is offered by the Senator is nothing more nor less than a subterfuge to carry a vote here instructing the conferees to do just what they have already done. That is what it is, to instruct them to recede when they have already receded. It is just another method of getting at the same thing, and it is a subterfuge and a violation of the unanimous-consent agreement we entered into just awhile ago. You could not set that unanimous-consent agreement aside by any motion whatever, if the Senate stands by its rules. You could not set it aside except by another unanimous-consent agreement. The Chair has declared that the agreement is in effect; and if it is in effect, then the conference report is not before the Senate, but is in the possession of the conference committee with instructions of the Senate as to what to do with it. If they are willing to go and do that with it, let them go. If they are not, let them stay. I will proceed to read some of the fact finding commission's report, which I think Senators should hear in this matter.

Mr. BURSUM. Mr. President——

Mr. PITTMAN. I do not yield to the Senator.

Mr. BURSUM. Will the Senator yield to me——

Mr. PITTMAN. I will not yield.

Mr. BURSUM. To make a unanimous-consent request?

Mr. PITTMAN. I will not yield to the Senator for any purpose. That might settle that.

Let me see just exactly how violent is the effort of these legislators to get three or four million dollars for their pet projects which are disapproved by the fact finding commission, and not authorized by the Budget.

I read from the recommendations of the fact finding commission:

> The Newlands project was among those first selected and authorized after the passage of the reclamation law.
>
> The engineering features were carefully considered, the water supply based upon the use of storage in Lake Tahoe, and the agricultural study of soils made in accordance with then known scientific methods. It seemed to offer, climatically, agriculturally, and physically, an opportunity for a successful project.
>
> The original possible area was thought to be about 450,000 acres; that was early reduced to 397,000 acres and later to 206,000 and finally to 73,000, when it was found, as a result of years of legal controversy, that the expected use of the water of Lake Tahoe was not available.

There is still some misunderstanding about the unanimous-consent agreement. The unanimous-consent agreement binds but one amendment, and that is the amendment providing an appropriation for the Spanish Springs project, a division of the Yuma project. The committee is at liberty to do anything they want to do with regard to any other project under the unanimous-consent agreement.

Mr. WARREN. We have seven items there in disagreement. I am perfectly willing to move, if the Senator will permit, that the report shall be adopted with instructions on the two amendments in disagreement that it shall be taken back——

Mr. PITTMAN. No; I will not stand for any substitute like that. This report shall not be acted on in any way until that amendment is included.

Mr. ASHURST. Mr. President, does the Senator yield? I sympathize with the Senator——

Mr. PITTMAN. I refuse to yield at this time.

Mr. ASHURST. I appeal to the Senator to let the bill pass. I am hurt more than he is.

Mr. PITTMAN. I can not yield. Mr. President, it is believed that the——

The PRESIDENT pro tempore (rapping for order). There must be order in the Chamber. The Sergeant at Arms is directed to request persons in the rear of the Chamber to be seated. The business of the Senate will be suspended until that order is enforced. [After a pause.] The Senator from Nevada will proceed.

Mr. PITTMAN. I can say to the conference committee that they have full power under the unanimous-consent agreement and have had for the last 10 minutes. It allows them to go back and do what they please with the conference report except with regard to the one amendment. If they did not have their minds made up to kill the amendment, they would do that. I say that as long as they have got their minds made up to kill that amendment the whole thing will go with it.

Mr. ROBINSON. Mr. President, will the Senator yield to enable me to present a unanimous-consent request?

Mr. PITTMAN. Yes; if I do not lose the floor by doing so.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the joint resolution which just came over from the House of Representatives, providing an appropriation for the payment of the adjusted compensation. It is one of the features, as I take it, in the urgent deficiency appropriation bill, and I am sure no Senator would want to defeat that appropriation.

Mr. SMOOT. It simply provides——

Mr. PITTMAN. If it is unanimously agreed that I do not lose the floor or the right to discuss this motion, I will be happy to yield, and I suppose no one will object to that.

Mr. KING. I should like to hear the resolution read.

Mr. ROBINSON. It would be 7 o'clock before it could be read.

Mr. KING. What is it about?

Mr. REED of Missouri. It provides for the payment of the adjusted compensation. It is one item in this bill.

Mr. ROBINSON. The joint resolution appropriates for the Veterans' Bureau the funds necessary for the immediate use of the Government under the adjusted compensation act.

Mr. BORAH. That, as I understand it, is included in this bill already.

Mr. ROBINSON. It is.

Mr. BORAH. I object to the consideration of it. If it goes through, it will have to go through on this bill. This bill protects the home builders of the West; and if the home builders of the West are not going to have the protection of the Congress, we are not going to vote any more taxes until they have an opportunity to produce so they can pay them. For six months Congress has devoted its time to appropriating money and creating heavier obligations for the taxpayer. Not another dollar, if I can prevent it, until some consideration is given to the producer, the man who must pay these taxes.

The PRESIDENT pro tempore. The Chair lays before the Senate a joint resolution from the House of Representatives.

The joint resolution (H. J. Res. 295) making appropriations for the administration of the World War adjusted compensation act, fiscal year ending June 30, 1925, was read twice by its title.

Mr. PITTMAN. A parliamentary inquiry. What is this?

The PRESIDENT pro tempore. Unanimous consent is asked for the present consideration of the joint resolution.

Mr. BORAH. I object. We will all go down together.

The PRESIDENT pro tempore. The Senator from Idaho objects.

Mr. PITTMAN. Now, Mr. President, I want to say this: I have not had an opportunity to go entirely into this subject, but, nevertheless, I have stated enough of it to show the character of the legislation.

Mr. REED of Missouri. Mr. President, I move that the Senate agree to the House resolution just presented.

Mr. BORAH. Upon that I want to be heard. I do not propose that the man who is struggling to save his home shall be discriminated against any longer.

FINAL ADJOURNMENT

The PRESIDENT pro tempore (Mr. CUMMINS). It is now 7 o'clock, and under the concurrent resolution adopted by the House and the Senate of the United States, the Senate of the first session of the Sixty-eighth Congress stands adjourned without day.

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## HOUSE OF REPRESENTATIVES

### SATURDAY, *June 7, 1924*

The House met at 11 oclock a. m.

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

Our blessed Heavenly Father, only through the continuance of Thy mercy are we able to stand in Thy presence. We praise Thee, O God, for Thy marvelous goodness that pours from Thy infinite heart. All the days of our lives Thou hast been with us; we therefore thank Thee. Truly Thou art our God, and we are the people of His pasture. We bless Thee, O Lord, that we are living under such broad skies and in a land so abundant in resources that make a people great. Through love of virtue, zeal for knowledge, by policy and legislation may we pursue the things that make for national righteousness and that edify mankind. Be gracious and merciful unto our President and the Speaker of this Congress. Bless and direct all Members, all officers, all employees, and pages of this House while the intervening months pass by. May no peril befall our dwellings; stay the hand of affliction and keep us in the shadow of Thy presence. With hearts of gladness and with wills to serve help us to lighten life's burden, lift life's load, and brighten life's way, through Jesus Christ our Lord. Amen.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

COMPENSATION OF CIVILIAN EMPLOYEES IN THE FIELD SERVICES

Mr. MADDEN. Mr. Speaker, I call up from the Speaker's desk the bill (H. R. 9561) making additional appropriations for the fiscal year ending June 30, 1925, to enable the heads of the several departments and independent establishments to adjust the rates of compensation of civilian employees in certain of the field services, with Senate amendments, and move to concur in the Senate amendments.

The SPEAKER. The gentleman from Illinois calls up the bill (H. R. 9561) to provide for the compensation of certain civilian employees in the field services, with Senate amendments thereto, and moves to concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments.

Mr. MADDEN. Mr. Speaker, there are two small amendments to correct some mistakes that were made in the compilation of the figures in this bill, and one amendment which provides for an appropriation of $55,000 to protect the fishery activities in Alaska, under an act just passed, but it was too late coming from the Director of the Budget to get into the deficiency bill. I move to concur in the Senate amendments.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

WAR-GRAFT CASES

Mr. HOWARD of Nebraska. Mr. Speaker, on page 8999 of the RECORD it will be observed that I secured unanimous consent that upon the return to the House of the chairman of the Committee on Appropriations, the gentleman from Illinois [Mr. MADDEN], he be given five minutes in which to give me the name of that one person who, as the result of the expenditure of a million dollars of appropriations, had been committed to any Federal penitentiary on the charge of war graft. The chairman of the Committee on Appropriations is now present. I have not bothered him while he was so busy, but he is here now and I ask unanimous consent that he use five minutes at this time to give me the name of any one person in the penitentiary as a result of war-graft prosecution.

Mr. CRAMTON. Mr. Speaker, I observe that the gentleman from Illinois is not present at this moment.

Mr. HOWARD of Nebraska. He was just a moment ago.

Mr. CRAMTON. He is very much occupied with the deficiency appropriation bill.

The SPEAKER. The gentleman from Illinois will have opportunity to accede to the request of the gentleman from Nebraska.

Mr. HOWARD of Nebraska. Do I understand that unanimous consent having been given, I may call upon him for this information upon his return to the Chamber?

The SPEAKER. The gentleman may ask him for it whenever he pleases.

THE REVENUE BILL OF 1924

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that the remarks of the gentleman from Oregon [Mr. HAWLEY] giving statistical information about the new revenue bill be printed as a public document.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the remarks of the gentleman from Oregon [Mr. HAWLEY] be printed as a public document. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE

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

S. 3018. An act to authorize the designation of deputy fiscal or disbursing agents in the Department of Agriculture, stationed outside of Washington; and

S. 3221. An act for the relief of employees of the Bureau of Printing and Engraving who were removed by Executive order of the President dated March 31, 1922.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the amendment of the Senate No. 18 to the bill (H. R. 9429) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1925, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8839) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes, had agreed to the amendments of the House to the amendments of the Senate Nos. 28, 84, 116, 124, and 166.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 1306. An act for the relief of Henry McGuire;

H. R. 1830. An act for the relief of Charles T. Norman;

H. R. 4088. An act to establish the upper Mississippi River wild life and fish refuge;

H. R. 4830. An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor;

H. R. 5318. An act to authorize an exchange of lands with the State of Washington;

H. R. 9434. An act granting the consent of Congress to the States of Georgia and Florida, through their respective highway departments, to construct a bridge across the St. Marys River;

H. R. 9457. An act granting the consent of Congress to the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River at or near Alaga, Ala., connecting Houston County, Ala., and Early County, Ga.;

H. R. 9515. An act granting the consent of Congress to the Delaware State Highway Department to construct a bridge across the canal near Rehoboth, Del.;

H. R. 9177. An act granting the consent of Congress to the counties of Kittitas and Grant, in the State of Washington, to construct a bridge across the Columbia River at or near Vantage Ferry, Wash.;

H. R. 9314. An act to amend section 98 of the Judicial Code;

H. R. 9345. An act granting the consent of Congress for the construction of a bridge across the Ohio River between Vanderburgh County, Ind., and Henderson County, Ky.;

H. R. 9361. An act granting the consent of Congress to the construction of a bridge across the Rio Grande;

H. R. 9402. An act granting the consent of Congress to the Fullerton & Portsmouth Bridge Co. to construct a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

H. R. 9612. An act granting the consent of Congress to the State of Georgia, through its highway department, to construct a bridge across the Oconee River;

H. R. 7731. An act authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation;

H. R. 7998. An act granting public lands to the city of Golden, Colo., to secure a supply of water for municipal and domestic purposes;

House Concurrent Resolution 28

*Resolved by the House of Representatives (the Senate concurring)*, That there be printed and bound the proceedings in Congress, together with the proceedings at the unveiling in Statuary Hall, upon the acceptance of the statue of Sequoyah, presented by the State of Oklahoma, 5,000 copies, of which 1,000 shall be for the use of the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 shall be for the use and distribution of the Senators and Representatives in Congress from the State of Oklahoma.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall provide suitable illustrations to be bound with the proceedings.

H. R. 9517. An act granting the consent of Congress to the North Texas Co., of Saint Jo, Tex., a corporation organized under the laws of the State of Texas, to construct a toll bridge across the Red River in the vicinity of Illinois Bend, Tex.;

H. R. 9610. An act granting the consent of Congress to the Board of Supervisors of Lowndes County, Miss., to construct a bridge across Tombigbee River;

H. R. 6972. An act for the relief of William H. Nelson;

H. R. 6950. An act to authorize the incorporated town of Cordova, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of constructing and equipping a public-school building in said town of Cordova, Alaska;

H. R. 6255. An act to amend an act entitled "An act to authorize the incorporated town of Ketchikan, Alaska, to issue its bonds in any sum not to exceed $100,000 for the purpose of constructing a schoolhouse in said town and equipping the same," approved February 7, 1920; and

H. R. 6652. An act to authorize the city of Los Angeles, in the State of California, to construct and operate a line of railroad across the Fort MacArthur Military Reservation in the State of California.

PHILIPPINE INDEPENDENCE

Mr. HUDSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Fairfield bill for independence of the Philippine Islands.

The SPEAKER. Is there objection?

There was no objection.

Mr. HUDSON. Mr. Speaker, it is my desire to address the House on the subject of Philippine independence. I have been much distressed by the inference from some of the discussion on this subject, viz, that the Filipinos have not independence at the present time, that they are more or less in a state of bondage. Nothing is further from the truth, and I am sure it is not the desire of the official representatives to give such an impression. In fact, the only real independence the islands have experienced has been in the last 25 years since they came into the possession of the United States. Certainly in the previous 400 years during which they were under the domination of Spain they enjoyed little freedom of any kind. There is a great difference between independence and national autonomy. It is the latter which the advocates of Philippine independence desire, and which without question should be granted, when it can be done without sacrificing the real independence of the Filipinos. Let me quote from the address of the Hon. J. Sloat Fassett, a former Member of this body, and the president of the Insular Lumber Co., given before the American Chamber of Commerce of the Philippine Islands.

The Filipino people are the most independent in the world to-day. They have a better government for less money than any people in the world. They have the great good luck to have the advantage of the United States Consular and Diplomatic Service, which does not cost them a penny, and which works to their advantage every minute. They have the advantage of free, open, and cheerful access to the best market in the world and to one most friendly to them, which was worth last year a surplus in trade of 63,000,000 of pesos. They have the advantage of our Army and Navy, and up to the present time they have the inestimable privilege of having Governor General Wood keep them from their own destruction. Independence is really established among men for the benefit of individual men, so that individual men may without let or hindrance aspire to the utmost growth of which they are individually capable.

In fidelity to the intention of the United States declared early in the history of the relationship between the two peoples, a policy of increasing self-government has been followed until the place has been reached prophesied by Theodore Roosevelt when he said that "the government of the Philippine Islands would cease to be a government of Americans aided by Filipinos and, instead, would become a government of Filipinos aided by Americans." This is in truth what it is to-day. Both Filipinos and Americans can rejoice in the unparalleled progress of the islands during the last 25 years. It is therefore more imperative that any action taken shall be taken advisedly and shall preserve the beneficial effects of the past cooperation.

Under the majority report of the committee providing for separation at the end of a 20-year period such provision can and should be made. It should not be declared mercenary for the United States to consider the economic effects. Even with the commendable generosity of being willing to forego the indebtedness to the Government or of sacrificing private American capital it is not fair to bring bankruptcy on any group of people when careful foresight can avoid it. Furthermore, economic conditions are so involved that economic loss to one group inevitably affects all groups.

It is noteworthy that not one of the proponents of Philippine independence presents a method by which it may be accomplished. There is no precedent for such a step. Not since the United States became a nation has it sold, given away, or in any way released any portion of its territory. That the islands are part of the domain of the United States can not be denied, having come into the possession of the United States by three means, any one of which are recognized as valid by international law, namely by conquest, by treaty, and by purchase. Therefore any action taken must be in consideration of the establishing of a precedent for action should the peoples, or any group of the peoples, of other portions of the public domain, Alaska, Louisiana, or California—all of which were obtained by purchase—desire complete separation. Neither Congress nor the President has the power to alienate the territory or the sovereignty of any portion of the public domain. Among the powers granted by the Constitution to either the legislative or the executive branches of the Government this is not mentioned. The powers not specifically enumerated are reserved to the several States and to the people of the United States. To surrender the sovereignty of the Philippine Islands would require the action of the whole people of the United States, either by a popular vote—which has never yet been deemed wise—or by a constitutional amendment ratified by the requisite number of States. That a modus vivendi can be agreed upon I do not doubt. But an action involving the welfare of 12,000,000 American citizens and making a precedent for future generations should neither be taken hastily nor be made a football of partisan politics.

BICENTENNIAL OF BIRTHDAY OF GEORGE WASHINGTON

Mr. REED of New York. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 85, authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensible observance of that greatest of all historic events, the bicentennial of the birthday of George Washington, as amended, which I send to the desk.

The SPEAKER. The gentleman from New York moves to suspend the rules and pass Senate Joint Resolution 85, as amended, which the Clerk will report.

The Clerk read as follows:

S. J. Res. 85, authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington

*Resolved*, That there is hereby established a commission to be known as the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington (hereinafter referred to as the commission) and to be composed of 19 commissioners, as follows:

The President of the United States; the Presiding Officer of the Senate and the Speaker of the House of Representatives, ex officio; eight persons to be appointed by the President of the United States; four Senators by the President pro tempore of the Senate; and four Representatives by the Speaker of the House of Representatives. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to be expended by the commission in accordance with the provisions of this resolution.

SEC. 3. That it shall be the duty of the commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing of the event to commemorate which they are brought into being and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and by representative civic bodies; and if the participation of other nations in the commemoration be deemed advisable, to communicate with governments of such nations.

SEC. 4. That when the commission shall have approved of a plan of celebration, then it shall submit for their consideration and approval such plan or plans, in so far as it or they may relate to the fine arts, to the Commission of Fine Arts, in Washington, for their approval and in accordance with statutory requirements.

SEC. 5. That the commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the commission, and may also engage the services of expert advisers; and may fix their respective compensations within the amount appropriated for such purposes.

SEC. 6. The commissioners shall receive no compensation for their services, but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of the amount appropriated.

SEC. 7. The commission shall on or before the 4th of March, 1925, make a report to the Congress in order that enabling legislation may be enacted.

SEC. 8. That the commission hereby created shall expire within two years after the expiration of the celebration, December 31, 1932.

SEC. 9. This joint resolution shall take effect immediately.

The SPEAKER. Is a second demanded?

Mr. BLANTON. Mr. Speaker, I demand a second.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from New York.

Mr. REED of New York. Mr. Speaker, the celebration of the two-hundredth anniversary of the birth of George Wash-

ington has aroused such widespread and universal interest that I shall not take the time of the House in explaining the provisions of this bill, which has for its purpose the proper observance of this great event.

It has the support of President Coolidge, Chief Justice Taft, Hon. Curtis D. Wilbur, Hon. Harry S. New, Hon. Henry C. Wallace, and Hon. James J. Davis. Among those urging it are the following governors and mayors:

Governor Neff, Texas.
Governor Brandon, Alabama.
Gov. Scott Bone, Alaska.
Governor Nestos, North Dakota.
Governor Preus, Minnesota.
Governor Davis, Kansas.
Governor Trinkle, Virginia.
Governor Moore, Idaho.
Governor Mabey, Utah.
Governor Pinchot, Pennsylvania.
Gov. Alfred E. Smith, New York.
Governor Templeton, Connecticut.
Governor Parker, Louisiana.
Governor Fields, Kentucky.
Governor Bryan, Nebraska.
Governor Hinkle, New Mexico.
Mayor McLaurin, Laurel, Miss.
Mayor Wiesendenger, Yonkers, N. Y.
Mayor Maher, Santa Cruz, Calif.
Mayor Hargett, Salina, Kans.
Mayor Hettrick, Asbury Park, N. J.
Mayor Stringham, Berkeley, Calif.
Mayor Burgheim, Little Falls, Minn.
Mayor Agar, Valparaiso, Ind.
Mayor Remington, New Bedford, Mass.
Mayor Quinn, Louisville, Ky.
Mayor Edward W. Quinn, Cambridge, Mass.
Mayor Topping, Summit, N. J.
Mayor Block, Kingston, N. Y.
Mayor Anderson, Hannibal, Mo.
Mayor Freeman, Springfield, Mo.
Mayor Phillips, Stamford, Conn.
Mayor Rosenfield, Rock Island, Ill.
Mayor Neslin, Salt Lake City, Utah.
Mayor Campbell, Mishawaka, Ind.
Mayor McCavitt, Anaconda, Mont.
Mayor Williams, Macon, Ga.
Mayor Moore, Englewood, N. J.
Mayor Davis, Leavenworth, Kans.
Mayor Howland, Long Branch, N. J.
Mayor Jackson, Baltimore, Md.
Mayor Bates, Salem, Mass.
Mayor Nelson, St. Paul, Minn.
Mayor Bullivant, Brockton, Mass.
City Director Moore, Jersey City, N. J.
Chief Burgess Doctor Shissler, Shamokin, Pa.

Among the commissioners of education who have already approved the proposal are:

Superintendent Callahan, Wisconsin.
Lester D. Henderson, Alaska.
T. E. Johnson, Michigan.
Clarence H. Dempsey, Vermont.
Superintendent Bond, Mississippi.
Commissioner Thomas, Maine.
Commissioner Tigert, Bureau of Education, Washington, D. C.
Doctor Graves, New York.
Mrs. Gravely, Idaho.
Superintendent Wood, California.
Superintendent Riegel, Ohio.
Superintendent Ford, West Virginia.
Superintendent Burris, Indiana.
Superintendent Hunting, Nevada.

The following letter of ex-President Charles W. Eliot, of Harvard, University, is only one of many valuable suggestions:

The two hundredth anniversary of the birth of Washington should be celebrated not only all over this country, but wherever in Europe there exists a group of persons who know the value of his writings and his deeds for the promotion of liberty and justice among mankind. This celebration, however, should be solemn, not gay, and spiritual, not materialistic. It should be directed in large measure to the rising generation, not to the passing or the past. It should appeal to thinking people, not to the careless or indifferent. Its aim should be to increase the number of Washington's disciples and followers in and for the struggles of the future.

The committee has conducted hearings and among those who appeared in favor of this measure urging prompt and favorable action were: Mr. Andrew B. Humphrey, secretary of the Sulgrave Institution, New York City; Mr. John A. Stewart, representing the American Society; Bishop Darlington, Harrisburg, Pa.; Hon. Alton B. Parker, chancellor of the Sulgrave Institution; Gen. William Crozier, United States Army (retired); Mr. A. B. Chandler, jr., president of the Chamber of Commerce of Fredericksburg, Va.; Mrs. L. H. Rust, of Wakefield, Va.

Numerous other indorsements have come from prominent organizations such as the chambers of commerce and the American Federation of Labor.

I shall not take the time of the House to discuss the details of this bill.

Mr. BLANTON. Mr. Speaker, this bill illustrates the necessity of a rule that would prohibit the Congress, both Houses if possible, from passing any bill during the last three days of the session and to require both Houses during the last three days of the session to confine their energies and actions to conference reports alone. I have seen bills pass here in the last 48 hours with the enactment and third reading waived involving over a million dollars each, some of them, pass in half a minute, without any consideration whatever, without chance of amendment, and without opportunity for discussion; and if it had been any other time except the closing hours of Congress they could not have passed the House at all, and with proper debate they would not have gotten 50 votes, some of them; but in the closing hours of Congress you can pass anything.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BLANTON. No. I do not yield to the gentleman from New York [Mr. REED] or to any other man in my high regard, respect, and love for the memory of the Father of his Country, but what is all this hurry about? Why, this bicentennial birthday of George Washington is eight years hence—in 1932, if you please—and here is Congress on the last day of this session, with the taxpayers all over the Nation burdened in many respects and seeking relief in proper legislation, here we are on the last day of the session taking up a bill that is applicable to the celebration of a birthday eight years hence.

I know that this little $10,000 to some of you is a bagatelle. I know that much, but I want to ask you, Who is going to spend this money? How are they going to spend it? What is the necessity of spending it this year? Nobody has told us. Why, the chairman of this committee when 20 minutes of debate is allowed him he takes his seat and says, "I submit the bill to the House without argument; I offer no explanation of it. I tell the membership nothing at all about where this money is going or who expends it." I made some investigation here in the last eight years about various bureau chiefs and heads of departments who want money to expend in vacation time, and they think of every kind of excuse on God's earth to get Congress to give them spending money.

I know something about how this $10,000 is going to be expended this year—eight years before the bicentennial celebration is to occur. The people in my district, 314,000 of them, are depending on me as one of the 435 Representatives here to know what I am doing when I vote on a bill to take their money out of the Treasury. I will tell you what is going to happen. This is merely the nose of the camel getting under the tent. Why do they have to spend $10,000 this year to celebrate properly the bicentennial birthday of George Washington that will not occur until 1932? Why, the spirit of regard for Washington's memory is inherent in the hearts of all the individuals of our country. They need no money eight years before the celebration to spur them on. Why, this birthday is to be celebrated in every nook of the United States in 1932, and they will do it without money. [Applause.] I will tell you what is going to happen. We will give this $10,000 to some committee, some commission, some bureau this year, and they will waste it, and when the fiscal year is ended you can not tell one single benefit that has been derived from this expenditure, and next year, when the Congress meets, you will find this distinguished committee with its distinguished chairman, whom we all highly respect and for whom we have high regard—you will find him coming in again next year with another resolution reciting that only seven years then stand between us and 1932, and then, instead of asking for $10,000 next year, he will ask for $50,000. Two years from now it will be $100,000, and the closer we get to 1932 every year during those eight years you are going to have the appropriation grow like a rolling snowball, and you will find men here who will get up and say, "Oh, we are not short on these things! Why, this is the Father of his Country! What do we care about money when we celebrate his bicentennial birthday?"

Why, if it were necessary to appropriate to celebrate this occasion, I would vote with you to the limit when 1932 comes, but there is no necessity now for spending this money eight years before the celebration.

I want to say to my colleagues this: When you go home this summer, you keep this in mind. You are going to find this thought uppermost in the minds of your constituents—the thought of economy in Government expenditures. You are going to find when you go home that your constituents are for stopping these extravagances. They are for stopping these needless expenditures. They want the expenditures of the Government decreased instead of increased all the time.

When those boys out in your district write you letters here you sit in your office and say, "Dear John, your letter is received. I will give careful and immediate attention to it. Very sincerely yours." But when you go home and John meets you on the street and he asks you a question you can not then say, "I will give it careful consideration." You have got to answer that question, and you have got to give him a specific answer, and one for each question he asks you, and I am trying to conduct myself here and my votes here so that when I go home and meet the boys on the street I can answer all their questions without equivocation or evasion.

Mr. CULLEN. Will the gentleman yield?

Mr. BLANTON. I will yield, but I have about concluded.

Mr. CULLEN. I do not want to interrupt the gentleman, but I have been poring over this bill, and I have not been able to find what sum is to be appropriated.

Mr. BLANTON. Ten thousand dollars this year.

Mr. CULLEN. It is not in the bill.

Mr. BLANTON. The gentleman has a different bill. The Clerk read the committee bill, which the chairman moved to suspend the rules and pass.

Mr. CULLEN. The bill I have is the Senate bill.

Mr. BLANTON. I will say this, when the time comes in 1932 I will join with you in going the limit on any proper way to observe this worthy celebration.

But it is too early now to begin spending money. We are starting too soon. I hope you will not pass this bill.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. REED] to suspend the rules and pass the resolution.

The question was taken.

Mr. BLANTON. Mr. Speaker, I object to the vote, and I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 306, nays 19, not voting 108, as follows:

YEAS—306

| | | | |
|---|---|---|---|
| Abernethy | Christopherson | Free | Jeffers |
| Ackerman | Clancy | Freeman | Johnson, Ky. |
| Aldrich | Clarke, N. Y. | Frothingham | Johnson, S. Dak. |
| Allen | Cleary | Fulbright | Johnson, Tex. |
| Anthony | Cole, Iowa | Fuller | Kearns |
| Arnold | Collier | Fulmer | Keller |
| Aswell | Collins | Gallivan | Kelly |
| Bacon | Colton | Gardner, Ind. | Kendall |
| Barbour | Connally, Tex. | Garrett, Tenn. | Kindred |
| Barkley | Connery | Garrett, Tex. | King |
| Beedy | Cook | Gasque | Kopp |
| Beers | Cooper, Wis. | Gibson | Kurtz |
| Begg | Corning | Gifford | Kvale |
| Bell | Cramton | Glatfelter | LaGuardia |
| Berger | Crisp | Goldsborough | Lampert |
| Bixler | Croll | Graham, Ill. | Lanham |
| Black, N. Y. | Crosser | Green, Iowa | Lankford |
| Black, Tex. | Cullen | Greene, Mass. | Larsen, Ga. |
| Bland | Cummings | Greenwood | Lazaro |
| Bloom | Dallinger | Griffin | Lea, Calif. |
| Bowling | Darrow | Hadley | Leatherwood |
| Box | Davey | Hardy | Leavitt |
| Boyce | Davis, Tenn. | Harrison | Lee, Ga. |
| Boylan | Dempsey | Hastings | Lehlbach |
| Brand, Ga. | Denison | Haugen | Lindsay |
| Brand, Ohio | Dickinson, Iowa | Hawes | Lineberger |
| Briggs | Dickinson, Mo. | Hawley | Linthicum |
| Britten | Dowell | Hayden | Lowrey |
| Browne, Wis. | Driver | Hersey | Luce |
| Browning | Dyer | Hickey | McClintic |
| Brumm | Eagan | Hill, Ala. | McDuffie |
| Buchanan | Elliott | Hill, Md. | McFadden |
| Buckley | Evans, Iowa | Hill, Wash. | McKenzie |
| Burdick | Evans, Mont. | Hoch | McLaughlin, Mich. |
| Burtness | Fairchild | Holaday | McLaughlin, Nebr. |
| Byrns, Tenn. | Faust | Hooker | McLeod |
| Cable | Favrot | Howard, Nebr. | McReynolds |
| Campbell | Fenn | Hudson | McSwain |
| Canfield | Fish | Hull, Iowa | McSweeney |
| Carew | Fisher | Hull, William E. | MacGregor |
| Carter | Fleetwood | Humphreys | MacLafferty |
| Casey | Foster | Jacobstein | Magee, N. Y. |
| Chindblom | Frear | James | Magee, Pa. |
| Major, Mo. | Oliver, N. Y. | Seger | Underhill |
| Mansfield | Park, Ga. | Shallenberger | Underwood |
| Mapes | Parks, Ark. | Simmons | Upshaw |
| Martin | Peery | Sinclair | Valle |
| Mead | Perkins | Sinnott | Vestal |
| Merritt | Perlman | Smith | Vincent, Mich. |
| Michener | Porter | Smithwick | Vinson, Ga. |
| Miller, Wash. | Pou | Snell | Voigt |
| Mills | Prall | Snyder | Wainwright |
| Minahan | Purnell | Speaks | Wason |
| Montague | Quin | Spearing | Watkins |
| Mooney | Ragon | Sproul, Ill. | Watson |
| Moore, Ga. | Rainey | Sproul, Kans. | Weller |
| Moore, Ohio | Raker | Stedman | Wertz |
| Moore, Va. | Ramseyer | Stephens | White, Kans. |
| Moores, Ind. | Ransley | Stevenson | Williams, Ill. |
| Morehead | Rathbone | Strong, Pa. | Williams, Mich. |
| Morgan | Rayburn | Summers, Wash. | Williams, Tex. |
| Morris | Reece | Swank | Williamson |
| Morrow | Reed, N. Y. | Swing | Wilson, Ind. |
| Murphy | Reid, Ill. | Swoope | Wilson, La. |
| Nelson, Me. | Richards | Taber | Wingo |
| Nelson, Wis. | Roach | Tague | Winter |
| Newton, Minn. | Robinson, Iowa | Taylor, Colo. | Wolff |
| Newton, Mo. | Robsion, Ky. | Temple | Wood |
| Nolan | Rogers, Mass. | Thatcher | Woodrum |
| O'Brien | Romjue | Thomas, Ky. | Wright |
| O'Connell, N. Y. | Rubey | Thomas, Okla. | Wurzbach |
| O'Connell, R. I. | Sabath | Thompson | Wyant |
| O'Connor, La. | Salmon | Tilson | Yates |
| O'Connor, N. Y. | Sanders, Ind. | Timberlake | Young |
| O'Sullivan | Sanders, N. Y. | Tincher | Zihlman |
| Oldfield | Schafer | Tinkham | |
| Oliver, Ala. | Schneider | Treadway | |

NAYS—19

| | | | |
|---|---|---|---|
| Allgood | Cannon | Johnson, Wash. | Sandlin |
| Almon | French | Jones | Steagall |
| Bankhead | Garber | Kincheloe | Taylor, W. Va. |
| Blanton | Gilbert | Major, Ill. | Tillman |
| Busby | Huddleston | Rankin | |

NOT VOTING—108

| | | | |
|---|---|---|---|
| Anderson | Edmonds | Logan | Scott |
| Andrew | Fairfield | Longworth | Sears, Fla. |
| Ayres | Fitzgerald | Lozier | Sears, Nebr. |
| Bacharach | Fredericks | Lyon | Sherwood |
| Beck | Funk | McKeown | Shreve |
| Boies | Garner, Tex. | McNulty | Sites |
| Browne, N. J. | Geran | Madden | Stalker |
| Bulwinkle | Graham, Pa. | Manlove | Stengle |
| Burton | Griest | Michaelson | Strong, Kans. |
| Butler | Hammer | Miller, Ill. | Sullivan |
| Byrnes, S. C. | Howard, Okla. | Milligan | Sumners, Tex. |
| Celler | Hudspeth | Moore, Ill. | Sweet |
| Clague | Hull, Morton D. | Morin | Taylor, Tenn. |
| Clark, Fla. | Hull, Tenn. | Mudd | Tucker |
| Cole, Ohio | Johnson, W. Va. | Paige | Tydings |
| Connolly, Pa. | Jost | Parker | Vare |
| Cooper, Ohio | Kahn | Patterson | Vinson, Ky. |
| Crowther | Kent | Peavey | Ward, N. Y. |
| Curry | Kerr | Phillips | Ward, N. C. |
| Davis, Minn. | Ketcham | Quayle | Watres |
| Deal | Kiess | Reed, Ark. | Weaver |
| Dickstein | Knutson | Reed, W. Va. | Wefald |
| Dominick | Kunz | Rogers, N. H. | Welsh |
| Doughton | Langley | Rosenbloom | White, Me. |
| Doyle | Larson, Minn. | Rouse | Wilson, Miss. |
| Drane | Lilly | Sanders, Tex. | Winslow |
| Drewry | Little | Schall | Woodruff |

So, two-thirds having voted in the affirmative, the rules were suspended and the resolution was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Cole of Ohio with Mr. Rogers of New Hampshire.
Mr. Kiess with Mr. Byrnes of South Carolina.
Mr. Little with Mr. Doyle.
Mr. White of Maine with Mr. Hudspeth.
Mr. Ward of New York with Mr. Jost.
Mr. Kahn with Mr. Clark of Florida.
Mr. Taylor of Tennessee with Mr. Howard of Oklahoma.
Mr. Sears of Nebraska with Mr. Kent.
Mr. Mudd with Mr. Doughton.
Mr. Boise with Mr. Hull of Tennessee.
Mr. Connolly of Pennsylvania with Mr. Kunz.
Mr. Scott with Mr. Celler.
Mr. Curry with Mr. Lilly.
Mr. Griest with Mr. Quayle.
Mr. Patterson with Mr. Drane.
Mr. Michaelson with Mr. Logan.
Mr. Bacharach with Mr. Wilson of Mississippi.
Mr. Cooper of Ohio with Mr. Tucker.
Mr. Phillips with Mr. Hammer.
Mr. Shreve with Mr. Lyon.
Mr. Fredericks with Mr. Sullivan.
Mr. Sweet with Mr. Stengle
Mr. Vare with Mr. Rouse.
Mr. Woodruff with Mr. Deal.
Mr. Funk with Mr. Tydings.
Mr. Parker with Mr. Garner of Texas.
Mr. Graham of Pennsylvania with Mr. Dominick.
Mr. Morin with Mr. Milligan.
Mr. Andrew with Mr. Lozier.
Mr. Burton with Mr. Kerr.
Mr. Davis of Minnesota with Mr. Johnson of West Virginia.
Mr. Fitzgerald with Mr. Geran.
Mr. Paige with Mr. Drewry.
Mr. Butler with Mr. Bulwinkle.
Mr. Crowther with Mr. Ayres.
Mr. Hull, William E., with Mr. Sears of Florida.
Mr. Ketcham with Mr. Reed of Arkansas.

