because of a development since the estimate was made up, and so the net appropriation for the bureau is under the Budget estimate.

Mr. ROACH. Will the gentleman permit a question?

Mr. CRAMTON. Somebody will throw me off the floor.

Mr. ROACH. I simply want to ask this question.

Mr. CRAMTON. I am perfectly willing to yield to the gentleman.

Mr. ROACH. Can the gentleman inform the Members of the House what the salaries of the president, the vice president, and superintendent of the railway in Alaska are? This does not seem to be contained in the hearings.

Mr. CRAMTON. There has been a reorganization of the Alaskan Railroad. The Alaska Engineering Commission is done away with and a railroad man has been sent up there as general manager at a salary of \$6,500 a year. I know of no vice president, but this man is the general manager.

Mr. ROACH. And the manager does not draw such a salary as usually presidents of railroads—

Mr. CRAMTON. There is a limitation in the law of \$10,000, and he only draws \$6,500.

Mr. ROACH. Another thing: Are the increases in salaries of the several departments in this bill, which amount in the aggregate to \$816,115, entirely due to this classification act of 1923?

Mr. CRAMTON. The chairman of the full Committee on Appropriations [Mr. MADDEN] covered very fully, and much better than I could do, the question of salaries. I will say in response to the gentleman's question that in this bill—it may not be the case of the other bills—it fixes no salaries whatever. We are not a legislative committee. The salaries have been

fixed under the classification act of 1923 as worked out by the board created by that act, and the salaries paid from the sums carried in this bill will be those fixed by that act. The total of the salaries referred to is less than the Budget total, so that the adoption of this bill will require the various bureaus to absorb a part of the increase of salaries due to the classification act.

Mr. ROACH. I do not want the gentleman to misunderstand me as to the amount recommended by the Bureau of the Budget to the Appropriation Committee. What I am referring to, if I have made my figures correctly, and I believe I have, is, there is an increase in salaries in this bill—

Mr. CRAMTON. I think the gentleman is wrong as to that.

Mr. ROACH. Of \$816,155 over the appropriations made—

Mr. CRAMTON. Has the gentleman included in his calculation the amount allowed the Interior Department for payment of the \$240 bonus? If not, he would be very much in error.

Mr. ROACH. I am just taking the gentleman's own report and accepting it.

Mr. CRAMTON. I will not pass on the gentleman's figures, but if the gentleman will combine the salaries in the 1924 bill and the \$240 bonus which was in a different bill he will find the total salary increase carried in this bill, because of the reclassification act, is only \$200,000 or \$300,000, and if I remember, it is only 4 per cent of the total salaries of the department.

Mr. ROACH. In the appropriation bill of last year the amount of salary paid to each and every individual in the Interior Department was specifically mentioned.

Mr. CRAMTON. No; the gentleman is very much in error. I do not believe 25 per cent—

Mr. ROACH. I have in my hand a copy of the act and I read the names of the persons receiving salaries and the amounts of salaries they are to receive.

Mr. CRAMTON. That is in some items.

Mr. ROACH. In the office of the Secretary himself.

Mr. CRAMTON. That is true. I thought the gentleman spoke of the whole bill; there are many—

Mr. ROACH. There are 57 in the Secretary's office.

Mr. CRAMTON. That is due in part to the transfer of \$15,000 from the surveying item for services in the District of Columbia that has been carried there heretofore and now transferred to the Secretary's office, and other transfers which I can not enumerate. In addition to that the gentleman has probably overlooked the bonus item which was not carried in this bill last year.

Mr. ROACH. One more question and I will close.

Mr. CRAMTON. I will yield to the gentleman, although I think I have trespassed much on the House.

Mr. ROACH. I hope I am not trespassing on the patience of the House.

Mr. CRAMTON. I feel that I am.

Mr. ROACH. If the House feels that I am, I will sit down. The gentleman has made me forget the question I wanted to ask of him. [Laughter.] Oh, I do want to call this to the attention of the gentleman, that there are evidently numerous increases of salary to the officials of the various bureaus of the Interior Department.

Mr. CRAMTON. Yes, sir.

Mr. ROACH. The question I asked of the gentleman and the information I desired was whether or not that was actually due to the reclassification act of 1923 or otherwise?

Mr. CRAMTON. It is due absolutely to the reclassification act. The committee has not fixed a single salary in this bill. We have accepted the salary fixed by the Reclassification Board under the reclassification act of 1923, as we are bound to do, because we are the servants of the House.

Mr. ROACH. Then you have not raised a single salary?

Mr. CRAMTON. The committee has not, but the reclassification act has.

Mr. ROACH. I wanted to know if these raises were due to the reclassification act.

Mr. CRAMTON. Absolutely. On page 1013 of the hearings you will find a list of all the salaries in the department as fixed by the Reclassification Board, but the total of those salaries is not appropriated, and they must absorb part of it by cutting down their pay roll. I thank the House for its patience.

The CHAIRMAN. The time is in the control of the gentleman from Michigan [Mr. CRAMTON] and the gentleman from Oklahoma [Mr. CARTER].

Mr. CRAMTON. I yield to the gentleman from Iowa [Mr. HULL] such time as he may desire.

Mr. HULL of Iowa. Mr. Chairman, I want to ask unanimous consent for the insertion in the Record of a memoran-

dum by Mr. Merrill, secretary of the Federal Power Commission, containing an offer for Muscle Shoals, with some remarks of my own.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to extend his remarks in the Record in the manner indicated by him. Is there objection?

Mr. ALMON. Reserving the right to object, Mr. Chairman, the paper referred to is not an offer for Muscle Shoals. It is a communication from the Alabama Power Co. and eight other power companies, addressed to the Federal Power Commission. It is a matter of national interest.

Mr. CRAMTON. I hope the gentleman from Iowa will withdraw it if it is going to be objected to.

Mr. ALMON. I do not intend to object, but I wanted to make a statement in connection with it. I will make my statement later on if it is not in order now. I do not object.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HULL of Iowa. Mr. Speaker, under the leave granted to me to extend my remarks in the Record, I include the following:

LEGISLATION—MUSCLE SHOALS.

FEDERAL POWER COMMISSION,

Washington, January 8, 1924.

Hon. HARRY E. HULL,

House of Representatives.

MY DEAR MR. HULL: Reference is made to your letter of November 23, and my reply of November 24, concerning a request made to certain southern power companies in the States surrounding Muscle Shoals to make a statement of the price they would be willing to pay for power which might be developed at the plant now being constructed by the United States. I am to-day in receipt of a reply, signed by officials of the—

Columbus Electric Light & Power Co.

Carolina Power & Light Co.

Yadkin River Power Co.

Asheville Power & Light Co.

The North Carolina Electric Power Co.

The Tennessee Electric Power Co.

Memphis Power & Light Co.

Alabama Power Co.

Central Georgia Power Co.

I am transmitting the original to you, together with a printed copy of the letter.

Very truly yours,

O. C. MERRILL,
Executive Secretary.

THE TENNESSEE ELECTRIC POWER CO.,

Chattanooga, Tenn., January 8, 1924.

Hon. O. C. MERRILL,

Executive Secretary Federal Power Commission,

Washington, D. C.

DEAR SIR: We acknowledge receipt of your letter of November 24, 1923, requesting the companies joining in this letter to advise you concerning the price that could probably be secured for electric energy available on completion of Wilson Dam, Muscle Shoals, in July, 1925.

In response the undersigned companies submit the following plan for utilizing the hydroelectric power at Muscle Shoals which would permit the use of a substantial part of the power for the production of fertilizer; would place the Muscle Shoals power under the protection and regulation of the Federal water power act; would enable the Government to collect during the 50-year period approximately \$100,000,000 rental and still retain ownership of all its properties.

The power transmission lines in the southeastern States of Tennessee, Georgia, Alabama, North and South Carolina are interconnected in a superpower system which permits of the interchange of power from one company to another, and thus an excess of water power at any point is made available to meet the public needs at any other point on the system. The Government steam plant in the Muscle Shoals district for several years has been operated under temporary lease for the benefit of the entire superpower system, from which power is furnished for use in Alabama, Georgia, and in the Carolinas, an extreme distance of over 600 miles from Muscle Shoals.

Government engineers have made several reports of the best method of utilizing the Muscle Shoals power. In the first report (1913) it was recommended that Congress undertake the power development in cooperation with a power company with the view of coordinating the widely varying water flow of the Tennessee River with water powers on other rivers in Alabama. (H. Doc. No. 20, 63d Cong., 2d sess.) The great variation in water flow at Muscle Shoals would thus be equalized, and it was shown that the power produced by this plan would be at least twice the power produced at Muscle Shoals without such coordi-

nation. This recommendation was again made to Congress in 1916 (H. Doc. No. 1262, 64th Cong., 1st sess.), but action was suspended until it should be decided whether the Muscle Shoals power would be utilized for a nitrate plant.

Again, in 1921 it was recommended in a report by Government engineers, submitted through the Chief of Engineers to the Secretary of War, that the best method of utilizing this power in the interest of the public of the South was to coordinate it with the southern superpower system, thereby enabling the companies to supplement the Muscle Shoals power by building storage developments on various streams and steam plants in the coal fields, the recommendation being as follows:

"144. The best economy and reliability can not be secured by any one development, whether it is hydropower by flow of stream or by storage or steam power, but will be obtained by a suitable combination of these different sources and by the interconnection of the systems supplied by them. Muscle Shoals has been selected by the Government as a favorable location for the production of cheap power. The proposed design will furnish 100,000 kilowatts of prime power and 200,000 kilowatts of second-class power in an average year. The steam plant of 60,000 kilowatts which the Government has installed at Muscle Shoals is capable of converting a portion of the second-class power into prime power. But this combination with a steam plant at Muscle Shoals, regardless of whatever economy may result, can not be, broadly speaking, as favorable for all interests, either the Government interests or private interests, as a combination of the Muscle Shoals steam and hydro powers with an interconnected group of public-utility systems as described in this report. To segregate the Muscle Shoals power facilities from the other systems of the country is contrary to the policy recommended and strongly advocated, that is, of interconnecting all of the efficient going power systems and jointly operating them for maximum economy. The same principle which works for increased economy by interconnecting the public-utility power systems of the Southern States applies to a further interconnection including the Muscle Shoals plants; and in the interest of cheap and reliable power the law should be changed and the interconnection and joint operation of all of the developed powers should be provided for." (The Power Situation During the War, pp. 264-265.)

Large storage reservoirs are now in existence and others are planned or under construction in Tennessee, Georgia, Alabama, and the Carolinas, all of which will be connected with this superpower system. These developments, together with steam plants in the coal fields, will permit of the use from year to year of increasing amounts of the secondary power at Muscle Shoals.

The entire Muscle Shoals power can be absorbed in the South within a period of not exceeding 10 years from the completion of the project. This would involve its transmission to power-consuming centers, including the adjacent and intermediate territory of Memphis, Chattanooga, Knoxville, and Nashville in the State of Tennessee; various communities in Georgia and in the Carolinas, extending as far eastward as Wilmington; Birmingham and Montgomery and other sections of Alabama; and with a further extension of the superpower system can be made available in the Mobile and New Orleans districts and in the State of Mississippi and portions of Florida, including the port city of Pensacola.

To carry out this plan, one or more of the undersigned would be prepared to submit a proposal which would contemplate the organization of a company to lease the plant for a term of 50 years under the terms of the Federal water power act, and would agree to pay a rental to the Government sufficient to meet all interest charges on expenditures on the project to the time of its completion, including the \$17,000,000 expended during and just after the war. This total expenditure, we understand, will be approximately \$45,000,000 on the assumption that the Government installs eight generating units in the hydroplant, to which should be added \$4,500,000, the present value of the Government steam plant at Muscle Shoals, making a total of approximately \$50,000,000 as the basis for interest charges. This interest return, therefore, taken at the Government rate of 4 per cent amounts to approximately \$2,000,000 per annum, which the licensee would be prepared to pay. If the Government installs additional power units beyond eight, the return to the Government should be increased accordingly. If the Government desires to sell the steam plant mentioned, one or more of the undersigned would be prepared to purchase the same at \$4,500,000 on terms satisfactory to the Government. The rental for the first six years should be at the rate of \$300,000 per annum; for the next four years \$1,500,000 per annum, increasing the following year to the maximum rental.

During the first few years of the lease it would be necessary for the power companies to expend not less than \$10,000,000 in new lines, additional units, and other equipment necessary to transmit and deliver the power to various parts of the South. In addition, the licensee would assume all the obligations of the Federal water power act, would relieve the Government of the expense of providing additional power units in excess of eight and the responsibility of operating and maintaining the power plant throughout the lease period, all of which would be

assumed by the licensee. The licensee would also supply the necessary power to operate the Government locks without expense to the Government, the latter to operate the locks.

The license should provide that whenever the safety of the United States demands, the United States would have the right, as more fully provided in the Federal water power act, to take over and operate the project covered by the license for the purpose of manufacturing nitrates, explosives, or munitions of war, or for any other purpose involving the safety of the United States, for such length of time as should appear to the President necessary for such purposes.

After completion of the necessary transmission lines connecting Muscle Shoals with the distribution system of the South, such as the plan outlined contemplates, practically the entire power resources of the Southern States would thus become available to the Government whenever the national safety required.

The project covered by the license would be subject to recapture by the Government at any time during the license period or at the end of 50 years, under the terms of the Federal water power act.

In case the Government desires to sell the entire hydroelectric power plant at a fixed sum, as suggested in the message of the President to Congress, we beg to say that one or more of the undersigned will be prepared to submit such a plan of purchase, the works so purchased to be operated under the Federal water power act.

Under the plan proposed ample provision would be made for the supply of electric energy for the manufacture of fertilizer at Muscle Shoals, such energy to be supplied at actual cost to the licensee.

We recognize that navigation of the Tennessee River is an important element in this general program and, therefore, Dam No. 3 in the Muscle Shoals section of the river and additional dams further up the river, should, within a reasonable time, be constructed. If this power is introduced into public service, the power demands of the zone surrounding the Muscle Shoals district will increase so rapidly that the additional power from this source can be placed in public service within a reasonable time, and those interested in that project are prepared to go forward, either as a purchaser of the power from the Government under the Federal water power act, the developments to be financed by the Government, or to finance the projects and construct the same under the Federal water power act, suitable recognition to be given the navigation features involved in this project.

There is a large demand in the South for power and it is continually increasing, and we suggest that if the Government desires to proceed along the lines suggested in this letter, it should be done as quickly as possible so as to coordinate the development at Muscle Shoals with other large developments which are either under way or will shortly go forward in various parts of the South.

Yours very truly,

COLUMBUS ELECTRIC & POWER CO.,

By HARRY H. HUNT, *Vice President*.

CAROLINA POWER & LIGHT CO.,

By E. W. HILL, *Vice President*.

YADKIN RIVER POWER CO.,

By RAYMOND H. SMITH, *Vice President*.

ASHEVILLE POWER & LIGHT CO.,

By WM. DARBEE, *Vice President*.

THE NORTH CAROLINA ELECTRICAL POWER CO.,

By FRANK SILLIMAN, Jr., *President*.

THE TENNESSEE ELECTRIC POWER CO.,

By C. M. CLARK, *Chairman*.

MEMPHIS POWER & LIGHT CO.,

By T. H. TUTWILER, *President*.

ALABAMA POWER CO.,

By THOMAS W. MARTIN, *President*.

CENTRAL GEORGIA POWER CO.,

By L. A. MAGRAW, *Vice President*.

Referring to the above offer, Mr. HULL made the following statement:

"The outline of a proposed tender to the Government for the utilization of the power at Muscle Shoals, as made by a group of southern power companies in response to an inquiry by the Federal Power Commission initiated at my request, is the most practical solution yet advanced for one of the most troublesome problems with which Congress has had to deal.

"Not only does the proposed offer provide for a payment to the Government of approximately \$100,000,000 during the 50-year period of the lease, as provided under the Federal water power act, but the interest of the farmer in the potentialities of cheap fertilizer production at Muscle Shoals is thoroughly protected by the reservation of a large block of power provided under the plan, for such arrangements as Congress may desire to make, for manufacture of fertilizer in connection with the nitrate plants. The power not so utilized is thus made available to industry throughout the entire South, from the Carolinas to Louisiana, under the protection and regulation of our established national water-power policy.

"Any fair comparison of the terms of the proposed plan with the Ford offer on Muscle Shoals must serve to show the utter inadequacy of the latter, either from the standpoint of public benefit or of a return to the Government on its \$107,000,000 war-time investment there. Indeed, from almost any standpoint the Ford offer must now appear of doubtful possible benefit.

"The plan now proposed would enable the Government to realize an adequate return on its investment and at the same time retain nitrate plant No. 2 as a stand-by for war, the only assurance it now has for nitrates for explosives in event the national safety required. The Government would retain also other very valuable properties, all of which under the Ford offer would be deeded to the Ford corporation for \$1,500,000 when credit is given for proceeds of the Gorgas sale as proposed, although it now appears the Government can realize \$4,500,000 for the Sheffield steam plant alone. The Government has sold the Gorgas plant for about \$3,500,000, so it will be able to realize \$8,000,000 for only two units of the Muscle Shoals properties. Yet Mr. Ford would pay only about \$1,500,000 for the entire Muscle Shoals plants, which cost originally \$107,000,000.

"In another respect it enables the Government to recover and secure a return on \$17,000,000 invested in the power dam during the war, on which Mr. Ford would pay no return, and the \$17,000,000 would become a total loss.