Mr. Longworth with Mr. Brown of New Jersey.
Mr. Manlove with Mr. McKeown.
Mr. Winslow with Mr. Vinson of Kentucky.
Mr. Madden with Mr. Sanders of Texas.
Mr. Welsh with Mr. Weaver.
Mr. Stalker with Mr. McNulty.
Mr. Watres with Mr. Sherwood.
Mr. Reed of West Virginia with Mr. Dickstein.
Mr. Anderson with Mr. Sites.
Mr. Knutson with Mr. Wefald.

The result of the vote was announced as above recorded.
The doors were opened.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for one minute, in order to correct an error in the printing of the bill affecting the Veterans' Bureau.

The SPEAKER pro tempore. The gentleman from South Dakota asks unanimous consent to address the House for one minute on veterans' legislation. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of South Dakota. Mr. Speaker, on page 10964 of the RECORD of June 5 last, section 201, paragraph 1, the following is stated:

If death occur, or shall have occurred subsequent to April 6, 1917, and before discharge or resignation from the service, the United States shall pay for burial expenses and the return of body to his home a sum not to exceed $150, as may be fixed by regulation.

Mr. Speaker, this is a misprint, as the conferees agreed that this amount should be $100. Owing to the fact, however, that there is included the statement that it shall be "not to exceed" $150 and the amount may be fixed by regulation, by the Director of the Veterans' Bureau, the Veterans' Committee will not try to secure the passage of a curative resolution through the House, and I am making this statement only that the Director of the Veterans' Bureau will have official notice that the conferees agreed on $100 and that he, therefore, will not exceed that sum and will so fix the regulation.

THE BONUS, TRADE ACTIVITY, AND TAX REDUCTION

Mr. WINGO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short statement entitled "The effect of the bonus on trade activities, the revenues, and tax reduction."

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent to extend his remarks in the RECORD by printing a short statement entitled "The effect of the bonus on trade activities, the revenues, and tax reduction." Is there objection?

Mr. SCHAFER. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Arkansas whether these remarks will contain a solution of the farmer's trials and tribulations and provide a means of relieving him of his present distress?

Mr. WINGO. I am sorry they will not, because the statement I desire to insert comes from a leading financial publication, so you could not expect that.

The SPEAKER pro tempore. Is there objection?

There was no objection.

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

[From the Business Conditions Weekly, Alexander Hamilton Institute]

THE BONUS AND TRADE ACTIVITY

The American Telephone & Telegraph Co. has just offered $150,000,000 of stock to investors. The spending of this money will have some effect upon business, but even though this is a large amount of money for any corporation to spend it represents only one-fourth of 1 per cent of the total spendings of the American people every year.

This percentage applies also to the bonus bill. The amount of money which will be disbursed under the bonus bill during the first year will be practically the same as the money which the American Telephone & Telegraph Co. will receive from selling its common stock. The effect upon trade activity will be negligible. About $150,000,000 will be collected in taxes from Mr. Jones and Mr. Brown and paid to Sergeant Smith and Private O'Brien. Some of the wealthier taxpayers will have a few dollars less to spend, but there will be no decrease in the total amount spent for merchandise. There will just be a difference in the places where the money is spent. It will be spent where Sergeant Smith and Private O'Brien do their shopping instead of in the places where Taxpayers Jones and Brown spend their money. However, there will be no withdrawal of funds from production and employment, because it is merely a taking from Peter to pay Paul, and Paul will spend the money for much the same sort of merchandise as Peter is accustomed to buy. About the only economic loss to the country on account of the bonus during the next 12 months will be in connection with the extra clerks and accountants employed in handling the complicated Army and Navy records. It will be necessary to spend $5,000,000 or $10,000,000 a year extra on account of clerical help and other expenses of administration, and if it were not for the bonus these clerks and this money would go into some form of productive industry. However, the amount of money diverted to these extra clerks from productive industry is too small to discuss in analyzing general business conditions.

As a business factor the bonus will be more important several years hence. The bill provides that if annual disbursements do not absorb all of the sinking fund provided, amounting to over $100,000,000 a year, the Treasury shall invest any idle bonus funds in Government bonds. Perhaps six or eight years from now the annual investment of bonus funds in Government bonds will influence the bond market. Then at the end of 20 years, when all of the insurance certificates expire, the Government will have to sell the bonds purchased meantime in order to effect the final payment to the veterans then living.

It is also possible that within eight or ten years the total money which the veterans will borrow from the banks by pledging insurance certificates will become a factor in the money market. However, there is a popular misunderstanding about the borrowing provision of the law. The authority to borrow 90 per cent of the value of the insurance certificate after two years does not mean that the holder of a $1,000 certificate can borrow $900 after two years. If that were possible, the veterans could borrow the huge sum of $2,600,000,000 after two years. That would be equal to 6 per cent of the total bank loans of the country. In the borrowing provision of the bonus law, however, there is a difference between face value and loan value of the insurance certificate. For instance, the certificate with a face value of $1,000 will not have any loan value at all during the first two years. In the third year the loan value will be nearly $90. Assuming that 3,000,000 veterans will have certificates with a face value of nearly $3,000,000,000, the maximum borrowing permitted in the third year will be about 9 per cent of the total, or $270,000,000. In the fourth year the maximum borrowings will be increased to $350,000,000. After 10 years the veterans will be able to borrow around $1,000,000,000. However, we do not believe the veterans will exercise this borrowing privilege in full, and doubt whether much more than one-half or two-thirds of the maximum borrowing limit will be reached in any year. Moreover, the increase in such borrowings will be very gradual and will not have a disturbing effect upon trade activity in any year.

In brief, merchants and manufacturers may ignore the bonus in making up their budgets for the next two years. The passage of the bill over the President's veto has added to the confusion in the political outlook, but the political consequences are more important than the trade consequences so far as 1924 is concerned.

TAX REDUCTION

It is to be hoped that Congress will proceed to adopt some form of tax reduction bill. In saying this we are not irresponsible. We do not overlook the fact that the bonus act will require some extra expenditure of money. However, the recent opponents of the bonus are attempting to make a mountain out of a molehill in arguing that taxes can not be reduced on account of the passage of the bonus act. They have temporarily lost their sense of proportion. By proportion, in this case, we mean the actual ratio of Treasury surplus or deficit to the total Federal revenues. If a deficit of 25 per cent in Treasury revenues were impending we should be alarmed. We can not take seriously, however, any deficit which is less than 5 per cent of the total revenues. One reason is that a 5 per cent deficit in the United States revenues will not lead to any panic or financial embarrassment. Another reason is that we can not always rely on the preliminary forecasts of the Treasury. We have seen the expert guesses of the Treasury go wrong by as much as 5 per cent or more. In 1922 the Treasury did not accurately forecast the increased prosperity of 1923, and therefore underestimated income taxes and tariff duties. A deficit was expected, but a surplus was realized. In the following table, showing estimates for the fiscal years ending June, 1924, and June, 1925, it is seen that the Treasury expects a surplus of over $300,000,000 this year and next. The passage of the bonus bill will cause the Treasury estimate of a $400,000,000 surplus during the next 12 months to be reduced to $250,000,000. If the proposed tax reduction bill goes through this surplus will be entirely wiped out. Let us assume that there will be a deficit of $100,000,000. The important thing to consider is the relation of this deficit to the tax revenues. If the total revenues decline to $3,300,000,000 next year instead of the $3,700,000,000 anticipated under the present tax schedules, the deficit of $100,000,000 would be 3 per cent of the total revenues. A deficit of $200,000,000 would be 6 per cent of the total revenues. This is not sufficient to cause any financial embarrassment, and it is even possible that with economy in expenses and large revenues on account of generally good trade in 1925 no deficit would materialize during the next two years.

*United States Treasury budget*

| Year ending June 30 | Ordinary expenses | Ordinary revenues | Surplus |
|---|---|---|---|
| 1921 actual | $5,538,000,000 | $5,625,000,000 | +$87,000,000 |
| 1922 actual | 3,795,000,000 | 4,109,000,000 | +314,000,000 |
| 1923 actual | 3,697,000,000 | 4,007,000,000 | +310,000,000 |
| 1924 extimated | 3,565,000,000 | 3,895,000,000 | +330,000,000 |
| 1925 estimated | 3,300,000,000 | 3,700,000,000 | +400,000,000 |

EXTENSION OF REMARKS

Mr. MADDEN. Mr. Speaker, some days ago the gentleman from Wisconsin [Mr. FREAR] in a speech on the floor of the House referred to Junius Wood, a correspondent of the Chicago Daily News. Mr. Wood is one of my constituents and he has just written me a letter denying some of the statements made by the gentleman from Wisconsin. I ask unanimous consent to publish Mr. Wood's letter in the RECORD.

Mr. KING. Mr. Speaker, I object.

Mr. FREAR. Mr. Speaker, I wish to state that this is the same man who under his own name declared that Senators and Representatives in Congress were receiving money from the Philippine Independence Commission for supporting Philippine independence; he sent that statement from Manila to 23 American newspapers and has never denied it or made any amends. I object.

CHAUNCEY M. DEPEW

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD the remarks of the gentleman from Indiana [Mr. SANDERS] on the occasion of the ninetieth birthday of Chauncey M. Depew, at Briarcliff, in my district.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing the remarks of his colleague from Indiana [Mr. SANDERS] on the occasion of the ninetieth birthday of Chauncey M. Depew. Is there objection? [After a pause.] The Chair hears none.

Mr. WAINWRIGHT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a speech made by Representative EVERETT SANDERS on May 31, 1924, on the occasion of the dinner given in honor of Chauncey M. Depew:

SPEECH MADE BY REPRESENTATIVE EVERETT SANDERS ON MAY 31, 1924, ON THE OCCASION OF THE DINNER GIVEN IN HONOR OF CHAUNCEY M. DEPEW, AT BRIARCLIFF MANOR, N. Y.

It is an honor indeed to sit at the dinner given for Chauncey M. Depew, whose rare humor and charming discourse have delighted the guests of hundreds of banquets for two generations.

Indiana feels particularly kindly toward our noted friend, for it was his great influence in 1888 which led the Republican National Convention to nominate for the presidency, Indiana's son, Gen. Benjamin Harrison. In 1892 it was his eloquent voice that placed before the convention the name of President Harrison for renomination.

President Harrison urgently invited Senator Depew to enter his Cabinet soon after his inauguration, and later during his administration urged him to become his Secretary of State. The Hoosiers share in the regret throughout the country that Mr. Depew found it impossible to accept.

A few years ago I saw Senator Depew at the Republican National Convention. He spoke at the crowded Colosseum in Chicago, and the warm reception given him, showed how secure he was in the hearts of the people. Since I shall be at the convention at Cleveland, I desire to express what I know will be the hope of all in attendance—that he will grace the convention with his presence. No convention would be a complete success without him.

We bring to him to-night our congratulations in this his ninetieth year. The Nation had just finished its first half century when he became one of its citizens by birth. In its second half century, at the time when the country most needed his strength, he was in the forefront in the development of its great commercial and industrial potentialities. In the third half century not yet ended he added his great intellect toward the solution of its governmental problems. For all this America is grateful to him.

When he is in a reminiscent mood he must look back and marvel at the changes that have occurred within his lifetime in means of communication and methods of transportation and at a thousand other phenominal and beneficial changes. One outstanding thing that has not changed, however, according to contemporary periodicals, is the tendency of the people to conclude that each particular Congress is the worst ever.

I wish that some time from his rich experience he would remind the people that, good or bad, it has been under the guidance of the laws written year after year by each succeeding much "cussed" Congress that America has reached the foremost place among all the nations of the earth. This reminder coming from one so great and so beloved may temper their critical attitude and inspire them with a new confidence in the legislative branch of their Government, whose Members, after all, are selected by the people.

BICENTENNIAL OF BIRTHDAY OF GEORGE WASHINGTON

The SPEAKER pro tempore. Without objection House Joint Resolution 199, a joint resolution in connection with the celebration of the bicentennial of the birthday of George Washington, will be laid on the table, a similar Senate bill having just been passed by the House.

There was no objection.

PERSONAL PRIVILEGE

Mr. GRAHAM of Illinois rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Illinois rise?

Mr. GRAHAM of Illinois. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to proceed for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GRAHAM of Illinois. Mr. Speaker and Members of the House, for the last four Congresses I have participated in the deliberations of this body. To say that I am leaving now with unmixed feelings of happiness would be to state what is not true. I have enjoyed my associations with this body very much. I hope when I go to another activity that the Members of this House, with whom I have had such pleasant associations, will understand that I do not want to be entirely excluded from their thoughts, and that I certainly shall retain the liveliest interest in the activities of this House. [Applause.]

I want to say something more before I leave as to the character of this body. I have found here what I believe is fairly representative of the best thought of the country at all times. [Applause.] Whatever may be the criticisms of this body, I have learned from my experiences in the last eight years that here are men above the average of intelligence and, I believe, far above the average in patriotic thought, and that many of the criticisms which are aimed at this body are unjust, untimely, and ought not to be made. [Applause.]

If I might make one observation in closing, it is this: I have come to view with some sort of apprehension and alarm a tendency that is prevalent throughout this country, and that is the tendency of the people of the country to think along class lines and to seek in this forum class legislation of all kinds and on all subjects. If there is anything the country ought to beware of, and if there is anything this House in its future deliberations ought to beware of, it is that tendency, which is not the fault of the Members of this House or of the body at the other end of the Capitol but is the fault of the people themselves in thinking along class lines. It is a menace to the country, and I hope it is one that will in time be obliterated by reason of the general consciousness of the people that, after all, the function of this body is to act for the people generally and to have mass consciousness instead of class consciousness, which many of those who send us here would have us assume.

In closing my congressional life to-night, I want to again ask that occasionally you have me in your minds. I want to come back once in a while and sit on this floor, where I have had such pleasant labors with you, and in closing say I appreciate to the fullest extent the many kindnesses which you men of this House on both sides have extended to me in the past and to express my appreciation. [Prolonged applause.]

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for one minute.

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

Mr. CRISP. Gentlemen of the House, I am sure I voice the sentiment of every man in the House when I say it is with sincere regret that we lose from our membership the distinguished gentleman who has just addressed you. [Applause.]

We are rejoiced, of course, at his preferment, but his place in this House will be missed. The Speaker has called upon him frequently to discharge the onerous duties of Presiding Officer of this House, and at all times he has discharged the duties with ability, with fairness and impartiality, and to the satisfaction of the House.

Speaking for you all, we wish him, I am sure, health and happiness and success in his new undertaking, the duties of

which we know he will discharge in a manner to reflect credit upon himself and the appointing power. [Applause.]

BATTLE OF LEXINGTON AND CONCORD

Mr. LUCE. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution No. 259, establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

The Clerk read the resolution, as follows:

*Resolved, etc.*, That there is hereby established a commission to be known as the United States Lexington-Concord Sesquicentennial Commission (hereinafter referred to as the commission) and to be composed of 11 commissioners, as follows: 3 persons to be appointed by the President of the United States, 4 Senators by the President of the Senate, and 4 Members of the House of Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $5,000 to be expended by the commission for actual and necessary traveling expenses and subsistence while discharging its official duties outside the District of Columbia.

SEC. 3. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be utilized in the discretion of the commission for the appropriate participation on the part of the United States in the celebration and observance of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord to be commemorated on or about April 19 and 20, 1925.

SEC. 4. That the Postmaster General is hereby authorized and directed to issue a special series of postage stamps, in such denominations and of such designs as he may determine, commemorative of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord and of the one hundred and fiftieth anniversary of such other major events of the Revolutionary War as he may deem appropriate.

SEC. 5. That in commemoration of the one hundred and fiftieth anniversary of the Battle of Lexington and Concord there shall be coined at the mints of the United States 50-cent pieces to the number of 300,000, such 50-cent pieces to be of the standard troy weight, composition, diameter, device, and design as shall be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, which said 50-cent pieces shall be legal tender in any payment to the amount of their face value.

SEC. 6. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of the coins, for the prevention of debasement or counterfeiting, for security of the coin, or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized: *Provided*, That the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

Mr. WINGO. Mr. Speaker, I demand a second.

Mr. LUCE. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

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

There was no objection.

Mr. LUCE. The importance of the minutes to-day is so great that I am going to explain the purpose of this resolution in the fewest words possible. It contemplates the same sort of thing contemplated by the resolution just passed, that the National Government shall take some part in the celebration of a notable episode in the history of the country. In this case, however, the celebration—being of the Battles of Lexington and Concord—will take place next April, hence the greater need of immediate decision.

It is proposed that the National Government shall have representation at this celebration, perhaps of the same sort as that at the celebration 50 years ago when President Grant, members of his Cabinet, and other distinguished citizens were in Lexington and Concord. Also, the Marine Band was present, and at the same time some contribution was made in the way of bunting and other adjuncts of the celebration.

This resolution has been drawn in precisely the same language—I think with no important change, at any rate—as that used in the matter of the appropriation for the celebration of the landing of the Pilgrims at Plymouth.

The appropriation authorized is modest, $5,000 for the traveling expenses of the commission and its incidentals and $10,000 which is likely to be used for taking the Marine Band there and for such other share in the celebration as the commissioners may see fit to arrange.

With this explanation, I trust we may get a speedy vote on the matter and so reach other questions of greater magnitude in point of money, but which will not be of greater magnitude in point of historic importance

Mr. WINGO. Mr. Speaker, I, of course, have that pride that all Americans have in the valor and the achievements that are sought to be commemorated by this resolution.

I should not have said anything upon this occasion except for two reasons. The first is I noticed in the report a phrase which I read:

Whether or not we may go so far as to say that Lexington Common or the bridge at Concord, where the embattled farmers stood, saw the birth of American liberty, there can be no question that the sacrifices of the day cemented the American Colonies in the unity of action that led to independence.

The phrase that caught my attention was "where the embattled farmers stood." [Laughter and applause.]

I say that the phrase that attracted my attention is "where the embattled farmer stood." I ask my Republican friends to-day the question you are asking about them in November, Where do the "embattled farmers" stand? Yesterday the gentleman from Iowa [Mr. GREEN], the chairman of the Ways and Means Committee in this House and a leader of the Republican Party—he does not always agree with the President, or, rather, the President does not always agree with him—had something to say about the condition of the farmer. He, like other western Republicans, is deeply concerned right now about farmer votes. I want to notice briefly what he told this House and told his constituents. On page 11121 of the CONGRESSIONAL RECORD of June 6, 1924, you will find two simple statements by the gentleman from Iowa [Mr. GREEN], the great chairman of the Republican Ways and Means Committee.

In the year 1921 the farmer got $9,221,000,000 for his products. As a result of the farmers' emergency tariff, which the Republicans put through and which raised the value of his product and as a result of the Republican tariff law which gave him a market in the eastern part of the country, which he had lost under the Democratic régime, in the year 1922 he got $11,244,000,000 for his product, and in the year 1923 he got $12,204,000,000 for his product.

In other words, the gentleman from Iowa tells this House—and if he thinks he can get away with such sophistry in the House we may certainly expect him to attempt it before "the embattled farmers" of the West—that the farmers were benefited by the emergency tariff and by the general tariff law. He tells the farmers—just as Frank Mondell and Eugene Meyer told them—that the only thing wrong with them is their psychological viewpoint; that they are prosperous and do not know it; and that as a result of the tariff policy of the Republican Party the wheat farmers and all other farmers are rolling in wealth, and that their claim of adversity is pure "bunk."

If the tariff was such a boon to the farmer then why is he here knocking at the doors of Congress demanding some remedial legislation? Is it possible that the sponsors of the late-lamented McNary-Haugen bill were deceived and had never heard of the beneficient results of the tariff upon agriculture? Oh, Mr. Speaker, the statements quoted by me from the remarks of the gentleman from Iowa were uttered out of force of habit. The gentleman from Iowa knows, as every intelligent man knows and as the farmers of the West have learned to their sorrow, that from the moment the Republicans gained control of Congress by the election of 1918 and commenced to tinker with the tariff the price of farm products has gone down and that the condition of agriculture has gone from bad to worse.

What else does the gentleman from Iowa [Mr. GREEN], chairman of the Ways and Means Committee and the recognized leader of the Old Guard Republicans on that committee, say in the same speech? On page 11121 of the CONGRESSIONAL RECORD of June 6, when the gentleman was talking about the wonderful prosperity that had come to the farmer by reason of the tariff, he was asked why it was the farmer is broke. What was the gentleman's answer? He said, "He is broke by reason of the Democratic laws and Democratic deflation." Mr. Speaker, the gentleman from Iowa and other Republicans have told that story so often to the farmers of the West and the country bankers of the Nation that they really believe it is true. They repeat that story and charge the Democratic Party with the deflation policy which the farmers believe destroyed their

values, broke their banks, and left agriculture in a helpless condition. The truth is—and every Member of this House knows it—that the policy of deflation was adopted and forced by the Republicans themselves.

The gentleman from Iowa knows that when the Republicans gained control of both branches of Congress by the election of 1918 his party leaders immediately commenced charging the Democratic administration with having overextended credit and insisting on a deflation. President Wilson called the Republican Congress in extra session in 1919 for the major purpose of reducing taxes. The Republican leaders refused to reduce the burden of taxation, their chief spokesman and leader, Senator Penrose, bluntly stating, as quoted at the time and not denied, that there would be no tax reduction. In announcing this decision he said:

> Let the people sweat. They will see a Democrat in the White House and overlook the fact that the Republicans are in control of both branches of Congress.

Instead of trying to reduce the burden of taxation they started on an elaborate system of investigations of the Democratic administration, investigations which General Dawes, of hell and Maria fame, denounced, stating, in the faces of Republican leaders in a hearing before one of their smelling committees, that they were a bunch of pinhead politicians who were trying to find out how we won the war.

In addition to this policy the Republican leaders started a drive in both Houses of Congress for a systematic policy of deflation of the credits of the country and of the currency. We all remember how in January, 1920, the Republican leaders in opening the drive for their policy of deflation put forward on the floor of the House the gentleman who just preceded me, Mr. LUCE, of Massachusetts, a cautious, conservative New Englander, typical of all the conservative, standpat tendencies of the New England group that absolutely dominates the Republican Party, and which regards the farmers of the West as a pestiferous nuisance to be endured because of the dire necessity of having their votes in the Electoral College. The gentleman from Massachusetts and I had a colloquy on the floor upon that occasion, and the older Members will recall that he at that time made a set speech denouncing the Democratic Party for giving the country too much credit and too much currency, and insisting that a policy of deflation should be put into effect immediately.

As a part of their well-defined and well-organized plan to deflate the credit and the currency of the Nation the Republican organization had a resolution introduced in the Senate by the late lamented Senator MEDILL MCCORMICK, of Illinois, which resolution called on the Federal Reserve Board to tell the Republican Congress what they proposed to do toward deflating the farmer and reducing the volume of the currency and credit. The Republican Senate adopted this resolution over the protest of leading Democrats. The Republican leaders, backed by all the financial power of New England and the East, brought every possible pressure to bear on the Federal Reserve Board, and finally it adopted the policy of deflation.

In carrying out their plans, when the Republican Party met in convention four years ago they wrote into the platform of 1920 a denunciation of the Democratic Party on the ground that it had overexpanded our currency and our credit, and pledged the Republican Party, if placed in power, to carry out a policy of "courageous and intelligent deflation of overexpanded credit and currency." In other words, the gentleman from Iowa and the entire Republican Party started an organized drive for deflation in 1919, wrote the policy of deflation in the platform of 1920, and its power and influence was such that the statistics of the Federal reserve banks show that within 50 days after the Republican administration came into power in 1921 a drive was made upon the farm-paper credits in the Federal reserve system, and with ruthless persistency the policy of deflation was carried to its bitter end.

The only promise made to the people of this Nation which this administration has kept is that policy of deflation. They promised the wheat growers of the West to deflate them and the Republican administration kept that promise, and the result is that more banks have failed in the Wheat Belt under this administration than during the entire Democratic administrations that preceded it. [Applause.]

I also wish to direct the attention of the House to another significant and frank statement made by the gentleman from Iowa [Mr. GREEN] on yesterday, and which you will find on page 11121 of the RECORD of June 6, 1924. I quote:

> Mr. GREEN of Iowa. In talking to the farmers in my district at the time of the last campaign I told them the first thing they needed was a home market; that one consumer in the home market was worth a dozen abroad, and that they needed to put the business interests of the East and the factories of the East on a sound, substantial, working basis, and then a demand would be created for their products, and they all know it to-day in the results that have followed.

In other words, the gentleman frankly admits that in the last campaign in talking to the wheat growers of his State he frankly told them that it was the policy of the Republican Party to build up the factories of the East, and that whatever relief or prosperity the wheat growers could expect must come as a reflection of the prosperity of the manufacturers. In announcing that policy to his constituents the gentleman from Iowa was frank. He frankly admitted the cardinal theory upon which the Republican Party stands. They frankly say to the farmers and the toilers of this Nation, "We propose to build up the great manufacturing enterprises of New England and of the East by a monopolistic—not a protective—tariff, so that these manufacturers may rob and plunder at their sweet will the price-burdened consumers of this Nation, and that the only hope for the farmer and the toiler is from the charitable doles and the altruistic expenditures of the manufacturing interests."

The gentleman from Iowa, in his remarks just quoted, states that the farmers all know to-day the result of this policy. Well, I hope, Mr. Speaker, that they do know the result of it, and that they further realize that they have no hope for any policy that is beneficial to agriculture from the group of New England manufacturers that now dominates the Republican administration.

Mr. Speaker, the position of our Republican friends is amusing. They meet themselves coming back. In one breath the Republican spellbinders say, "Behold Republican prosperity," and in the next breath they come in and vie with each other in their zeal for some legislative panacea to relieve the admitted distress of the farmers of the land. Our Republican friends, in the face of the distress of agriculture, with bursting banks and farm homes being sold under the hammer each day, have the temerity to go to the country on the issue "Stand by Cal and Republican prosperity."

What are the gentlemen from the great agricultural districts going to say to these farmers this fall? Are you gentlemen going back to them and say "Yes; we did what we promised in our platform of 1920. We promised to deflate you and we have deflated you. We promised you that we would build up the great manufacturing industries of the East and we have done that. So why should you farmers be growling and complaining to-day? Do not you know the country is prosperous under this Republican administration? Behold the factories of the East!" Is that what you are going to say to these farmer voters of the West whom you have buncoed and deceived so often? If you are frank with them that is what you will say, but if they have the intelligence which I believe they have they will no longer permit their flimflamming Republican leaders to herd them like cattle and vote them for the Republican ticket.

In this same speech of the gentleman from Iowa on yesterday, he said that 4,000,000 men were out of employment in the industrial centers of the Nation in 1921 when the Republicans came into power, and that to-day they are fully employed. Therefore, I assume, Mr. Speaker, that the gentleman from Iowa will say to the farmer of the West in the campaign this fall "I know you are busted; I know your banks have failed; I know you can not get the cost of production for your wheat, but you must not complain, because the great factories of the East are humming and there is no unemployment there; in the East wealth is flowing in plenty and in the glow of the burning factory fires of the East you farmers must find the solution for your deplorable condition."

Oh, Mr. Speaker, the tragedy of the Republican farmer voters of this Nation is a grim one. They permitted the Republican Party to hog tie them with the specious promises of the emergency tariff, with the deliberate intent to forestall any protest against the inequities of the conditions which the Republican leaders knew would flow from the enactment of the Fordney-McCumber tariff bill. Under that bill the great consuming masses of this Nation, including the farmers, are staggering under a tax load of billions in order that the great manufacturing ndustries of the North and East, which dominate the Republican Party, may thrive.

God pity the American farmers, "the embattled farmers of the Nation," if they permit the hard-boiled New England manufacturing-controlled Republican administration to bunco them another time. [Applause on the Democratic side.]

The SPEAKER pro tempore (Mr. ROGERS of Massachusetts). The question is on suspending the rules and passing the bill.

The question was taken; and in the opinion of the Chair two-thirds having voted in the affirmative, the rules were suspended, and the bill was passed.

THE VETO OF THE BONUS BILL

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to print in the RECORD a short editorial that appeared in the soldiers' paper, the Stars and Stripes, in the current issue.

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

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, we have established a policy here of refusing to print in the RECORD editorials from any paper, and I object.

The SPEAKER resumed the chair.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Would the gentleman be willing to wait until later in the afternoon? There will be time after these bills are gotten out of the way, when the House can much better spare the time. Would the gentleman just as soon do that as address the House now?

Mr. MURPHY. Mr. Speaker, I have always been agreeable. I have not taken a minute's time of this House this session. I want this right now, and I am only asking what I think is fair at this particular time.

The SPEAKER. The gentleman from Ohio asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. MURPHY. Mr. Speaker, I now pass up to the Clerk's desk, to have read in my time, the following editorial.

The Clerk read as follows:

[The Stars and Stripes, Saturday, May 31, 1924]

THE LEGION SHOULD HELP

No sooner had the bonus bill been passed over President Coolidge's veto than opponents of the legislation all over the country opened war on the legislators who voted in favor of the measure.

In every section of the country a determined effort is being made to defeat the Congressmen and Senators who voted to override the veto. Practically all of the large newspapers are opposed to the legislation and will aid in the fight. Their cry is that these legislators deserted the President in time of need and voted to increase the tax burden of the people. From now until the election is over in November this cry will be kept up, and the men who stood by the bonus bill to the end will find considerable of a scrap on their hands.

In this fight will they have the support of the men for whom they passed the bonus? Will the American Legion, sponsor of the legislation, come to the front and aid its friends, or will it stand back, hiding behind the cloak of "policies not politics"?

This is a big question, and on its answer rests the influence the Legion is to wield in Congress in the future. If the Legion deserts its friends this time, it can hardly look for support in the future.

Many Congressmen and Senators voted for the bonus and to override the President's veto in the face of no little opposition. In almost every congressional district there is an organized minority opposed to this legislation, and that minority is working now to see that the Congressmen who went against its dictates do not return to Congress. Voting to override the veto of a President is no laughing matter to a Congressman or Senator belonging to the same party. On the contrary, such action requires considerable courage, and the legislator who takes that action is almost certain to find rough sledding when election time comes around.

It is likely that many of the Congressmen who voted against the veto will be beaten this fall if the ex-service men do not get out and work for their reelection. The American Legion particularly has a job on its hands to do all in its power to see that its friends are returned. Otherwise the Legion need not look for support in the future. Any Congressman who is opposed because of his vote on the bonus—and there will be many of them—should expect and should receive the assistance of the Legion in his district. It's all very well and good for the Legion to say that it's not in politics. Such phrases sound well when voiced by Fourth of July orators, but it's another thing to desert one's friends.

This the Legion should not do. Regardless of party affiliations, it should step out in the primaries and in the election and see that its friends are returned to Congress. To do less would display a marked lack of appreciation. It would be almost as bad as going over to the enemy.

[Applause.]

Mr. MURPHY. Mr. Speaker and gentlemen, I thank you.

DISCONTINUANCE OF REGAUGING OF DISTILLED SPIRITS

Mr. GREEN of Iowa. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9138) to authorize the discontinuance of the seven-year regauge of distilled spirits in bonded warehouses, and for other purposes, which I send to the desk.

The Clerk read as follows:

*Be it enacted, etc.*, That upon withdrawal of distilled spirits from any internal-revenue bonded warehouse, in lieu of the allowance provided in subdivision (b) of section 600 of the revenue act of 1918, an allowance for loss by leakage or evaporation not exceeding 1 proof gallon as to casks or packages of a capacity of not less than 40 wine gallons and one-half proof gallon as to casks or packages of a capacity of less than 40 wine gallons and not less than 20 wine gallons, for each period of six months, or fraction thereof, after the expiration of seven years from the date of original entry or gauge, may be made in addition to, and under the conditions imposed by, section 50 of the act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 27, 1894, as amended.

SEC. 2. The allowance for loss by leakage or evaporation under this act and under section 50 of said act of August 27, 1894, shall be made without regard to any regauge made prior to the enactment of this act, and a regauge within seven years from the date of the original gauge shall not be necessary.

SEC. 3. This act shall not apply to distilled spirits withdrawn prior to the date of its enactment.

Mr. GARRETT of Tennessee. Mr. Speaker, in order that there may be an explanation, I demand a second.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, just by way of explanation, this bill is unanimously reported by the Committee on Ways and Means. The law at present requires all distilled spirits in bonded warehouses to be regauged every seven years, but since the passage of the prohibitory law this has become entirely unnecessary. Consequently the Treasury Department and the Prohibition Department are asking that this provision be done away with. It makes an unnecessary expense upon the Treasury, and works a hardship and injustice at times to innocent parties. The bill contains one other provision that the Ways and Means Committee inserted. We thought the present allowance for evaporation was too much, and consequently reduced it somewhat. This is all the change that is made in the present law.

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

Mr. GREEN of Iowa. Yes.

Mr. SCHAFER. Does the gentleman know how the Anti-Saloon League stands on this legislation, or how our distinguished colleague, Mr. CRAMTON, the recognized dry leader, feels about it?

Mr. GREEN of Iowa. There is no objection that I know of from any quarter.

Mr. CONNALLY of Texas. Mr. Speaker, the gentleman says the committee is decreasing the allowance for evaporation.

Mr. GREEN of Iowa. Yes; there is a slight decrease.

Mr. CONNALLY of Texas. If it is not to be regauged once in a while, had we not better increase the allowance?

Mr. CLARKE of New York. May I ask the gentleman who it was that qualified as experts?

Mr. GREEN of Iowa. It depends upon what the gentleman means by "experts." Perhaps no one, in the sense that he intends.

Mr. OLDFIELD. Mr. Speaker, if the gentleman from Iowa will yield, I will say in reply to my colleague from Texas [Mr. CONNALLY] that the representative of the liquor interests and the representative of the Prohibition Department were both present at the time, and both agreed that this bill should be passed; that it is in the interest of fairness and justice to the department, and also to the people who own the liquor.

Mr. DYER. What liquor interests are there now?

Mr. OLDFIELD. The distillers, the owners of the liquor.

Mr. SCHAFER. Is it not somewhat of an unusual occurrence that they should agree?

Mr. GREEN of Iowa. Certainly, but having agreed we ought to pass the bill, which is what the Treasury wants done.

Mr. OLDFIELD. It is rather unusual, but in this case they did agree.

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

Mr. GREEN of Iowa. Yes.

Mr. BOYLAN. I have read of many instances in the public press where, upon examination and regauging of whisky and other alcoholic liquors in public warehouses, splended Scotch

and mellow rye were found to have turned into water. In those cases what is done under the provisions of this bill?

Mr. GREEN of Iowa. They will have to pay the tax just the same, as the regauging is always made when it is withdrawn.

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

Mr. GREEN of Iowa. Yes.

Mr. BLANTON. I am wondering if there is any connection between this provision for evaporation and leakage and the coming conventions during the next two or three weeks?

Mr. GREEN of Iowa. None at all, I will say to my friend.

Mr. CHINDBLOM. As a matter of fact, when this liquor is gauged there sometimes occurs leakage, and if you prevent the gauging of liquor that is still in bond there is likely to be less loss.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. DAVIS of Tennessee. I understood the gentleman from Iowa to say that they would be limited to paying the tax when it was regauged, and that would be when the whisky was withdrawn?

Mr. GREEN of Iowa. Yes; I said the liquor would be regauged when it was withdrawn.

Mr. DAVIS of Tennessee. Suppose it has been converted into water, there is not much likelihood of the owner paying taxes to withdraw it, is there?

Mr. GREEN of Iowa. The owner would be liable for the tax, of course, and if it was withdrawn I suppose they could not enforce it against the liquor. There is a standard allowance for leakage and evaporation, and the owner has to pay the taxes on the balance, just the same.

Mr. DAVIS of Tennessee. I understand that is a matter of law, but how do you enforce it?

Mr. GREEN of Iowa. Enforce it against the owner if he is good for it.

Mr. GARRETT of Tennessee. I understand the gentleman from Illinois [Mr. WILLIAM E. HULL] desires to ask some questions, and I will yield to him or the gentleman from Iowa can yield to him.

Mr. WILLIAM E. HULL. I simply want to ask a question in reference to these allowances. I have been in that business for 28 years and I know the hardships of the distiller. If you have not made the proper allowance under the Carlisle law, the distiller may be taxed anywhere from 2 to 10 gallons of evaporation or leakage on which he should not be taxed. The committee does not state in the bill what these allowances are, but the gentleman says they are decreased——

Mr. GREEN of Iowa. There has been a slight change. I will say it will take considerable time to explain it, and if the people who own this liquor do not want this bill passed I do not care.

Mr. WILLIAM E. HULL. As far as I am concerned I only want to see that the distiller is properly protected. If he is, I am in favor of the bill, because I know the importance of it.

Mr. GREEN of Iowa. The owners of intoxicating liquor as well as those representing the prohibition unit are both in favor of the bill.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken, and, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

### ROADS TO NATIONAL CEMETERIES AND MILITARY PARKS

Mr. HULL of Iowa. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2745 and pass it. This bill has passed the Senate and has been reported unanimously by the Committee on Military Affairs, and the report was written by the gentleman from Alabama [Mr. HILL]. It is a bill to permit the War Department——

Mr. GARRETT of Tennessee. Let the bill be reported before the gentleman undertakes to discuss it.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 2745) to authorize the Secretary of War to convey to the States in which located Government owned or controlled approach roads to national cemeteries and national military parks, and for other purposes.

*Be it enacted, etc.*, That the Secretary of War be, and he hereby is, authorized in his discretion, subject to such conditions as may seem to him proper, to convey by proper quitclaim deed to any State, county, municipality, or proper agency thereof, in which the same is located, all the right, title, and interest of the United States in and to any Government owned or controlled approach road to any national cemetery or national military park: *Provided*, That prior to the delivery of any conveyance under this act the State, county, or municipality to which the conveyance herein authorized is to be made shall notify the Secretary of War in writing of its willingness to accept and maintain the roads included in such conveyance: *Provided further*, That upon the execution and delivery of any conveyance herein authorized, the jurisdiction of the United States of America, which has been heretofore ceded to the United States by a State over the roads conveyed, shall thereby cease and determine and shall thereafter vest and be in the particular State in which such roads are located.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is an important blanket bill. I do not think this bill ought to come up under the circumstances.

Mr. HULL of Iowa. Certainly there can be no objection to the bill, that I can see.

Mr. BLANTON. Lots of property could be conveyed all over the United States.

Mr. HULL of Iowa. No; just a very few roads that enter national military cemeteries and national parks.

Mr. BLANTON. But it is a blanket bill that covers all such——

Mr. HULL of Iowa. It permits the Government to cede these roads and thereby save the National Government the expense of maintaining them, provided the States will accept them.

Mr. BLANTON. This bill ought to have some debate, and I hope the gentleman will not insist on it because I am going to have to object.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9559) making appropriations for the fiscal year ending June 30, 1924, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1925, and for other purposes, had further insisted upon its amendments to said bill numbered 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 58, and 59 had asked a further conference with the House of Representatives on the disagreeing votes thereon and had appointed Mr. WARREN, Mr. CURTIS, Mr. JONES of Washington, Mr. OVERMAN, and Mr. HARRIS as the conferees on the part of the Senate.

### 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. 3018. An act to authorize the designation of deputy fiscal or disbursing agents in the Department of Agriculture stationed outside of Washington; to the Committee on Agriculture.

S. 3221. An act for the relief of employees of the Bureau of Printing and Engraving who were removed by Executive order of the President, dated March 31, 1922; to the Committee on Banking and Currency.

S. 3416. An act to authorize the appointment of Thomas James Camp as a major of Infantry, Regular Army; to the Committee on Military Affairs.

S. 2949. An act authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation; to the Committee on Military Affairs.

S. 2448. An act to amend the organic act of Porto Rico, approved March 2, 1917; to the Committee on Indian Affairs.

### TRANSFERRING CERTAIN LIGHTHOUSE RESERVATION LANDS TO THE STATE OF NEW YORK FOR PARK PURPOSES

Mr. PARKER. Mr. Speaker, I wish to call up the bill S. 2887 and move to suspend the rules and pass the bill.

The SPEAKER. The gentleman from New York moves to suspend the rules and pass the bill which the Clerk will report.

The Clerk read as follows:

An act (S. 2887) authorizing transfer of certain abandoned or unused lighthouse reservation lands by the United States to the State of New York for park purposes

*Be it enacted, etc.*, That the Secretary of Commerce be, and hereby is, authorized to transfer and convey to the State of New York all right and title now vested in the United States in land and buildings known as the Lloyds Harbor Lighthouse Reservation, located in Suffolk County, at Lloyds Harbor, Long Island, N. Y., consisting of about 2.5 acres, located and described as follows:

Beginning at a rock or bowlder near low-water mark on the east beach in Huntington Bay and running thence due west to a stake on the highest part of the neck, and thence on the same line (due west) to the water on the west side of the point in Lloyds Harbor,

containing 2½ acres, more or less, and the right of way to and from it.

And to transfer and convey to the State of New York all right and title now vested in the United States in certain lands forming a part of the Fire Island Lighthouse Reservation, Fire Island, Suffolk County, Long Island, N. Y., consisting of about 600 acres, located and described as follows:

Beginning at a line drawn from north to south through a United States Coast and Geodetic Survey monument, located 2,225 feet, 225° 16', from the Fire Island Lighthouse tower, and extending to the western end of Fire Island, with the exception of such land as is occupied or needed by the United States Coast Guard: *Provided*, That any leases with private parties which the Lighthouse Service may have at the time of passing of this act will not be affected until the expiration of such leases: *Provided*, That the said lands transferred from the United States shall be forever reserved by the State of New York as public parks: *Provided further*, That if the said lands are not used as public parks, they shall revert to the United States.

SEC. 2. The land transferred from the United States shall be subject to the right of the United States to at any and all times, in any manner, assume control of, hold, use, and occupy, without license, consent, or lease from the State of New York or the city of New York, any or all of the said lands for any and all military, naval, or other governmental purposes, free from any conveyances, charges, encumbrances, or any license made, created, permitted, or sanctioned therein by the State of New York. The rights reserved to the United States shall apply to all additional lands that may be formed by accretions of the sea at Fire Island. The United States further reserves the right of access to the land and water adjacent to Lloyds Neck for the purpose of taking gravel for the use of the Lighthouse Service.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

Mr. HUDDLESTON. Mr. Speaker, I think the gentleman ought to make an explanation.

Mr. PARKER. Mr. Speaker, the State of New York has a State park at Fire Island. Between the land which was originally acquired by the State of New York for a park at Fire Island and the Fire Island Lighthouse the action of the tide has washed in and made about 600 acres of sand beach. That is the property that is to be transferred to the State of New York to be used exclusively for park purposes. The land reverts to the Federal Government at any time when this land is not used for park purposes. The State of New York has already, and available now, $200,000 to expend on the development of this park, which is to be used almost exclusively for the disabled veterans that are in the various hospitals in New York, who are to be sent there for a certain number of weeks for recreation. If there is any question anyone desires to ask, I will be glad to answer; but if not, I ask that the bill be passed.

The SPEAKER. The question is on the motion of the gentleman from New York to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended and the bill was passed.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had disagreed to the amendment of the House of Representatives to the joint resolution (S. J. Res. 107) declaring agriculture to be the basic industry of the country, and for other purposes, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMITH, Mr. PITTMAN, and Mr. CUMMINS as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment the bill (H. R. 8578) to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended.

The message also announced that the Senate had passed without amendment the bill (H. R. 9111) directing the remission of customs duties on certain property of the United States imported by the War Department.

### SECOND DEFICIENCY BILL, 1924

Mr. MADDEN. Mr. Speaker, I present a conference report on the bill H. R. 9559, the second deficiency bill, 1924, and ask for its immediate consideration.

The SPEAKER. The Clerk will read the conference report.

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

The SPEAKER. The gentleman from Utah makes the point of order that there is no quorum present. The Chair will count.

Mr. LEATHERWOOD. Mr. Speaker, I will withdraw the point of order temporarily.

The SPEAKER. The gentleman from Utah withdraws the point of order. The Clerk will read.

The conference report was read, as follows:

### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9559) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1925, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 8, 9, 12, 13, 14, 20, 24, 41, 42, 49, and 57.

That the House recede from its disagreement to the amendments of the Senate numbered 7, 11, 16, 17, 19, 22, 25, 26, 38, 40, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, and 56, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"SENATE

"For miscellaneous items, exclusive of labor, fiscal year 1924, $50,000.

"For payment for services rendered the Senate or committees thereof, as follows: John G. Holland, jr., $250; Ernest K. Hill, $250; Fred A. Eckstein, $860; Albert Reid, $125; Alexander K. Meek, $1,200; Louis Bose, $40; U. G. Gordon, $40; and James F. Sellers, $200; in all, $2,965."

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: On page 2 of the bill, line 22, strike out "five" and insert in lieu thereof "six"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In the matter inserted by said amendment strike out the following: ", to be paid wholly out of the revenues of the District of Columbia"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For carrying out the provisions of the act entitled: 'An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment,' approved June 2, 1920, as amended by the act of June 5, 1924, for the fiscal year 1925, $834,000: *Provided*, That the apportionment to the States shall be computed on the basis of not to exceed $1,034,000, as authorized by the act approved June 2, 1920, as amended by the act approved June 5, 1920."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"For additional hospital and out-patient dispensary facilities for patients of the United States Veterans' Bureau, and facilities for a permanent national training school for the blind, at a cost not exceeding $350,000, who are beneficiaries of the United States Veterans' Bureau, by purchase and remodeling or extension of existing plants, and by construction on sites now owned by the Government or on sites to be acquired by purchase, condemnation, gift, or otherwise, such hospitals and out-patient dispensary facilities to include the necessary buildings and auxiliary structures, mechanical equipment, approach work, roads, and trackage facilities leading thereto; and also to provide accommodation for officers, nurses, and attending personnel; and also to provide proper and suitable recreational centers, $3,850,000, to remain available until June 30, 1925, and in addition to this amount obligations may be incurred for the

purposes set forth in this paragraph not to exceed in the aggregate $3,000,000. That not to exceed 3 per centum of the total of $6,850,000 shall be available for the employment in the District of Columbia and in the field of necessary technical and clerical assistants at the customary rates of compensation, exclusively to aid in the preparation of the plans and specifications for the projects authorized herein and for the supervision of the execution thereof, and for traveling expenses and field-office equipment and supplies in connection therewith."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: Before the sum named in said amendment, insert: "fiscal year 1925," and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 58, and 59.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
*Managers on the part of the House.*

F. E. WARREN,
CHARLES CURTIS,
W. L. JONES,
LEE S. OVERMAN,
WM. J. HARRIS,
*Managers on the part of the Senate.*

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9559) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1925, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report, namely:

On Nos. 1 to 6, inclusive, relating to the Senate: Appropriates collectively for extra compensation for services rendered to various committees of the Senate or to employees of the Senate instead of individually, as proposed by the Senate, and appropriates $50,000 for miscellaneous items, as proposed by the Senate.

On No. 7: Appropriates $50,000 for expenses of the joint committee to investigate Northern Pacific land grants, as proposed by the Senate.

On No. 8: Transfers the appropriation of $200, proposed by the Senate, for additional compensation to messenger at card door of the Senate to a paragraph similarly providing for other employees of the Senate.

On No. 9: Strikes out the appropriation of $250, proposed by the Senate, for additional salary of J. Mark Trice, an employee of the Senate.

On No. 10: Appropriates $2,000 for payment to John Gorman for expenses incurred as contestant in contested-election case of Gorman against Buckley, as proposed by the Senate, such payment to be made by the Clerk of the House.

On No. 11: Appropriates $5,000, as proposed by the Senate, in connection with the completion of the frieze in the rotunda of the Capitol.

On Nos. 12, 13, and 14, relating to the American Battle Monuments Commission: Provides for one motor-propelled passenger-carrying vehicle that may be furnished by the Secretary of War, as proposed by the House, instead of for an unlimited number of such vehicles that may be furnished by the Secretary of War or other departments of the Government, as proposed by the Senate.

On No. 15: Appropriates and provides for the payment of compensation to school officers and employees, to persons engaged in Americanization work, and to employees of the Community Center Department, in conformity with the act providing for the salaries of school-teachers, etc., as proposed by the Senate, amended to provide for the division of such expenditures as between the United States and the District of Columbia in the manner provided by law.

On No. 16: Appropriates $18,409.05 on account of medical charities, District of Columbia, as proposed by the Senate.

On Nos. 17, 18, and 19, relating to the Federal Board for Vocational Education: Appropriates $834,000 for vocational rehabilitation of persons disabled in industry, in accordance with the law enacted at the present session of Congress instead of in the language proposed by the State; and appropriates $75,000, as proposed by the Senate, for making studies, etc., regarding the vocational rehabilitation of disabled persons; and appropriates $5,000 to extend the provisions of such laws to the Territory of Hawaii, as proposed by the Senate.

On Nos. 20 and 21, relating to the United States Veterans' Bureau: Appropriates $1,188,500 for administration expenses, World War adjusted compensation act, as proposed by the House, instead of $750,000, as proposed by the Senate; and appropriates $3,850,000 for additional hospital and out-patient dispensary facilities for patients of the United States Veterans' Bureau, and in addition authorizes contract obligations on account of such facilities for $3,000,000, instead of appropriating $6,850,000 for such facilities, as proposed by the Senate.

On No. 22: Appropriates $10,000 for enforcement of the naval stores act under the Department of Agriculture, as proposed by the Senate.

On No. 23: Appropriates $10,000 under the Department of Agriculture in connection with the "nail-head rust," as proposed by the Senate, amended to make such appropriation available for the fiscal year 1925.

On No. 24: Strikes out the provision proposed by the Senate with respect to certain financial transactions of James W. Boyer, jr., formerly connected with the Bureau of Foreign and Domestic Commerce.

On No. 25: Appropriates $50,000, as proposed by the Senate, to reimburse the State of Utah for moneys advanced to secure the survey of lands granted to said State.

On No. 26: Appropriates $7,500 for rebuilding barns at Carson City Indian School, Carson City, Nev., as proposed by the Senate.

On No. 38: Makes the appropriation for books for judicial officers, fiscal year 1924, available for a set of Federal Reporter and digest thereon, as proposed by the Senate.

On Nos. 40 and 41, relating to the Department of Labor: Increases the amount which may be spent of the appropriation "Expenses of regulating immigration, 1925," for personal services in the District of Columbia from $75,000, as proposed by the House, to $100,000, as proposed by the Senate; and strikes out the proposal of the Senate to amend section 24 of the act to regulate the immigration of aliens, etc., enacted February 5, 1917.

On Nos. 42 and 43, relating to the Navy Department: Strikes out the appropriation of $11,379.10 proposed by the Senate for the settlement of damage claims; and appropriates $5,000, as proposed by the Senate, in connection with certain fishery rights in and about Pearl Harbor, Hawaii.

On Nos. 44 and 45, relating to the State Department: Corrects the number of the conference of the Interparliamentary Union to be held in Washington in 1925, as proposed by the Senate.

On Nos. 46, 47, and 48, relating to the Treasury Department: Appropriates $281.95 and $2,300 for the fiscal years 1924 and 1925, respectively, to pay the increase in salary of the Government actuary in accordance with the revenue act of 1924, as proposed by the Senate; appropriates $16,140,000 for refunding income taxes under title 12 of the revenue act of 1924, as proposed by the Senate; and appropriates $756.62 for suppressing counterfeiting and other crimes, fiscal year 1923, as proposed by the Senate.

On Nos. 49 and 50, relating to the War Department: Strikes out the provision proposed by the Senate in connection with certain financial transactions of a former military attaché at Santiago, Chile; and appropriates $38,000, as proposed by the Senate, for flood-control surveys.

On Nos. 51 to 54, inclusive, relating to judgments, United States courts: Appropriates $17,937.67, as proposed by the Senate, instead of $6,224.12, as proposed by the House.

On No. 55: Appropriates $1,497,303.69, as proposed by the Senate, for the payment of judgments rendered by the Court of Claims.

On No. 56: Appropriates $267,040.25 for audited claims, as proposed by the Senate.

On No. 57: Strikes out the legislation proposed by the Senate with respect to allowances for official travel.

The committee of conference has been unable to agree upon the following amendments of the Senate:

On Nos. 27 to 36, inclusive, relating to the Reclamation Service.

On No. 37, relating to advances to the United States marshals.

On No. 39, relating to Government-owned bridge at Fort Leavenworth, Kans.

On No. 58, relating to the Reclamation Service.

On No. 59, numbering the final section in the bill.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
*Managers on the part of the House.*

Mr. MADDEN. Mr. Speaker, the amount of the second deficiency, 1924, as passed by the Senate, was $194,778,505.59. The amount of the bill as passed by the House was $160,884,048.38. There was added by the Senate $33,894,457.21. The amount of the Senate recessions is $2,573,129.10. The amount of House recessions is $24,084,240.11. The amount in disagreement is $7,237,088.

The important House recessions are as follows:

| | |
|---|---|
| Miscellaneous items, Senate | $50,000 |
| Joint Committee to Investigate Northern Pacific Land Grants | 50,000 |
| Pay of school-teachers, officers, and others, due to new teachers' pay bill | 1,151,970 |
| Vocational rehabilitation of persons disabled in industry, new law | 909,000 |
| Veterans' Bureau, hospital construction under new law | 3,850,000 |

Mr. HASTINGS. Mr. Speaker, will the gentleman yield there?

Mr. MADDEN. Yes.

Mr. HASTINGS. On that item was there an authorization of $3,000,000 additional?

Mr. MADDEN. Yes. We give them a contract authorization, just what they wanted.

Mr. HASTINGS. The appropriation and authorization together amount to $6,850,000?

Mr. MADDEN. Yes.

Mr. HASTINGS. And the $3,850,000 is immediately available?

Mr. MADDEN. Yes; immediately available; and the right to contract for the other $3,000,000.

Then the other important House recessions are as follows:

| | |
|---|---|
| Naval stores act, enforcement | $10,000.00 |
| Nail head rust, eradication | 10,000.00 |
| Reimbursement to State of Utah for advances made for survey of lands | 50,000.00 |
| Refund of taxes under the revenue act of 1924, 25 per cent reduction title | 16,140,000.00 |
| Flood-control surveys, Susquehanna, Monongahela, and Allegheny Rivers, and Puyallup River, Wash | 38,000.00 |
| Judgments, United States courts, certified since the bill left the House | 11,713.55 |
| Judgments, Court of Claims, certified since the bill left the House | 1,497,303.69 |
| Audited claims, certified since the bill left the House | 267,040.25 |

The Senate items of recession are as follows:

| | |
|---|---|
| Veterans' Bureau hospitals (Provided as a contract authorization.) | $3,000,000.00 |
| Navy claims for loss or damage to private property | 11,379.10 |

The Senate items in disagreement are as follows:

Legislation creating a bureau of reclamation in the Interior Department, making the salary of the director $10,000 a year and providing for his appointment by the President with confirmation by the Senate instead of under the present method of appointment by the Secretary of the Interior.

Legislation of a comprehensive character and permanent in form affecting the reclamation policy of the Government.

Additional appropriations for the fiscal year 1925 for reclamation projects totaling $7,147,088, which would be in addition to the total of $10,856,000 carried in the Interior Department appropriation bill for the next fiscal year.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield in that connection?

Mr. MADDEN. Yes.

Mr. BANKHEAD. That is not out of the Treasury, of course?

Mr. MADDEN. That is out of the reclamation fund which is in the Treasury. That would be in addition to the $10,856,000 already carried.

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

Mr. MADDEN. Just let me finish this statement, and then I shall be glad to yield.

The items involved in the $7,147,088 are as follows:

| | |
|---|---|
| North Platte project, Nebraska-Wyoming, Guernsey Reservoir | $800,000 |
| Spanish Springs division of Newlands project, Nevada | 800,000 |
| Salt Lake Basin project, Utah | 1,500,000 |
| Owyhee project, Oregon | 1,250,000 |
| Warm Springs (Vale) project, Oregon | 250,000 |
| Kittitas unit, Yakima project, Washington | 1,500,000 |
| Yuma project, Arizona | 997,088 |
| Carlsbad project, Arizona-New Mexico | 50,000 |

The only items for which estimates were submitted were $800,000 for the Guernsey Reservoir and $200,000 for the Spanish Springs project, for which $800,000 was added by the Senate.

The Senate also added an amendment changing the allowances for per diem in lieu of subsistence of employees traveling on official business from $4 to $5, and from that amendment the Senate has receded.

The Senate reduced the appropriation for administrative expenses of the Veterans' Bureau for carrying into effect the World War adjusted compensation act from $1,188,500 to $750,000, and on that item the Senate has receded and restored the House figures.

The Senate has added $90,000 for the development of oil shale under the Bureau of Mines. This amendment the House conferees have refused to yield on and the Senate has insisted. The amendment therefore is brought back to the House in dispute. The Bureau of Mines has an appropriation for the next fiscal year of $500,000 for investigations in connection with petroleum and natural gas, which is $100,000 more than the appropriations for the current year. They did not ask any money for oil-shale work in the regular annual bill. At that time the director said:

> The present bill contemplates that we shall continue for the present the laboratory research at Boulder and Salt Lake City on a small scale and leave for the future the development of a semicommercial plant, either in connection with the Navy or independently. We are conducting the work on a small scale only, and in our judgment it will be wise to carry it out on a larger scale before it goes into commercial production. But we are not asking at this time that you should give us money for that.

A very serious problem confronts the House in connection with the legislation and appropriations in the Senate amendments affecting the Reclamation Service. The Senate, without estimates from the President, except in the case of two projects involving $1,000,000, has added $7,147,000 for reclamation purposes on eight different projects. These sums have been added to the bill in the closing hours of the session. If they should be granted, they would bring the total for reclamation purposes for the next year to $18,000,000. The Committee on Appropriations and the House allowed $146,500 for investigations in connection with these projects for which the Senate has appropriated to start construction. We believe that further investigation should take place and full ascertainment of cost estimates obtained before construction appropriations are made. The Director of Reclamation was closely examined upon this point, and I want to take the time to quote what he replied to inquiries propounded to him.

The CHAIRMAN.—

Speaking now to the Director of Reclamation, Doctor Mead—

I understood you to say that the Owyhee and Vale projects in Oregon, the projects in the Salt Lake Basin of Utah, the Kittitas division of the Yakima project in Washington, and the Casper-Alcova project in Wyoming would cost in the aggregate about $60,000,000.

Doctor MEAD. The total of these, leaving out the Casper-Alcova project and including the other four—that is, taking the North Platte, the Newlands, and the other four, or, rather, five, if you count the Utah projects as one project—will cost $60,000,000.

The CHAIRMAN. What have you to say as to the practicability of those projects, or either of them; or do you know?

Doctor MEAD. No, sir; I am not in a position to say. What I feel is that when you get an acre-cost for water as high as these are you must know all of the other things that enter into the value of the farm. You must know what those other things will be before giving any opinion as to their feasibility.

The CHAIRMAN. Are you in a position to say that if the money were provided now for these projects, or for either of them, outside of the two that you have asked money for, you would be able to proceed with the construction of the work with any degree of certainty as to what the outcome would be?

Doctor MEAD. No, sir; I do not know whether I would approve them or disapprove them.

The CHAIRMAN. You are not in a position, however, to say that there is no present possibility of entering successfully upon the construction of either of the projects I have indicated?

Doctor MEAD. No, sir; I am not able to say one way or the other as to that.

Mr. BUCHANAN. In other words, you do not know whether or not it would be advisable to construct them?

Doctor MEAD. No, sir. When I say to you gentlemen that you ought to go ahead with the construction, you have a right first to know every fact that enters into the question of the feasibility of the project, and I do know them now.

The CHAIRMAN. And I assume that that is the reason why you are asking for the $125,000; that is, you want to investigate?

Doctor MEAD. That is why we are asking for the $125,000.

The CHAIRMAN. One hundred and twenty-five thousand dollars is what you are asking for the investigation of these projects?

Doctor MEAD. Yes, sir.

Then, later on, I said:

The CHAIRMAN. And that is also the reason why you are not asking for money to begin construction work on these projects?

Doctor MEAD. That, I take it, is the reason why the President did not ask for it.

The CHAIRMAN. Of course, you did not ask for it, or the department did not. Let us find out whether, from your present knowledge of the facts in the case, you would be in a position to decide the question for yourself. Would you at this time deem it advisable to begin construction on either of these projects?

Doctor MEAD. No, sir; I would begin investigations, and what I did would be determined entirely by that.

The CHAIRMAN. Suppose these lands within the range of these projects were your own lands, and you had a lot of money that you wanted to invest in reclamation, would you invest your money in either or any or all of these projects without definite knowledge as to what could be done and as to what would be the ultimate outcome?

Doctor MEAD. I would want to have more information than I have at present.

The CHAIRMAN. You think that the wisdom of the situation would not justify an appropriation if construction work were urged at the present time in connection with any of them?

Doctor MEAD. It would not justify it unless it was tied up with that proviso.

The CHAIRMAN. If it were tied up, the appropriation would not do any good. Is that so?

Doctor MEAD. It would be an appropriation that would be left with the Interior Department to either approve or veto afterwards. That would be the condition of it.

The CHAIRMAN. You think that the approval of the project by Congress would lead to false hopes on the part of those who might expect results?

Doctor MEAD. It might.