"It should be pointed out that there is nothing in this plan which would debar Mr. Ford from carrying out his often expressed desire of doing something for the farmers by the manufacture of fertilizer at Muscle Shoals. The nitrate plants are still available to him, with the necessary power, on whatever terms Congress may decide. I want the Government to encourage him or anyone else and afford every opportunity and assistance in the solution of this most pressing problem with the farmer.

"But if Mr. Ford is to engage in the fertilizer business, employing the resources of the Government, it should be under the same guaranties that would be expected or asked of any other man. As chairman of the House committee which visited Muscle Shoals last year, and a member of the Military Affairs Committee, which has handled all legislation having to do with nitrate production for war purposes and for fertilizer since the passage of the national defense act in 1916, I have given time and study to this important problem.

"In any disposition of Muscle Shoals I regard these conditions as fundamental: First, the maintenance of the plants as preparedness against war; second, their utilization, so far as practical, in time of peace for the production of fertilizer; and third, the distribution of the power not so used to the public under regulations which will insure an adequate return on the investment in the power development.

"Last year I prepared a resolution which if adopted would secure these results. I shall reintroduce it to conform to conditions that now exist and will urge its adoption. I believe it will solve this whole question to the satisfaction of everyone who desires that the Government and the public secure the greatest benefit from the enormous investment of public funds at Muscle Shoals.

"No one knows whether Mr. Ford still desires Muscle Shoals. I endeavored, without success, to ascertain in what manner he is willing to modify his offer to meet the new conditions. If he desires to make fertilizer for the farmer, the resolution I shall propose would enable him to lease the nitrate plants on most favorable terms and to secure power for that purpose at an extremely low cost. The power that he may desire for his own operations can be had on the same basis as any other industrial user. The Government would thus retain ownership in extremely valuable properties upon which it can certainly recoup a very large amount of its war investment, which is not possible under the Ford offer."

Mr. ANDREW. Mr. Chairman, I ask unanimous consent to extend my remarks by inserting in the RECORD some correspondence I have had with the Secretary of the Treasury in regard to the various estimates of the cost of adjusted compensation, and a statement which includes a letter of mine to him, a letter from the Secretary to me, a statement of my own in regard to his reply, and pertinent tables.

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

Mr. BLANTON. Reserving the right to object, Mr. Chairman, may I ask the gentleman whether that has any bearing on the conference that is to take place to-night?

Mr. ANDREW. Not so far as I know. But it has considerable bearing on the general question.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDREW. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the following:

(Correspondence between Representative ANDREW and Secretary of the Treasury Mellon concerning variations in the Treasury estimates of the cost of adjusted compensation, and concerning the possibility of reducing taxes by \$320,000,000 and at the same time paying adjusted compensation out of surplus revenues.)

I.

LETTER ADDRESSED TO THE SECRETARY OF THE TREASURY BY REPRESENTATIVE A. PIATT ANDREW, OF MASSACHUSETTS.

DECEMBER 10, 1923.

DEAR MR. SECRETARY: In your letter of November 10 to the acting chairman of the Committee on Ways and Means you state that "the fiscal years 1922 and 1923 have each closed with a surplus of about \$310,000,000," and you recommend a net reduction of taxes amounting to \$323,000,000, but, you add, "a soldiers' bonus would postpone tax reduction not for one but for many years to come. It would mean an increase rather than a decrease in taxes." This would seem to mean that, according to your calculation, the expenditures involved in adjusted compensation would amount to more than \$323,000,000 annually, which is contrary to every published official estimate that I have seen.

In the tables prepared by the Treasury Department for the Finance Committee report upon the adjusted compensation bill (the bill which passed the House and Senate, and was vetoed by the President in 1922) the expenditures for the first three years were estimated as follows:

"(1) If all veterans adopted the insurance-certificate plan, the costs would be—

First year	\$17,687,852
Second year	26,570,305
Third year	29,267,949

"The average cost of adjusted compensation for the first three years on this basis (about \$26,000,000) would be two hundred and ninety-seven millions less than your recommended reduction in taxes.

"(2) If all veterans chose the farm and home aid and land settlement plan (which no one believes more than 25 per cent would do) the costs would be—

First year	\$100,000,000
Second year	210,000,000
Third year	220,000,000

"The average cost for the first three years on this basis (about \$176,000,000) would be \$147,000,000 less than your recommended reduction in taxes.

"(3) If 75 per cent of the veterans adopted the insurance certificate plan, 22½ per cent farm, home, and land settlement aid, and 2½ per cent vocational training, which was considered the most likely exercise of options, the costs would be—

First year	\$77,440,889
Second year	92,177,729
Third year	73,100,962

"The average cost for the first three years on this most probable basis (about \$81,000,000) would be \$242,000,000 less than your recommended reduction in taxes."

The above three groups of estimates were prepared by the Government actuary of your department, and, although they have appeared in public documents for a year and a half, they have never, so far as I am informed, been questioned in any of the committee hearings before which Treasury officials appeared or in subsequent Treasury reports.

In the President's message of September 10, 1922 (when the adjusted compensation bill was vetoed on the ground that we were "face to face with a great emergency" in that "the latest budget figures for the current fiscal year show an estimated deficit of more than \$650,000,000," an estimate which happily proved to be nearly a billion dollars in error), the cost of adjusted compensation was figured approximately as follows:

First year	\$145,000,000
Second year	225,000,000
Third year	114,000,000

"The average expense for the first three years on the President's calculation, the basis of which was not stated (about \$161,000,000), would be \$162,000,000 less than your recommended reduction in taxes."

During the fourth year, according to all estimates, the expense involved would be higher than in preceding or succeeding years, because of the taking over by the Government of unpaid loans made by the banks. Including this exceptional year, the four year averages would be as follows:

(1) Exclusively certificate plan	about \$116,000,000
(2) Exclusively farm and home aid plan	about 222,000,000
(3) Probable option plan	about 153,000,000
(4) Veto message estimate	about 199,000,000

Even the highest of these enlarged estimates which take into account the exceptional fourth year, averages over \$100,000,000 less than the sum by which, according to your statement, taxes may be reduced.

Under these circumstances, I should be very grateful if you would be kind enough to let me know (1) whether, and if so, in what respects you consider these estimates made by your department and by the President were in error, and (2) upon what basis of calculating the cost your statement that "a soldiers' bonus would mean an increase rather than a decrease in taxes" is founded.

Very truly yours,

A. PIATT ANDREW.

HON. ANDREW W. MELLON,
Secretary of the Treasury, Washington, D. C.

II.

LETTER OF THE SECRETARY OF THE TREASURY TO REPRESENTATIVE
A. PIATT ANDREW.

THE SECRETARY OF THE TREASURY,
Washington, December 18, 1923.

MY DEAR CONGRESSMAN: I have your letter of December 10, 1923, in which you submit as the cost of a bonus three tables which appeared in the report of April 20, 1922, from Senator McCumber, of the Committee on Finance of the Senate. A fair representation should, of course, include the fourth year, when the Government is required to take over its burden which under the bill is placed for three years upon the banks of the country. These figures are not estimates of the Treasury Department. The Government actuary, at the request of Senator McCumber, did the mechanical work of calculating the cost based upon the assumptions given him for that purpose by Senator McCumber. The bill in the form submitted never passed the Congress, and, therefore, no necessity for correction of or comment upon the tables arose. The figures you quote from the veto message of President Harding were made by the Government actuary based upon the same assumptions as those given him by Senator McCumber applied to the bill in the form it was submitted to the President. In his message President Harding said:

"The Treasury estimates, based on what seems the most likely exercise of the options, figures the direct cost at approximately \$145,000,000 for 1923, \$225,000,000 for 1924, \$114,000,000 for 1925, \$312,000,000 for 1926, making a total of \$795,000,000 for the first four years of its operation and a total cost in excess of \$1,000,000,000. No estimate of the large indirect cost ever has been made. The certificate plan sets up no reserve against the ultimate liability. The plan avoids any considerable direct outlay by the Government during the earlier years of the bill's proposed operations, but the loans on the certificates would be floated on the credit of the Nation. This is borrowing on the Nation's credit just as truly as though the loans were made by direct Government borrowing, and involves a dangerous abuse of public credit. Moreover, the certificate plan of payment is little less than certified inability of the Government to pay, and invites a practice in sacrificial barter which I can not sanction.

"It is worth remembering that the public credit is founded on the popular belief in the defensibility of public expenditure as well as the Government's ability to pay. Loans come from every rank in life, and our heavy tax burdens reach directly or indirectly, every element in our citizenship. To add one-sixth of the total sum of our public debt for a distribution among less than 5,000,000 out of 110,000,000, whether inspired by grateful sentiment or political expediency, would undermine the confidence on which our credit is builded and establish the precedent of distributing public funds whenever the proposal and the numbers affected make it seem politically appealing to do so."

In order that I may answer your question, the Treasury Department has considered the soldiers' bonus bill in the form in which it was vetoed by President Harding. Taking up each of the three options, the total direct cost if 100 per cent of those entitled to the benefits of the bonus accept farm and home aid, would be \$2,068,662,903, and the average cost for the first four years would be \$475,000,000 a year. If 100 per cent should take the vocational training aid, the total cost would be \$2,318,022,451, of which \$1,300,000,000 would be in the first year and \$1,000,000,000 in the second year. If 100 per cent should choose the certificate plan, the total direct cost (including an estimate of \$23,000,000 a year for the first 20 years for administration), would be \$5,400,526,444, and the average for the first four years would be about \$225,000,000 a year. Senator McCumber assumed that 75 per cent would take the certificate plan, 22½ per cent the farm loan and home aid plan, and 2½ per cent the vocational training plan. He also assumed that a certain amount would be borrowed on the certificates. With the passage of almost two years since the original assumptions were made, it is believed that a more probable estimate now is that there would be 90 per cent who should choose the certificate plan, 9 per cent the farm loan and home aid plan, and 1 per cent vocational training. Since the obvious purpose of the bill is to permit borrowing, it is clear that greater recourse would be had by the certificate holders to this privilege. Account has also been taken of the savings to the

Government by probable failure on the part of at least 100,000 men to receive or redeem their certificates. Based on these estimates, the total direct cost of the bonus would be \$5,085,833,887, and an average for the first four years of over \$250,000,000 a year. A table is attached showing the amounts to be paid each year.

It has been the policy of the United States to make preparation to meet large principal payments coming due at a period in the future by use of a sinking fund, and no other policy is sound. The twentieth year of the bonus would see requirements of nearly \$3,000,000,000. If this sound policy be continued, it is estimated that with some borrowing by the Government during the fourth and fifth years, 21 payments of \$211,476,857 each from 1924 to 1944, both inclusive, if paid annually, would meet the cost of the bonus up to 1944, leaving a balance of about \$650,000,000 coming due in the later years to be met by new legislation.

Your letter of December 10, 1923, calls attention to a statement appearing in my letter of November 10 to Mr. GREEN, to the effect that "A soldiers' bonus would postpone tax reduction, not for one, but for many years to come. It would mean an increase rather than a decrease in taxes."

This is well justified. You must add to the direct cost of \$250,000,000 a year for the first four years of the bonus and the average of \$211,000,000 per year for the first 20 years the enormous indirect cost to the Government. The bill gives the right in the first three years to borrow from the banks of the country, and that this right would be exercised by the great majority of the certificate holders none denies. The consequent demand for credit would raise the interest rates which the Government, as well as the general public, will have to pay on borrowed money. At the same time the mere passage of the bill would depress the price of Government bonds and increase their basis of return. In such a money market the Government would have to take care of the \$8,000,000,000 or its securities which mature within the next five years, and to do so would, of course, have to meet the higher rate of interest. The continuing cost of an increase in interest rates on such a volume of refunding would be very large. The Government, like every other person in the United States, would also have to conduct its business at greatly increased expense, due to the higher price level generally which would inevitably follow the credit expansion and decreased production brought on by the bonus law. Soon the disturbance to business by this and other factors would reduce the income of the people and thus the Government's revenue, so that any estimated surplus would no longer exist and recourse would have to be had to additional taxes.

It must be obvious to any impartial mind that a new obligation of the United States made in time of peace to pay over \$5,000,000,000, of which \$1,000,000,000 comes in the first four years, and an average drain on the Treasury for 20 years of \$211,000,000 a year, which is one-fifth of the total pre-war cost of government, can not be undertaken without serious economic consequences. If such a commitment is made, any reduction of Federal taxes upon a comprehensive plan will probably not be seen in this generation.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

HON. A. PIATT ANDREW,
House of Representatives.

III.

STATEMENT OF REPRESENTATIVE A. PIATT ANDREW OF MASSACHUSETTS
CONCERNING THE EFFECT OF THE SO-CALLED SOLDIERS' BONUS UPON
TAX REDUCTION.

For the past month the whole country has rejoiced in the prospect of lower taxes. So far as I know everybody favors tax reduction in every locality, in every occupation, and regardless of party. This is as true of Congress as it is of the public at large.

The idea has been widely circulated, however, that taxes can not be lifted, or at any rate, to anything like the amount proposed if the so-called soldiers' bonus is to be paid. There has developed a very highly organized effort to persuade the public of this and to enlist their opposition to adjusted compensation upon this basis. It is to this vital phase of the subject that I want to direct attention.

I have no serious contention with those who oppose adjusted compensation on the general ground that it was the privilege of youth to serve the country and that the veterans can have no greater reward than the proud memory of their service in the war. My own personal conviction is that the country treated its veterans with little generosity when they returned. It treated them far less generously than Canada did her veterans. It compensated far less liberally those whose youth and strength and industrial opportunities had been drafted than those who had contracted to furnish shells and steel and aluminum. It left them at a manifest disadvantage as compared with the majority of men of the same age who had remained during the war in civil life. The desire to offer them something more substantial than the banquets and speeches with which they had been welcomed home was very widely felt in the

years immediately following the war. It was quickly espoused by both political parties, in whose platforms it was virtually pledged four years ago. It was registered in the vote of an overwhelming majority of both Houses of Congress. President Harding repeatedly indorsed the idea and voiced his hope that the time would come when such a "bestowal of gratitude" could be made. The years, however, have gone by, and, like a much overdue doctor's bill for services warmly appreciated when rendered, the fulfillment of the pledge has now become annoying to many people and is resented by them. They would rather break faith with their erstwhile defenders than pay the debt which a short while ago was so widely recognized by the public and those in authority. All that is easily understood. It is the way of the world.

What I resent, because it seems disingenuous, is the contention that adjusted compensation must not be paid because the country can not afford it. The argument has taken first one form, then another. First, it was said that the adjustment must be postponed because the Liberty bonds were 12 or 15 points below par. Then when they rose to par it was said that we must wait until payment began to be made upon the foreign loans. Then when England had agreed to pay one hundred and sixty millions or more annually for the next 62 years, other financial reasons were marshaled out. President Harding was induced to veto the bill in September, 1922, on the basis of astoundingly erroneous calculations. He was told, as he stated in his veto message, that the country was face to face with a great emergency in that it was confronted with a deficit of \$650,000,000. Yet, as a matter of fact, in that fiscal year we paid off six hundred and thirteen millions of the Government debt, more than two hundred and eleven millions in excess of all legal requirements, and still the Treasury ended the fiscal year with a balance to its credit of \$370,000,000. The Treasury estimate of its balance sheet for 1923, which the President had been led to quote against the so-called bonus, was more than twelve hundred million dollars in error. To-day the surplus can no longer be overlooked or disguised and the argument on the basis of a deficit is no longer possible. So we are told that adjusted compensation can not be paid if taxes are reduced. I have looked into the figures with considerable care and am convinced that this statement is quite as baseless as that given to President Harding in 1922.

It is not vital to this contention that the successive estimates of the cost of adjusted compensation prepared in the Treasury have grown larger and larger during the past three years. A comparison of the Treasury's calculations shows surprising inconsistencies, even when the basis of calculation is quite unchanged. To cite only two of many instances shown by comparing the estimates made by the Treasury Actuary for the Senate Finance Committee report of June 8, 1922, and those presented by the Secretary of the Treasury in his letter of December 18, 1923. The matters under consideration are identical in both cases and the bases of calculation are the same, yet the figures contained in the Secretary's letter of a month ago are double those made by the Treasury Actuary in June, 1922.

(1) Estimated average of cost of adjusted compensation for the first four years, assuming that all (100 per cent) veterans chose the farm and home aid plan—

Treasury estimate in McCumber report, June 8, 1922..... \$222,000,000
 Treasury estimate in Secretary's letter, December 18, 1923..... 475,000,000

(2) Estimated average cost of adjusted compensation for the first four years, assuming that all (100 per cent) veterans chose the insurance-certificate plan—

Treasury estimate in McCumber report, June 8, 1922..... \$114,000,000
 Treasury estimate in Secretary's letter, December 18, 1923..... 225,000,000

As over 100,000 veterans had died in the period intervening between the two sets of estimates, one would naturally have expected the later estimates to be smaller than the former. But in both cases they were twice as large. The editor of the *World's Work*, a vigorous opponent of adjusted compensation, says in the January number of that review that the Treasury's experts upon bonus calculations "were either bad guessers or they had deliberately misled the public." But even taking the estimates of cost contained in the Secretary's most recent letter, the tables in the last Treasury report indicate that taxes can be repealed and lowered to the full extent recommended by him, and the Government debt can be reduced to the full extent provided by law; yet, nevertheless, every obligation of adjusted compensation from the beginning to the end can be met without further borrowing and without other taxation.