There is the story. In face of that information the Committee on Appropriations of the House refused to appropriate for these projects, but in the face of that information and notwithstanding the action of the House the Senate did insert these items in this bill, and we are back here now, Mr. Speaker and gentlemen of the House, in disagreement on the action of the Senate.

Now, I wish to say that the legislation changing the reclamation law has no place upon an appropriation bill, no matter how meritorious the legislation may be, and I contend it is not right to attach a comprehensive reclamation law to an appropriation bill. Such a law, if it were enacted, might have great merit in it. I do not know. I have not had time to study it. It has been dumped into the hopper, and we have been called upon to look at it. We have had no chance to study it. As chairman of the Committee on Appropriations I have striven in good faith to keep the bills free from legislation as they came from the committee and have tried to prevent the amendment of the bills in order to protect the legislative jurisdiction of other committees. I have had no ulterior purpose. I may be for or against the legislation, whatever it may be, but whether I was for or against the legislation I would be opposed to having it attached as a rider to an appropriation bill, and, therefore, we bring this back in disagreement.

The legislation presented here is far-reaching in character, and I can not undertake now to say to the House whether it is wise or unwise, because it has not been presented in a manner that gives sufficient time for study. I do not know about all this proposed legislation, and I do not think I ought to be called upon to pass judgment on legislation as far-reaching as this is without having an opportunity to study it. Therefore, I am bringing it back to the House for whatever action it may desire to take, and whatever action the House sees fit to take I will abide by. I am not here saying what action it should take, and it is for the House to tell me what to do, because I am the servant of the House, and as one of the conferees speaking for the House I propose to carry out the mandate of the House.

Now, I want to say further that if this legislation came up in the House in the ordinary course it would take a day or two for its consideration. We are asked here in the closing minutes of the session to place it upon the statute books as a rider upon an appropriation bill. To that proposal I can not give my assent. Under the rules of the House, very wisely changed to provide ample opportunity to let the House judge whether it wants to legislate on appropriation bills, the House managers have brought this matter back. Those Members who are interested in the legislation have their rights under the rules when the amendment is called up. As chairman of the Committee on Appropriations and without reference to the merits of the legislation itself I am compelled to oppose its insertion in this bill in this manner. I have not had time to study the proposal as I should before I would recommend it to the House. I will not take that responsibility. If the House votes to place the amendment in the bill, it will do so on the recommendation of other gentlemen and upon statements they may make as to the effect of the legislation. The responsibility for such action will rest primarily with the House.

I protest against the practice of putting legislation on appropriation bills, and I want to be understood as having fought this from the day the Budget act was passed and the rules of the House so changed as to prohibit legislation going on appropriation bills. [Applause.] I want to help the House keep the legislative jurisdiction in the committees which are charged with legislative responsibility. I do not want them to impose that responsibility on the Committee on Appropriations, because we do not want to assume it; we have enough to do without it.

If I were fully acquainted with the merits or need for the legislation and thought it desirable, I would still protest against the manner of its presentation in the House, and I shall move to insist on the disagreement of the House to these amendments.

Mr. Speaker, I move the adoption of the conference report. These matters are outside the conference report.

Mr. SINNOTT. The gentleman's present motion does not include them?

Mr. MADDEN. No.

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

Mr. MADDEN. Yes.

Mr. BLANTON. I notice the gentleman has receded from the amendment which provides $50,000 for the Northern Pacific land grants investigation.

Mr. MADDEN. We were directed to do it by law.

Mr. BLANTON. Has such a bill passed this House?

Mr. MADDEN. Yes.

Mr. BLANTON. There have been so many passed in the last 48 hours that I did not know whether it had been passed or not.

Mr. MADDEN. This is done in conformity with the law. We did not do it until we had a law authorizing it.

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

Mr. SINNOTT. Mr. Speaker, a parliamentary inquiry. I understand this motion does not include Senate amendments 27 to 34 or amendment No. 58.

Mr. MADDEN. No; it does not.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take up all of these reclamation project amendments—amendments Nos. 27, 28, 29, 30, 31, 32, 33, 34, and 36—and consider them en bloc.

Mr. SMITH. That does not include amendment No. 58?

Mr. MADDEN. No.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. We know the attitude of the gentleman from Illinois, and if he were able to carry out his wishes there could be no objection; but we have our friends from Idaho and Oregon and other places interested in this $100,000,000 proposition——

Mr. MADDEN. This is to expedite consideration.

Mr. BLANTON. What I want to know is whether the gentlemen is going to see that the time is equally divided on this proposition or is he going to give all the time to the gentlemen who want to put over this proposition?

Mr. MADDEN. I will have control of the time, and I will see that nobody loses any rights.

Mr. BLANTON. I want a little time to discuss this matter they are trying to put over here.

The SPEAKER pro tempore (Mr. SANDERS of Indiana). Without objection, the amendments will be considered en bloc and the Clerk will report the first amendment in disagreement.

There was no objection.

Mr. SINNOTT. Mr. Speaker, a parliamentary inquiry. When is the proper time to offer a preferential motion?

The SPEAKER pro tempore. As soon as the amendments are reported.

The Clerk read as follows:

Amendment No. 27, page 32, after line 8, insert:

"For all expenditures authorized by the act of June 17, 1902 (32 Stats., p. 388), and acts amendatory thereof or supplementary thereto, known as the reclamation law and all other acts under which expenditures from said fund are authorized, including salaries in the District of Columbia and elsewhere; examination of estimates for appropria-

tions in the field; refunds for overcollections hereafter received on account of water-right charges, rentals, and deposits for other purposes; printing and binding, not exceeding $15,000; purchase, maintenance, and operation of horse-drawn or motor-propelled passenger-carrying vehicles; payment of damages caused to the owners of lands or private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of irrigation works, and which may be compromised by agreement between the claimant and the Secretary of the Interior; and payment for official telephone service in the field hereafter incurred in case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior.

"North Platte irrigation project, Nebraska and Wyoming: For continued investigations, commencement of construction of the Guernsey Reservoir, and incidental operations, $800,000.

"Spanish Springs irrigation project, Nevada: For continued investigations, commencement of construction, and incidental operations, $800,000.

"Salt Lake Basin irrigation project, Utah: For continued investigations, continuation of construction, and incidental operations, $1,500,000.

"Owyhee irrigation project, Oregon: For continued investigations, commencement of construction, and incidental operations, $1,250,000.

"Warm Springs (Vale) irrigation project, Oregon: For continued investigations and for first payment toward purchase of an interest in the Warm Springs Reservoir, $250,000.

"Yakima irrigation project, Washington: For continued investigations, commencement of construction of the Kittitas unit, and incidental operations, $1,500,000.

"There is hereby established in the Department of the Interior a Bureau of Reclamation, and there shall be a director of the said bureau, who shall be thoroughly equipped for the duties of said office by technical education and experience, and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of $10,000 per annum, and there shall also be in the said bureau such experts and other employees, to be appointed subject to civil service laws and regulations, as may be required to carry out the purposes of the reclamation act of June 17, 1902 (32 Stats., p. 388), and acts amendatory thereof or supplementary thereto, in accordance with the appropriations made from time to time by Congress for such purposes."

Mr. MADDEN. Mr. Speaker, amendment No. 36 perhaps should not be included in this list, and I ask unanimous consent that it be left out as it deals with a different proposition.

The SPEAKER pro tempore. The gentleman did not name amendment No. 35 in his motion.

Mr. MADDEN. No, sir; and No. 36, I think, should also be left out.

The SPEAKER pro tempore. Without objection, amendment No. 36 will be left out of the amendment to be considered en bloc.

Mr. MADDEN. Mr. Speaker, I move to further insist upon the disagreement of the House to the Senate amendment.

Mr. SINNOTT. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Oregon rise?

Mr. SINNOTT. To offer a preferential motion. I move that the House recede, and concur in the Senate amendments.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Idaho.

Mr. SMITH. Mr. Speaker and gentlemen of the House——

Mr. BLANTON. Mr. Speaker, this matter we are going to discuss involves $60,000,000, and I think that is a big enough proposition to have the membership here, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Texas makes a point of order that there is no quorum present. The Chair will count.

Mr. BLANTON. Mr. Speaker, I withdraw it for the present.

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

The SPEAKER pro tempore. The Chair will count. [After counting.] Ninety-eight Members are present, not a quorum.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

| | | | |
|---|---|---|---|
| Anderson | Burton | Doughton | Fisher |
| Andrew | Butler | Doyle | Garner |
| Bacharach | Byrnes, S. C. | Drane | Geran |
| Barkley | Celler | Drewry | Gifford |
| Beck | Clark, Fla. | Driver | Graham, R. |
| Boies | Cooper, Ohio | Fairchild | Griffin |
| Britten | Curry | Fairfield | Hammer |
| Browne, N. J. | Davis, Minn. | Faust | Hersey |
| Bulwinkle | Dickstein | Fenn | Howard, Okla. |
| Burdick | Dominick | Fish | Hudspeth |
| Jost | Lyon | Reed, W. Va. | Thatcher |
| Kahn | McFadden | Rogers, N. H. | Tucker |
| Kelly | McKeown | Romjue | Vare |
| Kent | McLeod | Rosenbloom | Ward, N. Y. |
| Kerr | McSwain | Rouse | Ward, N. C. |
| Kiess | Michaelson | Scott | Weaver |
| Knutson | Miller, Ill. | Sherwood | Welsh |
| Kunz | Moore, Ill. | Spearing | White, Me. |
| Langley | Morin | Steagall | Wilson, Miss. |
| Larson, Minn. | Mudd | Stengle | Wright |
| Lilly | Paige | Sullivan | Young |
| Little | Phillips | Sweet | Zihlman |
| Logan | Quayle | Taylor, Tenn. | |

The SPEAKER pro tempore. Three hundred and forty-two Members have answered to their names. A quorum is present.

Mr. MADDEN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. SMITH. Mr. Speaker, I yield the time allotted to me to the gentleman from Oregon [Mr. SINNOTT].

Mr. SINNOTT. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SINNOTT. How much time have I in my control under the rule, having made a preferential motion?

Mr. MADDEN. The gentleman can not take me off the floor on a conference report.

The SPEAKER pro tempore. The conference report has been agreed to. The Chair thinks it is a proper inquiry raised by the gentleman from Oregon. The gentleman from Illinois offered a motion to further insist on the disagreement to the Senate amendments. Upon that he would be entitled to time, as he is in charge of the bill. The gentleman from Oregon offers a preferential motion, but the Chair is under the impression that the gentleman from Illinois is not thereby deprived of the control of the time. That seems to be the precedents, although the logic of the situation would seem to be the other way.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Speaker and Members of the House, in five minutes a man can not go into the details to prove his statements at very great length. I am going to ask you to examine this matter carefully. To me you might as well sign a blank check and send it over to these men, unless I am entirely mistaken in the language, and the proponents of the bill who come after me will have an opportunity to tell you whether I am right or not.

Turn to page 82, subsection (f), and read the lines 7, 8, and 9:

The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding—

And so forth. Now, that is for the 10 preceding years. If this land was nonproductive for 10 preceding years before the irrigation project was put over, the charge against the acreage is nothing.

Now read lines 17, 18, 19, 20, 21, and 22, and under those lines the Secretary is authorized to rewrite every contract of irrigation that is now in effect on the basis of the above lines on the 5 cents per acre of the productivity for the 10 years prior to the irrigation project. Why, there is not a man in the House who can even form an estimate to-day as to what the cost to the Government will be if such a project becomes a law. If I am not in error, I would rather defeat the deficiency bill than sign this measure under the hold-up method of tying it up to an appropriation bill.

Mr. SMITH. Will the gentleman yield?

Mr. BEGG. I can not yield unless the gentleman can give me more time.

Mr. SMITH. The gentleman is in error.

Mr. BEGG. The gentleman can speak in his own time. If I am in error, he can show it then. On page 83, in the first paragraph, it turns back to the irrigating landowner to-day every property scheme that we have in existence by the creation of irrigation associations. Now, we have some irrigation and reclamation projects that are making money, and every one in this bill under the creation of the association of irrigation landowners will have the project turned back to them.

Worse than that, turn to the subsection at the bottom of the page. If there are any profits in the proposition to-day, those profits go to these landowners, and on page 84 it can be distributed the same as dividends of a corporation. Read lines 3 to 6 on page 84:

No distribution to individual water users shall be made out of any such profits before all obligations to the Government shall have been fully paid.

Why, men, in these reclamation schemes and irrigation projects when made at the charge of the Federal Government a man buys the land and pays the water rates. He does not have

any benefit. It is not for the benefit of the owners. The scheme is a governmental scheme, and we are charged to pay the losses, and if we are charged to pay the losses we ought to be entitled to the profits. It ought not to be turned over under any kind of a hasty proceeding like this.

Now, turn to page 85, where it says that the cost and expense of each such survey shall be charged to the appropriation for the project on account of which the same is made, but not to the cost of construction.

We are going to turn back to this association of irrigation projects all profitable ventures and continue to hold and rewrite contracts on the losing ventures and pay the losses.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. BEGG. Mr. Speaker, I ask the gentleman to yield me one minute more.

Mr. MADDEN. Mr. Speaker, I yield one minute more to the gentleman from Ohio.

Mr. BEGG. Read on page 86, subsection O, and see what you have. There it is provided that the cost and expense after June 30, 1925, of the main office at Washington, D. C., of the Bureau of Reclamation in the Department of the Interior, and the cost and expense of general investigation, and so forth, shall be charged to the Government, and there is no avenue under this law for the United States to reclaim a single nickel of its losses; and in the face of it all there are more farm products being produced to-day in the United States than we can consume, else we are in error in all of the demands that have been made for farm-relief legislation, one of them to appropriate $200,000,000 to care for the surplus. Let us not be fooled; let us be a little bit consistent on business matters and vote as business men should vote, after we have had a chance to consider and go into the merits of the situation. [Applause.]

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Utah [Mr. LEATHERWOOD].

Mr. LEATHERWOOD. Mr. Speaker, I shall not at this time attempt to discuss the salient features of the proposed new legislation, but if gentlemen will follow the bill they will find that the gentleman from Ohio [Mr. BEGG] has not sensed the purpose of the proposed legislation. This legislation does not come here without thought or consideration. It comes here after thought upon the part of some of the best minds in this country upon the subject of reclamation and after a long period of consideration. I shall not attempt to discuss the legislation at this time, and in the few moments that I have I will discuss amendment No. 30, which refers to the Salt Lake Basin project.

Utah since the beginning of reclamation has had one little project, and she will pay back to the Government every dollar of that money according to contract. She has put into the reclamation fund much more than she has ever taken out of it. These moneys that we are asking now to have appropriated are trust funds derived from the sale of our public lands and oil leases. The Salt Lake Basin project lies between the city of Ogden and the city of Provo.

It is tapped by two great transcontinental railways. It has an interurban electric line running throughout the land to be reclaimed. It has paved roads putting it in touch with markets. In addition to that, there is a market for the surplus agricultural products in that very locality. There is being opened within the very heart of this proposed region a great steel mill. Within 25 miles of it is one of the largest open-mining copper mines in the world, producing 50,000 tons of ore per day, employing 7,000 men. Within 20 miles of this project there is to-day the greatest precious metal smelting industry in the United States. There we have the markets and this project is already organized into irrigation districts and prepared to tax the property to pay every dollar of the proposed appropriation for this project back to the Federal Government. You will have $5 of security for every dollar that it is proposed to put into this project and up to the present time my State shows not a dollar of loss to the Federal Government. It is nothing but just, it is nothing but fair, that after 20 years my State, with only one little project, and which has put hundreds of thousands of dollars into this trust fund from the sale of its lands and its oil leases, should get at least some equity in the matter. I come to you not with any apology for reclamation in my State. It is solvent. It will pay back to the Government and to the reclamation fund every dollar. My good friend from Ohio [Mr. BEGG] knows all about agriculture in the State of Ohio, I have no doubt, but he has demonstrated in the five minutes that he has talked that he knows as little about reclamation as any gentleman that I have ever heard discuss the question. This charge that he complains about is not against the funds of the Government, it is against the reclamation fund. It is our money, so to speak, and I remind some of you gentlemen who are so concerned about the disposition of the reclamation money of the fact that if you will go back a little bit in history you will find out how much your States have had from the sale of public lands in the past, not a dollar of which you have ever returned to the Treasury of the Federal Government.

The SPEAKER pro tempore. The time of the gentleman from Utah has expired.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Speaker, I am opposed to the motion to concur in this amendment. I do not come from a State where reclamation is in progress. I am aware, as the gentleman from Utah [Mr. LEATHERWOOD] says, that the funds which are expended come from the reclamation fund, but I believe that in opposing this proposition I am acting as the friend of the reclamation fund, and I most respectfully suggest to my friends who come from these reclamation States that the very worst thing they can do to their reclamation projects and the future of reclamation is to sustain efforts to make appropriations at the eleventh hour of the session of Congress, on the eve of adjournment, amendments carrying $7,000,000, involving possibly $60,000,000 of future expenditures without any investigation, without any report from the Budget or from the Executive. [Applause.] That is just what this means. You have a proposition here to appropriate $7,000,000, proposed at this late hour by the Senate, for the next year upon five or six new projects and which I am told will involve sixty million or more dollars before they are completed. Yet the gentleman from Illinois read you a while ago a statement from Doctor Mead, the present reclamation director, and who impresses me not only as a man of high ability but of very earnest interest in this kind of work, in which he said that he could not justify any one of these projects, because he had not had an opportunity to investigate them and would not therefore recommend them at this time. The bill which passed the House carries an appropriation of $125,000 to enable the director of the reclamation fund to make his investigation, and he says that with that money he will be able to come back to Congress this fall and tell Congress just which of these projects should be started. Why are we in such haste to do this? Who is going to be hurt by a six months' delay? In December the Congress will be back here, and if these projects are justified, Doctor Mead will be here with a report to Congress recommending them and asking for the necessary appropriation to support them. Is some one afraid that his project will not be approved and therefore wishes to commit the Government before an investigation is made? We have an example of what this means. There is an amendment pending on this appropriation bill that seeks to defer payments to be made by water users on projects which have proven to be unprofitable.

We are asked now to defer these payments for a period of three years. Why? Because the projects themselves are not profitable and ought not to have been undertaken; because they spent too much upon them; because it has cost the water users too much money, and they find themselves in a position where they can not make enough on the land to pay the cost of those projects; and yet here we are asked blindly, without investigation by the proper authorities, to start new projects, some of which may prove profitable and others, as far as we know, may prove unprofitable. Gentlemen, it is not good legislation in the last hour of the session without a report from the Budget, without a recommendation from the President, without a recommendation from the man who has direct charge of this matter, but who on the contrary has asked for time to investigate the feasibility and value of these projects before the Government is committed to such a tremendous expense. It is not right, simply on the request of some gentleman over in another body who is interested in these projects, who has some one project in his State in which he is interested, to ask us under our obligations to concur in the amendments offered. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MADDEN. I yield to the gentleman from Kansas [Mr. HOCH] to prefer a request.

Mr. HOCH. Mr. Speaker, I ask unanimous consent to call up Senate Joint Resolution 107, to insist on the House amendment and agree to the conference asked by the Senate, and that the Speaker pro tempore appoint conferees without intervening motion.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to call from the Speaker's table Senate Joint Resolution 107, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 107, declaring agriculture to be the basic industry of the country, and for other purposes.

The SPEAKER pro tempore. And insist upon the House amendment and agree to the conference asked by the Senate, and the conferees be appointed without intervening motion. Is there objection?

Mr. HUDDLESTON. Will the gentleman withhold that for a moment so I can see what it is?

Mr. HOCH. Well, it simply sends it to conference.

Mr. HUDDLESTON. I want to see what amendments were adopted.

Mr. HOCH. The Senate has not adopted any. The Senate disagreed to the House amendments and adopted nothing.

Mr. HUDDLESTON. I would like to see if the gentleman will withhold it.

Mr. HOCH. I will withhold the request for the moment.

The SPEAKER pro tempore. The gentleman from Kansas withholds the request.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its chief clerk, announced that the Senate had passed with an amendment House Joint Resolution 283, to permit to remain within the United States certain aliens in excess of quotas fixed under authority of the immigration act of May 19, 1921, in which the concurrence of the House was requested.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the joint resolution (S. J. Res. 85) authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 1414. An act to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington.

The message also announced that the Senate had passed with amendment the bill (H. R. 71) authorizing the Cowlitz Tribe of Indians residing in the State of Washington to submit claims to the Court of Claims.

SECOND DEFICIENCY BILL

Mr. MADDEN. Mr. Speaker, I yield two minutes to the gentleman from Utah [Mr. COLTON]. [Applause.]

Mr. COLTON. Mr. Speaker, whenever anything concerning the farmers is brought up on the floor of this House many so-called farmers' friends are here offering some kind of remedy, some kind of medicine other than what the farmer wants. The savant from Arkansas [Mr. WINGO] had a complete remedy for all the ills of the farmer yesterday, and yet when the only bill that would give real relief was up for consideration—a bill which farmers everywhere asked for—he did not even vote upon the measure at all.

During the debate yesterday, according to the RECORD, this great statesman, with the weight of empires resting upon his mighty brain, took occasion to question the intelligence of a people who would send a Representative here who did not know what the Democratic Party had done for the farmer. Gentlemen, while I realize this was said in joke, let me say that America has no better nor more enlightened, no better educated people than those I have the honor to represent. Let me say further no class of people are more intelligent, more informed than the farmers of this country. You will have hard work making them believe the Democrats have done much for them. Even the sage from Arkansas will not be able to show them.

The farm loan act and the reserve act were all right for the purpose intended, but they only enabled the farmer to get further in debt. What he wants is a chance to get a fair market for his products. The tariff furnished him a good home market and insured prosperity here at home. He now wants a market for his surplus products; give him this and he will work out his own salvation. The bill that would have done that was killed by just such friends of the farmers as are opposing this legislation. The farmers of this country are not going to be deceived. They know the genuine from the sham.

So here to-day objection is made that reclamation will cause overproduction by the farmer. Why, the Reclamation Service is the greatest blessing to the farmers in the world. Farmers on reclamation projects can diversify their crops. They are not compelled under reclamation projects to raise one particular crop. They may raise sugar beets, alfalfa, and other crops where there is no surplus, and it is the very best thing that can happen to the western farmer and for the country. Men who profess to be the friend of the farmer now come here and say, "You do not know what you want out in the West." Why, the country in one project has already invested $5,000,000, and that will lie idle, absolutely useless to the Government or anybody else, unless some amendment to this bill carries. I earnestly hope you will vote for this amendment. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. COLTON. I ask leave to revise and extend my remarks.

The SPEAKER pro tempore. The gentleman has that privilege.

Mr. MADDEN. Mr. Speaker, I yield two minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Speaker and gentlemen, in the two minutes allotted me I want to call your attention to the fact that the reclamation projects of the West are making markets for eastern products of from twenty-five to forty million dollars annually.

As to the merits of the items now under consideration, let me give you the facts in regard to one. The Secretary of the Interior, having had this under investigation for several years, reported favorably and asked for an appropriation last December. A few weeks ago, after the fact finders had made their report, he again made a request for these appropriations. One of the projects happens to be in the State of Washington, and here are the facts: The Kittitas High Line unit of the Yakima project immediately surrounds a fertile tract of 50,000 acres that has been in a high state of production for 30 or 40 years.

Mr. CARTER. What project?

Mr. SUMMERS of Washington. The Kittitas unit of the Yakima. Two transcontinental railroads, two hard-surface roads traverse the tract. A State normal school in a beautiful county seat town is in the middle of the tract. The Government has erected a $5,000,000 dam, and no place to use the water except in very limited amount until this unit is completed. Now, are you going to delay it? It is going to take 6 or 8 or 10 years in any event, and every year you delay it means that much longer the country must carry the overhead. A $5,000,000 dam absolutely useless. Is it any wonder that the country gets out of patience with Congress for doing things that way? If you did not intend to appropriate for this, then you ought never to have appropriated for that dam. Let us do this in a businesslike way—make the appropriation and dig the ditch.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I am in favor of reclaiming all of the arid lands of the entire Northwest, but I am not in favor on the last day of a session to put a $60,000,000 legislative project as a rider on an appropriation bill, such as is attempted at this time. I will tell the gentleman from Idaho and the gentleman from Washington and the gentleman from Montana and the gentleman from Wyoming what they are fixing to do. They are fixing to get this important deficiency bill vetoed. They are fixing to get it killed. It is too late to pass it after we adjourn. They are fixing to kill this important deficiency bill by putting this $60,000,000 item on it. And it will not do to take any chances on killing the deficiency bill, as it embraces the appropriation for the bonus of our ex-service men.

Why, we passed the postal salary increase bill the other day to give the faithful, honest, hard-working postal employees a proper increase in salaries and to give a proper increase in salary to the hard-working, underpaid third and fourth class postmasters of the country. These underpaid postmasters and hard-working postal employees have waited years and years for this deserved increase. And we have promised them that we would pass their bill before this Congress adjourned. And we did pass it in the House. And the House has exhausted every means of putting it into law.

I was heartily in favor of that bill and helped to pass it. Now, since the bill has been vetoed by the President we find the Presiding Officer of another body this minute holding that that veto can not be called up and acted upon by that body until to-morrow morning, which is after the Congress adjourns, because, forsooth, it has not yet been entered on the Journal, and that it takes unanimous consent there for another body to even pass upon a President's veto. And this House here is sitting with its hands tied and its feet hobbled and can not do anything about it at all, and that postal salary bill is going

to die. Yet at the same time the very body that holds up that just compensation bill for the benefit of postal employees of this country has put as a rider on a deficiency bill this legislative item, which our distinguished chairman of the Committee on Appropriations, Mr. MADDEN, and Mr. Mead, the Director of the Reclamation Service, have said will ultimately cost the people $60,000,000.

Are you going to stand for it? I want to say this to our friends from the Northwest: If you force reclamation projects on appropriation bills like this, you are going to lose friends for reclamation here in the House, friends that we ought to have. I am with you for reclamation. There are semiarid lands even in the district which I have the honor to represent, and in States all around me. I have been for their development. We do not expect the Government to help us in Texas, because we have there no Government land, but we do expect to help around in the States next adjoining. You want to make friends instead of enemies on this reclamation proposition. The Congress will be back here in December. Do not urge this unreasonable $60,000,000 proposition on this appropriation bill. Wait until December, and after standing up like men before all our colleagues and presenting the matter to them and winning their support on the merits of the proposition, let us take up the matter in December, and not press it here now in the closing hour of this session.

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

Mr. BLANTON. Yes.

Mr. CARTER. The gentleman from Texas knows, of course, that there is considerable criticism against irrigation, and it comes about by ill-advised projects having been passed by Congress.

Mr. BLANTON. Our friend from Idaho [Mr. SMITH] knows that he has had one project there in his State—delightful a State as he has, and delightful a colleague as he is of ours—he knows that he has a project there that stinks to heaven, and here is a rider proposition for projects involving $60,000,000 without any consideration having been given them by the House at all.

Mr. CARTER. Does not the gentleman know that every one of these questionable projects has been brought in here just in this manner?

Mr. BLANTON. Exactly. They can not pass in any other way. [Applause.]

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Montana [Mr. LEAVITT].

The SPEAKER. The gentleman from Montana is recognized for five minutes.

Mr. LEAVITT. Mr. Speaker and gentlemen of the House, one of the burdens of the western country having great irrigation projects is the lack of understanding—I might say the ignorance—of those who proceed on pure theory, and as a result make it difficult for us to continue our development.

In the few minutes I have at my disposal I will speak particularly of the new provisions for payment contained in this bill. That is the heart of this matter, and I want to say that it is not hasty legislation. For several weeks the Irrigation and Reclamation Committee of this House has been holding hearings and investigations and preparing a bill. The committee of this House did not write this rider into the appropriation bill now under consideration. It was put there by the Senate, but it should be passed.

Regardless of the business that any man goes into, he will succeed if he is able to make enough to pay his debts and has the privilege of paying them in such a way that he can meet them out of his business. That is all there is in this proposed new principle of payment on these reclamation projects. It is that, instead of a fixed period of years being set for payment, regardless of the cost of the project or the earnings—and it costs just as much to construct in a State where a single crop is all that can be expected as it does where two or three crops are grown—payment shall be required on a basis of what can actually be raised. It proposes to charge 5 per cent of the gross return, year after year, estimated over a period of 10 years, if there is 10 years of experience; and if not, over a lesser period of time.

That is the only way we will be able to get back the money that has been invested on some of these irrigation projects, simply on the basis of what they can earn instead of the fixed plan that has forced failures in some instances.

Mr. EVANS of Montana. Mr. Speaker, will my colleague yield there?

Mr. LEAVITT. Yes; I yield.

Mr. EVANS of Montana. If this legislation is not passed thousands of people will be dispossessed of their lands, will they not?

Mr. LEAVITT. Yes.

Mr. Speaker, I notice that on the ceiling of this Chamber of the House of Representatives the seal of my State of Montana is not represented with the rest, although we have been a State for 35 years. Nobody seems ever to have called attention to it before. I have taken steps so that this fall, when we meet again, it shall appear there among the seals of other States. [Applause.] It is in the same way, in urging this legislation for reclamation, that I am asking you, in the interest of development and our farming industry, to recognize my State among the States of the Union on an equal footing. Reclamation is required in a State like mine and in other similar States of the West, so that they will be enabled not only to produce things that can be sold in a market-gardening market but in order that we can produce sure forage crops, making possible the use of other lands for stock raising. We must be able out in that country to go on with this development, and, as has been said by my colleague, Mr. EVANS, unless this relief in the method of payment is afforded, which is not a quickly thought of thing which we are trying to ride through here, but the result of weeks of hearings and investigations by our committee—unless we can have that relief there will be many of my people dispossessed, who, under this fair method of payment, would be able to repay their obligations and put back into the Treasury the money that has been expended in the development of reclamation projects. [Applause.]

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

Mr. LEAVITT. Yes.

Mr. SNELL. Did we not recently extend the time on them all for three years?

Mr. LEAVITT. Yes; but that does not in any way satisfy the loan companies that are demanding that these payments be made, but who will be satisfied if we put them upon a business basis so that they can pay out in time.

The SPEAKER pro tempore. The time of the gentleman has expired.

### REVISION OF RAILROAD RATE STRUCTURE

Mr. HOCH. Mr. Speaker, I wish to announce that the gentleman from Alabama [Mr. HUDDLESTON] has withdrawn his objection to my unanimous-consent request and I desire to renew that request.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to call up Senate Joint Resolution 107, insist on the House amendment and agree to the conference asked by the Senate, and that the Speaker pro tempore be authorized to appoint conferees without an intervening motion. Is there objection? [After a pause.] The Chair hears none.

The Chair appointed the following conferees: Messrs. WINSLOW, HOCH, and RAYBURN.

### SECOND DEFICIENCY BILL, 1924

Mr. MADDEN. Mr. Speaker, I yield four minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Speaker, the President sent us a message in April calling attention to the reclamation situation and the fact that there was nearly $28,000,000 on existing projects that he said would, perhaps, have to be charged off, representing expenditures in construction work on reservoirs, and so forth, on projects that had proven unproductive.

The gentleman from Utah would have us understand that it does not affect the General Treasury. The reclamation fund is in the Treasury for the service of the country just the same, and whenever that is exhausted they will want more money out of the general fund to put into the reclamation fund. In fact, the Smith-McNary bill, recently urged, contains a provision for a very large new appropriation from the general funds for similar work.

The character of the amendments put on in the Senate is to be judged in part by the Yuma amendment. As I understand, no amendment which was offered in the Senate was rejected; the lid was off. It was proposed for the Yuma project—which has been excluded from this group, but it illustrates the carelessness and the recklessness of this method of legislating—to take $100,000 not out of the reclamation fund but out of the general fund permanently, $100,000 each year out of the general fund for the benefit of a reclamation project.

Mr. Speaker, the evil of the plan before us, in overriding the Budget, has been stressed by the gentleman from Illinois [Mr. MADDEN]. The plan involves the approval of some six or eight projects, only two of which have been approved by the Budget, and one has, in effect, been ruled against. By this you will destroy the Budget system. If on the last day of the session the Senate can load down a deficiency bill with

everything they want and banding together, as they have in this case, refuse to have items considered on their merits, insisting it is all or none—rule or ruin—you destroy your Budget system absolutely.

Further, it abandons the control which Congress ought to exercise over the selection of the good projects and turns it over to the Interior Department, because these appropriations are in this form: They are subject to further investigation by the department, and if that investigation suits the Secretary of the Interior he builds the project; and if it does not suit him, he does not. We give him the right of selection, and everybody knows how terrific the political, geographical, and local pressure will be upon him. It is that kind of pressure that has caused $28,000,000 of admitted mistakes heretofore. Let us go no further in that.