Here are the figures: We had a balance in the Treasury last June of approximately \$370,000,000, and, according to the Secretary's report, we shall probably accumulate during the present fiscal year a surplus of about \$330,000,000. In other words, after reducing the debt by all of the requirements of the sinking fund and other provisions of law, we can, according to the Secretary's estimates, have at the end of the present fiscal year, before any adjusted-compensa-

tion payments are scheduled to begin, a balance of at least \$700,000,000, or nearly twice as much as the Secretary estimates that adjusted compensation will cost for the following three years, or until June 30, 1927, namely, \$364,000,000.

Compensation payments under the pending bill will begin in the fiscal year ending June 30, 1925, when, as the Secretary proposes and most Members of the House and Senate sincerely desire, taxes will be reduced by no less than \$320,000,000. Assuming, then, that taxes are going to be reduced in the fiscal year ending June 30, 1925, by the whole amount that the Secretary proposes, namely, \$320,000,000 per year—the excess of present revenues over present expenditures—it must not be forgotten that according to the President's budget message a reduction in Government expenditures of fully \$260,000,000 is contemplated. If this economy is realized and the remaining sources of revenue average approximately the same—and the Secretary even says that the most important tax reduction which he recommends will actually increase revenues in that "the revenue from the reduced surtax rates will soon equal or exceed what would accrue at the present rates"—in the fiscal year 1925, when adjusted-compensation payments are to start, nearly a billion dollars should be available out of which adjusted compensation can be paid, notwithstanding the very substantial repeal and reduction of taxes. According to the Secretary's most recent estimates of the cost of adjusted compensation, vastly higher though they are than the estimates made by the Treasury Actuary for the Senate Committee on Finance, the cost for the first year will be \$161,000,000—Senate report, \$77,000,000—and for the first four years \$1,000,000,000—Senate report, \$612,000,000. The Treasury, therefore, according to the best information available, should already have on hand in the fiscal year 1925 a sufficient sum to cover even the Secretary's highest estimate of adjusted compensation cost, not only for that year but also for the three succeeding years. In a word, the Treasury can have on hand in 1925 a sufficient balance to meet all compensation payments up to June 30, 1928.

For the following 15 years, according to the Secretary's calculations, adjusted compensation will cost on the average only about \$45,000,000 yearly. If the balance between revenues and expenditures continues the same, which is quite possible even if the tax reduction of this year is followed by further tax reduction in years to come, when the remaining taxes become more fruitful, not only can these payments be easily met out of the Government's surplus income but the estimated heavier payment of the twentieth year to meet maturing insurance will be much more than amply covered by the accumulation of such income.

Congress, in my judgment, can safely reduce taxes at the present time to the amount proposed, with reasonable assurance that the Government's ordinary expenses can be met, the national debt reduced as provided by law, and the long-overdue obligation to the veterans provided for without resort either to new taxes or new loans. Happily we are not obliged to choose between tax reduction and adjusted compensation. We can meet the universal desire to see taxes lowered to the full measure that the Secretary of the Treasury has proposed without in any way repudiating our pledge to the soldiers.

IV.

TREASURY ACTUARY'S ESTIMATES OF COST OF ADJUSTED COMPENSATION FOR SENATE FINANCE COMMITTEE REPORT OF JUNE 8, 1922.

APPENDIX A.

Cost to Government on basis of 75 per cent certificate plan, 25 per cent farm, home, and land settlement aid, and 2 1/2 per cent vocational training, after deducting the cash payments of \$16,000,000.

Calendar year.	Certificate plan.	Farm, home, and land settlement aid.	Vocational training.	Cash.	Total.
1923.....	\$13,265,889	\$22,500,000	\$31,675,000	\$10,000,000	\$77,440,889
1924.....	19,927,729	47,250,000	20,000,000	5,000,000	92,177,729
1925.....	21,950,962	49,500,000	650,000	1,000,000	73,100,962
1926.....	280,229,885	81,000,000	.....	.....	370,229,885
1927.....	61,212,215	87,750,000	.....	.....	148,962,215
1928.....	43,064,284	94,500,000	.....	.....	137,564,284
1929.....	62,251,417	29,925,000	.....	.....	92,176,417
1930.....	36,372,946	.....	.....	.....	36,372,946
1931.....	25,466,117	.....	.....	.....	25,466,117
1932.....	21,955,771	.....	.....	.....	21,955,771
1933.....	18,503,421	.....	.....	.....	18,503,421
1934.....	18,788,137	.....	.....	.....	18,788,137
1935.....	19,136,157	.....	.....	.....	19,136,157
1936.....	19,488,037	.....	.....	.....	19,488,037
1937.....	27,405,210	.....	.....	.....	27,405,210
1938.....	27,854,752	.....	.....	.....	27,854,752
1939.....	28,409,290	.....	.....	.....	28,409,290
1940.....	13,991,518	.....	.....	.....	13,991,518
1941.....	-7,783,804	.....	.....	.....	-7,783,804
1942.....	-104,498,263	.....	.....	.....	-104,498,263
Total to 1943.....	655,991,670	412,425,000	52,325,000	16,000,000	1,136,741,670
1943 to 1966.....	2,708,917,811	.....	.....	.....	2,708,917,811
Total.....	3,364,909,481	412,425,000	52,325,000	16,000,000	3,845,659,481

APPENDIX B.
Total payments under certificate plan.
(Basis of 100 per cent choosing this plan.)

Calendar year.	On account of deaths.	On account of maturity.	Loans by Government.	Repayments to Government.	Total net payments of Government.
1923.....	\$17,657,852				\$17,657,852
1924.....	26,570,305				26,570,305
1925.....	29,267,949		\$270,000,000		29,267,949
1926.....	30,639,846		100,000,000	\$40,000,000	35,639,846
1927.....	31,616,287		100,000,000	50,000,000	81,616,287
1928.....	32,419,045		75,000,000	50,000,000	57,419,045
1929.....	33,001,889		100,000,000	50,000,000	83,001,889
1930.....	33,497,261		90,000,000	75,000,000	48,497,261
1931.....	33,954,823		75,000,000	75,000,000	33,954,823
1932.....	34,274,361		75,000,000	80,000,000	29,274,361
1933.....	34,671,228		80,000,000	90,000,000	24,671,228
1934.....	35,050,849		80,000,000	90,000,000	25,050,849
1935.....	35,514,876		90,000,000	100,000,000	25,514,876
1936.....	35,984,049		90,000,000	100,000,000	25,984,049
1937.....	36,540,280		100,000,000	100,000,000	36,540,280
1938.....	37,139,670		100,000,000	100,000,000	37,139,670
1939.....	37,879,053		100,000,000	100,000,000	37,879,053
1940.....	38,655,358		100,000,000	120,000,000	18,655,358
1941.....	39,621,595		100,000,000	150,000,000	-10,378,405
1942.....	40,668,984		50,000,000	230,000,000	-139,331,016
Total to 1943.....	674,655,560		1,800,000,000	1,600,000,000	874,655,560
1943 to 1966.....	53,835,961	\$3,533,034,454	300,000,000	295,000,000	3,611,890,415
Total.....	728,491,521	3,533,034,454	2,100,000,000	1,895,000,000	4,486,545,975

APPENDIX C.
Vocational training.

(Basis of 100 per cent choosing this plan.)

Calendar year:	
1923.....	\$1,237,000,000
1924.....	800,000,000
1925.....	28,000,000
Total.....	2,065,000,000

APPENDIX D.
Farm and home aid and land settlement aid.
(Basis of 100 per cent choosing this plan.)

Calendar year:	
1923.....	\$100,000,000
1924.....	210,000,000
1925.....	220,000,000
1926.....	360,000,000
1927.....	390,000,000
1928.....	420,000,000
1929.....	133,000,000
Total.....	1,833,000,000

V.

SECRETARY OF THE TREASURY'S ESTIMATES IN HIS LETTER OF DECEMBER 18, 1923.

Estimated annual direct cost of the bonus to the Government, 90 per cent choosing the certificate plan, 9 per cent the farm and home aid plan, and 1 per cent vocational training, upon basis of going into force January 1, 1924.

Year.	Certificate plan.	Farm and home aid.	Vocational training.	Total.
1924.....	\$65,229,002	\$67,701,000	\$13,000,000	\$145,930,002
1925.....	56,336,378	45,000,000	10,000,000	111,336,378
1926.....	56,495,781	36,000,000	180,224	92,676,005
1927.....	639,045,183	22,500,000		661,545,183
1928.....	124,312,372	9,000,000		133,312,372
1929.....	34,580,257	6,179,661		40,759,918
1930.....	120,342,607			120,342,607
1931.....	84,714,548			84,714,548
1932.....	58,085,381			58,085,381
1933.....	58,563,589			58,563,589
1934.....	50,042,904			50,042,904
1935.....	50,621,846			50,621,846
1936.....	42,260,565			42,260,565
1937.....	43,056,472			43,056,472
1938.....	52,904,407			52,904,407
1939.....	26,965,985			26,965,985
1940.....	10,129,404			10,129,404
1941.....	1-24,491,319			1-24,491,319
1942.....	1-67,846,370			1-67,846,370
1943.....	1-151,492,206			1-151,492,206
1944.....	2,885,786,816			2,885,786,816
Total to 1945.....	4,215,643,602	196,179,661	23,180,224	\$4,441,003,487
1945 to 1966.....	644,830,200			644,830,200
Total to 1966.....	4,860,473,802	186,179,661	23,180,224	\$5,085,833,687

¹ Excess of receipts over payments.

² Includes \$16,000,000 paid in cash to veterans whose bonus is \$50 or less.

No allowance is made for cost of administering farm and home or vocational training plans, which would be \$3,000,000 a year as a minimum for some six years.

Mr. CRAMTON. Mr. Chairman, I reserve the balance of my time, and will be glad to be advised how much it is.

The CHAIRMAN. The gentleman reserves 48 minutes. The gentleman from Oklahoma [Mr. CARTER] is recognized.

Mr. CRAMTON. Five hours on a side were allowed in the House.

The CHAIRMAN. Yes. The debate began at 10 minutes past 12. Four hours and twelve minutes have been used. Forty-eight minutes are reserved by the gentleman. The gentleman from Michigan has himself used 3 hours and 10 minutes.

Mr. CARTER. Mr. Chairman, I yield to the gentleman from Texas [Mr. LANHAM].

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. LANHAM. Mr. Chairman, there is a widespread interest in the conditions under which the farmers of the country are laboring and in the problems that confront them. Many theories have been advanced concerning the proper remedies to be applied, but it is gratifying that there have been also certain very practical results accomplished. I have here a letter with reference to the distribution of seasonal farm labor, and it is very illuminating in this regard. I think that the information contained in it should be available for the Members of this House. It is brief. It is written by Mr. Francis I. Jones, of the Employment Service of the Department of Labor, and is addressed to the Secretary of Labor. I ask unanimous consent that I may include it in my remarks.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by printing a letter as indicated.

Mr. SUMMERS of Washington. I will say to the gentleman that I think I have received a copy of it.

Mr. LANHAM. I will say to the gentleman that a few Members may have seen it, but it has not been distributed generally to the Members.

The CHAIRMAN. Is there any objection to the request of the gentleman from Texas?

There was no objection.

Following is the letter referred to:

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, December 8, 1923.

Hon. JAMES J. DAVIS,

Secretary of Labor, Washington, D. C.

MY DEAR MR. SECRETARY: I have the honor to submit herewith report of the work done by the Farm Labor Bureau of this service from January 1, 1923, to November 30, 1923, inclusive. I am sure it will interest you to know that in the demands for help, opportunities for service fulfilled, and the number of laborers handled, the Farm Labor Bureau so far this year has surpassed the records of previous years.

The activities of the Farm Labor Bureau have been extended over a far greater area than in other years. The 1923 work was carried on in one-third of the States of the Union, but these States embraced fully one-half of the actual area of the United States. The scope of the work included the handling of a number of the major farm crops. The total number of men recruited and distributed for seasonal farm labor this year by the bureau was 161,083. This is practically 50 per cent greater work than has been performed by the Farm Labor Bureau in any previous year of its history. The establishing of a permanent service at Forth Worth, Tex., in May of this year, proved of inestimable value to the agricultural interests of the State, and particularly to the cotton sections. This office alone supplied to the cotton fields 41,279 men—a distinct accomplishment.

Viewed in the light of work performed, the expenditure of the bureau was extremely low, not exceeding \$30,000. If the continuous insistent demands made upon this service by all the agricultural sections of the country are to be met it will be necessary that additional funds be appropriated in order to provide for the extension and development of the Farm Labor Bureau. In order to bring the Farm Labor Bureau up to where it can perform the maximum amount of service to the country an appropriation of \$80,000 should be made for this particular activity of this service.

The Farm Labor Bureau has not been able to meet all requirements for help that have been made upon it. To some sections from which very urgent calls for service came the bureau was forced to turn a deaf ear. In some of the agricultural territory entered it was able to render only limited aid because funds would not permit the making of a thorough preliminary survey or provide an adequate organization of field men to recruit, direct, and distribute equitably the necessary supply of labor and also afford the necessary publicity. However, in vast territories the Farm Labor Bureau was able to furnish full service by putting a complete organization in the field, maintaining adequate temporary offices at strategic points, thus recruiting sufficient help, directing it to proper distribution points, and then moving it in an

orderly manner so as to meet the individual community needs. In all districts where service was rendered the bureau received full cooperation from the State labor commissioners, who are also the Federal directors of this service, the public employment services of the several States (to which this service makes financial contribution), as well as from the county extension agents, the chambers of commerce, bankers and business organizations, and the individual farmers.

The central office of the Farm Labor Bureau is located at Kansas City, Mo. While this office is the headquarters of the Farm Labor Bureau, it placed 2,359 farm laborers at general monthly and yearly work. The branch service at Sioux City, Iowa, directed 1,724 general farm hands to work in this territory. The Fort Worth (Tex.) office during the first five months of its existence located 607 men on farms for monthly and yearly labor. The locating of general farm hands on the farms of the country is a highly important work, but in the main such service must be performed by the regular State and Federal public employment services, which more nearly cover the field. The Farm Labor Bureau office can serve only the territory directly tributary to its permanent office with this class of labor. It is therefore considered to no extent in the program of this service.

The essential work of the Farm Labor Bureau is, and properly should be, the handling of seasonal farm laborers. It is of primary importance, because not only the well-being of the farmers but the welfare and business prosperity of the entire country demand that proper care be taken of important crops. Securing and directing of seasonal laborers can not be done successfully by the farmers themselves. Since it involves the employment of a vast army of laborers covering many States, it becomes an interstate affair, and therefore can be handled most effectively only by a Federal agency. The successful handling of seasonal labor calls for an organization that specializes in recruiting large numbers of men, that understands how to distribute these men in proper numbers at the right time and to the exact places where needed with the least possible lost motion. This is the real function and work of the Farm Labor Bureau.

In order to handle seasonal labor successfully, the Labor Bureau must know acreages and crop conditions. Its preliminary work must be thorough and accurate, for upon the facts, figures, and general information secured, depends the success of the activities of the bureau. This year the seasonal labor activities of the bureau covered a period of about nine months, beginning in April and continuing throughout December, with the intensive period from June 1 to November 15.

Early in the spring the berry picking industry in Texas and the Ozark districts of Arkansas and Missouri makes its appeal for help. About June 1 the wheat harvest begins in Texas, and as the grain ripens, the work progresses northward through Oklahoma, Kansas, Missouri, Nebraska, Iowa, South Dakota, Minnesota, North Dakota, Montana, Washington, Idaho, and through Oregon and Colorado to a slight extent. Temporary offices in charge of one or more special agents of the bureau for the recruiting, directing, and distributing of seasonal labor were maintained for periods ranging from two to six weeks at important points from Corpus Christi, Tex., to Spokane, Wash. The field offices, which numbered more than 50, were as follows:

Amarillo, Dallas, Waco, Wichita Falls, San Antonio, Corpus Christi, Waxahachie, and Plainview, Tex.; Enid, Okla.; Fort Smith and Texarkana, Ark.; St. Louis and Kansas City, Mo.; Wellington, Kiowa, Pratt, Hutchinson, Great Bend, Salina, and Colby, Kans.; Omaha, Lincoln, McCook, Nebraska City, Hastings, and Grand Island, Nebr.; Des Moines and Sioux City, Iowa; Sioux Falls, Huron, Redfield, Watertown, and Aberdeen, S. Dak.; Minneapolis and Moorhead, Minn.; Oakes, Fargo, Jamestown, Grand Forks, Devils Lake, Minot, New Rockford, Bismarck, and Williston, N. Dak.; Bainville and Great Falls, Mont.; Spokane, Yakima, and Walla Walla, Wash.; Pocatello, Idaho, and Pendleton, Ore.

The two farm crops that have made the greatest demand upon the Farm Labor Bureau are wheat (with the closely accompanying crops of rye and oats) and cotton. Wheat and cotton require distinctly different classes of seasonal labor. Two independent bodies of men, each running into many thousands, must be recruited and distributed to meet labor demands which reach almost across the country.

Many things enter into the handling of harvest labor, such as labor shortages, high transportation rates, low wages, floods, droughts, hailstorms, etc. During the year under review, for a period of at least two weeks, heavy floods delayed the harvest in the big wheat sections of northern Oklahoma and south-central Kansas, which added additional responsibility to the Farm Labor Bureau, as the work had to be done with great rapidity. However, I am glad to state that the harvest moved forward with smoothness and dispatch, and the largest area ever covered by this service was cared for, and no grain was lost.

Cotton picking started in the extreme southern counties of the Rio Grande Valley of Texas about July 1, and will continue in the Plains and Panhandle sections, with favorable weather conditions, until about the close of December. The cotton-picking season is in progress from four and one-half to five months.

In order to provide service for the inland territory, special funds were allotted to the Spokane office. By reason of the excellent work performed by this office the agricultural interests of Washington, Oregon, and Idaho are asking that a permanent farm labor bureau be established at Spokane, and I would recommend that an office be established there. With your approval I propose, if funds are available, to establish several additional farm labor bureaus for next season's work. There should be a farm labor bureau opened in Mississippi at the most strategic point, which would probably be Jackson; also at Denver, Colo.; and in order to give service to Colorado, New Mexico, Arizona, and Wyoming an office should also be located in Utah. The strategic point in Utah, in my opinion, is Salt Lake City. This would take care of the needs of Nevada and southern Idaho.

Respectfully,

FRANCIS I. JONES, *Director General.*

Mr. CARTER. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. STEVENSON].

The CHAIRMAN. The gentleman from South Carolina is recognized for 20 minutes.

Mr. STEVENSON. Mr. Chairman, there is a great deal of criticism at the present day of the courts. It has reached the point where a number of measures are proposed in Congress to practically destroy the power of the Supreme Court of the United States to preserve the rights of minorities by declaring the unconstitutionality of acts passed by Congress and by the various States, even though they are flagrantly unconstitutional.

Whenever that power is taken away from the courts, then the rights of minorities will be gone absolutely, and they will be subject only to the caprice of the political majority which controls any political subdivision. The constitutional right of this country will be unknown, because it will be subverted by the action of any legislative body that concludes to do as it pleases, regardless of the fundamental laws.

It is needless to say that coming from the South, which is usually in the minority, that sentiment finds no harbor in our country. But the very fact that that agitation exists indicates that there is down beneath the surface a distrust arising in the minds of the people for the courts of this country, because the things which crop out here are but the reflection of things that are being entertained in the districts from whence we come.

And why are they losing their confidence in the courts? I want to call your attention to a few things that are going on just now in order to give you some intimation of why. I read in the Evening Star of December 18 the following:

Senator HARRELD, Republican, Oklahoma, called at the White House to-day for the purpose, he said, of "advising the administration against making any more mistakes" in the matter of selecting an additional Federal judge in Oklahoma.

The Oklahoma judgeship controversy has assumed importance because of the effect which political leaders expect it will have on the preference of the Oklahoma delegation to the Republican National Convention.

I read an editorial in another paper, which says:

Senator HARRELD, of Oklahoma, notifies the President that unless his man, Meserve, is put on the bench the Oklahoma delegation to the Republican National Convention will be anti-Coolidge.

The Republican national committeeman from Florida issues a similar ultimatum. He has the delegation from that State in his vest pocket, but is willing to trade it for a judge who will serve for life and wield almost unlimited power over the liberty and property of citizens.

Down in South Carolina we had a vacancy which was filled by transferring a man from the western district, 150 miles away, into the eastern district, to hold court there. For just a minute, let us look at the circumstances and at the inevitable conclusion we must make from the circumstances existing there. The chairman of the alleged Republican Party in South Carolina, who is recognized and who carries the delegation to the national convention, had been appointed marshal of the western district twice by President Harding and twice had failed of confirmation before a committee made up of a majority of Republicans in the confirming body. He failed; why? Because it was shown that in the very court in which he was to be an official he had been convicted of embezzlement of United States funds from the post office when he was postmaster, and had paid his penalty; because it was shown that he had sold post offices all over South Carolina at the rate of from \$150 to \$2,000 apiece; because it was shown that he had a man appointed postmaster in the city of Orangeburg, one of the first-class offices in the State, and had authorized him to represent him in distributing the other post offices; and that man had written to an applicant for a post office, a lady in an adjoining town, and offered to guarantee her the office for

§500; but instead of coming across she turned over the letter, and that postmaster was rejected by a Republican committee in the confirming body.

Ah, yes, gentlemen, this man who had been appointed marshal and who carried the vote of South Carolina to the Republican convention was rejected a second time and then appointed to a recess appointment; then when President Harding died and a new President came in he found that situation confronting him, which meant another rejection in the confirming body. Well, what did he do? He called in Mr. Slemp, who knows South Carolina politics of the Republican order; they called in Mr. Tolbert, and they called in Mr. Cockran, district attorney in the western district, and against whom I have nothing to say, except that he is a party to this transaction. They put the transaction through in one day. Mr. Tolbert resigned his position as marshal, held under a recess appointment, and another man, who is a friend of his, was appointed in his place; Mr. Cockran resigned as district attorney and Mr. Tolbert's nephew, a man utterly innocent of any knowledge of the law, was appointed district attorney in his place to prosecute the blockaders, the bootleggers, and crooks down in that district, and Mr. Cockran was appointed judge in the eastern district. They had everything all right, with the agreement that Joe Tolbert, the man who had been rejected twice over yonder, was to be made the clerk of the court of the eastern district of South Carolina, thereby importing both a judge and a clerk from the western to the eastern district.

What happened? Immediately they had succeeded in tying the chairman of the State of South Carolina to the car wheel of the President; they had put him where the Senate would never shoot at him, and he bragged about it. He came up here to the Republican National Committee two or three weeks ago and he gave out the statement that he was to be made clerk of that court, and having him tied hand and foot to the car wheel of the President, they then increased his vote in the national convention from 4 to 11. That is trading a judicial position for votes all right.

Mr. Slemp has just been on a trip to Florida, and I have no doubt he went there with the intention of getting the vote of that State from the fellow who is said to carry it in his vest pocket, and we find that in Oklahoma an attempt is being made to have the same trade carried out.

Now, what is the result and what will the people of South Carolina in the eastern district say? What will they say about having a man as clerk who will fill the jury box from which names will be drawn to try cases in which the Southern Railway and the Atlantic Coast Line Railway, two great foreign corporations, may be litigating with them? What will they say about having a man to fill the jury box with names of men who will pass on their cases, who himself has been convicted of theft in the same court?

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. COOPER of Wisconsin. The gentleman to whom you refer is Mr. Tolbert?

Mr. STEVENSON. Joseph W. Tolbert; yes, sir.

Mr. COOPER of Wisconsin. He is now clerk of the court?

Mr. STEVENSON. He is to be. He has announced he is to be appointed, and it has not been denied by Mr. Cockran, but, fortunately, Mr. Cockran has not yet been confirmed at the other end of the Capitol.

Mr. COOPER of Wisconsin. And is that the man?

Mr. STEVENSON. Tolbert, who is from South Carolina; yes.

Mr. COOPER of Wisconsin. And you say he was convicted for the embezzlement of public funds?

Mr. STEVENSON. For embezzling funds of the Post Office Department of the United States when he was postmaster at Ninety Six, S. C., as the records on file over yonder at the other end of the Capitol will show.

Now, gentlemen, that is the situation and that is what is destroying the confidence of the people of this country in the court. And when a man is haled into the court of the eastern district of South Carolina to be tried by a jury, and the names of the jurymen are put in the box by this man, who himself has been convicted of embezzlement, and who has been selling post offices and patronage to such an extent that a Republican committee would not stomach him, what is he going to say about getting a square deal in that court? It may be that men will get a square deal in that court, but how are you going to convince them that they will get an honest and square deal when large corporations litigating on the other side have money with which to pay; because a man who will sell a post office will sell a jury; do you not know that? [Applause].

Oh, he said he was collecting this money for a campaign fund. Well, maybe so. I heard a story when I was a boy about a sailor who had been in the war and had had experience in getting prizes that were taken by the Navy and was asked by somebody, "Jim, how did they divide the prize money that you boys got when you captured a ship?" He said, "Why, it was about like this, Cap. They sifted it through a ladder, and what went through the officers got and what stuck we got," and that is about the way with the campaign fund which he collected by selling offices. Now, that is the man who will make up the jury in the Federal courts of the eastern district of South Carolina if that disreputable trade stands. Oh, you may say they did not have anybody over in the eastern district.

The very gentleman who was appointed was backing most vigorously another man, a man who, if appointed, would have been satisfactory to every citizen of South Carolina, and no man would have made any criticism of him. He was backing this other man to the limit, and they told him, "No; for the good of the party you must do this." He had to explain it to his friends, and he explained it as being one of the most embarrassing things that ever happened in his life. He did not want to leave the western district, but they put it up to him that for the good of the party he, and he alone, could take it. Why? For the good of the party. For the good of the administration that is seeking the renomination of a candidate for President, and for no other good.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. STEVENSON. Certainly.

Mr. BLACK of Texas. When the gentleman says, "For the good of the party," how much of a party have they down there in South Carolina?

Mr. STEVENSON. Well, it is so small you would not have to have much more than a meal sifter. It would not do to sift it through a ladder because you would lose it all, and the part that Joe Tolbert represents is simply the dummy, dark part of it. They have some good, respectable Republicans down there, but they can not stay in the same crowd with him, and the result is he is recognized because the crowd that is with him is always right in his vest pocket, and the other fellows will not be carried there. That is the reason the decent Republicans down there are ostracized absolutely by their party. I hate to say these things about the situation going on [laughter], but it is about time that the people of this country should wake up and put their foot down upon this debauchery and destruction of the courts in the minds of our people. If you do not do it, anarchy is the only legitimate result. Mr. Slemp has been down in Florida to get that vote. I guarantee they have it buttoned up everywhere.

This campaign for the Presidency on the Republican side reminds me of a little saying that Josh Billings got off when I was a boy. He said, "From the rising of the sun until the setting thereof you will find a Yankee vociferous to argue and persuasive to swop." Now, the man from the Pacific coast, known as "Roaring Hi," is vociferous in argument; there is no doubt about that, but when it comes to the gentleman in the White House, who is from New England, he is good on trading, and he is trading in the very best way, to get lined up a lot of delegates that do not represent anything, and will do exactly whatever a few men say.

Mr. MORGAN. Will the gentleman yield?

Mr. STEVENSON. Yes, sir.

Mr. MORGAN. Will the argument you are presenting now apply to the Democrats?

Mr. STEVENSON. Of South Carolina?

Mr. MORGAN. Yes.

Mr. STEVENSON. If the gentleman would come down and participate in a primary election there, he would find out whether anything like that could get by down there or not. We hold primary elections down there and settle our issues among the white folks, and there are 180,000 white folks who vote in the primaries, and they generally settle these questions, and a man who undertakes to go in and make trades like that generally gets what Paddy gave the drum, and he is generally left at home.

Now, gentlemen, this is no laughing matter. It may be a serious matter to some people. If this kind of a trade, a frame-up, to move a citizen 150 miles from one district to another and make him a judge over people that he is not a citizen with, in order to put a fellow in office for the life of that judge—because there is no termination to the office except the will of the judge—a man who can frame the juries, who can draw the juries, who is most nearly associated with them, whose word will go with a great many of them on every issue; a man that everybody knows can be bought; a man who has bought and sold, as he has, appointments to post offices; if you

are going to give him this right, forsooth, because he has a little power to take some dummy, dusky delegates to a national convention; if you are going to give him the right to frame the juries for the white and colored people both who litigate in that court, then you are going to destroy the very foundation of the courts by destroying the confidence of the people in them; and I say it is time we take notice of such a situation, and to-day I have introduced a bill that adds to the qualifications of a district judge that he shall, when appointed, be a qualified elector of the district for which he is appointed. I hope this House will take it up and pass it.

Mr. ABERNETHY. How will the gentleman get a Republican judge in his territory?

Mr. STEVENSON. We have a better Republican lawyer in that territory than the man appointed, but he would not appoint Joe Tolbert clerk, and therefore he could not possibly get the job. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from South Carolina yields back two minutes.

Mr. CARTER. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JEFFERS].

Mr. JEFFERS. Mr. Chairman, on January 8 it was my privilege to have the floor for a few minutes when I endeavored to make some remarks concerning the delay in the creation of a new committee to handle legislation affecting war veterans. At the conclusion of my remarks my friend from Ohio [Mr. BEGG] took the floor, and at the end of his speech he took occasion to make the following reference to what I had said:

My good friend from Alabama [Mr. JEFFERS] says that of course the committee on soldiers could be created in a day. Surely it could. Then he went on to make a speech about the relief of disabled soldiers. There is not a man in the House who will not fight at any time for the relief of the disabled soldier if a disabled soldier needs it, but to my knowledge there is not a disabled soldier who is suffering because of a failure on the part of the legislative body to prescribe a remedy.

I was very glad that the gentleman from Ohio [Mr. BEGG] confirmed my contention that the proposed new committee could have been created a month ago. Now at this time I wish to address myself to that part of the statement made by the gentleman from Ohio [Mr. BEGG] wherein he stated "but to my knowledge there is not a disabled soldier who is suffering because of a failure on the part of the legislative body to prescribe a remedy."

It is my desire now to point out that there are thousands of seriously disabled veterans who are suffering every minute of their lives and who are now waiting legislative action by Congress in order that they may have some relief, at least by hospitalization and in certain classes of cases by both hospitalization and compensation. While they are waiting many of them are dying. Any Member of Congress who is keeping in close touch with the cases of disabled ex-service men that have come to the attention of his office knows that this is true.

Furthermore, I will give you evidence to prove that this condition exists, and not only to prove that the condition exists but to show that legislative action to correct the condition is needed right now; and to show, furthermore, that each day's delay about the formation of this new committee, so that it could get down to work in order to remedy the situation at the earliest possible moment, is, in fact, another day of defeating the idea of "priority for the disabled."

In the first place, I can refer you to the chairman of the Committee on Interstate and Foreign Commerce for confirmation of the statement that consideration of legislation of this character stands suspended pending the creation of this new committee which has been promised. I am not blaming the Committee on Interstate and Foreign Commerce for that, because, under the circumstances, it is but natural that they should view the matter in that light, but I refer to the Committee on Interstate and Foreign Commerce and to their natural attitude on the matter under the circumstances simply to show that needed legislation of this character is at this moment hanging fire in this Congress and will continue to hang fire, and stands suspended until such time as the new committee, which the chairman of the Committee on Interstate and Foreign Commerce knows has been promised, is created.

Now, I will very briefly outline the character of some of the badly needed legislation which has already been referred to the Committee on Interstate and Foreign Commerce. It is undeniable that legislation of the character expressed in these bills, or at least in some of these bills, deserves and should have consideration without delay. Some of these bills were introduced the day the House was organized—December 5, 1923—and others on different dates since that time.

H. R. 2824, introduced by Mr. MILLIGAN; H. R. 3673, by Mr. OLDFIELD; H. R. 3929, by Mr. TILLMAN; H. R. 3934, by Mr. WOLFF. These bills have reference to the hospitalization of disabled war veterans who are in need of hospitalization, whether the compensability of the disability with which the veteran is suffering has been established or not.

The Committee on Interstate and Foreign Commerce has been especially requested to give quick consideration to legislation of this nature, but for reasons which have already been mentioned that committee naturally sees fit to leave this for the new committee which has been promised. I do not undertake to say that any of the above-mentioned bills ought to be passed in their present form, but I do say that the proposed new committee, which will handle legislation of this character, should have been organized so that it could have been at work studying this question at least a month ago.

It is a well-known fact that the Director of the Veterans' Bureau has been on record for some time as being in favor of legislation to enable him to hospitalize these suffering veterans, but he can not do this job by regulation. The situation requires action by Congress. Under date of January 4 the Director of the Veterans' Bureau sent a letter to the Committee on Interstate and Foreign Commerce, with which letter he transmitted a list of recommendations which he had previously suggested to the President of the United States.

The very first one of these recommendations from the Director of the Veterans' Bureau, now in the hands of the Committee on Interstate and Foreign Commerce, is that, in the discretion of the Director of the Veterans' Bureau, hospitalization be authorized for all honorably discharged veterans of any war in need of hospitalization wherever facilities are available and sufficient therefor. And reasons for this recommendation are given by the Director of the Veterans' Bureau to the committee. This recommendation from the Director of the Veterans' Bureau is in line with the idea of bills which have been introduced by Members of Congress which are waiting for consideration. If we had the committee working now, it could at this time be giving consideration to this class of legislation which is so sadly needed, and they could have been giving consideration to it soon after this Congress was organized had the committee been created without delay.

This legislation would permit this aid to be given immediately while these poor stricken service people need it, rather than having to cause them to wait, as at present, pending the determination of the compensability of the claimant's case.

I hold in my hand a letter concerning the case of one poor fellow. This letter is from the Veterans' Bureau, dated June 23, 1923, and it informed me that nothing could be done under the law for this fellow, because the claimant was not able to submit evidence to show that he had active tuberculosis within 36 months after discharge. Evidence had been submitted to show that he had active tuberculosis within practically 38 months after discharge, but that was 2 months over the limit under the provisions of Subdivision II, section 302, of the war risk act, as amended. Now, then, cases of this kind could be hospitalized by the Veterans' Bureau if we had a provision in the law to that effect, and legislation to that end is one class of legislation that is hanging fire. There are thousands of such cases in the United States waiting for congressional action.