Further, this amendment involves the building of undesirable projects, one of which, the Spanish Springs project, was declared by the service itself in the hearings before our committee last December as "not being regarded as feasible at this time," yet it is now presented to us, and we have no further time to consider it.

This program on the part of the Senate is condemned by the Senate itself when they put in the legislation, which will come up later—subsection (b)—which provides that no new project shall be approved, or even estimates submitted, until information in detail shall be secured as to the water supply, the engineering features, and everything else. Yet, they load this bill, in a sandbagging method, with items not so investigated. Having loaded themselves with all this loot, in their legislative program they put in the section which says that hereafter you must be good, "We will not approve anything hereafter until we know what we are doing." But in this bill they turn everything loose and wide open. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Oregon [Mr. SINNOTT].

Mr. SINNOTT. Mr. Speaker, 10 minutes to represent the hopes, the aspirations, and the longings of people who have been waiting many years for appropriations for these projects, and also for the relief legislation expressed in amendment 58, seems to me like a travesty, like a burlesque on representative, deliberative government.

I have heard comments upon this bill which made me think of last Tuesday, when this House rebuffed the petition of the dry farmer from the West and the Middle West in behalf of the McNary-Haugen bill, and now we are asked to rebuff and deny the appeal of the wet farmer; at least that would seem to be the situation judging from the comments which have been made by several gentlemen, especially the comments made by the great irrigationist from Ohio [Mr. BEGG], who only demonstrates the fact that—

> A little learning is a dangerous thing;
> Drink deep or taste not the irrigation spring.

[Applause.]

He ridicules these six projects and says they have not been investigated, while the fact is, gentlemen of the House, that every one of these six projects has been thoroughly investigated for 10 or 20 years. The two projects in my State, the Owyhee and Warm Springs projects, have been investigated, and $100,000 has been expended in investigating those projects. Those projects have been approved conditionally by the Secretary of the Interior and by his engineer. They were sent down to the Budget Bureau and there held up. It is also true that every one of these six projects has been approved by the Secretary of the Interior, subject to further investigation, but they have all been held up by General Lord, of the Budget Bureau. They have been investigated for years.

The chairman of the committee read what Doctor Mead had to say, and here is the substance of Doctor Mead's advice to him: That he would not justify these appropriations unless they were tied up with certain provisos.

Mr. HOWARD of Nebraska. Will the gentleman yield?

Mr. SINNOTT. Excuse me; I can not yield now.

When Mr. Mead was before the chairman of the Committee on Appropriations he was talking about appropriations under the old reclamation law. If you adopt amendment 58 in this bill, the new reclamation relief bill, then every one of these appropriations will be safeguarded and not a cent can be expended upon any one of these projects until the Secretary of the Interior and his engineers find, in conformity with subsection (b), and make a finding in writing that it is feasible. Not until then can the money be expended.

The gentleman from Ohio [Mr. BEGG] speaks as though this money were coming out of the Treasury. It does not come out of the Treasury. It comes out of the reclamation fund, a special fund set apart for irrigation purposes in the West, a fund that is designed in some way to recompense the West for the enormous areas of land that you have withheld from taxation in the Western States.

In my own State you have set aside as a wood lot for the Nation from 13,000,000 to 17,000,000 acres of forest land. This little dole we get out of these appropriations will in some part recompense us for the withholding of that land from taxation.

Why do we want this to-day? "Hope deferred maketh the heart sick." My State has put $12,000,000 in the reclamation fund which comes from the sale of lands in my State, and we have only received from that fund between $5,000,000 and $6,000,000, and yet the people in my State look across State lines and we look over into another State that has put but $5,000,000 into the reclamation fund and we see that State enjoying $25,000,000, and we believe that we are entitled to this fund now.

The expenditure is well protected if you adopt amendment 58, the relief bill. The gentleman from Ohio [Mr. BEGG] ridicules that bill, and yet that bill has been the subject of the thought and the care and the counsel of the fact finding commission sitting upon it for six months, the Secretary of the Interior and Dr. Elwood Mead, the most noted irrigationist in the world, who was paid nearly $50,000 a year by the Government of Australia to go over there and superintend their irrigation propositions, and yet the irrigationist from Ohio [Mr. BEGG], with that air of finality in his voice that almost makes assurance doubly sure, tells us that this bill is poorly drafted; that we are going to reach into the Treasury of the United States and deplete that Treasury; and the gentleman from Texas [Mr. BLANTON], whose State was wise enough to keep its own public lands, ridicules the bill.

Would that the people of the Northwest Territory, when they came into this Union, when they wrung from England at the Champoeg meeting in Oregon in 1852 the States of Oregon, Washington, Idaho, and parts of Wyoming and Montana—would that they had had the sagacity of the pioneers of Texas and had retained their public lands. Then we would not be here asking you for the proceeds from this land to develop the land that those proceeds were intended by the God of Nature to be expended upon.

I wish I could take you out into my country and show you that the Almighty Himself meant the snows upon the mountains should be wedded to those broad areas of fertile volcanic dust. I wish you could see how amphitheaterlike the hills rise and radiate from the Colorado and the Columbia to the cardinal points. How hills pile on hills, how they rise in the purple haze of twilight like billows suddenly stilled on the crest; how the rim of the amphitheater and the horizon is pillared with a dozen lofty, eternally snow-capped peaks, once blazing beacons, now only reflecting above the dust of the valleys the soft glow of the setting sun as the day drops into the western waters of the Pacific. These snowcaps eternal are our reservoirs, the Almighty invites us to wed the snow on those mountains with our vast areas of fertile, volcanic dust, and this bill, if it is passed, will allow us to do that in a very small measure without taking a dollar from the Treasury of the United States, and I hope the Members of this House will not to-day rebuke the wet farmer of the West as you rebuked the dry farmer last Tuesday. [Applause.]

Mr. MADDEN. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Oregon [Mr. SINNOTT] to recede and concur.

The question was taken; and on a division (demanded by Mr. SINNOTT) there were—ayes 70, noes 80.

Mr. WILLIAMSON. Mr. Speaker, I object to the vote and ask for the yeas and nays.

The SPEAKER pro tempore. The gentleman has made two inconsistent motions.

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

Mr. BLANTON. Mr. Speaker, I make the point of order that where a point of order is made that there is no quorum present that stops everything.

The SPEAKER pro tempore. The gentleman from South Dakota made the same point, but the gentleman asked for the yeas and nays at the same time, and the two are inconsistent.

Mr. WILLIAMSON. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-six Members are present, a quorum.

Mr. SINNOTT. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Oregon demands the yeas and nays. All those in favor of taking this vote by the yeas and nays will rise and stand until counted. [After counting.] Forty-six Members have risen, in the opinion of the Chair not a sufficient number, and the yeas and nays are refused.

Mr. EVANS of Montana. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. EVANS of Montana. Is one entitled to call for the other side?

The SPEAKER pro tempore. There must be one-fifth of those present. If the gentleman makes that demand, the Chair will count.

Mr. LONGWORTH. Mr. Speaker, I could not hear what the count was.

The SPEAKER pro tempore. There were 46 Members who rose.

Mr. LONGWORTH. I submit, Mr. Speaker, there is no other side. The Chair has just ascertained the number present.

The SPEAKER pro tempore. The Chair is of the opinion that there are more than five times 46 Members present. The Chair will court again. [After counting.] Two hundred and thirty-eight Members present. Not a sufficient number have arisen, and the yeas and nays are refused. The question recurs on the motion of the gentleman from Illinois to further insist on the disagreement to the Senate amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 148, noes 58.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

For the development of oil shale, including construction of necessary plant, purchase, lease, or condemnation of necessary land for erection of plant; purchase or mining of shale, operation of plant, and for all necessary expenses incident thereto, including clerical and technical assistance in the District of Columbia and elsewhere, to remain available until June 30, 1925, $90,000.

Mr. MADDEN. Mr. Speaker, I move to further insist on the disagreement to the Senate amendment.

The SPEAKER pro tempore. The gentleman from Illinois moves to further insist on the disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that amendment 36, which is an irrigation project of some length—I ask unanimous consent that the reading of the amendment be dispensed with, and I move to further insist on the disagreement.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the reading be dispensed with. Is there objection?

The gentleman from Illinois moves to further insist on the disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Appropriations for salaries, fees, and expenses of marshals for the fiscal year 1924 and thereafter shall be available for advances to be made by United States marshals when authorized or approved by the Attorney General, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding.

Mr. MADDEN. Mr. Speaker, I move to recede and concur in the Senate amendment. This is an amendment to correct the statute on account of the decision of the Comptroller General.

The SPEAKER pro tempore. The gentleman from Illinois moves to recede and concur in the Senate amendment.

The motion was agreed to.

The Clerk read the next amendment in disagreement, as follows:

*Provided*, That said bridge shall be open to use by the public under such rules and regulations as prescribed by the Attorney General.

Mr. MADDEN. Mr. Speaker, I move to recede and concur.

The motion was agreed to.

Mr. MADDEN. Mr. Speaker, the next amendment is 58, and I ask unanimous consent that Senate amendments 58 and 59 be considered together, as 59 depends entirely on what is done with 58.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADDEN. Mr. Speaker, there are four or five pages of this amendment. It is for a proposed irrigation or reclamation service in the West. I ask unanimous consent that the reading of the amendment be dispensed with.

The SPEAKER pro tempore. Is there objection?

Mr. RAKER. Reserving the right to object, will the gentleman allow me 10 minutes?

Mr. MADDEN. I can not do that, but I will give the gentleman five minutes. I want to get this bill back to conference.

Mr. RAKER. But the House ought to know what is in these amendments.

Mr. LONGWORTH. It is now 3 o'clock, and in four hours the two Houses will adjourn.

Mr. RAKER. I did not intend to object.

Mr. HOWARD of Nebraska. Reserving the right to object, and I will not object if the chairman will tell me what this is.

Mr. MADDEN. This is a proposal for a general law regulating reclamation projects.

Mr. HOWARD of Nebraska. The gentleman thinks it is not good?

Mr. MADDEN. It has never been presented for consideration in the House. It is a separate bill that they have attached to this appropriation bill.

Mr. HOWARD of Nebraska. And the gentleman wants to kill it?

Mr. MADDEN. I propose to move to further insist.

Mr. SUMNERS of Texas. Reserving the right to object, does the chairman mean to move to further insist on the disagreement?

Mr. MADDEN. Yes. Mr. Speaker, I move to further insist on the disagreement of the House to the Senate amendment.

Mr. SMITH. Mr. Speaker, I offer a preferential motion, to recede and concur.

The SPEAKER pro tempore. The gentleman from Idaho moves to recede and concur.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Idaho.

Mr. SMITH. Mr. Speaker and gentlemen of the House, the amendments which have been considered during the last hour and voted down were to provide for new projects. This amendment is to take care of the unfortunate settlers on established projects who are unable to meet their payments as provided under the reclamation law.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman tell me whether, in substance, this amendment No. 58 is the bill that was reported from the committee of which he is a member?

Mr. SMITH. Yes.

Mr. MOORE of Virginia. Was it a unanimous report?

Mr. SMITH. The amendment attached to this bill is copied from the Senate bill, as amended, and is similar to the one that I introduced in the House. The Senate bill was unanimously reported to the Senate. The House bill was reported favorably with but one dissenting vote. I may state that this legislation is based upon the report of the fact finding commission, composed of five of the most distinguished economists in the country, who have spent five months in examining these reclamation projects. They made their report to the Secretary of the Interior, which was transmitted to Congress by the President of the United States, with a message urging this legislation. As I stated, this legislation is intended to relieve the delinquent settlers on these projects and adjust the payments so that they may meet their obligations in the future.

The original reclamation law provided for 10 years within which to repay the charges for constructing these great dams and reservoirs. It was soon found out that because of the expenses incident to reclaiming the desert land, which amounts to $25 to $30, sometimes $40 and $50, an acre, it would be impossible to meet their payments under that law. Later Congress came to the relief of the settlers and extended the time to 20 years, and up until four years ago the settlers were able to meet their payments, but on account of the depression of agriculture throughout the country, they have found great difficulty in meeting their payments during the last four years.

The settlers on irrigation projects have an annual overhead expense amounting to from $10 to $20 per acre, which includes

the repayment cost of construction, expense of operation and maintenance necessary to keep up these projects, and also the interest charges which they are forced to pay on money which they had to borrow to meet this overhead expense at a time when they could not sell their agricultural products at a price which would enable them to discharge their obligations.

This bill was considered very carefully in the Committee on Irrigation and Reclamation covering a period of three weeks. We had before the committee two members of the fact finding commission who had been working for five months investigating reclamation projects. We brought out a bill which we believe is fair and equitable and which will protect these settlers in their homes. Without the enactment of this legislation it is quite probable that three or four thousand settlers on these projects who have been struggling to maintain their homes will be closed out by the mortgage holders who have advanced money to enable them to buy machinery and to take care of their farms.

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

Mr. SMITH. Yes.

Mr. BLANTON. The gentleman wants to be fair; but when he states that this Senate bill, which has been put on this deficiency appropriation bill as a rider, is identical with the House bill he is mistaken.

Mr. SMITH. I did not say that it was identical.

Mr. BLANTON. I would vote for the House bill, because I think it is a good bill, but in the Senate bill there are some things that even the gentleman himself would not vote for.

Mr. SMITH. I said identical bills were introduced originally in each House of Congress. The bill was amended in the Senate and also in the House, and a new bill containing the amendments was introduced.

Mr. BLANTON. But the gentleman knows that the House bill which is attached to this deficiency bill as a rider is a much better bill.

Mr. SMITH. I think the Senate bill will bring relief to the settlers and will protect the Government in the investments which it has made. The gentleman from Ohio [Mr. BEGG] attempted to criticize the bill, but anyone who is familiar with the reclamation laws and their administration can soon discover that he is not well posted on the points that he raised against this legislation.

The SPEAKER pro tempore. The time of the gentleman from Idaho has expired.

Mr. SMITH. May I have five minutes more?

Mr. MADDEN. Mr. Speaker, I yield the gentleman one minute more.

Mr. SMITH. Mr. Speaker, I appeal to this House to adopt this amendment in order to take care of the settlers who are delinquent in their payments, not only to the Government but who are so involved in debt that the bankers and the bondholders who have mortgages on their lands will most certainly close them out if the legislation is not enacted. These money lenders say that if this legislation is enacted, so as to put the settlers on the basis where they can pay, which gives them more time where the land is unproductive, they will not foreclose their mortgages. I appeal to you to not bring disappointment and discouragement to these worthy people on these projects located in the desert lands of the West, who are not only making homes and building up communities but who are creating markets for the manufacturers in the eastern sections of the country. It is something that we owe to the farmers on these projects, who are struggling to save their homes, especially when the Government will not lose anything but will be a great deal more likely to get its money back if you put the settlers in a position where they can make something on the land and meet these payments.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Speaker, five minutes does not give much time in which to discuss a bill that is eight pages long. We ought not to legislate in this way comprehensive legislation on an appropriation bill, and no time even to read it. I want to give you the high lights from my examination of the legislation, which I have been studying in different forms for some time. The gentleman from Idaho [Mr. SMITH] has in part repudiated the Senate bill, because he could not agree to all the provisions of it when he reported out a bill from his committee five days ago. He rejected a number of the provisions in the Senate bill, and his own committee changed their minds three times in three days as to some important provisions, so that gentlemen can see that this is a complicated subject about which those who are informed can easily disagree.

Mr. LEAVITT. How did the gentleman find out what happened in executive session of the committee?

Mr. CRAMTON. If I am wrong, I would like to know it.

Mr. LEAVITT. The committee would like to know.

Mr. CRAMTON. I can not yield. What does this bill do? At the present time, under the reclamation fund, these projects get their money from the Treasury for 20 years without interest, and there is quite an agitation, now that the experimental period is passed, to make it a business proposition and charge interest, and they would expect them to pay the money back some time. That is what ought to be done. This legislation is headed in the wrong direction. It extends the time to pay their money for an indefinite period, it may be 40 or 50 years, without interest, based on the return of a percentage of the productive power of the land. We have to have some supervision over the books on this project to know what is the gross return and to know whether we are getting our money or not. It cuts the penalty for nonpayment from 1 per cent to one-half of 1 per cent a month.

That is not in the direction of insisting on their paying up. It is all in the direction of making reclamation a gift enterprise. The bill turns the profit that comes from power plants, the money furnished out of the Treasury without interest, over to the irrigation district. Suppose your Boulder project was constructed, a tremendous power plant. Here is the possibility of a distribution of an estimated unending profit from power to those who are on irrigation projects connected with it. Subdivision (j) gives the old existing project the profit on furnishing water to an extension. Why give the old a lien on the new? Subdivision (e) gives authority for extending the payment of charges to the Secretary with no limitation on it, and whenever he wants to he can extend the charges over the balance of the contract period. Now, those are some of the things in the bill so far as I can find from a very hasty examination. My judgment is instead of enacting this kind of law we ought to insist on a business policy. I have introduced a bill proposing that these construction charges should carry interest at 4 per cent and an amortization plan, similar to the way our farmers get money from the Farm Loan Board interest. That would be easy for them and it would be a business proposition. A project that can not stand that ought not to be built. I do not know why the farmers of one State are different from the farmers of another State, or are to be treated differently. Furthermore, we ought to protect them against the speculator. The big trouble with the proposition is that the more favorable the Government makes terms the better is the play into the hands of the speculators because they put the price of the land up as high as they can induce them to pay, and there ought to be some stringent regulation. There is nothing in this bill in reference to that. There is one referencce to 160 acres, but that land may quickly again get into the hands of the speculators and then the lid is off.

Furthermore, we have passed this session relief legislation ample for the present time. We have passed this session a law providing every dollar owed on an existing project for maintenance or construction on the 1st of March last can be extended three years, and a further extension is provided if the Secretary desires to do it. Why, this Congress having denied relief to the farmers of the country, as has been said by the gentleman from Oregon, and having given relief by the extension of these charges for three years to the irrigation farmer, why do we yield to the lash of the Senate in reference to a rider on an appropriation bill? Why should we permit ourselves to be sandbagged and permit more money to be taken out of the Treasury or paid out of the Treasury for the relief of a particular pet class of farmers? This bill carries an authorization that all investigations hereafter are to be at the expense of the General Treasury and not at the expense of the reclamation fund. Gentlemen, we are a coordinate body with the Senate. They have no right on the last day of the session to come across here and say we have got to do this thing or the bill will fail. This legislation has no place on an appropriation bill. This House should assert its rights and reject such legislation. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield three minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Speaker, I wonder if the men from the rainless sections will listen to me just a minute. Some have been maintaining this bill will give an increased acreage. This bill does not increase the acreage of tillable land in the United States one acre. It does not cost the Federal Government one cent. It does not do anything except let the farmers on these reclamation projects, who can not meet their charges now, get in shape to pay their debts to the Federal Government. That is what we are asking you to do. The gentleman

who spoke just now spoke of the temporary relief act. Everybody who knew anything about that bill knew that act would only apply until this act could be brought out and passed by the Congress, a permanent act based on the findings of the commission that has studied this matter all winter, a permanent act based on hearings held by the Senate and hearings held by the House, hearings which have been approved and bills which have been brought out by committees of both bodies.

Mr. WINTER. Will the gentleman yield?

Mr. SIMMONS. I will.

Mr. WINTER. Is this the legislation which was the result of six months of work of the fact finding commission, recommended to the Secretary of the Interior, and supported by a special message from the President? [Applause.]

Mr. SIMMONS. It is. This is legislation which President Coolidge asked this Congress to pass in order that the western reclamation farmers might have a chance to pay their debts to the Government and maintain and retain their homes. It is a wise measure. Nobody says it is not necessary; nobody says there is no need; all the argument is against some little pet scheme, and it is not fair——

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. SIMMONS. I will.

Mr. SUMMERS of Washington. What advantage is it for the Federal Government to force these men off their land and put new men on and let them try to get a start?

Mr. SIMMONS. They can not. It is the experience of these reclamation States that the Federal Government will not get this money back as fast under the present law as they will if this law goes into effect and the farmers have a chance to pay their debts.

That is all the interest there is in this thing. That is all there is to it. It does not cost the Government a dollar. It does no take a dollar out of the Federal Treasury. It does not increase the number of irrigable acres of land. It just says this to the farmers who are trying to make the desert produce, "We are going to let you repay, and at the same time we are going to protect the Government."

You gentlemen who are in favor of the man who wants to keep his home and pay his debts to the Government ought to support this kind of a measure, and I am confident you will do it. [Applause.]

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

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. RAKER].

The SPEAKER. The gentleman from California is recognized for five minutes.

Mr. RAKER. Mr. Speaker, no one can present this matter adequately in five minutes or within less than an hour. The committee spent some three weeks, and heard only from two of the men who were members of the fact finding commission, and one other, the attorney of the department, Mr. Hamele.

I say this, and I say it advisedly, we were denied the right to bring witnesses and present the facts before the Committee on Irrigation and Reclamation, having charge of this proposed legislation. On important amendments, the very vital parts of the bill, the proponents of the legislation had the votes, and we were given five minutes in which to examine those experts that appeared before the committee. Time limit fixed on sections of five minutes to each member. (See hearings.)

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

Mr. RAKER. No; I am sorry I can not yield.

Gentlemen, I can only hit the high places. But I say that what the gentleman from Ohio [Mr. BEGG] said regarding the effect and purposes of this amendment is true. This legislation will retard the payments on these projects from 35 to 99 years. Here is a statement made by the experts and presented to the committee. Here is one project where the payments will run 99 years. Here is another where the payments will run 61 years; another one which will run 42 years; still another one which will run 77 years; another one which will run 49 years; and another one 80 years, in which they expect to repay in the gross produce of the farm per acre. No one knows what it is, and the intention is not plain.

I want to say, sirs, that for the last 25 years I have given as much consideration to irrigation as any other man in this House. Irrigation of our arid and semiarid lands in the West is one of the things I advocate and stand sponsor for. I am a friend of irrigation. I am in sympathy with the men who have pioneered in this work. The men on these Government irrigation projects are entitled to a just and fair deal. They are entitled to proper treatment. These irrigation projects should and can be operated so that the men on the projects can make a good living and at the same time the money expended by the Government should be repaid. As a member of the committee that framed the extension law, I want to assure you that they said it would work.

As to this amendment now before the Congress, I want to say to you who are friends of the bill that this will be a sad day for irrigation and our reclamation projects if you succeed in putting this upon the statute books.

I have here a letter from Secretary Work which shows that this fact finding commission spent over $20,000, and when they came before the committee they were unable to say that they had a definite and well-rounded proposition upon which they could rely to present to the committee so that the committee could come to a final determination as to what should be done on any one particular project. Here are two letters from the Secretary of Agriculture in reference to the investigations referred to in this proposed irrigation bill, placed here as a rider in the last days of the session on an appropriation bill. No chance to amend or even consider it on its merits. The Secretary of Agriculture shows that over $4,000,000 has been spent for the farmers on these various irrigation projects in various ways; over $2,000,000 has been spent on these reclamation projects outside of what has been appropriated by the reclamation law in the way of experts, in the way of investigations, in the way of soil surveys, in the way of county advisers, and in the way of the appointment of scientific men. Everything in the way of aid and advice to the farmers on the several irrigation projects has been readily and willingly given. Every interest has been shown by acts and financial aid and help.

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

Mr. RAKER. I must beg the gentleman's pardon. Under the circumstances I can not yield.

The history of the fact finding commission will appear in the following letter from the Secretary of the Interior, addressed to me as a member of the Committee on Irrigation and Reclamation, of date May 26, 1924, in response to my letter to the Secretary of date May 21, 1924, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., May 21, 1924.*

Hon. HUBERT WORK,
*Secretary of the Interior, Washington, D. C.*

In re Fact Finding Commission.

MY DEAR MR. SECRETARY: As a member of the Committee on Irrigation and Reclamation now having under consideration the bill (H. R. 8836) which involves the report of the fact finding commission embodied in Senate bill 92, Sixty-eighth Congress, first session, will you kindly furnish me the following information:

1. That the committee most respectfully requests a copy of the order appointing committee of special advisers on reclamation known as "The fact finding commission."

2. The authority under which such fact finding commission was appointed.

3. The amount paid, if any, to each of said six commissioners; (a) the amount paid each; and (b) the amount of traveling and personal expenses.

4. The amount of money expended in taking of testimony and transcribing same.

5. The number of clerks that are regularly employed in the department and amount of time consumed in working for the fact finding commission.

6. The number of clerks and the amount paid each and total of any special employees.

7. The number of members of the fact finding commission still engaged in the work, if any, and the probable length of time such employment will continue and the cost thereof.

Respectfully submitting the same, I am

Yours most truly, JOHN E. RAKER, M. C.

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DEPARTMENT OF THE INTERIOR,
*Washington, May 26, 1924.*

Hon. JOHN E. RAKER,
*Chairman Committee on Irrigation of Arid Lands,*
*House of Representatives.*

MY DEAR MR. RAKER: I have your letter of May 21 making inquiry concerning my appointment of the special advisers on reclamation, whose report was transmitted to the Congress by the President on April 21, 1924.

Answering your specific questions as nearly as possible, I may say that the appointments were duly authorized by the Civil Service Commission. I inclose my letter of October 15, 1923, to the commission requesting authority to make the appointment, as well as subsequent correspondence in relation thereto, including the necessary authorization of the commission, dated October 15, 1923.

The amount paid the special advisers, as is indicated in the letters of appointment herewith, was $25 per day when actually employed. The only travel expense allowed was railroad and Pullman fare, the usual per diem for subsistence or actual expenses being omitted.

Two of the special advisers devoted the major portion of their time to the investigation, viz, Hon. Thomas E. Campbell and Dr. John A. Widtsoe, the services of the others being only occasional. A statement of the total payments is a part of the inclosed financial statement.

Your inquiry as to "the number of clerks that are regularly employed in the department and amount of time consumed in working for the fact finding commission" is not entirely understood. The clerks in the department as a whole perform no services for this committee. I placed at the disposal of the special advisers three stenographers, by detail, as follows:

One clerk, who acted as secretary to the special advisers; annual compensation $2,340, on the rolls of the Reclamation Service; period of service with special advisers, October 15, 1923, to April 24, 1924; total compensation for period, $1,227.50.

One clerk at rate of $1,440 per annum, detailed from the General Land Office; period of service, October 19, 1923, to April 24, 1924; total compensation, $744.

One clerk at rate of $1,140 per annum, on the rolls of the General Land Office; period of service, November 26, 1923, to April 21, 1924; total compensation, $462.33.

One clerk at rate of $1,240 per annum, on the rolls of the Indian Office; period of service, November 10, 1923, to January 19, 1924, and from February 12 to March 1, 1924; total compensation, $310.

Various employees in the Bureau of Reclamation were called upon by the special advisers to furnish information, both orally and in writing, during the progress of the investigation. This service did not entail additional expense to the reclamation fund, since no extra employees were required, and their routine work was performed as usual.

Aside from the necessity of collecting the data required in the conduct of the investigation by the special advisers, the information thus furnished was such as the Secretary of the Interior should have before him in the regular conduct of business as the responsible head of the Reclamation Service. Therefore the cost of compiling would not seem to be a proper charge against the work of the special advisers but rather to the cost of administering the Reclamation Bureau.

Efforts have been made to estimate the amount of time given to compiling this information by the employees in the Bureau of Reclamation, but because of the very nature of the service rendered and the broken periods of time they devoted to it while performing their regular work render these estimates so inaccurate as to be completely unreliable.

The report of the special advisers was completed on April 10. The services of Doctor Mead terminated on April 2, 1924, those of Messrs. Garfield, Bradfute, and Dawson on April 9, of Doctor Widtsoe on April 23, and Governor Campbell on April 25. Governor Campbell, however, was recalled from Arizona at the request of the chairman of the House Committee on Irrigation to attend the hearings in connection with H. R. 8836. It was necessary, therefore, to employ him on the same basis as previously, beginning with May 12, and he is now in Washington at the service of your committee.

Very respectfully,

HUBERT WORK.

Inclosure.

MAY 24, 1924.

*Memorandum showing expenses in connection with the work of the committee of special advisers on reclamation appointed by the Secretary of the Interior on October 10, 1923*

| | Days | Per diem in lieu of expenses | Railroad and Pullman fares | Total |
|---|---|---|---|---|
| Thomas E. Campbell | 179 | $4,475.00 | $388.59 | |
| John A. Widtsoe | 157 | 3,925.00 | 254.19 | |
| James R. Garfield | 60 | 1,500.00 | 879.53 | |
| Oscar E. Bradfute | 31 | 775.00 | 445.73 | |
| Clyde C. Dawson | 53 | 1,325.00 | | |
| Elwood Mead | 43 | 1,075.00 | 537.71 | |
| A. C. Cooley, Department of Agriculture | 52 | 208.00 | 319.44 | |
| Total | 575 | 13,283.00 | 2,825.19 | $16,108.19 |
| Salt Lake City conference with water users: | | | | |
| Railroad and Pullman fares to Salt Lake City and return | | | | 581.10 |
| Stenographic report Salt Lake conference | | | | 3,341.28 |
| Rental conference room and extra room for stenographers | | | | 173.50 |
| | | | | 4,095.88 |
| Total | | | | 20,204.07 |

DEPARTMENT OF THE INTERIOR,
*Washington, October 15, 1923.*

The CIVIL SERVICE COMMISSION,
*Washington, D. C.*

COMMISSIONERS: I desire to secure the temporary services of several prominent and specially qualified men to consider and advise concerning reclamation problems. I have been in correspondence with and have secured expression of willingness to serve from:

James R. Garfield, of Cleveland, Ohio, Secretary of the Interior in the Cabinet of President Roosevelt, who is thoroughly familiar with reclamation problems;

Thomas E. Campbell, of Phoenix, Ariz., former Governor of Arizona and chairman of the Colorado River Basin project, 1921;

Elwood Mead, of Berkeley, Calif., engineer; member of American Society of Civil Engineers and British Institute of Civil Engineers; engineer of Wyoming, 1888–1899; chief of irrigation and drainage investigations, United States Department of Agriculture, 1897–1907; chairman State Rivers and Water Supply Commission, Victoria, Australia, 1907–1915; consulting engineer for various irrigation works; and author of articles on irrigation and engineering subjects;

Oscar E. Bradfute, of Xenia, Ohio, vice president American Farm Bureau Federation, 1920–21, and president of Ohio Farm Bureau Federation; member of the board of control of Ohio Agricultural Experiment Station;

Julius H. Barnes, of Duluth, Minn., president United States Chamber of Commerce;

Dr. John A. Widtsoe, of Salt Lake City, Utah, director Utah Experiment Station, 1900–1905; president Agricultural College of Utah, 1907–1916; president of International Dry Farming Congress, 1912; and author of articles on dry farming and irrigation subjects;

Clyde C. Dawson, of Denver, Colo., lawyer, who has given much attention to irrigation law and irrigation subjects;

Henry L. Myers, lawyer; former United States Senator, of Montana; while Senator was a member of the Senate Committee on Public Lands and Surveys and is familiar with reclamation and its problems—

all of whom, by reason of their experience, qualifications, and ability, are peculiarly fitted to perform the service desired as special advisers on reclamation.

The service is of a temporary character and falls within the purview of section 4 of rule 8, civil-service rules. The work is emergent, and it is desired to make some of these appointments to-day.

I therefore ask your prior consent to make these temporary appointments of special advisers on reclamation for a period not to exceed three months from the dates of their appointments, and ask that authority be given to-day.

HUBERT WORK,
*Secretary of the Interior.*

UNITED STATES CIVIL SERVICE COMMISSION,
*Washington, D. C., October 15, 1923.*

The SECRETARY OF THE INTERIOR.

SIR: In reply to your letter of this date, the commission has the honor to grant authority under the provisions of section 4, civil service rule 8, for the temporary appointments of the following-named persons as special advisers on reclamation for periods of not to exceed three months from the date they enter on duty: James R. Garfield, Thomas E. Campbell, Elwood Mead, Oscar E. Bradfute, Julius H. Barnes, Dr. John A. Widtsoe, Clyde C. Dawson, and Henry L. Myers.

In reporting their entrance upon duty it is desired that the salary paid be indicated in each case.

By direction of the commission.

Very respectfully, JOHN T. DOYLE, *Secretary.*

UNITED STATES CIVIL SERVICE COMMISSION,
*Washington, D. C., January 5, 1924.*

The SECRETARY OF THE INTERIOR.

SIR: In reply to your request of January 4, 1924, authority is granted under section 4 of civil service rule 8 for an extension of the temporary job appointment of James R. Garfield, Thomas E. Campbell, John A. Widtsoe, Oscar E. Bradfute, and Clyde C. Dawson as special advisers on reclamation at $25 per diem when actually employed for such part of three months as may be required from date of expiration of present appointment.

Remarks: The effective dates of original appointments of the first four may be considered as October 10, 1923.

By direction of the commission.

Very respectfully, JOHN T. DOYLE, *Secretary.*

DEPARTMENT OF THE INTERIOR,
*Washington, October 10, 1923.*

Mr. JAMES R. GARFIELD, of Ohio.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem, when actually employed, and traveling expenses from Cleveland, Ohio, to Washington, D. C. Salary and

travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 10, 1923.*

Mr. THOMAS E. CAMPBELL, of Arizona.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem, when actually employed, and traveling expenses from Phoenix, Ariz., to Washington, D. C. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 15, 1923.*

Mr. ELWOOD MEAD, of California.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem, when actually employed, and traveling expenses, effective on the date of entrance on duty. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission, under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 10, 1923.*

Mr. OSCAR E. BRADFUTE, of Ohio.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem when actually employed, and traveling expenses from Chicago, Ill., to Washington, D. C. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 15, 1923.*

Mr. JULIUS H. BARNES, of Minnesota.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem when actually employed, and traveling expenses, effective on the date of entrance on duty. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 10, 1923.*

Mr. JOHN A. WIDTSOE, of Utah.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem when actually employed, and traveling expenses from Salt Lake City, Utah to Washington, D. C. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

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DEPARTMENT OF THE INTERIOR,
*Washington, October 15, 1923.*

Mr. CLYDE C. DAWSON, of Colorado.

SIR: You are hereby appointed a special adviser on reclamation, at a salary of $25 per diem when actually employed and traveling expenses, effective October 15, 1923. Salary and travel expenses payable from the appropriation of the Bureau of Reclamation. Authorized by the Civil Service Commission under section 4 of Rule VIII.

HUBERT WORK, *Secretary.*

Order No. 128.

It will be noted that up to the date of transmittal of the Secretary's letter this commission had cost the reclamation fund over $20,000.

On April 20, 1924, the fact finding commission made report to the Secretary of the Interior.

This report in turn was submitted by the Secretary of the Interior to the President, and on April 21, 1924, was by the President transmitted to the Congress. In due course the same was referred to the Committees on Irrigation and Reclamation of the Senate and House.

The fact finding commission's report, the letter to the Secretary of the Interior, and the President's letter of transmittal to the Congress were ordered printed by the Senate on April 24—calendar day, May 2—1924, and printed as Senate Document No. 92, Sixty-eighth Congress, first session. This Senate document, No. 92, was used by the Senate and House Committees on Irrigation and Reclamation. I ask special consideration of this document.

The recommendations of this fact finding commission are embodied in a proposed bill—see Senate Document No. 92, pages 204–207—and among other things would:

1. Authorize the Secretary of the Interior to charge off something like $27,391,146 to start with, and it might run to over $50,000,000 before the job was ended.

2. It permits and authorizes great duplication in the work of the various departments, which will appear from letters from Secretary Wallace, of the Department of Agriculture. (See letters.)

3. Inaugurates a new system of payment of construction charges contrary to any known method of payment now in vogue in the United States, and in many ways quite unfair to prosperous and industrious and frugal farmers—encourages negligence in farming.

Relief was given the farmers on the Federal irrigation projects by the act of May 9, 1924, which act is as follows:

[PUBLIC—No. 115—SIXTY-EIGHTH CONGRESS]

[S. 1631]

An act to authorize the deferring of payments of reclamation charges

*Be it enacted, etc.*, That the Secretary of the Interior is hereby authorized and empowered, in his discretion, to defer the dates of payments of any charges, rentals, and penalties which have accrued prior to the 2d day of March, 1924, under the act of June 17, 1902 (32 Stat. L. p. 388), and amendatory and supplemental acts or prior to that that date, as against water users on any irrigation project being constructed or operated and maintained under the direction of the Commissioner of Indian Affairs, as may, in his judgment, be necessary in or concerning any irrigation project now existing under said act: *Provided*, That no payment shall be deferred under this section in any particular case beyond March 1, 1927: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *And provided further*, That in case the principal and interest herein provided for are not paid in the manner and at the time provided by this section, any penalty now provided by law shall thereupon attach from the date of such default.

SEC. 2. That where an individual water user, or individual applicant for a water right under a Federal irrigation project constructed or being constructed under the act of June 17, 1902 (32 Stat. L. p. 388), or any act amendatory thereof or supplementary thereto, makes application prior to January 1, 1925, alleging that he will be unable to make the payments as required in section 1 hereof, the Secretary of the Interior is hereby authorized in his discretion, prior to March 1, 1925, to add such accrued and unpaid charges to the construction charge of the land of such water user or applicant, and to distribute such accumulated charges equally over each of the subsequent years, beginning with the year 1925, or, in the discretion of the Secretary, distribute a total of one-fourth over the first half of the remaining years of the 20-year period beginning with the year 1925, and three-fourths over the second half of such period, so as to complete the payment during the remaining years of the 20-year period of payment of the original construction charge: *Provided*, That upon such adjustment being made, any penalties or interest which may have accrued in connection with such unpaid construction and operation and maintenance charges shall be canceled, and in lieu thereof the amount so due, and the payment of which is hereby extended, shall draw interest at the rate of 5 per cent per annum, paid annually from the time said amount became due to date of payment: *Provided further*, That the applicant for the extension shall first show to the satisfaction of the Secretary of the Interior detailed statement of his assets and liabilities and probable inability to make payment at the time required in section 1: *And provided further*, That in case the principal and interest herein provided for are not paid in the manner and at the time provided by this act, any penalty now provided by law shall thereupon attach from the date of such default: *And provided further*, That similar relief,

in whole or in part, may be extended by the Secretary of the Interior to a legally organized group of water users of a project upon presentation of a sufficient number of individual showings made in accordance with the foregoing proviso to satisfy the Secretary of the Interior that such extension is necessary.

Approved, May 9, 1924.

The Congress and the committees should have time in which to prepare the proper legislation on this important question, and the same could then be passed when the Congress convenes in December session, 1924.

We should study out some permanent legislation that will give these people a chance to pay and at the same time protect the Government's investment, to the end that it is all repaid. This has been promised at all times, and it should be faithfully carried out in all particulars. I am quite convinced that the method suggested in H. R. 8836 would not do it.

On April 22, 1924, the chairman of the Committee on Irrigation and Reclamation introduced H. R. 8836, to carry out the suggested legislation by the Fact Finding Commission. (The Fact Finding Commission proposed bill is found on pp. 204–207, S. Doc. No. 92.) H. R. 8836 is in the same language and is in words and figures, as follows:

[H. R. 8836, Sixty-eighth Congress, first session]

A bill (H. R. 8836) to provide safeguards for future Federal irrigation development and an equitable adjustment of existing accounts on Federal irrigation projects, and for other purposes

*Be it enacted, etc.*, That when used in this act—

(a) The word "Secretary" means the Secretary of the Interior.

(b) The words "reclamation law" mean the act of June 17, 1902 (32 Stats. p. 388), and all acts amendatory thereof or supplementary thereto.

(c) The words "reclamation fund" mean the fund provided by the reclamation law.

(d) The word "project" means a Federal irrigation project authorized by the reclamation law.

(e) The words "division of a project" mean a substantial irrigable area of a project designated as a division by order of the Secretary.

SEC. 2. That hereafter no new project, or new division of a project, shall be approved for construction until information in detail shall have been secured concerning its feasibility, its adaptability for actual settlement and farm homes, and the probable return of the cost thereof to the United States. To this end it is directed that before approval by the Secretary of any such project or division he shall secure a report in detail concerning the water supply, engineering features, cost of construction, land prices, and probable acre cost of development. The Secretary shall also secure through the Secretary of Agriculture a report in detail relative to the climate, soil, kind of crops for which the proposed development is adapted, and probable production; also, through the Secretary of Commerce, a report in detail with respect to transportation facilities, markets, and other economic factors upon or affecting the proposed project or division.

SEC. 3. That hereafter no moneys shall be expended for construction on account of any new project or any new division of a project until an appropriate repayment contract, in form approved by the Secretary, shall have been properly executed by a district or districts organized under State law, embracing the lands irrigable thereunder, and the execution thereof shall have been confirmed by decree of a court of competent jurisdiction, which contract, among other things, shall contain an appraisal approved by the Secretary, showing the actual bona fide value of all such irrigable lands fixed without reference to the proposed Government development, and shall provide that until the Government construction charges against such lands shall have been fully paid, upon any and every sale of the land or any interest therein, 50 per cent of all moneys, credits, and property received therefor above the value thereof as shown by said appraisal, shall belong to the United States to be credited in reduction of the construction charge against the lands so sold, and the Secretary may convert into money any such credits or property so belonging to the United States; and all public lands irrigable under any such project or division shall be entered subject to the conditions of this proviso which shall be applied thereto: *Provided further*, That hereafter no moneys shall be expended for construction on account of any such project or division until all areas of land irrigable thereunder and owned by any individual in excess of 160 irrigable acres shall have been conveyed in fee to the United States free of encumbrance to again become a part of the public domain, under a contract between the United States and the individual owner providing that the value as shown by said appraisal of the land so conveyed to the United States shall be credited in reduction of the construction charge thereafter to be assessed against the land retained by such owner; and lands so conveyed to the United States shall be subject to disposition under the reclamation law when so ordered by the Secretary: *And provided further*, That hereafter no moneys shall be expended for construction on account of any such project or division until an appropriate contract in form approved by the Secretary shall have been properly executed by all holders of Federal land grants of more than 160 acres irrigable thereunder, which shall provide for the sale of such lands to actual bona fide settlers at not more than the value thereof as shown by appraisal: *And provided further*, That the provisions of this section shall not apply to Indian lands or to lands to be served with water under the Warren Act of February 21, 1911 (36 Stat. p. 925).

SEC. 4. That the Secretary is hereby authorized, under regulations to be promulgated by him, to require of each applicant for entry to public lands on a project such qualifications as to industry, experience, character, and capital, as in his opinion are necessary to give reasonable assurance of success by the prospective settler. Any person not having the qualifications so prescribed by the Secretary shall not be entitled to make such an entry or an application therefor.

SEC. 5. That hereafter the irrigable lands of each new project and new division of a project shall be classified by the Secretary with respect to their power, under a proper agricultural program, to support a family and pay water charges, and the Secretary is authorized to fix different construction charges against different classes of land under the same project for the purpose of equitably apportioning the total construction cost so that all lands may, as far as practicable, bear the burden of such cost according to their productive value. Reclassification surveys may be made by the Secretary periodically, as experience may suggest, for the purpose of determining any changes that may accompany a continued cultivation and irrigation of the lands.

SEC. 6. That hereafter the Secretary shall as to each irrigable acre of land in a project, issue two public notices relating to construction charges. The first public notice shall be issued when the land is ready for settlement and will announce the construction charge per irrigable acre. The second public notice shall be issued when in the opinion of the Secretary the agricultural development of the project shall have advanced sufficiently to warrant the commencement of payment of installments of such construction charge. The second public notice shall fix the date when payments will begin on the construction charge announced by the first public notice, which date shall be not less than five years from the date of the first public notice.

SEC. 7. That hereafter all project construction charges shall be made payable in annual installments based on the productive power of the land as provided in this section. The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding, or for all years of record if fewer than 10 years are available, of the area in cultivation in the division of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. These annual payments shall continue until the total construction charge is fully paid. The Secretary is authorized upon request to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this section.

SEC. 8. That the penalty of 1 per cent per month against delinquent accounts, provided in section 3 and section 6 of the act of August 13, 1914 (38 Stat. p. 686), is hereby reduced to one-half of 1 per cent per month, as to all installments hereafter coming due. The Secretary is authorized to amend all existing contracts accordingly.

SEC. 9. That whenever the water users take over the care, operation, and maintenance of a project the total accumulated net profits derived from the operation of project power plants, leasing of project grazing and farm lands, and the sale or use of town sites shall be credited to the construction of the project, and thereafter the net profits from such sources may be used by the water users to be credited, first, on account of project construction cost, second, on account of project operation and maintenance cost, and, third, as the water users may direct. No distribution to individual water users shall be made out of any such profits before all obligations to the Government shall have been fully paid.

SEC. 10. That all profits which may be derived from the sale or rental of surplus water under the Warren Act of February 21, 1911 (36 Stat. p. 925), shall be credited to the project or division of the project to which the construction cost has been charged. Contractors for the use of water under said Warren Act shall participate in the assets of the project with the contractors for the use of water within the project in proportion to the amounts paid for the water right. The Secretary is authorized upon request to amend any existing contract made under said Warren Act so that it will provide for payment of the construction charge thereunder in accordance with the provisions of section 7 of this act.

SEC. 11. That the Secretary is hereby authorized to undertake a comprehensive and detailed survey of the physical and economic features of each existing project, and to classify the irrigable lands thereunder in accordance with the provisions of section 5 of this act.

SEC. 12. That when a classification of lands under this act shows, in the opinion of the Secretary, that any such land is unsuited for immediate cultivation and unable to support a family and pay water charges at the present time, the Secretary may suspend the payment

of such charges in whole or in part until such time as the land in his opinion is found suitable for cultivation and able to support a family and pay water charges.

SEC. 13. That when it shall have been definitely determined by the Secretary that any project land classed as irrigable and subject to the payment of water charges, is in fact unsuitable for cultivation by irrigation and can not by cultivation produce a return sufficient to support a family and pay water charges, such land may be eliminated from the project as nonirrigable, and the amount of the charges assessed against the same shall then be definitely charged off as a loss to the reclamation fund.

SEC. 14. That the Secretary is hereby authorized, after making a proper survey of all existing projects and a classification of lands as provided in this act, to make, in each case where it is ascertainable from such survey and classification that the present water charges per acre are more than the land can bear, such fair and equitable adjustment of construction charges as in his opinion will fix a charge per acre which the land can reasonably bear. Any difference between the construction charge as adjusted and the original charge shall be charged off as a loss to the reclamation fund.

SEC. 15. That in any adjustment of water charges as provided in this act, all due and unpaid charges, both on account of construction and on account of operation and maintenance, including interest and penalties, may, in the discretion of the Secretary, be added in each case to the total obligation of the water user, and the new total thus established shall then be the construction charge against the land in question.

SEC. 16. That every entryman on a project farm unit not yet patented, which unit has been classified by the Secretary as being insufficient to support a family and pay water charges, shall have the right upon request to exchange his entry for another farm unit of unentered public land on the same or another project, in which event all installments of construction charges theretofore paid on account of the relinquished farm unit shall be credited on account of the new farm unit taken in exchange: *Provided*, That where two entrymen apply for the same farm unit under the exchange provision of this section, only one of whom is an ex-service man, as defined by the joint resolution of January 21, 1922 (42 Stat. p. 358), the ex-service man shall have a preference in making such exchange.

SEC. 17. That the Secretary is hereby authorized to employ trained farm and economic advisers who will give farming and business advice to enable water users on the projects to increase their farm incomes and organize for cooperation in business and social affairs.

SEC. 18. That all contracts providing for new projects and new divisions of projects shall require that all operation and maintenance charges shall be payable in advance. In each case where the care, operation, and maintenance of a project or division of a project, are transferred to the water users, the contract shall require the payment of operation and maintenance charges in advance. That whenever an adjustment of water charges is made under this act the adjustment contract shall provide that thereafter all operation and maintenance charges shall be payable in advance.

SEC. 19. That the cost and expense hereafter of the main office at Washington, D. C., of the Bureau of Reclamation in the Department of the Interior, and the cost and expense of general investigations heretofore and hereafter authorized by the Secretary, shall be charged to the general reclamation fund and shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the projects.

SEC. 20. That where, in the opinion of the Secretary, a right of way or easement of any kind over public land is required in connection with a project, the Secretary may reserve the same to the United States by filing in the General Land Office and in the appropriate local land office, copies of an instrument giving a description of the right of way or easement and notice that the same is reserved to the United States for Federal irrigation purposes under this act, in which event entry for such land and the patent issued therefor shall be subject to the right of way or easement so described in such instrument; and reference to each such instrument shall be made in the appropriate tract books and also in the patent.

SEC. 21. That where real property or any interest therein heretofore has been, or hereafter shall be, donated and conveyed to the United States for use in connection with a project, and the Secretary decides not to utilize the donation he is authorized without charge to reconvey such property or any part thereof to the donating grantor, or to the heirs, successors, or assigns of such grantor.

SEC. 22. That there is hereby authorized to be appropriated from the General Treasury the sum of $100,000 annually for five years for investigations to be made by the Secretary through the Bureau of Reclamation to obtain necessary information to determine how arid, swamp, and cut-over timberlands may best be developed in the future to meet the growing agricultural needs of the Nation.

SEC. 23. That the Secretary is hereby authorized, under regulations to be promulgated by him, to make short-time loans from the reclamation fund to entrymen upon projects, not to exceed $600 at any one time to any person, for the purchase of necessary livestock and equipment, and provision shall be made for the repayment of such loans in amortized installments during a period of not to exceed five years with interest on deferred payments at 5 per cent per annum, computed from the date of the contract: *Provided*, That no such loan shall in any case exceed 60 per cent of the cost of the livestock and equipment purchased. Such loans shall be secured by chattel mortgage upon such livestock and equipment.

The House Committee on Irrigation and Reclamation, after some days of consideration, reported out H. R. 9611, on June 3, 1924 (having been introduced June 2, 1924), to take the place of H. R. 8836. The committee made many valuable amendments. Still they did not make the bill in proper shape to protect the settlers and farmers, likewise the Government. H. R. 9611 is in words and figures as follows:

[H. R. 9611, Sixty-eighth Congress, first session]

A bill to provide safeguards for future Federal irrigation development, and an equitable adjustment of existing accounts on Federal irrigation projects, and for other purposes

*Be it enacted, etc.*, That when used in this act—

(a) The word "Secretary" means the Secretary of the Interior;

(b) The words "reclamation law" means the act of June 17, 1902 (32 Stats. p. 388), and all acts amendatory thereof or supplementary thereto;

(c) The words "reclamation fund" mean the fund provided by the reclamation law;

(d) The word "project" means a Federal irrigation project authorized by the reclamation law;

(e) The words "division of a project" mean a substantial irrigable area of a project designated as a division by order of the Secretary.

SEC. 2. That there is hereby established in the Department of the Interior a bureau of reclamation, and there shall be a director of the said bureau, who shall be thoroughly equipped for the duties of said office by technical education and experience, and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of $10,000 per annum, and there shall also be in the said bureau such experts and other employees, to be appointed subject to the civil service laws and regulations, as may be required to carry out the purposes of the reclamation act of June 17, 1902 (32 Stat. p. 388), and acts amendatory thereof, or supplementary thereto, in accordance with the appropriations made from time to time by Congress for such purposes.

SEC. 3. That hereafter the Secretary shall not submit estimates for a new project, or new division of a project, until information in detail shall have been secured concerning its feasibility, its adaptability for actual settlement and farm homes, and the probable return of the cost thereof to the United States. Before the approval by the Secretary of estimates for any such project or division he shall secure a report in detail concerning the water supply, engineering features, cost of construction, land prices, and probable acre cost of development. The Secretary shall also secure, through the Secretary of Agriculture, a report in detail relative to the climate, soil, kind of crops for which the proposed development is adapted, probable production markets, and transportation facilities.

SEC. 4. That no moneys shall be expended for construction on account of any new project, or any new division of a project, hereafter authorized, until an appropriate repayment contract, in form approved by the Secretary, shall have been properly executed by a district or districts organized under State law, embracing the lands irrigable thereunder, and the execution thereof shall have been confirmed by decree of a court of competent jurisdiction, which contract, among other things, shall contain an appraisal approved by the Secretary, showing the actual bona fide value of all such irrigable lands fixed without reference to the proposed Government development, and all public lands irrigable under any such project or division shall be entered subject to the conditions of this section which shall be applied thereto: *Provided*, That no moneys shall be expended for construction on account of any such project or division hereafter authorized until an appropriate contract in form approved by the Secretary shall have been properly executed by all owners of land of more than 160 acres irrigable thereunder, which shall provide for the sale of such excess lands at not more than the value thereof as shown by said appraisal: *And provided further*, That the provisions of this section shall not apply to State lands or Indian lands.

SEC. 5. That the Secretary is hereby authorized, under regulations to be promulgated by him, to require of each applicant including preference-right ex-service men for entry to public lands on a project, such qualifications as to industry, experience, character, and capital as in his judgment are necessary to give reasonable assurance of success by the prospective settler.

SEC. 6. That the irrigable lands of each new project or new division of a project hereafter authorized shall be classified by the Secretary

with respect to their power, under a proper agricultural program, to support a family and pay water charges, and the Secretary is authorized to fix different construction charges against different classes of land under the same project or division of a project for the purpose of equitably apportioning the total construction cost so that all lands may as far as practicable bear the burden of such cost according to their productive value.

SEC. 7. That hereafter the Secretary shall as to each irrigable acre of land in each new project or a new division of a project issue two public notices relating to construction charges. The first public notice shall be issued when the land is ready for settlement and will announce the construction charge per irrigable acre. The second public notice shall be issued when in the opinion of the Secretary the agricultural development of the project shall have advanced sufficiently to warrant the commencement of payment of installments of such construction charge. The second public notice shall fix the date when payments will begin on the construction charge announced by the first public notice, which date shall be not more than five years from the date of the first public notice.

That construction charges on all projects hereafter authorized shall be payable in annual installments, the first of which shall be 5 per cent of the total charge and be due and payable on the 31st day of December following the second public notice: *Provided, however,* That the remainder of the construction charges shall be repaid in 30 annual payments.

SEC. 8. That hereafter all construction charges on existing reclamation projects upon application of the water users shall be made payable in annual installments based on the productive power of the land as provided in this section. The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding, or for all years of record if fewer than 10 years are available, of the area in cultivation in the division or subdivision thereof of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. The annual payments shall continue until the construction charge against each farm unit is paid. The Secretary is authorized, upon application of the water user, to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this section: *Provided,* That whenever two-thirds of the irrigable area of any project, or division of a project, shall be covered by water-right contracts between the water users and the United States, said project shall be required, as a condition precedent to receiving the benefits of this act, to take over, through a legally organized water users' association or irrigation district, the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as the Secretary may prescribe, and thereafter the United States, in its relations to said project, shall deal with a water users' association or irrigation district, and when the water users assume control of a project the operation and maintenance charges for the year then current shall be covered into the construction account to be repaid as part of the construction repayments: *Provided further,* That the provisions of this section shall apply to existing reclamation projects or divisions thereof, on Indian reservations, at the request of the water users and with the approval of the Secretary.

SEC. 9. That the penalty of 1 per cent per month against delinquent accounts, provided in section 3 and section 6 of the act of August 13, 1914 (38 Stat. p. 686), is hereby reduced to one-half of 1 per cent per month as to all installments which may hereafter become due. The Secretary is authorized to amend all existing contracts accordingly.

SEC. 10. That whenever the water users take over the care, operation, and maintenance of a project or a division of a project the total accumulated net profits as determined by the Secretary, derived from the operation of project power plants, leasing of project grazing and farm lands, and the sale or use of town sites, shall be credited to the construction charge of the project, or division thereof, and thereafter the net profits from such sources may be used by the water users, to be credited annually, first, on account of project construction charge; second, on account of project operation and maintenance charge; and, third, as the water users may direct. No distribution to individual water users shall be made out of any such profits before all obligations to the Government shall have been paid.

SEC. 11. That all moneys or profits heretofore or hereafter derived from the sale or rental of surplus water under the Warren Act of February 21, 1911 (36 Stat. p. 925), or from the connection of a new project with an existing project shall be credited to the project or division of the project to which the construction cost has been charged.

SEC. 12. That in any adjustment of water charges as provided in this act all due and unpaid charges to the United States, both on account of construction and on account of operation and maintenance, including interest and penalties, may, in the discretion of the Secretary, on the application of the water user, be added in each case to the total obligation of the water user, and the new total thus established shall then be the construction charge against the land in question.

SEC. 13. That every entryman or assignee on a project farm unit not yet patented, which unit shall be found by the Secretary to be insufficient to support a family and pay water charges, shall have the right upon application to exchange his entry for another farm unit of unentered public land on the same project; in which event all installments of construction charges theretofore paid on account of the relinquished farm unit, and time of residence thereon, shall be credited on account of the new farm unit taken in exchange: *Provided,* That where two entrymen apply for the same farm unit under the exchange provision of this section only one of whom is an ex-service man as defined by the joint resolution of January 21, 1922 (42 Stat. p. 358), the ex-service man shall have a preference in making such exchange.

SEC. 14. That the Secretary is hereby authorized to employ trained farm and economic advisers who will give farming and business advice to enable water users given at an election held for that purpose on the projects to increase the farm incomes and organize for cooperation in business affairs, the cost of the same to be paid as operation and maintenance.

SEC. 15. That all contracts providing for new projects and new divisions of projects shall require that all operation and maintenance charges shall be payable annually, in advance, not later than the 1st day of March. In each case where the care, operation, and maintenance of a project or division of a project are transferred to the water users the contract shall require the payment of operation and maintenance charges in advance. That whenever an adjustment of water charges is made under this act the adjustment contract shall provide that thereafter all operation and maintenance charges shall be payable in advance.

SEC. 16. That after June 30, 1925, the cost and expense hereafter of the main office at Washington, D. C., of the Bureau of Reclamation in the Department of the Interior, and the cost and expense of general investigations heretofore and hereafter authorized by the Secretary, shall be charged to the general reclamation fund and shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the projects.

SEC. 17. That where, in the judgment of the Secretary, a right of way or easement of any kind over public land is required in connection with a project, the Secretary may reserve the same to the United States by filing in the General Land Office and in the appropriate local land office, copies of an instrument giving a description of the right of way or easement and notice that the same is reserved to the United States for Federal irrigation purposes, in which event entry for such land and the patent issued therefor shall be subject to the right of way or easement so described in such instrument; and reference to each such instrument shall be made in the appropriate tract books and also in the patent.

SEC. 18. That the Secretary of the Interior be, and he is hereby, authorized to lease for grazing or agricultural uses any lands withdrawn for any purpose under section 3 of the act of June 17, 1902 (ch. 1093, 32 Stats., p. 388), for such periods of time, upon such terms and conditions, and under such regulations as he may prescribe: *Provided,* That this act shall not apply to any of such lands while they are subject to entry under said act and acts supplemental to and amendatory thereof: *And provided further,* That the proceeds from such leases shall be turned into the reclamation fund as a credit on account of the project in connection with which the lands were withdrawn.

SEC. 19. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 annually for five years for investigations to be made by the Secretary, through the Bureau of Reclamation, in cooperation with the Department of Agriculture, to obtain necessary information to determine how arid, swamp, or cut-over timberlands in any State may best be reclaimed.

The Senate Committee on Irrigation and Reclamation reported S. 3372 on May 31 (calendar day, June 2), 1924, with amendments, which, as amended, is as follows:

[S. 3372, Sixty-eighth Congress, first session]

A bill to provide safeguards for future Federal irrigation development, and an equitable adjustment of existing accounts on Federal irrigation projects, and for other purposes

*Be it enacted, etc.,* That when used in this act—

(a) The word "Secretary" means the Secretary of the Interior.

(b) The words "reclamation law" mean the act of June 17, 1902 (32 Stat. p. 388), and all acts amendatory thereof or supplementary thereto.

(c) The words "reclamation fund" mean the fund provided by the reclamation law.

(d) The word "project" means a Federal irrigation project authorized by the reclamation law.

(e) The words "division of a project" means a substantial irrigable area of a project designated as a division by order of the Secretary.

SEC. 2. That no new project or new division of a project shall be approved for construction or estimates submitted therefor by the Secretary until information in detail shall be secured by him concerning the water supply, the engineering features, the cost of construction, land prices, and the probable cost of development, and he shall have made a finding in writing that it is feasible, that it is adaptable for actual settlement and farm homes, and that it will probably return the cost thereof to the United States.

SEC. 3. That the Secretary is hereby authorized, under regulations to be promulgated by him, to require of each applicant, including preference right ex-service men, for entry to public lands on a project, such qualifications as to industry, experience, character, and capital as in his opinion are necessary to give reasonable assurance of success by the prospective settler. The Secretary is authorized to appoint boards, in part composed of private citizens, to assist in determining such qualifications.

SEC. 4. That hereafter the irrigable lands of each new project and new division of a project shall be classified by the Secretary with respect to their power, under a proper agricultural program, to support a family and pay water charges, and the Secretary is authorized to fix different construction charges against different classes of land under the same project for the purpose of equitably apportioning the total construction cost so that all lands may, as far as practicable, bear the burden of such cost according to their productive value.

SEC. 5. That hereafter the Secretary shall as to each irrigable acre of land in each new project, or a new division of a project issue two public notices relating to construction charges. The first public notice shall be issued when the land is ready for settlement and will announce the construction charge per irrigable acre. The second public notice shall be issued when in the opinion of the Secretary the agricultural development of the project shall have advanced sufficiently to warrant the commencement of payment of installments of such construction charge. The second public notice shall fix the date when payments will begin on the construction charge announced by the first public notice, which date shall be not more than five years from the date of the first public notice.

SEC. 6. That hereafter all project construction charges shall be made payable in annual installments based on the productive power of the land as provided in this section. The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding, or for all years of record if fewer than 10 years are available, of the area in cultivation in the division or subdivision thereof of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. These annual payments shall continue until the total construction charge against each unit is paid. The Secretary is authorized upon request to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this section or for the deferment of such construction charges for a period of three years from the approval of this act, or both.

SEC. 7. That whenever two-thirds of the irrigable area of any project, or division of a project, shall be covered by water-right contracts between the water users and the United States, said project shall be required, as a condition precedent to receiving the benefits of this act, to take over, through a legally organized water users' association or irrigation district, the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as the Secretary may prescribe, and thereafter the United States, in its relations to said project, shall deal with a water users' association or irrigation district, and when the water users assume control of a project the operation and maintenance charges for the year then current shall be covered into the construction account to be repaid as part of the construction repayments.

SEC. 8. That the penalty of 1 per cent per month against delinquent accounts, provided in section 3 and section 6 of the act of August 13, 1914 (38 Stats., p. 686), is hereby reduced to one-half of 1 per cent per month, as to all installments which may hereafter become due.

SEC. 9. That whenever the water users take over the care, operation, and maintenance of a project or a division of a project the total accumulated net profits, as determined by the Secretary, derived from the operation of project power plants, leasing of project grazing and farm lands, and the sale or use of town sites shall be credited to the construction charge of the project, or a division thereof, and thereafter the net profits from such sources may be used by the water users to be credited annually, first, on account of project construction charge; second, on account of project operation and maintenance charge; and, third, as the water users may direct. No distribution to individual water users shall be made out of any such profits before all obligations to the Government shall have been fully paid.

SEC. 10. That all moneys or profits as determined by the Secretary heretofore or hereafter derived from the sale or rental of surplus water under the Warren Act of February 21, 1911 (36 Stats., p. 925), or from the connection of a new project with an existing project shall be credited to the project or division of the project to which the construction cost has been charged.

SEC. 11. That on each existing project where, in the opinion of the Secretary, it appears that on account of lack of fertility in the soil, an inadequate water supply, or other physical causes, settlers are unable to pay construction costs, or whenever it appears that the cost of any reclamation project by reason of error or mistake or for any cause has been apportioned or charged upon a smaller area of land than the total area of land under said project, the Secretary is authorized to undertake a comprehensive and detailed survey to ascertain all pertinent facts, and report in each case the result of such survey to the Congress, with his recommendations: *Provided*, That the cost and expense of each such survey shall be charged to the appropriation for the project on account of which the same is made, but shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the project.

SEC. 12. That in any adjustment of water charges as provided in this act all due and unpaid charges to the United States, both on account of construction and on account of operation and maintenance, including interest and penalties, shall be added in each case to the total obligation of the water user, and the new total thus established shall then be the construction charge against the land in question.

SEC. 13. That every entryman or assignee on a project farm unit not yet patented, which unit shall be found by the Secretary to be insufficient to support a family and pay water charges, shall have the right upon application to exchange his entry for another farm unit of unentered public land on the same or another project located in the same State, in which event all installments of construction charges therefore paid on account of the relinquished farm unit shall be credited on account of the new farm unit taken in exchange: *Provided*, That where two entrymen apply for the same farm unit under the exchange provision of this section, only one of whom is an ex-service man, as defined by the joint resolution of January 21, 1922 (42 Stat. p. 358), the ex-service man shall have a preference in making such exchange.

SEC. 14. That all contracts providing for new projects and new divisions of projects shall require that all operation and maintenance charges shall be payable in advance. In each case where the care, operation, and maintenance of a project or division of a project are transferred to the water users the contract shall require the payment of operation and maintenance charges in advance. That whenever an adjustment of water charges is made under this act the adjustment contract shall provide that thereafter all operation and maintenance charges shall be payable in advance.