Furthermore, in connection with cases of this particular nature, the committee ought now to be considering a proper modification of this law regarding an extension of time concerning the presumption of service connection in active tuberculosis cases of this kind. That is another class of legislation which is desperately needed in a great many cases. In this case to which I have just referred it is already too late, because this poor fellow was in terrible shape when the letter referred to was written, and some time during this last summer he passed on to his final reward. And so delays regarding this needed legislation no longer affect him, but there are many of his comrades who saw service with him for us who are still hanging on, suffering every day, and waiting for remedial legislation.

I hold in my hand another letter from the Veterans' Bureau concerning a similar case. I personally saw this poor fellow when I was down in the district this past summer. He is in awfully bad shape, and ought to be connected with the service, but, pending the establishment of service connection and compensability of his claim, he ought to at least have the benefit of hospitalization by the United States Veterans' Bureau.

The representatives of the Veterans' Bureau find out in the field many such cases, and I believe it is the profound conviction of all who have had any connection or contact with these service men that they should be promptly taken to the Veterans' Bureau hospitals for treatment of their disabilities without

being subjected to the awful and sometimes deadly delay of trying to establish their service connection. I personally know of many such cases.

The gentleman from Ohio [Mr. BEGG] stated that to his knowledge "there is not a disabled soldier who is suffering because of a failure on the part of the legislative body to prescribe a remedy." I would not be afraid to wager the gentleman that there are many such cases desperately in need of remedial legislation in his own home State of Ohio. That statement indicates a really pitiable ignorance on the part of the gentleman from Ohio [Mr. BEGG] regarding this terribly deplorable existing condition.

Mr. BLANTON. Will the gentleman yield?

Mr. JEFFERS. Certainly.

Mr. BLANTON. What makes it more serious is that the distinguished gentleman from Ohio [Mr. BEGG] is the spokesman of his party, and shows that attitude here.

Mr. JEFFERS. Yes. Perhaps he is. I want to mention that many of these poor boys live far out in the country where they are in no position to take care of themselves or to be taken care of, and some of them are in no position to pay traveling expenses and go to some old soldiers' home and present themselves there, with their discharge, and stand the possible chance of being taken in at the old soldiers' home. Furthermore, the old soldiers' homes are not suitable places to take care of these patients, and could not possibly take care of the numbers of them anyway, and one of the things that the Director of the Veterans' Bureau needs legislation now for is that he may be enabled to take out of unsuitable places such boys as are in unsuitable places and institutions and place them in regular Veterans' Bureau hospitals. Legislation is sorely needed right along this line, and the point is that it is not only needed but in many cases it is desperately needed right now, notwithstanding the statement made here on the floor of this House a couple of days ago by Mr. BEGG, that to his knowledge "there is not a disabled soldier" who is suffering because of a lack of remedial legislative action. I personally know of many sad cases, and I know that other gentlemen here know of many other sad cases, too. It is undeniable that there are thousands of cases waiting for congressional action for their needed relief.

Another class of legislation which is needed and which affects disabled war veterans is an act to authorize the payment of traveling expenses for Spanish War veterans as well as others granted hospital treatment. At the present time a Spanish War veteran may be entitled under the law to hospitalization, but without any provision for the payment of his railroad fare to reach the hospital; and many of these poor fellows are in such circumstances and they live so far from the hospital that it is a hardship on them and even an impossibility in some cases for them to furnish the traveling expenses for themselves. Bills providing such traveling expenses for Spanish-American War veterans have been introduced—one by Mr. WURZBACH, for example, and one by Mr. HUDDLESTON—and they are all hanging fire, all action suspended, waiting for the formation of the new committee. Many sadly disabled veterans would be benefited under that law.

I may say that the Director of the Veterans' Bureau included that recommendation also in the list of recommendations which he has already submitted to the Committee on Interstate and Foreign Commerce. Progress on legislation along these lines is absolutely blocked at this time to the detriment of a great many disabled war veterans.

There are before the committee bills providing certain amendments to sections 300, 301, 302, 401, 402, 404, 408, and other sections of the war risk insurance act. Some of these proposed amendments refer to the matter of allowing ex-service people to revive their insurance. This is very important, and a recommendation along this line is also included in the list of recommendations from the Director of the Veterans' Bureau, and this legislation would affect the welfare of thousands of disabled soldiers, as well as thousands of able bodied, and as well also the welfare of their dependents. More than a score of bills are now already before the Committee on Interstate and Foreign Commerce, besides 17 pages of recommendations from the Director of the Veterans' Bureau, all waiting for consideration, but denied consideration until this new committee is formed.

Now, gentlemen of the House, let us hope that those in charge of the program in this House now will delay no longer about the formation of this committee to take up legislation of this character without further delay. [Applause.]

Let me read, in conclusion, a letter dated January 9, 1924, from the national commander of the Disabled American Veterans of the World War. This letter is self-explanatory, and points out the urgent necessity of needed legislation, especially affecting our disabled ex-service people:

DISABLED AMERICAN VETERANS OF THE WORLD WAR,
Washington, January 9, 1924.

HON. LAMAR JEFFERS,

House of Representatives, Washington, D. C.

MY DEAR MR. JEFFERS: I desire to express my appreciation of your activity in attempting to further the cause of priority for legislation for the relief of the disabled, which has been the subject of a vigorous campaign by the disabled American veterans. We are deeply convinced that the people in general, and the former service men in particular, feel that first consideration should be given to those stricken in the national defense.

While there are a number of modifications and regulations by the United States Veterans' Bureau that are desirable, it is utterly imperative that certain legislation be enacted if the justice which the people intend is to be meted out to the disabled. While it is not necessary to enumerate at this time each of these points, I would call attention to the fact that legislation is necessary if we are to have a veterans' affairs committee to give proper consideration and make proper recommendations on the many measures that we have in view. This can not be accomplished by regulations. For instance, President Coolidge is in support of our plea that the hospitals be opened to the men of all wars, and to accomplish this Congress must act.

It is urgently necessary for the completion of the permanent hospital building program which will require enactment by Congress. Retirement privileges are now extended to disabled officers of the Regular Army, Navy, and marines, and the naval and marine emergency officers, but is barred from the permanently disabled emergency officers of the Army. This discrimination against the volunteers, who, after all, bore the brunt of battle, must be eliminated through congressional action.

The presumption of traceability in tubercular and neuropsychiatric cases as diseases incident to service is distinctly limited by law. If this period is to be extended, Congress must pass the measure.

I merely call your attention to these as some of the outstanding points that will require the action of Congress, regardless of any effort on the part of the United States Veterans' Bureau to deal with this vast problem.

Cordially yours,

JAMES A. MCFARLAND, National Commander.

Mr. CARTER. Mr. Chairman, I yield seven minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. UPSHAW. Mr. Chairman and gentlemen of the House, out of a sense of loyalty to that constitutional righteousness "which exalteth a nation" I want to call attention of this House to two Washington conventions, one meeting this week and another that is soon to come. The vanguard of that convention that has so long battled for a stainless and a sober nation is now in session in the ballroom of the Raleigh Hotel daily and nightly and is what is called the Workers' Conference of the Anti-Saloon League of America.

Beginning Saturday and embracing the 16th of January, which is evermore a second Fourth of July in America's moral emancipation, and which this year is to be the quadrennial celebration of our victory in the passage of the eighteenth amendment, some of the notable men and women of America will speak. I want to direct the thought of men who love sober patriotism to the presence especially of one man at that convention. I looked to-day upon the noble, venerable face of Ohio's "grand old man," whose hair is white in the dawn of that morning that awaits him up yonder "where the stars dazzle and the angels sing." It is the face of Dr. Howard H. Russell, of America, father and founder of the Anti-Saloon League. Seven years a practicing lawyer in Ohio, then feeling the call of God to the ministry, he went to Oberlin University to prepare himself for the ministry in the Congregational Church.

He had seen the hurtful division of the forces of temperance and righteousness, how temperance Republicans and dry Democrats were at cross purposes because of partisan prejudice; how Protestants and Catholics, Jews and Gentiles, all claiming to love sobriety, were not getting anywhere because of the lack of a workable and working organization, when there came into his heart and thought the vision that we needed in this country an organization which should bring together all these scattered forces who would say, "One thought binds us together; those who love the American home better than they love the American saloon are invited to shake hands and march in solid phalanx against the common foe." It was this compact

organization which wiped out the lines of political and creedal cleavage that finally outlawed the liquor traffic after nearly 30 years of its own consecrated unselfish endeavor, building on the solid foundation of the basic work of the Woman's Christian Temperance Union and many other societies whose "moral suasions" had been wholesome, but whose sacred sentiments the organized liquor forces had kept from being enacted into law.

Allow me to urge that all my colleagues, regardless of your personal attitude toward these ideals, shall attend these meetings whenever possible. You will get information as well as inspiration from some of the greatest moral leaders of the Nation. A great banquet is to be held at the Raleigh Hotel tomorrow night, when these outstanding statesmen leaders with many law-enforcement friends from the rank and file will hold their high and holy tryst of altruistic fellowship. Holy? Yes. Altruistic? Yes. For they consult for the integrity of the Constitution, and the surest and swiftest triumph of our loftiest national ideals. And then suppose you attend that "wet conglomeration" and see with your own eyes the difference between the spirit that animates the sober "drys" and the wanton "wets." This so-called convention of "liberals" is being called very soon under the auspices of the Association Against the Prohibition Movement. I hold a letter from their headquarters in my hand.

It is "boozy with booze." I learn through a caller at their headquarters that there are to be about 300 plates at the banquet, which is to be the peak of their convention; that 100 tickets are to be sent among the society leaders of Washington by a certain wet Congressman, whose absence prevents my calling his name; that another hundred are to be reserved for out-of-town friends; that 25 of them are to be offered for sale; and that 75 of them are to be distributed among such Members of Congress as wish to attend that convention to discuss the best possible way of undermining the Constitution of the United States and nullifying the present duly enacted enforcement law. If anybody doubts that this statement is well grounded, I hold in my hand a letter from the organization, written to a prominent member of the press gallery. Anyone can see it who wants to. It declares on the letterhead, "Beer and light wines now, but no saloons ever," and yet I have in my possession another statement by them, sent to me, if you please, inviting me to join the association [laughter], revealing the fact that they propose to repeal the eighteenth amendment and go back to the old-fashioned doctrine of State rights concerning the liquor traffic. They know that a number of States in this Union, if they were to have the privilege of State rights in handling the liquor traffic, would wipe out the law and legalize saloons again. We had to apply a national remedy to a national evil, and they know that the debauching saloon would be brought back. Think of their inconsistency! They say here, "no saloons ever," and yet they say in this other statement, "Give us your financial support and we will go back to the good old times."

This organization has published the scathing indictment that the Anti-Saloon League ought to go out of business, because prohibition, they say, is an accomplished fact. Talking to "wets" and appealing for funds, they hold out the promise of repeal, but talking to the "drys" or about the "drys," they say it is in the Constitution, and that there is no reason for this organization to collect the money from the American people just to keep themselves in a job. Yet I have here their money-raising appeal, and they confess that they have 400,000 who have paid \$1 each to join, and they are asking in that paragraph right there [holding up letter] that this gentleman from the press gallery shall send his check for \$50 for a sustaining life membership. Count up, if you please. That means that they are trying to raise, confessedly, \$20,000,000 with which to dynamite the Constitution and defy the flag that we love so well—the flag that has been made stainless in the eyes of the world. I urge that you attend each convention and see which crowd you want to be counted with. [Applause.]

RINGING LETTERS OF INDORSEMENT.

Before the curtain falls on this week's "wet" and "dry" history in this House, I feel that justice to the cause and the friends of prohibition enforcement compels me to incorporate here a few of the letters, picked at random, from the many that have come from every section of the country since my New Year speech on "The majesty of the law and national sobriety." But before these general letters are given I think I will be pardoned for inserting one letter which answers the utterly irrelevant tangent of the gentleman from Maryland [Mr. HILL] concerning the volunteer publicity given that address through the generous enterprise of an unselfish friend of the cause. It is an old favorite way in which the friends of legal "wet-

ness" side-step the main issue. Unable to attack the constitutionality of the eighteenth amendment, they try to becloud the main issue by the childish introduction of irrelevant personalities.

A LETTER OF ROLLICKING GOOD HUMOR.

The following breezy and all-too-generous letter illustrates the case in point and answers the personal fling made by the gentleman from Maryland in his speech on last Monday:

JANUARY 7, 1923.

HON. WILLIAM D. UPSHAW,
Member of the House of Representatives from Georgia,
Washington, D. C.

MY DEAR CONGRESSMAN: Permit me to congratulate you upon your splendid effort on the floor of Congress last Thursday, when you addressed your colleagues on the subject "The majesty of the law and national sobriety." Written and spoken accounts have been indeed numerous and laudatory. The country recognizes in you one of the most forceful speakers of Congress, and what is far more important, a champion of the people in their fight for national decency and the enforcement of law.

I think you will recall that several months ago I wrote you a letter stating my full confidence in you and your work, and you replied in a very happy way, writing the letter in longhand while aboard the train. Some time later I enjoyed the privilege of publishing in a nationally known religious magazine, *The Lookout*, with 130,000 circulation, an article concerning you and your inspiring work for righteousness. I received fine letters in reply from yourself and from the editor of the magazine as well. Well, that "sorter" began the thing, I guess, and since that time I have become sort of an "Upshaw fan," ready and willing at any time to lend my tongue or pen to the cause of law enforcement and national decency, to which you are devoting your splendid ability.

I regretted to learn Saturday that Representative HILL of Maryland expected to-day (Monday) to make a speech in Congress alleging that you had "nominated yourself for the Vice Presidency," in face of the fact that the Associated Press and many metropolitan papers have carried the nomination first made in Boston. In order to clear the mind of the "wet" Congressman from Maryland, therefore, I this morning called him on the phone and stated to him very briefly that I was entirely responsible for the publicity incident to your address. If, therefore, he still persists in making his intended remarks, he does it in the face of the facts to the contrary, plainly and clearly stated to him, and indicates again the pathetic hopelessness of his cause when he must resort to such shallowness to divert the mind of the people from your unassailable logic. Just before the holidays Congressman HILL was guilty of a similar rather cheap method of evading or attempting to becloud the issue when he attacked your right to sit in Congress because only so many out of so many of your constituents had voted for you. Your address of last Thursday certainly silenced that particular gun of that particular HILL and made the "damp" Representative of Maryland look like a mighty ineffective piece of congressional machinery. If this is an illustration of Mr. HILL's logic and arguments for a dying cause, he might as well quit. For he only gives you one chance after another to put him to shame and to convert to the cause of national decency those few who still have not seen the light.

But suppose you had personally issued the publicity in question and admitted that many of your friends want you to be Vice President of these United States? What of it? Is that any crime? Mr. HILL will have a long road to travel if he intends to attack every one who throws his hat into the national political arena. He would have to attack also his "damp" friend from Alabama, Senator UNDERWOOD, who has voluntarily and, according to Mr. HILL's argument in your case, ruthlessly thrown his hat for the Presidency into the political ring; and also his friend Al Smith, of New York, reported to incline toward dampness, who has permitted his friends to speak in the same awful fashion. And HI JOHNSON, who has not been entirely bashful or modestly retiring about admitting that he wants to be President. And some other good folks in both parties who aspire to further honors. There is nothing criminal in being mentioned by friends and the papers or in actually running for office. It has been done by members of the best families since the well-known Hector was a small purp. But apparently it is horrible for Mr. HILL to contemplate your engaging in the great American game, because, forsooth, you are a foe to the indecency of booze.

But all that is beside the point. As a matter of fact, you did not commit this awful crime. Your humble undersigned servant can not tell a lie; he did it with his little typewriter. Modestly do I affirm that I conceived and executed the whole horrible business. Mr. HILL has been told that fact. It is hardly to be presumed that he will be so unfair as yet to make the statements referred to, in the face of the facts which have been stated to him plainly.

But don't be too hard on poor Mr. HILL, Congressman UPSHAW. Remember he represents a rapidly dying cause. He has no real facts

or arguments to advance and must of necessity resort to attacks against those who stand for law and right and common decency. But that sort of thing doesn't fool anybody. It won't win a vote that is not "wet." The booze business is over. The incident is safely closed so far as the American Nation is concerned.

Just let me say in closing that whenever my tongue or pen or trusty Remington can serve the cause of law enforcement and national decency in any way I want to be counted in. I will spend time and effort and money in helping in this great fight.

America will never go back to the beer or liquor saloon, of course, but just the same nothing should be left undone to compel the enforcement of one of the wisest laws ever written into the statutes of our beloved country. And if Mr. HILL and a few wet newspapers object too strenuously to a multitude of your friends talking about BILL UP-SHAW for the nomination to the Vice Presidency at the coming Democratic convention, then, by the "Great Horn Spoon," we'll move the thing up a notch and propose you for a still higher honor.

Permit me to remain, as always,

Very respectfully and sincerely, REXFORD L. HOLMES.

FROM THE PACIFIC COAST.

HAMILTON, WASH., January 5, 1923.

Hon. Representative UP-SHAW:

Washington, D. C.

MY DEAR SIR: I wish to again congratulate you on your patriotic stand in regard to law enforcement with special application to prohibition in your most recent attack on Congressmen and diplomats who persist in "winking at" the eighteenth amendment.

It is some satisfaction to know that we have a few men in Congress who are "onto" this practice among the "high-ups" and have the "guts" to take a respectable and patriotic stand and demand attention and action. We out here believe you have the right and correct idea as to where to begin at this law-enforcement campaign. It stands to reason that we will not get the appointment of "true blue" patriotic Federal enforcement agents as long as those degenerates have the appointing of these agents. (I understand, of course, that they do not have the literal power of appointment, but they name them, which amounts to one and the same thing.)