SEC. 15. That the cost and expense after June 30, 1925, of the main office at Washington, D. C., of the Bureau of Reclamation in the Department of the Interior, and the cost and expense of general investigations heretofore and hereafter authorized by the Secretary, shall be charged to the general reclamation fund and shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the projects.

SEC. 16. That where, in the opinion of the Secretary, a right of way or easement of any kind over public land is required in connection with a project the Secretary may reserve the same to the United States by filing in the General Land Office and in the appropriate local land office copies of an instrument giving a description of the right of way or easement and notice that the same is reserved to the United States for Federal irrigation purposes under this act, in which event entry for such land and the patent issued therefor shall be subject to the right of way or easement so described in such instrument; and reference to each such instrument shall be made in the appropriate tract books and also in the patent.

SEC. 17. That where real property or any interest therein heretofore has been, or hereafter shall be, donated and conveyed to the United States for use in connection with a project, and the Secretary decides not to utilize the donation, he is authorized without charge to reconvey such property or any part thereof to the donating grantor, or to the heirs, successors, or assigns of such grantor.

SEC. 18. That there is hereby authorized to be appropriated from the General Treasury the sum of $100,000 for investigations to be made by the Secretary through the Bureau of Reclamation to obtain necessary information to determine how arid, swamp, and cut-over timber lands may best be developed.

Amendment 58 of the bill H. R. 9559, known as the "second deficiency act, fiscal year 1924," now under consideration, is

the irrigation legislation proposed as a rider. This amendment (amendment 58, H. R. 9559) follows:

SEC. 5. SUBSECTION A. That when used in this section—

(a) The word "Secretary" means the Secretary of the Interior.

(b) The words "reclamation law" means the act of June 17, 1902 (32 Stat. p. 388), and all acts amendatory thereof or supplementary thereto.

(c) The words "reclamation fund" mean the fund provided by the reclamation law.

(d) The word "project" means a Federal irrigation project authorized by the reclamation law.

(e) The words "division of a project" means a substantial irrigable area of a project designated as a division by order of the Secretary.

SUBSEC. B. That no new project or new division of a project shall be approved for construction or estimates submitted therefor by the Secretary until information in detail shall be secured by him concerning the water supply, the engineering features, the cost of construction, land prices, and the probable cost of development, and he shall have made a finding in writing that it is feasible, that it is adaptable for actual settlement and farm homes, and that it will probably return the cost thereof to the United States.

SUBSEC. C. That the Secretary is hereby authorized, under regulations to be promulgated by him, to require of each applicant including preference right ex-service men for entry to public lands on a project, such qualifications as to industry, experience, character, and capital, as in his opinion are necessary to give reasonable assurance of success by the prospective settler. The Secretary is authorized to appoint boards in part composed of private citizens, to assist in determining such qualifications.

SUBSEC. D. That the irrigable lands of each new project and new division of a project hereinafter approved shall be classified by the Secretary with respect to their power, under a proper agricultural program, to support a family and pay water charges, and the Secretary is authorized to fix different construction charges against different classes of land under the same project for the purpose of equitably apportioning the total construction cost so that all lands may as far as practicable bear the burden of such cost according to their productive value.

SUBSEC. E. That hereafter the Secretary shall as to each irrigable acre of land in each new project, or a new division of a project, issue two public notices relating to construction charges. The first public notice shall be issued when the land is ready for settlement and will announce the construction charge per irrigable acre. The second public notice shall be issued when in the opinion of the Secretary the agricultural development of the project shall have advanced sufficiently to warrant the commencement of payment of installments of such construction charge. The second public notice shall fix the date when payments will begin on the construction charge announced by the first public notice, which date shall be not more than five years from the date of the first public notice.

SUBSEC. F. That hereafter all project construction charges shall be made payable in annual installments based on the productive power of the land as provided in this subsection. The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding, or for all years of record if fewer than 10 years are available, of the area in cultivation in the division or subdivision thereof of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. These annual payments shall continue until the total construction charge against each unit is paid. The Secretary is authorized upon request to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this subsection or for the deferment of such construction charges for a period of three years from the approval of this section, or both.

SUBSEC. G. That whenever two-thirds of the irrigable area of any project, or division of a project, shall be covered by water right contracts between the water users and the United States, said project shall be required as a condition precedent to receiving the benefits of this section to take over, through a legally organized water users' association or irrigation district, the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as the Secretary may prescribe, and thereafter the United States, in its relation to said project, shall deal with a water users' association or irrigation district, and when the water users assume control of a project the operation and maintenance charges for the year then current shall be covered into the construction account, to be repaid as part of the construction repayments.

SUBSEC. H. That the penalty of 1 per cent per month against delinquent accounts provided in section 3 and section 6 of the act of August 13, 1914 (38 Stats. p. 686), is hereby reduced to one-half of 1 per cent per month, as to all installments which may hereafter become due.

SUBSEC. I. That whenever the water users take over the care, operation, and maintenance of a project or a division of a project the total accumulated net profits, as determined by the Secretary, derived from the operation of project power plants, leasing of project grazing and farm lands, and the sale or use of town sites shall be credited to the construction charge of the project, or a division thereof, and thereafter the net profits from such sources may be used by the water users to be credited annually, first, on account of project construction charge; second, on account of project operation and maintenance charge; and, third, as the water users may direct. No distribution to individual water users shall be made out of any such profits before all obligations to the Government shall have been fully paid.

SUBSEC. J. That all moneys or profits as determined by the Secretary heretofore or hereafter derived from the sale or rental of surplus water under the Warren Act of February 21, 1911 (36 Stat., p. 925), or from the connection of a new project with an existing project shall be credited to the project or division of the project to which the construction cost has been charged.

SUBSEC. K. That on each existing project where, in the opinion of the Secretary, it appears that on account of lack of fertility in the soil, an inadequate water supply, or other physical causes, settlers are unable to pay construction costs, or whenever it appears that the cost of any reclamation project by reason of error or mistake or for any cause has been apportioned or charged upon a smaller area of land than the total area of land under said project, the Secretary is authorized to undertake a comprehensive and detailed survey to ascertain all pertinent facts and report in each case the result of such survey to the Congress with his recommendations: *Provided*, That the cost and expense of each such survey shall be charged to the appropriation for the project on account of which the same is made, but shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the project.

SUBSEC. L. That in any adjustment of water charges as provided in this section all due and unpaid charges to the United States, both on account of construction and on account of operation and maintenance, including interest and penalties, shall be added in each case to the total obligation of the water user, and the new total thus established shall then be the construction charge against the land in question.

SUBSEC. M. That every entryman or assignee on a project farm unit not yet patented which unit shall be found by the Secretary to be insufficient to support a family and pay water charges shall have the right upon application to exchange his entry for another farm unit of unentered public land on the same or another project located in the same State, in which event all installments of construction charges theretofore paid on account of the relinquished farm unit shall be credited on account of the new farm unit taken in exchange: *Provided*, That where two entrymen apply for the same farm unit under the exchange provision of this subsection, only one of whom is an ex-service man, as defined by the joint resolution of January 21, 1922 (42 Stat. p. 358), the ex-service man shall have a preference in making such exchange.

SUBSEC. N. That all contracts providing for new projects and new divisions of projects shall require that all operation and maintenance charge shall be payable in advance. In each case where the care, operation, and maintenance of a project or division of a project are transferred to the water users the contract shall require the payment of operation and maintenance charge in advance. That whenever an adjustment of water charges is made under this section the adjustment contract shall provide that thereafter all operation and maintenance charges shall be payable in advance.

SUBSEC. O. That the cost and expense after June 30, 1925, of the main office at Washington, D. C., of the Bureau of Reclamation in the Department of the Interior, and the cost and expense of general investigation heretofore and hereafter authorized by the Secretary, shall be charged to the general reclamation fund and shall not be charged as a part of the construction or operation and maintenance cost payable by the water users under the projects.

SUBSEC. P. That where, in the opinion of the Secretary, a right of way or easement of any kind over public land is required in connection with a project the Secretary may reserve the same to the United States by filing in the General Land Office and in the appropriate local land office copies of an instrument giving a description of the right of way or easement and notice that the same is reserved to the United States for Federal irrigation purposes under this section, in which event entry for such land and the patent issued therefor shall be subject to the right of way or easement so described in such instrument; and reference to each such instrument shall be made in the appropriate tract books and also in the patent.

SUBSEC. Q. That where real property or any interest therein heretofore has been, or hereafter shall be, donated and conveyed to the

United States for use in connection with a project, and the Secretary decides not to utilize the donation, he is authorized without charge to reconvey such property or any part thereof to the donating grantor, or to the heirs, successors, or assigns of such grantor.

SUBSEC. R. That there is hereby authorized to be appropriated from the General Treasury the sum of $100,000 for investigations to be made by the Secretary through the Bureau of Reclamation to obtain the necessary information to determine how arid and semiarid, swamp, and cut-over timberlands may best be developed.

It will be noted that this rider—amendment 58—carries some new provisions not carried in any of the bills above set out and leaves out many that the originally proposed bills carried.

This record should be so placed in compact form that it may be used for future action.

To show the present condition of the various Federal irrigation projects I am printing herewith two tables, Exhibits A and B, which are as follows:

*Federal irrigation projects, Bureau of Reclamation*

EXHIBIT A

| State | Project | Average acre cost | Construction to June 30, 1923 | | | | Construction | | Loss | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Net cost [1] [2] [3] | Per cent | Paid [3] | Due [4] | Contracted | Uncontracted | Probable | Definite |
| Arizona | Salt River | $60.00 | $10,548,119.28 | 8.4 | $891,815.82 | [5] $9,656,303.46 | $10,548,119.28 | | | $382,097.00 |
| Arizona-California | Yuma | 71.00 | 9,026,546.52 | 12.1 | 1,093,052.01 | 7,933,494.51 | 5,743,556.95 | $3,282,989.67 | $2,700,000.00 | 1,361,000.00 |
| California | Orland | 44.00 | 1,091,795.87 | 22.0 | 240,614.58 | 851,181.29 | 1,091,795.87 | [6] 27,776.88 | | |
| Colorado | Grand Valley | | 4,017,921.98 | | ([7]) | 4,017,921.98 | 1,000,000.00 | 3,017,921.98 | 1,000,000.00 | |
| Do | Uncompahgre | 70.00 | 6,715,074.41 | 1.5 | 102,706.34 | 6,612,368.07 | 6,715,074.41 | [6] 45,880.90 | 1,500,000.00 | 47,370.00 |
| Idaho | King Hill | | 1,881,391.45 | | ([7]) | 1,881,391.45 | 1,881,391.55 | [6] 118,608.55 | | 1,000,000.00 |
| Do | Minidoka: Gravity | 29.00 | 8,054,663.26 | 35.5 | 2,866,208.24 | 5,188,455.02 | 7,098,768.13 | 955,895.13 | | |
| | Minidoka: South Side | 57.00 | | | | | | | | |
| Idaho-Oregon | Boise | 76.00 | 12,731,409.73 | 11 | 1,408,314.08 | 11,323,095.65 | 12,648,436.56 | 82,973.17 | | |
| Kansas | Garden City [8] | | 385,651.07 | 13.2 | 51,176.11 | 334,474.96 | | | | 334,475.00 |
| Montana | Huntley | 34.00 | 1,474,408.81 | 24.5 | 361,056.23 | 1,113,352.58 | 1,320,119.25 | 154,289.56 | 400,000.00 | 100,000.00 |
| Do | Milk River | | 6,762,083.25 | .16 | 1,114.00 | 6,760,969.25 | | 6,762,083.25 | | 3,000,000.00 |
| Do | Sun River [10] | 33.00 | 4,245,842.94 | 4 | 170,178.73 | 4,075,664.21 | 420,608.14 | 3,825,234.80 | 130,000.00 | 1,920,000.00 |
| Montana-North Dakota | Lower Yellowstone | 45.00 | 3,110,449.22 | 1.13 | 41,332.70 | [5] 3,009,116.52 | 3,091,604.16 | 18,845.06 | | 1,000,000.00 |
| Nebraska-Wyoming | North Platte: Interstate | 55.00 | 13,672,160.32 | 12.45 | 1,742,767.58 | 11,929,392.74 | 8,634,885.57 | 5,037,274.75 | 600,000.00 | |
| | North Platte: Northport | 70.00 | | | | | | | | |
| Nevada | Newlands | 41.00 | 6,988,475.92 | 7.5 | 522,100.51 | 6,466,375.41 | 2,636,256.08 | 4,352,219.84 | | 3,500,000.00 |
| New Mexico | Carlsbad | 49.00 | 1,393,994.79 | 28 | 391,577.34 | 1,002,417.45 | 1,393,994.79 | [6] 35,944.02 | | |
| Do | Hondo [8] | | 371,867.17 | | ([8]) | 371,867.17 | | | | 371,886.00 |
| New Mexico-Texas | Rio Grande | 90.00 | [9] 12,146,114.43 | .6 | 76,491.00 | 12,069,623.43 | 7,650,000.00 | 3,496,114.43 | | |
| North Dakota | Williston | 38.00 | 460,107.18 | 1.8 | 8,250.63 | 451,856.55 | 290,803.74 | 169,303.44 | | 600,000.00 |
| Do | Buford Trenton [8] | | 221,864.69 | | ([8]) | 221,864.69 | | | | 294,318.00 |
| Oregon | Umatilla | 70.00 | 2,683,390.89 | 13.1 | 373,919.76 | [5] 2,309,480.13 | 2,514,446.02 | 168,953.87 | | 600,000.00 |
| Oregon-California | Klamath | 35.00 | 3,974,463.70 | 13.5 | 537,692.72 | 3,436,770.98 | 3,162,547.36 | 811,916.34 | 500,000.00 | 250,000.00 |
| South Dakota | Belle Fourche | 33.00 | 3,547,045.03 | 13.4 | 478,279.90 | 3,068,765.13 | 2,576,886.29 | 970,158.74 | 750,000.00 | |
| Utah | Strawberry Valley | 82.00 | 3,466,968.00 | 11.45 | 396,582.88 | 3,070,385.12 | 3,084,099.37 | 382,868.63 | | |
| Washington | Okanogan | 94.00 | 1,302,161.65 | 3.9 | 54,427.70 | 1,247,733.95 | 1,302,161.65 | [6] 104,838.88 | 500,000.00 | 275,000.00 |
| Do | Yakima: Sunnyside | 52.00 | 12,161,931.67 | 25.6 | 3,171,575.12 | 8,990,356.95 | 9,635,660.84 | 2,526,330.83 | | |
| | Yakima: Tieton | 96.00 | | | | | | | | |
| Wyoming | Riverton [10] | | 1,060,228.09 | | ([11]) | 1,060,228.09 | | 1,060,223.09 | | |
| Wyoming-Montana | Shoshone: Greenfields | 52.00 | 8,290,865.42 | 7.4 | 611,608.50 | 7,679,256.92 | 5,591,391.68 | 2,699,473.74 | 750,000.00 | [12] 2,325,000.00<br>[12] 1,200,000.00 |
| | Shoshone: Frannie | 80.00 | | | | | | | | |
| | Total | | 141,787,005.74 | | 15,592,842.48 | 126,194,163.26 | 100,032,547.49 | 39,442,026.09 | 8,830,000.00 | 18,561,146.00 |

EXHIBIT B

| State | Project | Operation and maintenance, June 30, 1923. | | | Construction, years to pay out. [13] | |
|---|---|---|---|---|---|---|
| | | Due | Paid | Unpaid | 6 per cent present contract | 5 per cent crop returns |
| Arizona | Salt River | ([14]) | ([14]) | ([14]) | 13 | 14 |
| Arizona-California | Yuma | $1,667,960.69 | $956,921.08 | $711,039.91 | 33 | 42 |
| California | Orland | 218,610.67 | 200,351.55 | 18,259.12 | 17 | 19 |
| Colorado | Grand Valley | ([15]) | | | | |
| Do | Uncompahgre | 81,724.16 | 1,543.60 | 80,180.56 | 21 | 42 |
| Idaho | King Hill | ([14]) | | | | |
| Do | Minidoka | 1,381,916.18 | 1,198,418.06 | 183,498.12 | 18 | 24 |
| Idaho-Oregon | Boise | 1,631,887.35 | 1,424,251.14 | 207,636.21 | 26 | 61 |
| Kansas | Garden City [16] | | | | | |
| Montana | Huntley | 850,502.46 | 321,806.29 | 528,696.17 | 17 | 22 |
| Do | Milk River | ([15]) | | | | |
| Do | Sun River | 201,770.14 | 124,686.46 | 77,083.68 | | |
| Montana-North Dakota | Lower Yellowstone | 744,420.61 | 62,361.87 | 682,058.74 | 19 | 52 |
| Nebraska-Wyoming | North Platte | 2,032,953.08 | 1,347,895.73 | 685,057.35 | | 70 |
| | Interstate | | | | | |
| | Fort Laramie | | | | | |
| | Northport | | | | | |
| Nevada | Newlands | 1,046,236.05 | 708,990.14 | 337,245.91 | 54 | 99 |
| New Mexico | Carlsbad | 483,724.56 | 405,595.17 | 78,129.39 | 14 | 18 |
| Do | Hondo [16] | | | | | |

[1] These costs include supplemental construction and amounts expended under Warren Act and special contracts on 11 projects (estimated total, $12,922,455).
[2] Represents amount to be repaid by water users (including operation and maintenance during construction; excluding arrearages in operation and maintenance heretofore transferred to construction).
[3] Extension act, 1914, provided 20 years additional time for payment of unpaid amounts.
[4] Includes advance payments: Construction, $366,334.27.
[5] Charges deferred: Salt River, $738,602.20; Lower Yellowstone, $21,112.48; Umatilla, $28,000.
[6] Contracted in excess of present costs.
[7] Not under public notice. Water sold on rental basis.
[8] Abandoned.
[9] Includes $1,000,000 covered by special appropriation, not to be repaid by water users.
[10] Fort Shaw.
[11] Under construction. No lands irrigated.
[12] Secondary projects.
[13] Acreage under water right contract used in computing years to pay out.
[14] Operated by Salt River Valley Water Users' Association.
[15] Not under public notice. Water sold on rental basis.
[16] Abandoned.

*Federal irrigation projects, Bureau of Reclamation*—Continued

EXHIBIT B—Continued

| State | Project | Operation and maintenance, June 30, 1923. | | | Construction, years to pay out. | |
|---|---|---|---|---|---|---|
| | | Due | Paid | Unpaid | 6 per cent present contract | 5 per cent crop returns |
| New Mexico-Texas | Rio Grande | $548,366.12 | $386,742.40 | $161,623.72 | 15 | 35 |
| North Dakota | Williston | 357,244.00 | 28,596.51 | [17] 328,647.49 | 26 | 40 |
| Do | Buford-Trenton [16] | 74,771.07 | 2,317.41 | [17] 72,453.66 | | |
| Oregon | Umatilla | 534,116.72 | 251,651.55 | 282,465.17 | 23 | 44 |
| Oregon-California | Klamath | 582,268.18 | 439,773.12 | 142,495.06 | 36 | 77 |
| South Dakota | Belle Fourche | 972,057.67 | 529,317.96 | 442,739.71 | 20 | 49 |
| Utah | Strawberry Valley | 352,254.65 | 243,775.56 | 108,479.09 | | |
| Washington | Okanogan | 379,212.10 | 223,082.51 | 156,129.59 | 26 | 18 |
| Do | Yakima | 2,300,887.18 | 2,093,687.09 | 207,200.09 | | 32 |
| | Sunnyside | | | | | |
| | Tieton | | | | | |
| | Storage | | | | | |
| Wyoming | Riverton [18] | | | | | |
| Wyoming-Montana | Shoshone | 616,347.91 | 418,978.89 | 197,369.02 | | 80 |
| Total | | [19] 17,059,231.85 | [20] 11,370,744.09 | [19] 5,688,487.76 | | |

[16] Abandoned.
[17] Williston: Operation and maintenance loss prior to April 1, 1919, $178,667.20; Buford-Trenton, abandoned, operation and maintenance loss $71,149.39.
[18] Under construction. No lands irrigated.
[19] This amount includes $1,059,864.31, representing costs from Jan. 1 to June 30, 1923, for which no assessments have been made against the water users, leaving a net arrearage of $4,628,623.45 on operation and maintenance.
[20] Includes advance payments; operation and maintenance, $19,251.60.

To show the extra expense to the Government and added burden to the already overtaxed farmers on these Federal irrigation projects, as well as the duplication of work in the various Government departments that this proposed legislation will entail, which alone would justify the elimination and defeat of this amendment 58, I am submitting a letter sent to Secretary Wallace, of the Department of Agriculture, and his reply thereto:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., May 27, 1924.*

Hon. HENRY C. WALLACE,
*Secretary of Agriculture,*
*Washington, D. C.*

In re reclamation projects.

MY DEAR MR. SECRETARY: The bill H. R. 7220, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1925, on page 61 contains the item—

"Miscellaneous items. Demonstrations on reclamation projects. To enable the Secretary of Agriculture to encourage and aid in the agricultural development of the Government reclamation projects; to assist, through demonstration, advice, and in other ways, settlers on the projects; and for the employment of persons and means necessary in the city of Washington and elsewhere, $36,460."

First. (a) Would you kindly advise me how long a similar item has been carried in the Agricultural appropriation bills for such work?

(b) The total amount up to date thus expended for such work?

(c) Where, how, and upon what Government reclamation projects has such work been done as provided in the above authorization and appropriations made thereunder?

Second. Investigation as to arid, swamp, and cut-over lands: What amount has been appropriated and used for the last 10 years for the use of your department for investigations relative to determining information regarding how arid, swamp, and cut-over lands could best be used?

Third. Soil surveys: Has there been any soil survey under your department within the last 10 years under provisions authorizing appropriations for the Bureau of Soils on any of the Government reclamation projects? If so, what ones?

If a soil survey has not been made on each Government reclamation project, would you kindly advise me why the same has not been done and the reason therefor?

Fourth. In re H. R. 8836.

Section 22 of the above-named bill, which is now pending before Congress, provides as follows:

"SEC. 22. That there is hereby authorized to be appropriated from the General Treasury the sum of $100,000 annually for five years for investigations to be made by the Secretary, through the Bureau of Reclamation, to obtain necessary information to determine how arid, swamp, and cut-over timberlands may best be developed in the future to meet the growing agricultural needs of the Nation."

Would you kindly advise me if it is not a fact that this work authorized would be a duplication of the work now authorized under existing law for the Department of Agriculture under the Bureau of Soils, Bureau of Entomology, Bureau of Chemistry, Forest Service, and other bureaus and branches of the Department of Agriculture?

I would greatly appreciate an early reply, as I desire to use it before the committee now having charge of the legislation above named, which, as I now view it, is a transfer from the Department of Agriculture to the Department of the Interior and a duplication.

Respectfully submitting the same, I am,

Yours most truly, JOHN E. RAKER, M. C.

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DEPARTMENT OF AGRICULTURE,
*Washington, May 29, 1924.*

Hon. JOHN E. RAKER,
*House of Representatives.*

DEAR MR. RAKER: Immediately yesterday upon receipt of your letter asking certain questions concerning the work of this department, people were set at work compiling the information desired. A short time will be required to assemble it, but I hope to be able to write you later to-day, or at least to-morrow, and answer your various questions.

In the meantime, inasmuch as the purpose of your inquiry seems to be to ascertain whether the activities proposed in H. R. 8836, dealing with irrigation developments, will be a duplication of work already being carried on in the Department of Agriculture, it will be proper for me to make some general observations concerning this bill.

Section 2 provides that before approving a new reclamation project the Secretary of the Interior shall secure information concerning its feasibility and adaptability, and that he shall secure through the Secretary of Agriculture a report in detail relative to the climate, kind of soil, kind of crops, and probable production, and through the Secretary of Commerce a report in detail with respect to transportation facilities, markets, and other economic factors. If this latter provision should stand, it would result in large duplication by the Department of Commerce work being carried on by the Department of Agriculture with respect to transportation facilities, markets, and other economic factors. The Government has spent millions of dollars in the way of appropriations to this department, in building up the sort of organization necessary to acquire and furnish this information. Information of this character needed by farmers on reclamation projects is also needed by farmers who are not on reclamation projects, and the creation of machinery in another department necessary to secure such information would certainly duplicate the facilities already existing in this department for handling such work.

While section 2 directs the Secretary of the Interior to secure through the Secretary of Agriculture information of an agricultural character preliminary to establishing a new reclamation project or a new division of an old project, section 11 seems to contemplate that the Secretary of the Interior shall set up within his own department the force necessary to obtain exactly the same sort of information with regard to each existing project. To do this effectively it will be necessary for the Secretary of the Interior to build up within that department activities of a strictly agricultural character, which will duplicate a great deal of the organization of the Department of Agriculture. For example, to make a reliable determination of the "physicial and economic features of each existing project" it will be necessary—

1. To make a soil survey as is done in the Bureau of Soils of the Department of Agriculture.

2. To make a study of the crops which may be grown successfully, which will involve a duplication of the work of our Bureau of Plant Industry, comprehending, as it does, the crops adapted to the soil and climatic conditions and the varieties of those crops best adapted to the particular locality, and a consideration of the plant diseases to which such crops are subject and their control.

3. To make an investigation of the insect pests which must be controlled, thus duplicating the work of our Bureau of Entomology.

4. In order to assure, if possible, the profitable sale of the crops grown, to make a study of the transportation facilities and rates, market points at which such crops can be sold, the competition which such crops will meet from other sections of the country, which in turn involves an understanding of the seasons at which various crops of different regions flow to market, etc., all of which will involve almost complete duplication of the work of our Bureau of Agricultural Economics.

5. To develop the elements of farm management involved. Back of it all is the question of farm management, a matter to which the Department of Agriculture has been giving extensive and detailed study for many years.

6. To consider the question of animal husbandry intimately related with crops to be grown. On some reclamation projects the character of the most profitable agriculture is such as not to require large numbers of animals, while on others many of the crops grown can be marketed best through animals. This involves a study of the animals best suited to the conditions on the particular project being considered—breeds, methods of feeding, etc.—all of which would involve the duplication of the work being carried on by the Bureau of Animal Industry of this department.

What I have said in the foregoing with reference to section 11 applies in part to sections 12, 13, and 14.

Section 17 authorizes the Secretary of the Interior to employ trained farm and economic advisers who will give farming and business advice. It is not clear whether it is proposed that these farm and economic advisers shall be employed at the expense of the farmers on the various projects or whether they shall constitute an extension service duplicating the established extension service of this department. Apparently the latter is contemplated. Since 1915 an item has been carried in the Agricultural appropriation act for "demonstrations on reclamation projects." Under this appropriation the Department of Agriculture, so far as the funds appropriated have permitted, has employed trained farm advisers to assist farmers on reclamation projects in planning their farm operations. The appropriation has never been sufficient to place advisers on all of the projects. At the present time there are such advisers employed for the entire year on six projects and for part of the year on two additional projects. In addition to this specific appropriation for demonstration on reclamation projects, the Smith-Lever Act of 1914 provides for a system of extension work in agriculture and home economics to be conducted cooperatively by the Department of Agriculture and the State colleges of agriculture. Each of the States has a staff of extension workers, including county agricultural agents, home demonstration agents, and specialists in the various lines of agriculture and home economics. The joint extension services of the Federal Government and the States maintain county agricultural agents in a large proportion of the counties in which reclamation projects are located. Obviously there should be the closest relations between the farm advisers employed on reclamation projects and the extension services of the various States, particularly the county agents. As this extension service is carried on under the general supervision of the Department of Agriculture, the setting up of a similar service by another department would not only be much more expensive to the Government but would be far less efficient because of lacking that close relationship necessary with similar agencies.

With regard to section 22, the letter which I shall send you shortly will discuss it at more length, and it is necessary to say here only that this section contemplates a complete and costly duplication of work which has been going on in this department for several years, and to which almost every bureau of this department is contributing and must contribute in a very direct way if the work is to be of any value.

You will see from the foregoing that, in my opinion, if H. R. 8836 should become a law as it now reads, it will result in very large and unnecessary duplication of work of this department and add very considerable expense to the Federal Government. There is no question but that the difficulties on many of our reclamation projects are due to the ignoring of the agricultural requirements and practices to make such projects a success. This is brought out very clearly by the report of the special advisory committee on reclamation printed as Senate Document No. 92. Before a reclamation project is undertaken there should first be a study of the soil, of what it will produce, of the possible markets for the crops produced, and a reasonable assurance that water can be put on the land at a cost which will enable intelligent and industrious farmers to establish a prosperous farm community. That is an agricultural inquiry pure and simple, and it can be answered satisfactorily only by calling upon the entire resources of such a department as the Department of Agriculture. If such inquiry results in a satisfactory answer to the major question, the next step is the construction of the irrigation works. This is an engineering problem. When the engineers have finished and the work is complete the problem again becomes agricultural. Most of the trouble the Federal Government has experienced in its reclamation enterprises has been due to the fact that they have been promoted too largely from the viewpoint of the engineers who lack agricultural knowledge.

It is my opinion, and I so testified before the reorganization committee, that in the interest of good Federal administration the entire Reclamation Service, except perhaps that part which deals with engineering construction, should be transferred from Interior to Agriculture. Until that is done there will be unnecessary duplication of work and expenditures. You will note from the foregoing that I am in full accord with the theory of the bill which you are considering. It proposes to do what ought to be done, namely, to consider the agricultural aspects of a proposed project before beginning upon the engineering work, and to consider what needs to be done to promote good farming after the projects have been constructed.

My point is that this work, both before and after construction, can be done best and most economically by the Department of Agriculture, and if undertaken by any other department must inevitably result in a vast amount of duplication and millions of dollars of additional expense.

Very truly, HENRY C. WALLACE, *Secretary.*

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DEPARTMENT OF AGRICULTURE,
*Washington, May 30, 1924.*

Hon. JOHN E. RAKER,
*House of Representatives.*

DEAR MR. RAKER: With further reference to your letter of May 27 asking for information concerning the relation of House bill 8836 to the work of the Department of Agriculture, I am glad to supply you with the facts requested. As I indicated in my previous communication, some of the provisions of the bill cut squarely across the work of this department and seem to me to involve a wholly unnecessary duplication of machinery and function.

In reply to your specific inquiries—

(1) You ask me to advise you how long the item for enabling the Secretary of Agriculture to encourage and aid in the agricultural development of the Government reclamation projects, to assist through demonstrations, advice, and in other ways settlers on the projects, etc., has been carried in the annual agricultural appropriation bill, the total amount provided to date, and the projects and conditions under which work has been done in accordance with this authorization.

The item referred to has been carried in the act making appropriations in the Department of Agriculture since the fiscal year 1915. For the current year it is as follows:

DEMONSTRATIONS ON RECLAMATION PROJECTS

"To enable the Secretary of Agriculture to encourage and aid in the agricultural development of the Government reclamation projects; to assist, through demonstrations, advise, and in other ways, settlers on the projects; and for the employment of persons and means necessary in the city of Washington and elsewhere, $39,000."

The total amounts appropriated and expended to date under this provision from the fiscal years 1915 to 1924, and including the item carried in the bill for 1925, is as follows:

| Fiscal year | Appropriated | Expended |
|---|---|---|
| 1915 | $40,000.00 | $23,079.33 |
| 1916 | 40,000.00 | 37,747.09 |
| 1917 | 40,000.00 | 38,555.06 |
| 1918 | 50,000.00 | 39,145.91 |
| 1919 | 48,600.00 | 39,988.47 |
| 1920 | 48,600.00 | 44,498.51 |
| 1921 | 30,000.00 | 28,545.10 |
| 1922 | 30,000.00 | 27,071.67 |
| 1923 | 39,000.00 | 33,797.49 |
| 1924 | 39,000.00 | [1] 31,883.55 |
| 1925 (pending bill) | 36,460.00 | |
| Total | 441,660.00 | 344,312.18 |

[1] May 29, 1924.

The work conducted under this item has been under the supervision of the Chief of the Bureau of Plant Industry. It has consisted of the employment of competent field men who have been stationed on each of certain reclamation projects and who have devoted their entire time to aiding the farmers, both individually and through local organizations. The aid given has been in the way of advice in dealing with local problems, such as preparing land for irrigation, planning better systems of farming, improving livestock, controlling diseases of live-

stock, improving methods of marketing livestock products, forage production and pasturing, including the cooperative utilization of pastures in the national forests. This work has been conducted on the following projects: Uncompahgre, Colo.; Boise and Minidoka, Idaho; Huntley, Milk River, Sun River, and Flathead, Mont.; North Platte, Nebr., and Wyo.; Newlands, Nev.; Umatilla, Oreg.; Bellefourche, S. Dak.; Yakima, Wash.; and Shoshone, Wyo. There have been temporary assignments of field men to deal with special problems on certain other projects. At the present time field men are employed on the following projects: Uncompahgre, Minidoka, Flathead, North Platte, Newlands, Bellefourche, and Shoshone.