Prohibition is going to win, no doubt about that, for the poorest and "everyday" citizen is at heart in favor of it and will stand for it with his vote as long as he lives. The laboring man has come to understand that alcohol is his enemy and will do more to wreck his own life and possibilities and rob his family than could the murderer or the common bank robber.

We are with you and Representative BLANTON, of Texas, Mr. UP-SHAW, and want you to know we appreciate what you are trying to do, whether you get immediate results or not. Your efforts will tell; it helps us to keep up courage and remember that great reforms do come slowly and really need to do so. But it is a shame to think of the lives this sort of "looseness" is costing annually; and think of the expense! Think of the expense and how ridiculous the whole thing right now, when they pretend to be "hunting" a means by which to reduce taxation. What a farce; what hypocrisy! "Ye gods!"

If this may add a little to your courage and cause I am more than paid for the little effort, for it "sorter" relieves my conscience of a feeling that we do not fully appreciate the efforts of a number of you men who are carrying the brunt of the battle and do not express what appreciation we do have as we should. Why shouldn't we "shout" our feeling to the world as the other interests do?

Yours very truly,

D. C. HENRY.

INDORSER SIGNING THE PLEDGE.

CLEVELAND, OHIO, January 8, 1924.

Hon. WILLIAM D. UP-SHAW, M. C.,

House of Representatives, Washington, D. C.

DEAR MR. UP-SHAW: The evening that I heard your stirring lecture entitled "Americanism on the job" at the Euclid Avenue Baptist Church last November the writer became deeply interested in all you say and do for * * * that "righteousness that exalteth a nation."

* * * I would like to have a copy of the CONGRESSIONAL RECORD of yesterday's proceedings of the House, or that portion of it containing your debate with Representative HILL of Maryland, of which your signing of the total-abstinence pledge and "calling his hand" was the central and inspiring incident of the debate.

In passing I want to say * * * that your act of signing that pledge, thus setting an example to your fellow Congressmen, is and will be to you your crowning and greatest monument, that will shine brighter and brighter as the days lengthen into years, worthy of a place in the diadem of the Republic.

In conclusion, wishing more strength to your strong right arm in the "fight of the right against the wrong," I am,

Yours respectfully,

EUGENE E. DIEHL,

2155 East Eighty-fifth Street, Suite 1, Cleveland, Ohio.

ANOTHER FROM BALTIMORE.

BALTIMORE, MD., January 6, 1924.

Hon. W. D. UP-SHAW,

Washington, D. C.

DEAR SIR: I wish to congratulate you on your fearless and faithful leadership in the cause of sobriety and all-around good citizenship. Your most recent address in the House of Representatives establishes you beyond question as the uncompromising champion of orthodox prohibition doctrine.

Familiar as you are with the ways of the wayward "wets," you need not be surprised or dismayed by their well-known methods of abuse and misrepresentation. We love you for the enemies you have made.

From the many expressions of praise and approval heard, I am convinced that you have not only endeared yourself to your thousands of constituents, whom you so splendidly represent, but even in "boozy" Baltimore your friends and admirers are legion.

May God continue to bless you and use you in the great work to which you have dedicated your all.

Respectfully yours,

W. F. WILLIAMS.

FROM THE HOME OF THE TRIBUNE.

SUNDAY, JANUARY 6, 1924.

Hon. WILLIAM D. UP-SHAW.

DEAR SIR: The writer has been a reader of the Chicago Tribune 54 years, or since I was 16 years old; but since the paper has allowed the editor to take the position he has against the prohibition law I am certainly disgusted with the paper. There was a time when I thought "the world's greatest newspaper" was the Chicago Tribune, but now I think the Tribune the most un-American paper printed in the United States. And when I read your slam at the Tribune while eating my breakfast I said to my wife, "Good; there is certainly one good American Representative in Congress, and his name is WILLIAM D. UP-SHAW, of Georgia."

Go to it, your honor, and you will have the support of all good, honest American citizens. I only wish there were more like you, that is, not afraid to show which side of the fence they are on.

Very truly yours,

FRANK R. COON,

910 La Fayette Parkway, Chicago.

[Telegram.]

BARTLESVILLE, OKLA., January 9, 1924.

Representative UP-SHAW, of Georgia,

Washington, D. C.:

In behalf of the Wichita (Kans.) Camp of Gideons, I wish to congratulate you on your fight for a real dry Congress and Senate. We need more men like you who really represent the law-abiding people of this country. May God bless you and sustain you in this fight.

J. A. HURST, President.

JANUARY 4, 1924.

Let me thank you most warmly for your speech insisting that the dry law be enforced in Washington. Very brave words were they, as wired all over the country. Millions of us are ready to second your demand. For the whole world it is "dry or die."

Europe, besotted with drink, can never recover until its folks become sober.

Amen! Repeat your speech, day by day, much as Mr. Roosevelt did as the youngest legislator at Albany, until he won the day for a righteous cause. Such men must be the pathfinders for the world in this direction.

Rev. W. S. STEELE,

Thirty-first and Lawrence, Denver, Colo.

FROM HISTORIC MASSACHUSETTS.

ATHOL, MASS., January 4, 1924.

Hon. WILLIAM D. UP-SHAW,

House of Representatives, Washington, D. C.

DEAR SIR: It was with complete approbation that I read in the Boston Herald this morning the announcement of your program, and I also hope it means your bill, which you propounded before the honorable House * * *. There is not the slightest need of our longer tolerating this cancerous and lecherous mass within the Republic. There is no excuse for its being, and it is entirely within the natural rights of the Republic to employ its Army and Navy to protect it against foreign or domestic smugglers of any goods whatsoever. The great mass of people are clean, honorable, sober, industrious, law-abiding, and law respecting. If we can not have law-respecting law-makers and law dispensers then it is time that we clean house, and clean it right. I for one am with you for a proper cleaning up, even if it does not last long.

We suffer to-day from the nasty, filthy, abhorrent affront of a dirty-mouthed press of two and three years ago when they talked with as much sense and decency against the eighteenth amendment as would a flock of German geese!

More power to your arm, more strength to your voice, more fiber to your wonderous moral courage, more numbers who are glad and proud of your good old southern blood, purity, and leadership.

Lead on, we will follow and swell the ranks until the cause is won.
Sincerely,

Dr. FAY McFADDEN.

A CLASSIC FROM IOWA.

SHELDON, IOWA, January 5, 1924.

Representative UPSHAW,

House of Representatives, Washington, D. C.

MY DEAR MR. UPSHAW: The writer read with great interest all the press dispatches said of you in relation to eighteenth amendment, Volstead, and the \$50,000 booze cache of an insignificant foreign legation through an attaché yesterday.

In all that reports you as purposing that a searching inquiry shall be made and if Cabinet members are emeshed, or legationists, what's the odds—expose the former and hand the latter his hat—in this, the writer sends you his hallelujah of approval and encouragement.

Accepting the press dispatches of the "code list" of patrons, the source of supply, etc., one who can and does tolerate such conditions is not a safe man for any but criminals, and I doubt whether such a one would be faithful to such pals—the consideration for betrayal of his duty and a citizen would also predicate a consideration for betrayal of his pals.

To construe the immunities of foreign countries in their legation premises is not to establish, permit, or wink at harems and oriental brothels in which some of them delight as cultural civilization. It is not to permit the Turk to massacre the Armenian, sooth that is his natural and native pastime. It is not to tolerate Attilas and the Kal-muckers of his delight to ride their nomad pace. It is not to nurture a characteristic orientalism, to sell anything for a price, even 30 pieces of silver. It is not to tolerate for one moment a legation or person established upon the possibilities of material advantage by auctioning American Constitution, laws, and institutions from a booze block in a legation storage.

If there are men in Congress who are howsoever remotely connected with this thing, or whomsoever it may be, in responsible position, the people at home want to know it. By chance a skunk hole has been disclosed, the occupant must be dislodged and the premises fumigated and made sanitary.

In all of this relation I am with you; and I dare beard any lion in his den who is a despoiler like one of these inferred in the alleged 400 list. This is fundamental in patriotism, in common honesty, and decency, and there are thousands and tens of thousands whom Saul did not slay, nor can he. Stand by your guns, my dear sir; neither be laughed or scorned out of it. You are on Minute Man duty, others will follow you as fast they hear from home. None can or will justify or pass over a Judas

Very obediently,

G. T. WELLMAN

START IN RIGHT DIRECTION.

NEW ENGLAND MUTUAL LIFE INSURANCE CO.,
Greenwood, S. C., January 4, 1924.

Congressman UPSHAW,

Washington, D. C.

DEAR SIR: This is to commend you on your effort to have a cleaning up of our high officials and foreign representatives as regards their violation of the Volstead Act. It is a shame and outrage that those in high authority are so flagrantly disregarding and violating this law. Any man who is not doing his best to help make national prohibition a success is not half worthy of any position of honor and trust, but should be put down and out at once.

Corrupt ungodly "statesmen" is what is impending the rightful progress of this Nation. We are sorely in need of real high-class, constructive, Christian statesmen.

Push your measure with all your might, and if you do not succeed you will make a start in the right direction.

Yours truly,

P. B. YARBROUGH.

From the Editor of The Manufacturers Record.

BALTIMORE (Editor's winter office, Daytona, Fla.),
January 7, 1924.

Hon. W. D. UPSHAW,

House of Representatives, Washington, D. C.

MY DEAR MR. UPSHAW: I want to congratulate you upon the very complete answer you have made to the liquor interests of the country, and especially to some of the liquor people in Congress, in the address

which you made on January 3 and which I had the pleasure of reading in full last night. I trust that every detail of the plans which you outlined may eventually be carried out to the saving of this country from destruction by disobedience to law and especially by the influence of the liquor interests and of the men who claim to have some position in the world but who are breaking down the welfare of this country by violation of law. I inclose a copy of an address which I recently made before the Baptists' Association of Maryland, which may possibly interest you, and I am asking my office to send you a copy of a publication entitled "The Prohibition Question Viewed from the Economic and Moral Standpoint," which we published last year. It contains the overwhelming testimonies of hundreds of leading business men of the United States as to the value of prohibition. In last week's issue of the Manufacturers Record, which I presume you get regularly, you will find an editorial based on an article which appeared in the January issue of the Century.

I recently wrote to Attorney General Daugherty, making some suggestions in regard to the adequate punishment of criminal lawbreakers and bootleggers. This letter will be published in an early issue of the Manufacturers Record, and I will ask my office as soon as it is ready for publication to send you an advance proof. There are some suggestions in it which, if they could be put into effect, would materially help to break up the bootlegging industry.

Very truly yours,

RICHARD H. EDMONDS.

Mr. CARTER. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Chairman, you have heard in recent years much about Muscle Shoals. What is it and what are we going to do with it? While Muscle Shoals is located on the Tennessee River in northern Alabama, in the district which I have the honor to represent, still it is not a local development. It belongs to the people of the Nation. When completed, it will be one of the greatest achievements of the American people. I do not except the Panama Canal, and I do not mean that as any criticism of the Panama Canal, for I consider it one of the really big things which the American people have done. The water-power dam at Muscle Shoals, known as the Wilson Dam, will be completed in about 18 months from now and will be the largest dam in the world, containing more cubic yards of material than any dam which has ever been constructed in any country. If a wise disposition of Muscle Shoals is made by Congress, and it is developed and utilized as Congress intended that it should be when it was authorized, it will be a real blessing to the American people—nation-wide in its scope and influence. [Applause.] We have been discussing Muscle Shoals and what we would do with it ever since the World War ended. The American people are now demanding action on our part. It is of such vital national importance that President Coolidge in his recent message to Congress called special attention to it and urged that it be sold and operated by private capital for the manufacture of fertilizer for the benefit of agriculture, with the right to retake it for war purposes in the event of war. It is very evident that the great masses of the American people are in favor of acceptance by Congress of the offer made by Henry Ford, and I believe that this Congress at a very early date will respond to the sentiment of the American people by accepting the Ford offer. [Applause.]

Since it has become apparent that the Ford offer will be accepted by this Congress, the selfish interests which will be affected by the acceptance of the Ford offer have again become very diligent in preparing and submitting offers for Muscle Shoals—evidently not because they want Muscle Shoals, because they declined to make an offer when invited before the Ford offer was made and said Muscle Shoals should be junked, but for the purpose, as my friend and colleague from Mississippi [Mr. QUIN] would say, "As a smoke screen" to delay and if possible defeat the Ford offer. The efforts of the Alabama Power Co. and its associates are evidently no more than their latest effort to complete and perpetuate their water-power monopoly.

Much publicity has been given by the press during the last day or two about what was said to be a new offer for Muscle Shoals and the public has been led to believe that this offer has been made to Congress, but it developed to-day that it was nothing more than a letter addressed to the Federal Power Commission by the Alabama Power Co. and eight other power companies, in which a plan was suggested by which they would be prepared to negotiate with the Government for the power at the Wilson Dam when it was completed, and suggested that the Government might get Mr. Ford or some one else to take a part of the power from them and operate the fertilizer plant. I did not object to the unanimous-consent request made by the gentleman from Iowa [Mr. HULL] to have this communication

inserted in the RECORD, for I was more than glad that the Congress and the country might know of the latest effort made by the Alabama Power Co. and its associates to complete and perpetuate their water-power monopoly and defeat the offer of Henry Ford. From my knowledge of the sentiment of this House, I feel very confident that it will not give favorable consideration to any disposition of Muscle Shoals that does not provide that the nitrate plant shall be used continuously to its maximum capacity in the manufacture of fertilizer during peace times and kept in readiness, in an up-to-date running condition, for the manufacture of explosives by the United States Government in the event of war. The new plan suggested by the Alabama Power Co. and its associates does not do this, and is no better than the offer made by the Alabama Power Co. two years ago, which did not receive the support of a single Member of the congressional committee to which it was referred. The offer of Henry Ford for Muscle Shoals, made two and a half years ago, is the only one which meets the two essential fundamentals; that is, that the nitrate plant be preserved for national-defense purposes in the event of war and for the manufacture of fertilizer in times of peace. The development at Muscle Shoals was by authority of the nitrate section, No. 124, in the national defense act of 1916, which expressly required that it be used in war times for the manufacture of explosives and in peace times for the manufacture of fertilizer.

President Coolidge, in his recent message to Congress, recommended that the development known as Muscle Shoals be sold subject to the right to retake in time of war, and that it be operated in peace times for the manufacture of nitrates for the benefit of agriculture. He also said:

While the price for which it is sold is an important element, still there is another consideration even more compelling; that is, a cheaper and better fertilizer for the farmers and, if this object is accomplished, the amount of money received for the property is not a primary or major consideration.

We hear and read much these days about doing something for the farmer. Congress has passed some very beneficial and helpful laws, especially by furnishing the farmers more and better credit facilities, and while this is all very proper still we should render them such assistance as we can as will enable them to make a fair and reasonable profit and enable them to pay the debts which they have already created. One of the imperative and pressing needs of the farmers in almost every part of the country is a cheaper and better grade of fertilizer, and the necessity for this increases each year by reason of the fertility of the soil being depleted by continued cultivation. The present price of fertilizer is prohibitive when you consider the prices received by the farmer for their crops. They are almost entirely dependent on Chilean nitrates for nitrogen, the principal ingredient of all fertilizer, as the nitrate from the by-product coke oven and slaughterhouses amount to a small part of nitrogen necessary to supply the demands of agriculture. With the cheap water power at Muscle Shoals taking the nitrogen from the air by the fixation of atmospheric nitrogen process, the phosphate and potash, the other two ingredients of fertilizer in close proximity and in inexhaustible quantities, it is evident to anyone who will familiarize himself with the subject that if Ford's offer for Muscle Shoals is accepted by Congress he can and will make fertilizer at Muscle Shoals of a far better quality at one-half the present price of fertilizer and destroy the Fertilizer Trust. This, no doubt, accounts for the opposition of all the fertilizer interests in this country to the Ford offer. They first claimed that Ford could not make fertilizer at Muscle Shoals, and when this was disproved they then claimed that even if he could make fertilizer there he could not make enough to amount to anything. If they were sincere in these positions and their business would not be affected by the operation of the Muscle Shoals plant by the Ford Co., the country would be interested to know why they were opposed to it. I believe that it would be conceded and admitted by those who know and understand the fertilizer business that if the Ford offer is accepted and he manufactures 40,000 tons of fixed nitrogen annually at Muscle Shoals, to which he binds himself, his estate, and the corporation which he agrees to organize and begin operation with a \$10,000,000 paid-in capital stock, that the prices fixed by the Ford Co. for this fertilizer would fix and control the price of all the fertilizer used in the United States. No one knows this better than the manufacturers of fertilizer, and this explains their opposition to the Ford offer. The 40,000 tons of fixed nitrogen is the equivalent of about 2,500,000 tons of Chilean nitrate. The farmers of the United States are spending at the rate of \$300,000,000 a year for fertilizer, and a reduction of one-half

means a saving to the farmers of \$150,000,000 annually. Our farmers pay the Chilean Government \$11.80 a ton as an export duty on Chilean nitrate which, according to the Department of Commerce, amounted to \$11,239,384 for the fiscal year 1923 on \$97,000 long tons of nitrate of soda. So Mr. Ford's guaranty to make 40,000 tons of fixed nitrogen is the equivalent of \$200,000,000 for Muscle Shoals, because the American farmers are paying Chile interest at the rate of 5½ per cent on \$200,000,000.

Besides, the cost of maintenance at Muscle Shoals since the war ended amounts to \$7,975,000, after deducting amounts of rents collected from lease of steam power plant. They claim that there is not a Fertilizer Trust, but everybody knows that all of the fertilizer manufacturers have the same price on the various grades of fertilizer. So the effect is the same, whether there is an actual trust or not.

This plan submitted by the nine water-power companies to the Federal Power Commission and not to Congress has been widely advertised as an offer of a hundred million dollars for Muscle Shoals, but on investigation it is found to be not an offer but only a suggestion that these power companies could arrange to take the power from one dam, No. 2, known as the Wilson Dam, when completed, so as to pay the Government 4 per cent on the cost of its construction. This is evidently another effort on their part to delay the consideration of the Ford offer and to prevent its acceptance by Congress, because they said before Ford made his offer that they did not want it and that Muscle Shoals should be junked and so advised the Chief of Engineers of the War Department, who invited them by order of the Secretary of War to make an offer.

Their plan has been heralded abroad as better than the Ford offer, when, as a matter of fact, Ford would pay the Government in 50 years \$150,526,800 and these power companies would pay only \$87,800,000, a difference of \$42,726,800.

Besides, when the price of fertilizer is reduced one-half, it will amount to a saving to the farmers of \$150,000,000, as the average expenditure by the farmer for fertilizer in recent years has amounted to about \$300,000,000 annually. This means that the farmers have lost \$150,000,000 per year for the last five years while the plant has remained idle.

In addition to the saving on fertilizer, the expense of maintenance of the plants, the money return to the United States Government under the Ford offer is as follows:

Interest on cost of completing Dam No. 2:		
First 6 years, at \$200,000-----	\$1,200,000	
94 years, at 4 per cent on \$34,000,000--	127,840,000	\$129,040,000
Interest on cost of Dam No. 3:		
First 3 years, at \$160,000-----	480,000	
94 years, at 4 per cent on \$25,000,000--	94,000,000	94,480,000
Maintenance fund:		
On Dam No. 2, 100 years, at \$35,000--	3,500,000	
On Dam No. 3, 97 years, at \$20,000--	1,940,000	5,440,000
Amortization fund: According to statement of Secretary of War, this fund invested at 4 per cent (for 94 years at Dam No. 2 and 97 years at Dam No. 3) would total-----		49,071,935
Total-----		278,031,935

Mr. HILL of Maryland. Will the gentleman yield for a question?

Mr. ALMON. I will.

Mr. HILL of Maryland. I simply want to say to the gentleman, as one of the members of the Committee on Military Affairs who went on the inspection trip, that I feel exactly as he does, that that marvelous project, as a water-power project and nitrogen project for our national defense, should be maintained under some condition, and properly maintained, but personally I am against the Henry Ford offer. I would rather see the Government do it. I want to say to the gentleman that he has in his district a project vital to the national defense of the Nation as well as to the farming industry of this country.

Mr. ALMON. If my good and genial friend from Maryland [Mr. HILL] really favors Government operation at Muscle Shoals, I suspect that he is almost alone, for I do not believe that there are many Members of this House that will agree with him. Let us see what Government operation at Muscle Shoals means in dollars and cents and in results and benefit to the public, especially to the farmers. Up to the 30th day of June, 1922, the Government had spent at Muscle Shoals \$107,337,710, including \$17,000,000 which had been spent on the Wilson Dam. In the first place the Wilson Dam will have to be completed at an estimated cost of \$25,000,000 and Dam No. 3 an additional \$25,000,000. Besides this it would be necessary to appropriate approximately these additional sums—

1. Auxiliary or reserve water supply to stabilize the flow of the Tennessee River that a uniform amount of power would be available the year around.....	\$20,000,000
2. For remodeling nitrate plant No. 1.....	4,000,000
3. For remodeling nitrate plant No. 2.....	10,000,000
4. For a phosphoric acid plant to meet the demand for a mixed fertilizer.....	15,000,000
5. Operating fund.....	10,000,000
Total.....	59,000,000

making additional appropriation necessary amounting to \$109,000,000, while, if the Ford offer is accepted, only \$50,000,000 additional will be necessary, making a difference of \$59,000,000. The \$107,337,710 represents Government construction costs during war times. While under the Ford offer the Government is freed of any expense in connection with the dams, locks, power houses, and machinery, and receives 4 per cent on the construction costs in finishing the Wilson Dam and the building of Dam No. 3, and establish a sinking fund by the semiannual payment of \$23,373, which sum, if compounded at 4 per cent semiannually, will amount to \$49,071,935 at the end of the lease, and if compounded at 4½ per cent interest will amount at the end of the lease to \$58,570,003.

It should also be borne in mind that at the end of the lease period, under the provisions of the Ford offer, the dam, power houses, and equipment become the absolute property of the Government. We should also remember that throughout this lease period the farmers will be getting the benefit of cheaper fertilizer and the Government will have at all times an up-to-date running plant for the manufacture of explosives and other war materials in readiness in the event of war.

In addition to all this, from our knowledge and observation of the cost of Government operation, we could hardly expect to secure a cheaper fertilizer without a subsidy by Congress.

Mr. HILL of Maryland. The dam is being built now.

Mr. ALMON. Yes; work was resumed on the dam October 1, 1922, and it is expected that it will be completed by the 1st of July, 1925, or soon thereafter. There are about 4,000 men at work on the dam at this time. But if provision is not made for the building of the other dam and the operation of the nitrate plant for the manufacture of fertilizer, the farmer will receive no benefit from the development. Besides if the nitrate plant remains in a stand-by condition, it will rust out with the very best care and become obsolete and of no value as a war plant. The fixation of atmospheric nitrogen is a comparatively new art and is being improved on from time to time, and in order for this plant to be an up-to-date going concern in the event it is needed for war purposes it must be kept in operation for the manufacture of fertilizers in peace times.

Mr. SNYDER. Mr. Chairman, will the gentleman yield to me for just an observation?

Mr. ALMON. Yes.

Mr. SNYDER. I sympathize with the gentleman's viewpoint. I believe that Henry Ford has made the best offer that anybody has made, and I would like to see him get it from the business standpoint. But I do not see anything in Mr. Ford's proposition where he has agreed to give to the American farmer any cheaper fertilizer than the American farmer has ever had heretofore. The gentleman from Alabama also has not indicated anything that points out that he agrees to do it, and there is nothing in Mr. Henry Ford's plan that points out that he agrees to do it.

Mr. ALMON. My friend and colleague from New York [Mr. SNYDER] evidently failed to hear what I have already stated on this subject. Mr. Ford expressly agrees and binds himself, his estate, and the corporation which he proposes to organize with a paid-in capital of \$10,000,000, to produce at Muscle Shoals 40,000 tons of fixed nitrogen annually during the entire period of 100 years. This is the equivalent of about 2,500,000 tons of Chilean nitrate, the amount ordinarily imported to this country annually. He also agrees that the maximum net profit in the sale of it to the farmers shall not exceed 8 per cent of the fair actual annual cost of production, and agrees to permit the inspection of the books of his company by a board nominated by the leading farm organizations of the country, appointed by the President of the United States and confirmed by the Senate, to see that no greater charge is made and to direct a proper distribution of the fertilizer among the different parts of the United States. I have no doubt but that this is the first offer of this kind that has ever been made by any corporation.

Mr. Ford submitted his offer more than two years ago. The Military Committee of the House after long and extensive hearings reported a bill at the last session of Congress providing for a substantial acceptance of the Ford offer, but we were

unable, for reasons unnecessary to state at this time, to have it considered and voted on at the last session of Congress. I hope and have reason to believe that this committee will at a very early date report to the House a bill providing for the acceptance of Mr. Ford's offer; and if so, we are assured that it will be considered without delay. When this is done I am prepared to believe that my handsome young friend from Maryland, Colonel HILL, will on further consideration, remembering all that he saw, learned, and experienced on his delightful trip to Muscle Shoals in April, 1922, decide to support and vote for the Ford offer and join the ranks of the great majority and make it 100 per cent for Henry Ford. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama [Mr. ALMON] has again expired. The gentleman from Michigan [Mr. CRAMTON] is recognized.

Mr. CRAMTON. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 5078, the Interior Department appropriation bill, and had come to no resolution thereon.

EXTENSION OF GENERAL DEBATE.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that there be a further extension of the time for general debate. I regret that I myself have used so much of the time that was allotted to this side, because I find I can not keep the promises I have made to others, and the other day being Saturday it may be a good conclusion of the week to have a fuller discussion of the bill and other matters. I ask unanimous consent, therefore, that the time for general debate upon this bill be extended four hours, two hours to be controlled by the gentleman from Oklahoma [Mr. CARTER] and two hours by myself.

The SPEAKER. The gentleman from Michigan [Mr. CRAMTON] asks unanimous consent that the time for general debate on this bill be extended four hours, two hours to be controlled by the gentleman from Oklahoma [Mr. CARTER] and two hours by the gentleman from Michigan [Mr. CRAMTON]. Is there objection?

There was no objection.

Mr. SNELL. I presume it is the intention of the gentleman from Michigan [Mr. CRAMTON] to conclude general debate on this bill Saturday?

Mr. CRAMTON. Yes.

Mr. CARTER. That would make 14 hours all told?

Mr. CRAMTON. Fourteen hours all told, with seven hours on each side.

Mr. CARTER. May I ask how much time has been consumed?

Mr. CRAMTON. I have information that I have only 48 minutes remaining, but I have promised considerably more time than that.

Mr. TILSON. I think, as Chairman of the Committee of the Whole House on the state of the Union, I can inform the gentleman that a little over five hours' time has been consumed; something like five hours and seven or eight minutes have been used.

The SPEAKER. Five hours and fifteen minutes.

Mr. CARTER. I have no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, I presume that means, the extension being granted, the bill will not be read for amendment to any considerable extent on Saturday.

Mr. CRAMTON. Not to any considerable extent. I had hoped we could commence the reading, but not progress very far with it.

Mr. GARRETT of Tennessee. And on Monday, of course, the question of the rules will arise.

Mr. CRAMTON. I assume that would have precedence, although I have no information about it. The gentleman from New York [Mr. SNELL] would know.

Mr. GARRETT of Tennessee. So the bill could not be read until Tuesday.

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

There was no objection.

RULES OF THE HOUSE.

Mr. SNELL. Mr. Speaker, I desire to present a unanimous-consent request. The Committee on Rules expects to report on Monday, and on behalf of every member of the committee I ask unanimous consent that the rules of the Sixty-seventh Con-

gress, as amended, shall be in force during the consideration and adoption of that report.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SNELL]?

There was no objection.

ADDITIONAL JUDGE—MARYLAND.

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to address the House for half a minute on the subject of an additional judge for the district of Maryland.

The SPEAKER. The gentleman from Maryland asks unanimous consent to address the House for half a minute. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, which I do not intend to do, of course, in the case of my friend from Maryland, I note his request has to do with a desire on his part to have an additional Federal judge in Maryland. I want to say to the gentleman that in view of his recent plea in this House against any Federal enforcement of laws in Maryland and a recent inaugural message of the Governor of Maryland protesting against any Federal activities in Maryland, I hope that this new judge, if granted, will tend to enlighten sentiment in Maryland and is really a sign in itself of a new departure in sentiment in Maryland.

Mr. BLANTON. Mr. Speaker, reserving the right to object, the gentleman from Michigan ought to give the gentleman from Maryland a right to a change of heart. It may be that the gentleman from Georgia has converted him. [Laughter.]

Mr. CARTER. Reserving the right to object, Mr. Speaker, let me ask the gentleman from Maryland if he has any assurance he would get a judge appointed in case this provision was made. We had an additional judge created for the State of Oklahoma, and it has now been more than a year, and although the docket is behind, we can not get the judge appointed.

Mr. HILL of Maryland. I will say to the gentleman that while I have no assurance I have a hope, because I know this is the type of bill which will have behind it all those who stand for even special law enforcement.

Mr. CARTER. But, with our dockets congested in the Federal courts, we also had hope, but we found that was a vain delusion.

Mr. GARRETT of Tennessee. Is the gentleman asking consideration of the bill now?

The SPEAKER. The gentleman is asking permission to address the House for half a minute. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with this brief statement and a copy of the bill.

The SPEAKER. Does the gentleman mean he asks to have a copy of the bill printed in the RECORD?

Mr. HILL of Maryland. It is a very brief bill with a short statement connected with it.

Mr. SNELL. Is not that an unusual proposition—to have a bill again printed in the RECORD?

Mr. CRAMTON. Well, Mr. Speaker, it is a very unusual situation when Maryland asks for any further provision for the enforcement of law.

Mr. SNELL. I think that is going too far, Mr. Speaker, and I shall have to object.

Mr. HILL of Maryland. The reason I ask that is because I wish to send copies of it to the members of the Baltimore bar who have presented a resolution asking for this additional judge.

Mr. BLANTON. The gentleman gets so little, let him get that much.

Mr. HILL of Maryland. It is only 10 lines, and I would like to achieve something, as the gentleman from Texas says.

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

There was no objection.

Mr. HILL of Maryland. The Bar Association of Baltimore City within the last few weeks has passed strong resolutions calling attention to the congestion of the dockets in the United States District Court for Maryland and declaring the necessity for an additional Federal judge for the enormously increased Federal judicial work in the district of Maryland. I have therefore reintroduced the bill which I offered in the House of Representatives on November 22, 1921. At that time the need for an additional judge in Maryland was very great. To-day it is three times as great. The following is a list of cases which were pending on June 30, 1921, in the District of Maryland:

Cases.	District of Maryland (population 1920, 1,449,610).				
	1915	1918	1919	1920	1921
Civil, prohibition.....					1
Civil, total.....	15	17	106	39	51
Criminal, internal revenue.....	4	13	10	20	4
Criminal, post office.....	10	16	11	12	9
Criminal, interstate commerce.....	2	3	3	5	
Criminal, prohibition.....				7	12
Criminal, total.....	19	46	40	64	33
Admiralty.....	16	19	24	32	69
Bankruptcy.....	180	115	92	97	163
Others, United States not a party.....	33	31	41	35	56
Total.....	263	228	303	267	372

Conditions are much worse to-day. They are much worse because of the huge increase in the business of the United States courts, a large part of whose business is taken up with ordinary police court work under the Volstead Act. On December 10, 1921, I called attention of the House of Representatives to the fact that the Judiciary Committee's report concerning a bill for additional judges states that "Criminal business in United States district courts has increased over 800 per cent since 1912, a large proportion of the increase during the past two years in criminal business is due, in the judgment of officials of the Department of Justice, to the enactment of the national prohibition act."

It makes no difference what sort of cases are pending in the United States courts. Whatever they are they should be promptly tried, and in spite of this enormous increase Maryland has one judge only, the same number as she has had since long before 1912.

I shall ask for immediate consideration of this bill by the Judiciary Committee and shall certainly expect the support of all ardent prohibitionists for its passage, since they must stand for proper law enforcement.

The following is the bill to which I refer:

A bill (H. R. 5083) to create an additional judge in the district of Maryland.

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed, by and with the advice and consent of the Senate, to appoint an additional judge of the district court of the United States for the district of Maryland, who shall reside in said district, and whose compensation, duties, and powers shall be the same as now provided by law for the judge of said district.

SEC. 2. That this act shall take effect immediately.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and the Speaker having resumed the chair, a message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries.

LA TRIBUNA, OF MANAGUA (S. DOC. NO. 18).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Senate and House of Representatives:

I transmit herewith a report respecting a claim against the United States on account of damage done by United States Marines on February 6, 1921, to the property of Mr. Salvador Buitrago Diaz, owner of the newspaper La Tribuna, of Managua, Nicaragua, with a request that the recommendation of the Secretary of the Navy, as indicated therein, be adopted and that the Congress authorize the appropriation of the sum necessary to pay the indemnity suggested by the Secretary of the Navy.

I recommend that, in order to effect a settlement of this claim in accordance with the recommendation of the Secretary of State, the Congress, as an act of grace and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of \$1,500.

CALVIN COOLIDGE.

THE WHITE HOUSE, January 10, 1924.

ADJOURNMENT.

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

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Friday, January 11, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

271. A letter from the Secretary of the Interior, transmitting a report of papers that are no longer useful in the transaction of current business or valuable for historical or other purposes; to the Committee on Disposition of Useless Executive Papers.

272. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Hereford Inlet, N. J.; to the Committee on Rivers and Harbors.

273. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Mattaponi River, Va., from Walkerton to Aylett; to the Committee on Rivers and Harbors.

274. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Bayou St. John, La.; to the Committee on Rivers and Harbors.

275. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Saginaw River, Mich., and entrance thereto, with a view to securing a channel depth of 21 feet with suitable width; to the Committee on Rivers and Harbors.

276. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation "to increase the statutory limit of cost for repairs and changes hereafter made to capital ships of the Navy"; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. PARKER: Committee on Interstate and Foreign Commerce. H. R. 4796. A bill to extend the time of the Hudson River Connecting Railroad Corporation for the completion of its bridge across the Hudson River, in the State of New York; without amendment (Rept. No. 25). Referred to the House Calendar.

Mr. BURTNESS: Committee on Interstate and Foreign Commerce. S. 1367. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Brule County and Lyman County, S. Dak.; without amendment (Rept. No. 26). Referred to the House Calendar.

Mr. BURTNESS: Committee on Interstate and Foreign Commerce. S. 1368. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Valworth County and Corson County, S. Dak.; without amendment (Rept. No. 27). Referred to the House Calendar.

Mr. SNYDER: Committee on Indian Affairs. H. R. 2883. A bill to validate certain allotments of land made to Indians on the Lac Courte Oreille Indian Reservation in Wisconsin; without amendment (Rept. No. 28). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HOWARD of Oklahoma: Committee on Indian Affairs. H. R. 1629. A bill authorizing the removal of the restrictions from 40 acres of the allotment of Isaac Jack, a Seneca Indian, and for other purposes; without amendment (Rept. No. 24). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

The bill (H. R. 4472) for the purchase of land adjoining Fort Bliss, Tex.; Committee on Military Affairs discharged, and referred to the Committee on Appropriations.

The bill (H. R. 4907) providing for the transfer in fee simple of the Fort Missoula, Mont., timber reserve to the State of Montana Forest School; Committee on Military Affairs discharged, and referred to the Committee on the Public Lands.

The letter from the acting chairman of the Federal Trade Commission, transmitting report of the Federal Trade Commission on the radio industry; Committee on Interstate and Foreign Commerce discharged, and referred to the Committee on the Merchant Marine and Fisheries.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. HILL of Maryland: A bill (H. R. 5190) to tax the net income on municipal and State securities hereafter issued and to permit the State taxation of Federal securities hereafter issued; to the Committee on Ways and Means.

By Mr. JOHNSON of South Dakota: A bill (H. R. 5191) regulating the pay of Reserve and National Guard officers when called to active duty; to the Committee on Military Affairs.

By Mr. KVALE: A bill (H. R. 5192) supplemental to the national prohibition act; to the Committee on the Judiciary.

By Mr. O'CONNOR of New York: A bill (H. R. 5193) to amend section 14 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," as approved July 1, 1898, as amended; to the Committee on the Judiciary.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 5194) to amend the Judicial Code by adding a new section, to be numbered 274D; to the Committee on the Judiciary.

Also, a bill (H. R. 5195) to provide for the establishment of a probation system in the United States courts, except in the District of Columbia; to the Committee on the Judiciary.

By Mr. HUDSPETH: A bill (H. R. 5196) granting the consent of Congress to the construction of a bridge across the Rio Grande River; to the Committee on Interstate and Foreign Commerce.

By Mr. PARKS of Arkansas: A bill (H. R. 5197) to amend section 71 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. REED of West Virginia (by request): A bill (H. R. 5198) to amend sections 5, 6, and 7 of the act of Congress making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 5199) to provide for the closing of a portion of Massachusetts Avenue NW., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 5200) to provide for the widening of Nichols Avenue between Good Hope Road and S Street SE.; to the Committee on the District of Columbia.

By Mr. STEVENSON: A bill (H. R. 5201) to amend section 1, chapter 1, title 1, of the Judicial Code; to the Committee on the Judiciary.

By Mr. WOLFF: A bill (H. R. 5202) to remove the time limitation for filing an application for compensation, vocational training, hospitalization, and dental treatment by a disabled veteran of the World War; to the Committee on Interstate and Foreign Commerce.

By Mr. DRANE: A bill (H. R. 5203) to authorize the acceptance of title to forest lands in the State of Florida and to create national forests therefrom, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 5204) to authorize the Secretary of the Interior to adjust disputes or claims by settlers, entrymen, selectors, grantees, and patentees of the United States against the United States and between each other, arising from incomplete or faulty surveys in township 28 south, ranges 26 and 27 east, Tallahassee meridian, Polk County, in the State of Florida, and for other purposes; to the Committee on the Public Lands.

By Mr. McLEOD: A bill (H. R. 5205) for the apportionment of Representatives in Congress amongst the several States under the Fourteenth Census; to the Committee on the Census.

By Mr. FITZGERALD: A bill (H. R. 5206) granting pensions to nurses of soldiers' homes; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 5207) to bring about the more effective coordination of Government purchases, to establish the bureau of supply, and for other purposes; to the Committee on the Judiciary.

By Mr. LEHLBACH: A bill (H. R. 5208) to amend the act of Congress approved August 11, 1923 (38 Stat. 109), in so far as it applies to the Federal building at Newark, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY: A bill (H. R. 5209) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide for the construction of additional hospital facilities and to provide medical, surgical, and hospital services and supplies for persons who served in the World War, the Spanish-American War, the Philippine insurrection, and the Boxer rebellion, and are patients of the United States Vet-

erans' Bureau; to the Committee on Public Buildings and Grounds.

By Mr. VAILE: A bill (H. R. 5210) to vest title to school lands in the State in which the lands are situated, if a proceeding is not instituted before the Department of the Interior within 12 years after the State is admitted to the Union, or within 12 years after the survey of the school-land sections was approved, to determine whether such lands were of known mineral character; to the Committee on the Public Lands.

Also, a bill (H. R. 5211) to provide for the applicability to certain classes of persons of the provisions of Articles III and IV of the war risk insurance act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SWANK: A bill (H. R. 5212) to provide for a monthly maintenance allowance for all rural carriers on either horse-drawn or motor routes in the Postal Service; to the Committee on the Post Offices and Post Roads.

By Mr. DRANE: A bill (H. R. 5213) to provide a site and public building at Eustis, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. BOWLING: A bill (H. R. 5214) for the erection of a public post-office building at Prattville, Autauga County, Ala., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5215) for the erection of a public post-office building at Roanoke, Randolph County, Ala., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5216) for the erection of a public post-office building at Lanett, Chambers County, Ala., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5217) for the erection of a public post-office building at Alexander City, Tallapoosa County, Ala., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY: A bill (H. R. 5218) granting the consent of Congress to authorize the Pittsburgh Coal Land & Railroad Co. to construct a bridge across the Tug Fork of Big Sandy River at or near Nolan, in Mingo County, W. Va., to the Kentucky side, in Pike County, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5219) to authorize the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of the Big Sandy River at or near a point about 1½ miles west of Williamson, Mingo County, W. Va., and near the mouth of Turkey Creek, Pike County, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A bill (H. R. 5220) to authorize the acquisition of a site and the erection thereon of a Federal building at La Grange, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. CROWTHER: A bill (H. R. 5221) to enlarge and extend the post-office building at Gloversville, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. BOYLAN: Joint resolution (H. J. Res. 133) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WOLFF: Joint resolution (H. J. Res. 134) proposing an amendment to the Constitution of the United States for war referendum; to the Committee on the Judiciary.

By Mr. REED of West Virginia (by request): Joint resolution (H. J. Res. 135) authorizing the transfer to the jurisdiction of the Commissioners of the District of Columbia of a certain portion of the Anacostia Park for tree nursery purposes; to the Committee on Public Buildings and Grounds.

By Mr. GREEN of Iowa: Joint resolution (H. J. Res. 136) proposing an amendment to the Constitution of the United States; to the Committee on Ways and Means.

By Mr. ZIHLMAN: Resolution (H. Res. 142) amending Rule XXIV, section 8, of the Rules of the House; to the Committee on Rules.

By Mr. NELSON of Wisconsin: Resolution (H. Res. 143) amending clause 5 of Rule XXI of the Rules of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BUCKLEY: A bill (H. R. 5222) for the relief of Thomas Mabury, or Mebri; to the Committee on Military Affairs.

By Mr. AYRES: A bill (H. R. 5223) granting an increase of pension to William F. Rogers; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 5224) for the relief of Dent, Allcroft & Co.; to the Committee on Claims.

Also, a bill (H. R. 5225) for the relief of Richard Evans & Sons Co.; to the Committee on Claims.

By Mr. CULLEN: A bill (H. R. 5226) granting a pension to Alice M. Fowler; to the Committee on Pensions.

By Mr. FAVROT: A bill (H. R. 5227) for the relief of Charles L. Galloway; to the Committee on Military Affairs.

By Mr. FREDERICKS: A bill (H. R. 5228) granting an increase of pension to Edward Francis O'Toole; to the Committee on Pensions.

Also, a bill (H. R. 5229) granting a pension to John R. Garstang; to the Committee on Invalid Pensions.

By Mr. GARRETT of Texas: A bill (H. R. 5230) for the relief of the heirs of Frank Boddeker; to the Committee on Claims.

By Mr. GLATFELTER: A bill (H. R. 5231) granting a pension to Susan Bentz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5232) granting an increase of pension to Minnie L. Crowl; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5233) granting an increase of pension to Elizabeth Lewelsberger; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 5234) authorizing the Secretary of War to donate to the city of Gosport, State of Indiana, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. KINDRED: A bill (H. R. 5235) for the relief of Harlan Bergen; to the Committee on Claims.

By Mr. LOWREY: A bill (H. R. 5236) for the relief of Mrs. M. J. Adams; to the Committee on War Claims.

By Mr. MAJOR of Illinois: A bill (H. R. 5237) granting a pension to Alice R. Rennick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5238) granting an increase of pension to Samantha Lee Draper; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 5239) granting an increase of pension to Lucy A. Willard; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 5240) granting an increase of pension to Eliza A. Peterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5241) granting a pension to Bulah Marie Price; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 5242) granting an increase of pension to Samuel Sterling; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 5243) granting an increase of pension to Eunice Ellis; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 5244) granting a pension to Sarah A. Brown; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5245) granting an increase of Pension to Amelia Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5246) granting a pension to Lucy A. King; to the Committee on Invalid Pensions.

By Mr. SEGER: A bill (H. R. 5247) granting an increase of pension to Alice J. Stoddard; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 5248) granting a pension to Susan DeLaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5249) granting a pension to Laura A. Duncan; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 5250) for the relief of Philip V. Sullivan; to the Committee on Naval Affairs.

Also, a bill (H. R. 5251) granting an increase of pension to Carrie Wolbert; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 5252) granting a pension to Leander Alexander; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5253) granting a pension to Emma W. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5254) granting a pension to Mabel Kyger; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 5255) granting a pension to Minnie Emerson; to the Committee on Invalid Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 5256) granting an increase of pension to Walter C. Thompson; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 5257) for the relief of Alonzo C. Shekell; to the Committee on Military Affairs.

By Mr. YATES: A bill (H. R. 5258) conferring upon William A. Kirby the rank of major, and for other purposes; to the Committee on Military Affairs.

PETITIONS, ETC.

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

498. By the SPEAKER (by request): Petition of Jos. G. Fitzsimmons, president of the Carolinas Auto Supply House, Charlotte, N. C., favoring tax reduction and opposing a soldiers bonus; to the Committee on Ways and Means.

499. Also, petition of Philippine Legislature, independence mission to the United States, urging the Congress of the United States to recognize the independence of the Philippine Islands; to the Committee on Insular Affairs.

500. By Mr. ALLEN: Papers accompanying House bill 5104, granting an increase of pension to Samuel H. Rodeheaver; to the Committee on Invalid Pensions.

501. By Mr. CROWTHER: Petition of Myrle E. Bliss and three other citizens of R. F. D. No. 7, Schenectady, N. Y., indorsing the so-called Mellon plan of tax revision; to the Committee on Ways and Means.

502. Also, petition of Woman's Republican Club (Inc.), of New York City, urging the Ways and Means Committee of the House to give to the Green bill paramount consideration over all other legislation, and to report said bill favorably to the House at the earliest moment; to the Committee on Ways and Means.

503. By Mr. CULLEN: Petition of the Brooklyn Chamber of Commerce, indorsing President Coolidge's recommendations for authority to appoint a commission empowered to deal with whatever emergency situation that might arise in the coal industry, to aid conciliation and voluntary arbitration when collective bargaining fails and to control distribution to prevent profiteering and insure constant supply of this vital necessity; to the Committee on Interstate and Foreign Commerce.

504. By Mr. FULLER: Petitions of the Union League Club, of Chicago, Henry S. Whipple, of Rockford, and sundry other citizens of Illinois, favoring the plan of the Secretary of the Treasury for tax reduction; to the Committee on Ways and Means.

505. Also, petition of the Illinois State Federation of Labor, for relief of postal employees, betterment of conditions of their employment, for a seniority law that will be fair and just, for amendment of the retirement law by eliminating the proviso as to maximum compensation, and for increase of salaries; to the Committee on the Post Office and Post Roads.

506. By Mr. KINDRED: Petition of board of supervisors of Essex County, N. Y., favoring the erection of a bridge across the narrows of Lake Champlain, between Crown Point, in the State of New York, and Chimney Point, in the State of Vermont; to the Committee on Interstate and Foreign Commerce.

507. Also, petition of the American Association for the Recognition of the Irish Republic, asking Congress to demand the release of all republican prisoners in Ireland; to the Committee on Foreign Affairs.

508. By Mr. STRONG of Pennsylvania: Petition of citizens of Indiana, Pa., favoring lower taxes and a more simple, efficient, and economical Government; to the Committee on Ways and Means.

509. By Mr. YATES: Petition of B. A. Eckhart, of Chicago, Ill., urging that the terrible burden of taxes be removed and therefore urging that the tax proposal by Secretary Mellon be adopted; to the Committee on Ways and Means.

510. Also, petition of J. J. Bullington, department of Illinois of the American Legion, urging support of adjusted compensation bill, and stating 75,000 Illinois service men are anxious for its passage; to the Committee on Ways and Means.

511. Also, petition of American Legion at Harrisburg, Ill., favoring the bonus; to the Committee on Ways and Means.

512. Also, petition of C. F. Hodgson, secretary of the Weaver Manufacturing Co., of Springfield, Ill., favoring the Kelly-Stevens bill and the Merritt bill; to the Committee on Interstate and Foreign Commerce.

513. By Mr. YOUNG: Petition of Community Club of Kensal, N. Dak., urging the passage of House bill 4159; also of the Rotary Club of Valley City, N. Dak., urging the passage of House bill 4159; also of Hon. Wesley C. McDowell and 23 other citizens of Marion, N. Dak., urging the passage of House bill 4159; of Farm Bureau of Wells County, N. Dak., favoring the passage of House bill 4159; and the board of county commissioners of Wells County, N. Dak., urging the passage of House bill 4159; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES.

FRIDAY, January 11, 1924.

The House met at 12 o'clock noon.

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

Our Father, we bless Thee that Thy arms are so safe and so merciful to rest in; may we ever love and live in Thee. Strengthen every moral purpose of our beings; vitalize every spiritual fiber of our breasts, that we may resist all temptation, and with firm and steadfast conviction follow Thy holy precepts. Help us to exemplify all those virtues that make for godly character in individual and in state. Enrich our minds; direct our ways that we may in all things do our whole duty. Through Jesus Christ our Lord. Amen.

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

EXTENSION OF REMARKS.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an interview, with some comments upon it, in the Evening Star under date of December 31, 1923, with the Hon. Mr. GARNER, a Member of Congress from the State of Texas. I have submitted this to Mr. GARNER, according to the amenities of the floor, and it is satisfactory to him that I do this.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by inserting therein an interview in the Evening Star with Mr. GARNER of Texas. Is there objection?

There was no objection.

Mr. KING. Mr. Speaker, under the leave granted me by the House, I here insert an interview by the Hon. JOHN F. GARNER, an honorable Member of the House, lately given by him to the Washington Evening Star and printed in that paper on the 31st day of December, 1923. It will probably be referred to by many Members of the House during the coming debate of the so-called Mellon plan of tax adjustment, and indeed it pictures vividly what is taking place here now in the legislative field, and depicts the wonderful power of the fascisti bloc in and out of Congress, and I shall, with permission of the House, refer to it more at length under some remarks which I hope to make under the title of "The American house of overlords."

CHARGES CONSPIRACY OF RICH TO GAIN TAX BILL PASSAGE—REPRESENTATIVE GARNER SAYS ORGANIZED PROPAGANDA IS BEHIND MEASURE WHICH FAVORS BIG INTERESTS AND IGNORES SMALL INCOME EARNER.

Charging that a "huge organized conspiracy of predatory interests" is endeavoring by nation-wide propaganda to coerce Senators and Representatives to support the Mellon tax legislation before all of its provisions are made known, Representative JOHN GARNER, of Texas, ranking Democrat on the Ways and Means Committee, issued a formal statement of warning last night.

Representative GARNER, according to the statement given out by the Democratic National Committee, spoke with authority for the minority membership of the Ways and Means Committee, which has been considering the proposed tax measure for several weeks.

Plain and conclusive evidence of this conspiracy, Representative GARNER says, is found in the wording of telegrams and letters being received by Senators and Representatives in Congress, which are in identical language, showing that they emanate from one source, although coming from various sections of the country. This is a form often employed by these predatory interests to influence the unsuspecting public and to buldoze, intimidate, and coerce Representatives.

COME BEFORE BILL PUBLISHED.

"In this case the propaganda emanating from this organized conspiracy attempts to coerce Senators and Representatives to support the Mellon tax bill before they have had the opportunity to see the bill or to study and to understand its provisions. It is plainly evident also that the constituents of the Senators and Representatives who signed these messages could not have known all of the provisions of the Mellon tax bill, because most of the messages were received before the bill was made public.

"The unconscionable instigators of this conspiracy have not only sought in this way to browbeat and coerce Congress, together with the implied threat contained in these identical-form messages, but they have attempted, and in a large measure apparently succeeded in the attempt, to mislead the public by keeping secret some of the most objectionable provisions of the Mellon tax bill while they were attempting to have the bill generally indorsed by the public before its provisions could be made known. Only through the insistence of Democratic leaders has the bill been made public in all its provisions, so that the people for the first time know now what the bill contains.