A statement is attached (Exhibit A) showing, as requested, the various reclamation projects and periods during which work has been conducted thereon in connection with the activity described above.

In addition to the foregoing the annual appropriation act of the department for some time has included the following appropriation:

EXPERIMENTS IN DAIRYING AND LIVESTOCK PRODUCTION IN SEMIARID AND IRRIGATED DISTRICTS OF THE WESTERN UNITED STATES

To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat-production enterprises on the semiarid and irrigated lands of the western United States, including the purchase of livestock and the employment of necessary persons and means in the city of Washington and elsewhere, $40,000.

This item carries an appropriation of $40,000, available during the current fiscal year.

(2) You ask concerning investigations as to arid, swamp, and cut-over lands, and inquire concerning the appropriations for such investigations for the past 10 years, for use by the Department of Agriculture for investigations relative to determining information regarding how arid, swamp, and cut-over lands can best be used.

Specific work in the study of irrigation and drainage in this department was begun in 1914. Annual appropriations ranging from $116,200 to $205,600 have been made available by Congress for this work. The total amount appropriated since the beginning of this work, including the appropriation for the coming year, is $1,868,160.

The scope and character of this work is indicated in the pending appropriation act for the year ending June 30, 1925, under the Bureau of Public Roads, which includes our rural engineering work, as follows:

> "For investigating and reporting upon the utilization of water in farm irrigation, including the best methods to apply in practice; the different kinds of power and appliances; the flow of water in ditches, pipes, and other conduits; the duty, apportionment, and measurement of irrigation water; the customs, regulations, and laws affecting irrigation; for investigating and reporting upon farm drainage and upon the drainage of swamp and other wet lands which may be made available for agricultural purposes; for preparing plans for the removal of surplus water by drainage; for the development of equipment for farm irrigation and drainage and for giving expert advice and assistance; for field experiments and investigations and the purchase and installation of equipment for experimental purposes; for the preparation and illustration of reports and bulletins; for the employment of assistants and labor in the city of Washington and elsewhere; for rent outside the District of Columbia; and for supplies and all necessary expenses, $145,650."

Under the general authority of the appropriation to the Bureau of Agricultural Economics to investigate and encourage the adoption of improved methods of farm management and farm practice the Department of Agriculture has carried on various studies on reclamation projects concerning cost of production and economic aspects of farm organization and practice. No specific appropriation has been made by Congress for this work applicable solely to reclamation projects, but existing projects have come in for considerable attention under these studies. At the present time a continuous economic survey is being made in the Twin Falls project. This has been made annually for the past four years and has involved an expenditure of approximately $30,000. Another survey in the Yakima Valley has been made for two years in succession at a cost of about $10,000. In the neighborhood of Fort Collins, Colo., a study of the cost of producing beef cattle is being made. This involves both irrigation and dry-farming methods. For the fiscal years 1915–1917 a special appropriation of $15,000 was made to the old office of farm management for the study of methods and costs of cleaning lands in cut-over regions. Altogether this office has spent upward of $90,000 in special studies on reclamation projects. Under the same appropriation the bureau, through its division of land economics, has for the last four years carried on studies in methods of land settlement, both private and public, including consideration of both private and public reclamation projects. At the present time a survey is being made in the Southwest, which has covered the Federal projects of Carlsbad, Los Cruces, and El Paso, as well as various private irrigation projects. Arrangements have been made to extend this work into other parts of the West during the coming fiscal year. The object of these studies is to determine the economic conditions affecting the success or failure of settlers, and particularly the annual amount in the way of construction charges, water charges, and interest on land value and equipment that is justified by the net-value product of agriculture under various types of farming. Such studies should be conducted on a more extensive scale than has been possible under the funds available.

(3) You ask whether there have been any soil surveys made by the Department of Agriculture within the past 10 years under provisions authorizing appropriations for the Bureau of Soils on any of the Government reclamation projects, and if so, which projects have been so surveyed? The Bureau of Soils has for at least 10 years been conducting soil surveys generally throughout the United States which incidentally cover reclamation projects, this work having been carried on under the following provision, which has been included annually in the Agricultural appropriation act:

> "For the investigation of soils, in cooperation with other branches of the Department of Agriculture, other departments of the Government, State agricultural experiment stations, and other State institutions, and for indicating upon maps and plats, by coloring or otherwise, the results of such investigations. * * *"

For at least 10 years the Bureau of Soils has been specifically cooperating with the Reclamation Service in special examinations of soils to aid in the classification of agricultural lands under another provision carried in our annual appropriation act, as follows:

> "For examination of soils to aid in the classification of agricultural lands, in cooperation with other bureaus of the department and other departments of the Government. * * *"

Lists showing the reclamation projects that have been covered by the Bureau of Soils under each of these items are attached (Exhibits B and C) as requested.

The Bureau of Soils is working in cooperation with the Reclamation Service under an agreement between the Secretary of the Interior and the Secretary of Agriculture, and where necessary is supported in part by transfer of funds from the Reclamation Service to the Bureau of Soils. The funds at the disposal of the Bureau of Soils have not always been adequate to pay the expenses of the work requested by the Reclamation Service.

In response to the part of your inquiry which requests that if a soil survey has not been made on each Government reclamation project I advise you why this has not been done and the reason therefor, I may state that it has been recognized that the Reclmation Service was responsible for these enterprises, but that the Bureau of Soils has complied with every request made by the Reclamation Service for soil surveys and soil investigations.

With reference to section 22 of H. R. 8836, which proposes to appropriate $100,000 annually for five years for investigations through the Bureau of Reclamation to determine how arid, swamp, and cut-over timberlands may best be developed in the future to meet the growing agricultural needs of the Nation, I can only reiterate that this proposed work would comprise a clear-cut duplication of similar work mentioned above as now carried on by the Division of Agricultural Engineering (irrigation and drainage studies) and the Division of Land Economics of the Bureaus of Roads and Agricultural Economics of this department. A special committee on land utilization, appointed by the by the Secretary of Agriculture, consisting of representatives of the various bureaus of this department, has been studying this whole question for the past two years. The committee has considered present and future needs for crop land, forests, and pastures; the extent and location of areas that can be made available for these various uses; and the governmental policies that should be adopted to adjust use to needs. The matter is referred to in more detail in the last annual report of the Secretary of Agriculture (1923 report, p. 78), a copy of which is attached (Exhibit D).

The most serious duplication, however, consists in the fact that the determination of the proper utilization of land is only incidentally an engineering problem. It necessarily involves the concentration on the single problem the knowledge and methods of research peculiar to many different types of agricultural specialists, such as soil physicists and chemists, agricultural engineers, agronomists, horticulturists, livestock and dairy specialists, entomologists, forestry experts, and agricultural economists trained in the special problems of farm organization and management, land valuation, etc.

Furthermore, the determination of the scope and direction of agricultural expansion is a matter of peculiar concern to the Department of Agriculture, for such expansion has a direct influence on the prosperity of the existing industry of agriculture, and when the development of new agricultural areas is ill advised the burden of restoration of the unfortunate farmers falls largely on this department.

Again, it should be noted that the determination of the most efficient utilization of land, particularly of cut-over land, is a matter of vital concern to the Forest Service, for the question is largely one of determining whether the land is best adapted to farming or to forests. The Forest Service has accumulated a vast amount of experience along this line through its work in classifying the 150,000,000 acres of land

in the national forests, and it is incidentally concerned in land classification through the necessity of selecting forest lands for purchase under the forest acquisition law.

If I have not given exactly the information you desire, I shall be glad to have you call upon me further. I feel very strongly that the committee should have before it all available facts before passing on this important legislation.

Sincerely yours,

HENRY C. WALLACE, *Secretary.*

EXHIBIT A

OFFICE OF DEMONSTRATIONS ON RECLAMATION PROJECTS,
BUREAU OF PLANT INDUSTRY,
DEPARTMENT OF AGRICULTURE,
*March 29, 1924.*

Statement showing reclamation projects and periods during which work has been conducted thereon by the Office of Demonstrations on reclamation projects:

Bellefourche project (South Dakota), from May, 1918, to March, 1920; from December, 1922, to date.

Boise project (Idaho), from March, 1915, to March, 1919.

Grand Junction project (Colorado), spring, 1921.

Huntley project (Montana), from February, 1915, to July, 1917; from February, 1919, to July, 1921.

Lower Yellowstone project, from April, 1920, to September, 1920.

Flathead project (Montana), from July, 1923, to date.

Milk River project (Montana), each summer, 1920 to 1923.

Minidoka project (Idaho), from October, 1914, to June, 1918; from February, 1919, to September, 1920; from November, 1920, to March, 1922; from August, 1922, to date.

Newlands project (Nevada), from 1914 to date.

North Platte project (Nebraska-Wyoming), from July, 1914, to November, 1917; from February, 1918, to March, 1920; from May, 1922, to date.

Shoshone project (Wyoming), from March, 1915, to September, 1920; from July, 1921, to date.

Sun River project (Montana), each summer, 1920 to 1923.

Tieton project (Washington), from 1915 to 1920.

Umatilla project (Oregon), from January, 1918, to October, 1919.

Uncompahgre project (Colorado), from October, 1915, to September, 1919; from December, 1919, to date.

Yakima project (Washington), from 1914 to 1920.

EXHIBIT B

List of United States reclamation projects covered by soil surveys under the general appropriation for soil investigations:

Arizona—
- Yuma, Yuma area, 1905.
- Salt River, Salt River Valley area, 1900.

California—Orland, Colusa area, 1907.

Colorado—
- Grande Valley, Grand Junction area, 1905.
- Uncompaghre, Uncompaghre area, 1910.

Idaho—
- Boise, Boise area, 1901.
- Minidoka, Minidoka area, 1907.
- Shoshone, no surveys.
- King Hill, no survey.

Montana—
- Sun River, no survey.
- Fort Peck, no survey.
- Huntley, Billings area, 1902.
- Lower Yellowstone Valley, no survey.
- Milk River, no survey.
- Flathead, no survey.
- Blackfoot, no survey.

Nebraska—North Platte, Morrill County, 1917; Scotts Bluff County, 1913; Banner County, 1919; Sioux County, 1919; Fort Laramie (Wyo.) area, 1917; Western Kansas reconn., 1911.

Nevada—Newlands, Fallon area, 1909.

New Mexico—
- Rio Grande, Mesilla Valley area, 1912.
- Carlsbad, Pecos Valley area, 1899.
- Hondo, Pecos Valley area, 1899.

North Dakota—North Dakota pumping, Williston area, 1906.

Oregon—
- Klamath, Klamath reclamation project area, 1908.
- Umatilla, no survey.

South Dakota—Belle Fourche, Belle Fourche area, 1907.

Utah—Strawberry Valley, Provo area, 1903.

Washington—
- Yakima, Yakima area, 1901.
- Okanogan, no survey.

Wyoming—
- Shoshone, no survey.
- Riverton, no survey.

The years indicated above refer to the particular volume of the field operations of the Bureau of Soils in which the report and map of an area may be found.

EXHIBIT C

*Soil investigations made in cooperation with the Reclamation Service indicating the projects for which special reports and maps were furnished under the special appropriation made the Bureau of Soils for this work.*

| State | Project | Date received | By— |
|---|---|---|---|
| Arizona | Salt River | Aug. 28, 1913 | Macy H. Lapham. |
| | Sentibel | Oct. 16, 1919 | A. T. Strahorn. |
| | Yuma | Nov. 23, 1914 | Do. |
| California | Imperial Valley | June 20, 1921 | Do. |
| Colorado | Grand Valley | July, 1915 | Do. |
| | Montezuma | Jan. 19, 1919 | Do. |
| | Uncompahgre | June 20, 1915 | Do. |
| New Mexico | Carlsbad | Apr. 13, 1923 | Do. |
| New Mexico and Texas. | Rio Grande | Dec., 1914 | Do. |
| Oklahoma | Lawton | Oct., 1914 | Do. |
| Oregon | Warm Springs | Oct. 9, 1923 | H. H. Krusekopf. |
| | Umatilla | June 4, 1914 | A. T. Strahorn. |
| Oregon-California | Klamath (Tule Lake Division). | Aug. 30, 1922 | A. E. Kocher. |
| | Klamath (Tule Lake Division.) | Oct 9, 1923 | Scott Ewing. |
| Texas | Rio Grande | Dec., 1921 | A. T. Strahorn. |
| Utah | Green River | Oct. 24, 1921 | Do. |
| | Salt Lake Basin (Tooele Valley). | Aug. 26, 1922 | Do. |
| Wyoming | Alcova-Casper | Apr. 13, 1923 | Do. |
| | Green River (viz: Bonneville, Big Piney La Barge and Church Buttes). | Oct. 7, 1918 | Do. |
| | Wind River | Sept. 8, 1917 | Do. |
| | Shoshone (Sp.) | Nov. 27, 1922 | Do. |
| | Shoshone (Willwood and Frannie Extensions). | Sept. 27, 1922 | Do. |
| | Shoshone (Willwood and Frannie Divisions). | Aug. 18, 1914 | Do. |

In addition to the above we find that special examination and report was made on the Minidoka project, Idaho, in July, 1915, by Mr. Strahorn, for which no maps were supplied. This also applies to investigations on the Huntley project, Montana, Weber-Provo project, Utah, and Uncompahgre project, Colorado.

On August 14, 1922, Mr. Strahorn wrote a memorandum to the board of engineers of the Milk River project, Montana, but no other report was made.

In August, 1922, analyses of four soil samples from the Tieton Dam, Washington, was made for the Reclamation Service, and last year we made analyses of 146 soil samples for the Reclamation Service in connection with the Klamath marshes on the Klamath projects.

In 1923 the Baker, Oreg., and Columbia River basin, Wash., projects were completed and reports and maps have been submitted.

*County agents in counties in which irrigation projects are located*

| Project | State | County | County agent |
|---|---|---|---|
| Salt River | Arizona | Maricopa[1] | Herman C. Heard. |
| Do | do | Gila | None. |
| Yuma | do | Yuma[1] | J. G. Hamilton. |
| Do | California | Yuma | Edwin L. Garthwaite, 2 assistants. |
| Orland | do | Glenn[1] | Enoch Torken. |
| Do | do | Tehama | Donald M. Smith. |
| Grand Valley | Colorado | Mesa | Leo P. McCann. |
| Uncompahgre | do | Montrose | Benj. H. King. |
| Do | do | Delta | None. |
| Boise | Idaho | Ada | Do. |
| Do | do | Boise | Do. |
| Do | do | Canyon | Do. |
| Do | do | Elmore | Do. |
| Do | Oregon | Malheur | L. R. Breithaupt. |
| King Hill | Idaho | Elmore | None. |
| Do | do | Gooding | O. E. McConnell. |
| Do | do | Owyhee | None. |
| Do | do | Twin Falls[1] | R. E. Brossard. |
| Minidoka | do | Minidoka[1] | None. |
| Do | do | Cassia[1] | Jas. W. Barber. |
| Huntley | Montana | Yellowstone[1] | Wm. P. Stapleton. |
| Sun River | do | Cascade | F. E. MacSpadden. |
| Do | do | Chouteau | Chas. H. Ruzicka. |
| Do | do | Lewis and Clatk | W. H. Sutton. |
| Do | do | Teton | Robt. Clarkson. |
| Lower Yellowstone | do | Dawson | None. |
| Do | do | Richland | Harold F. DePue. |
| Do | North Dakota | McKenzie | Paul C. Wagner. |
| Milk River | Montana | Hill | E. B. Duncan. |
| Do | do | Blaine | G. W. Gustafson. |
| Do | do | Phillips | Henry L. Lantz. |
| Do | do | Valley | Murray E. Stebbins. |
| North Platte | Nebraska | Scottsbluff | Phil Sheldon. |
| Do | do | Sioux | None. |
| Do | do | Banner | Do. |
| Do | do | Morrill | E. C. Nelson. |

[1] Indicates home demonstration agent also.

*County agents in counties in which irrigation projects are located*—Continued

| Project | State | County | County agent |
|---|---|---|---|
| North Platte | Wyoming | Natrona | Gerald M. Penley. |
| Do | do | Carbon | None. |
| Do | do | Converse | Arthur E. Hyde. |
| Do | do | Goshen | Paul H. Dupertuis. |
| Do | do | Platte | B. S. Tedmon, jr. |
| Newlands | Nevada [1] | Churchill | Albert J. Reed. |
| Do | do | Storey | None. |
| Do | do | Lyon | Edw. C. Reed. |
| Do | do | Washoe | Thos. Buckman. |
| Carlsbad | New Mexico | Eddy | None. |
| Rio Grande | do | Dona Ana [1] | Robt. C. Stockdale. |
| Do | Texas | El Paso [1] | G. A. Altgelt. |
| North Dakota Pumping (Williston). | North Dakota | Williams [1] | E. G. Schollander. |
| Umatilla | Oregon | Umatilla | Fred Bennion. |
| Do | do | Morrow | R. M. Morse. |
| Klamath | do | Klamath | Chas. Henderson. |
| Do | California | Siskiyou | None. |
| Do | do | Modoc | Do. |
| Belle Fourche | South Dakota | Butte | Arthur D. Ellison. |
| Do | do | Meade | F. F. Collins. |
| Strawberry Valley | Utah | Utah | Joseph P. Welch. |
| Do | do | Wasatch | Ezra R. Rice. |
| Okanogan | Washington | Okanogan | None. |
| Yakima | do [1] | Kittitas [1] | W. L. Davis. |
| Do | do | Yakima | A. E. Lovett. |
| Do | do | Benton | None. |
| Riverton | Wyoming | Fremont | P. T. Meyers. |
| Shoshone | do | Park [1] | Royal J. Allen. |
| Do | do | Big Horn | L. E. McDaniels. |
| Do | Montana | Carbon | None. |

[1] Indicates home demonstration agent also.

THE FOREST PROBLEM ONLY ONE PART OF A GENERAL NATIONAL PROBLEM OF LAND UTILIZATION

In reality the problems of forestry and the better regulation of the grazing resources on the public domain are merely phases, though very important phases, of the broad problem of land utilization. As the timber is cut millions of acres are thrown out of use. Some of this land is now suitable for use as farming land, some of it will be needed for that purpose in the course of time, but most of it is permanently unsuited to use for farming purposes. Of the arid or semiarid open public grazing lands relatively little is physically capable of growing crops except where irrigation may be possible, no matter how pressing the national need for crop land may become, and under present conditions it is steadily declining in capacity for use for the only form of use to which it can be put, while being held open for entry under the homestead laws. It is clear that a proper distribution of our reserve areas between the three uses—forests, grazing, and crops—implies some kind of policy of giving direction to the utilization of our land resources.

LAND UTILIZATION POLICY

While many of the agricultural difficulties of the past three years have been due in part to surplus production resulting from overstimulation during the war, it is evident that before many years our population will have grown to a point which will enable it to consume not only all we produce at the present time but considerably more. Where this increased production is to come from and how our national land resources may be best used is therefore a matter of major importance. Some two years since I appointed a departmental committee, consisting of representatives of various bureaus, to consider present and future needs for crop land, forests, and pastures; the extent and location of areas that can be made available for these various uses; and the governmental policies that should be adopted to adjust use to needs.

The more immediate problems of the adjustment of type of use to climate, soil, and economic conditions in the semiarid regions of the West have received the major part of the attention of the section working on land utilization problems. Particular attention has been given to the Great Plains as a whole and the spring-wheat section as a part of the larger field. Frequently recurring seed loans are not a solution of the problem; this lies rather in a change in the type of agriculture and farm organization.

War prices, propaganda urging increased food production, and local desire for the development of unused resources have brought about the reclamation by irrigation and drainage of large areas of land on some of which it is being found difficult to repay the cost of reclamation. Effort has been made during the past year to coordinate the policy of the Reclamation Service with the studies of this department in directing land utilization and settlement. The Secretary of the Interior has recognized the desirability of obtaining the judgment of the Department of Agriculture concerning the agronomic and economic feasibility of proposed reclamation projects and has referred such projects to this department for consideration.

Tenancy on farm lands has been increasing. Studies of the extent of tenancy and of the various forms of contract under which tenants operate have been made with a view of promoting farm ownership and the use of equitable forms of rental agreements.

Farm credits are based primarily on land values. The proper appraisal of farm lands is of great importance in order that the farmer may obtain the credit to which he is entitled and at the same time that credit agencies may have adequate security. During the year much attention has been given to a determination of the influence of the various factors affecting land values as a basis for developing scientific methods of appraisal.

It is hoped that the report of this departmental land committee will be ready for inclusion in the Yearbook of the department for 1923, and it is expected that this Yearbook will be available for distribution early in the spring of 1924. (Report of the Secretary of Agriculture, 1923, pp. 78 and 79.)

It is most deplorable that legislation of such vital and wide-reaching importance should be jammed through the committees during the last days of the Congress, but what ought to be said about the present attempt to rush it through as a rider on an appropriation bill on the last day of the session.

This is how and the method by which the people get stung.

Prior legislation by riders on appropriation bills has demonstrated how unwise and dangerous such legislation has turned out to be to the interests of the people. This should not be tolerated. It ought to be stopped.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following resolution:

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join a similar committee appointed by the Speaker of the House of Representatives to wait upon the President of the United States and inform him that the two Houses having completed the business of the present session are ready to adjourn unless the President has some other communication to make to them.

SECOND DEFICIENCY BILL, 1924

Mr. MADDEN. Mr. Speaker, I yield to the gentleman from Colorado [Mr. TAYLOR] five minutes.

The SPEAKER. The gentleman from Colorado is recognized for five minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, the reclamation law was enacted 22 years ago this month. Almost immediately thereafter every one of the Western States wanted several projects. The Reclamation Service rushed out engineers, and within a comparatively short time they approved some 28 projects. They approved some of them without thorough or proper investigation.

Many of those projects were based and approved upon the proposition that they could irrigate from two to three times as much practically irrigable land as there is under them today. They based the cost of construction upon that estimated acreage. One project in my State was estimated at 55,000 acres. They never yet have been able to irrigate half of that amount.

The result is that instead of it being about $50 an acre, as the settlers expected it to be, if the land now actually under practical irrigation was compelled to pay the entire cost it would be $324.80 an acre. Of course, they never on earth can or will pay it.

Another project was estimated at 140,000 acres. After 15 years' operation they have not much over half of that acreage in irrigated crops. They can not and should not pay this extra cost. The cost of construction has been, in some instances, nearly three times what it was originally estimated to be by the reclamation engineers. We are not asking any relief for any of the mistakes or hardships of its settlers. But we have a right to and are asking relief from the impossible burdens that have been heaped upon the public-land settlers by the incompetency of the Government officials.

Now, the poor people who settled on these lands with their families are not responsible for the mistakes of the Government, and they can not be compelled or expected to do impossibilities. All that this bill provides is that it gives the Secretary of the Interior discretionary power to figure out how much money per acre per year they can pay, and then require them to pay that amount only. And no human being can honestly or fairly ask any more.

This is a humane as well as a business proposition. If you are going to insist upon not giving those people any relief—and many hundreds of them have gone away from some of the projects already, and many more of them will be compelled to move off—as a sensible business proposition I ask this House

to grant to the Secretary of the Interior the power to do the very thing that President Coolidge and Secretary Work have asked you to do, to grant this relief to the settlers on such of the projects in the West that need it. I say it is a humane and necessary measure. It will not cost the Federal Treasury a dollar. Not one of the older States from which most of you gentlemen come produces one dollar toward this reclamation fund. The money all comes from the reclamation fund.

We are simply asking you to allow us to make this absolutely necessary adjustment, so that the original settlers upon those projects may be able to hold their homes—save part of the work of many hard and trying years. The policy of trying to fix a flat, horizontal rate of charges upon all kinds of lands, upon all kinds of projects, is so frightfully stupid and harsh that it is a crime.

As I said in my speech before the House on the 12th of last January, every project is different from all the others. The lands under each one are widely different in character. The Reclamation Service must ascertain what is the real, practical, ordinary, and fair actual annual net cash return per acre of the actually irrigated land—that is, what does the farmer get out of it? What is the ordinary and actual cash productivity per acre per year to the farmer? And the only sane or businesslike or successful or fair way is to classify the lands under each of the projects with respect to their actual power to support a family and pay water charges, and those charges must be apportioned equitably, so that no land will be charged with a greater cost than its actual cash productivity will bear.

In other words, the Reclamation Bureau must be put upon and conducted upon a common-sense, reasonable, and businesslike basis, and until that is done some of these projects never will be a success. That is all we of the West are asking Congress to do by this bill. [Applause.]

Mr. LONGWORTH. Mr. Speaker, I want to appeal to gentlemen, no matter what side of this question they are on, not to ask for more time. I do this merely to get time in which the necessary conference can be conducted. The Senate has sent over a message stating that their business has been completed and that they are ready to adjourn. We have only three hours in which to act before the time set for adjournment. It makes no difference in the matter of sending this bill to conference. After all, the conferees must be guided by their own judgment.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARRETT of Tennessee. It is very undesirable that a condition should be brought about by which it might seem necessary to turn the clock back.

Mr. LONGWORTH. I sincerely hope nothing like that may happen, and if gentlemen will content themselves now with permitting this bill to go to conference and allowing the conferees to use their judgment it will be the best thing for everybody concerned.

The SPEAKER. The question is on the motion of the gentleman from Idaho that the House recede and concur.

The question was taken; and on a division (demanded by Mr. SMITH) there were—ayes 62, noes 93.

So the motion was rejected.

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

The SPEAKER. The gentleman from Idaho makes the point of order that there is no quorum present. The Chair will count.

Mr. SMITH. Mr. Speaker, I withdraw the point of order of no quorum.

Mr. MADDEN. Mr. Speaker, I move that the House further insist on its disagreement.

Mr. BLANTON. The gentleman from Illinois ought to understand that if the conferees should put this proposition in there will be a point of order——

The SPEAKER. The gentleman is out of order. The gentleman from Illinois moves that the House further insist on its disagreement.

The motion was agreed to.

Mr. MADDEN. Mr. Speaker, I move that the House agree to the conference requested by the Senate.

The motion was agreed to.

The SPEAKER appointed the following conferees: Messrs. MADDEN, ANTHONY, and BYRNS of Tennessee.

PERMITTING CERTAIN ALIENS TO REMAIN IN THE UNITED STATES

Mr. JOHNSON of Washington. Mr. Speaker, I move to take from the Speaker's table House Joint Resolution 283, and agree to the Senate amendment.

The SPEAKER. The gentleman from Washington calls up House Joint Resolution 283, with a Senate amendment. The Clerk will report the Senate amendment.

The Senate amendment was read.

Mr. RAKER. Will the gentleman from Washington yield?

Mr. JOHNSON of Washington. Yes; certainly.

Mr. RAKER. Will the gentleman yield a little time to the gentleman from Texas [Mr. Box] and myself?

Mr. JOHNSON of Washington. Yes; and I trust the gentlemen will get along with as little time as possible.

Mr. RAKER. The gentleman realizes that we have given considerable consideration to all these matters together with the gentleman himself, and he brings up this matter without even showing it to the Members on the other side.

Mr. JOHNSON of Washington. I beg the gentleman's pardon. It has been shown, and the text of the amendment adopted by the Senate is printed almost literally in this morning's RECORD as a part of the remarks which I made at the time the resolution was passing the House.

Now, then, the resolution adopted yesterday to admit certain aliens—most of whom came in under court decisions—was conceived by some to be the least bit broad and uncertain—that is, not sufficiently tying. It was the intention of your Committee on Immigration to tie it to the four classes described in yesterday's debate and it was the intention of the Secretary of Labor to have that done. The Committee on Immigration in the other body has so tied it and used the words decided upon after this resolution had been reported from the House committee. All that is in the Senate resolution is a positive tying of the purpose of the reserve to the four classes which we wanted to relieve. This has been done as a matter of safety, even though it may not have been necessary.

Mr. RAKER. Will the gentleman yield me five minutes?

Mr. JOHNSON of Washington. I will yield the gentleman three minutes.

Mr. WATKINS. Will the gentleman answer a question?

Mr. JOHNSON of Washington. Yes.

Mr. WATKINS. Does this resolution prevent seamen who left prior to May 26, 1924, from changing their occupation and coming in?

Mr. JOHNSON of Washington. No sailor can get in, and I doubt whether any could have gotten in under the other proposition, because seamen are not immigrants. But this amendment ties it down to the four classes exactly. I now yield three minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker and gentlemen, we tried to defeat the original resolutions, but in this we failed, and the House saw fit to pass it. I want to say this to show how you can easily make mistakes. The resolution (H. J. Res. 283) which passed yesterday would have admitted from 100,000 to 500,000 aliens not admissible under the present law and in contravention of the new immigration law of 1924. It would have admitted every seaman on the high seas; it would have admitted every man who left his home before the 26th of May, 1924, and who had embarked—started—on his way to the United States. The stream would have been endless from every corner of the globe. I fully presented this to the Members of the Senate last night and this morning.

Mr. VAILE. And who are lawfully here?

Mr. RAKER. No; not at all; that is not in it at all. I took it up with at least 8 or 10 lawyers, and took it up with the Senators yesterday and last night. I went over to the Library and found that the word "embarked" means having started for the United States at any time before that date. They embarked for the United States from the interior of Russia when they started on their journey for this country. Thousands have been on the road for years. No limit as to time when they started except it be before May 26, 1924. There are literally thousands of women and men in the ports of foreign countries and there are thousands there now having "embarked"—started—on their way to the United States. These could have all entered the United States under the resolution as it passed the House. The Senate has cut this vast number down to those admitted under the court decision. That is bad enough. Those men could come in, as well as every man on the high seas.

The Senators admitted that and amended this resolution so that could not be done. The legal definition of the word "embark" means to start to a place; it does not necessarily mean to enter upon a ship; and a reading of the resolution shows that if an alien embarked—started—for the United States on or before that date—May 26, 1924—he could enter.

No such resolution as this has ever been presented to Congress after an exclusion bill whereby the entire floodgates of

the United States were thrown open for admission. I am pleased to know the Senate has placed these restrictions on this resolution, and in this work I am glad. It was my fortune to assist, however little that may have been.

The immigration act of 1924 closed the front door, as it were, and this Resolution 283 as it passed the House threw the back door wide open; but as the resolution is now amended it lets those remain who entered the back door by the Gottlieb and kindred decisions—though illegally and without authority of law—and now having thus entered we finally close the door and say, "Though you entered illegally we will be generous and let you remain." We are promised by the officials that this will not occur again. Let us hope this is true. It should be. Hereafter peoples will enter, if at all, under the new act.

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Washington. Mr. Speaker, I yield three minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Speaker, of course, every Member of this House who wants to restrict immigration and wants to go as far as he can toward enforcing the law ought to vote for these amendments because they lessen the bad effect of the bad resolution which passed the House yesterday. It improves it in particulars that were very necessary. Nobody knows how many thousands it would have admitted, but they were many. It was wide open, as my colleague, the gentleman from California [Mr. RAKER] has told you. We did not have the time to present it to you yesterday, but it included an unknown and great number, and that illustrates, my colleagues, the extreme folly of dealing with important questions like this in the hasty manner in which we dealt with this yesterday.

The chairman of the committee, unfortunately, is not exactly accurate when he says the Secretary of Labor intended the resolution operate as they interpreted it here yesterday. The Secretary of Labor asked us to include all people at foreign ports who are admissible under the old law. That is what the resolution you passed yesterday did, if they started for the United States prior to May 26.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BOX. Yes.

Mr. JOHNSON of Washington. But the committee did not grant that. Yes; they did, in substance, but these amendments were added by the Senate, which lessened the serious evil this resolution does.

Mr. BOX. I understand that the committee did not tell the House that they granted the Secretary's request, but I understand that the bill did grant it as to all who started to America before May 26, 1924. We did not have time to develop the facts. We ought to be frank with this body. If I serve with you a long time or a short time, on this or any other committee, when I make a statement to you I want you to know that the facts are as presented to you. Had the House known what was involved in the resolution, I am persuaded it would not have passed it. [Applause.]

The Senate, through the efforts of Members of the House Committee, and through their own diligence, have partially protected the country against its act of extreme folly on the part of this House in passing this resolution presented under circumstances which were unjustified. [Applause.]

Mr. JOHNSON of Washington. For the RECORD, I want to say that sailors are not regarded as immigrants. Sailors would not have been admitted under the resolution adopted yesterday, but we have thought it best to play safe. I am not alarmed as to the great numbers of the other classes. As I said yesterday they are mostly here in the United States now.

Before I conclude I would like to say to all Members that after you have gone to your homes you will receive the quota-allotment figures under the new law and you will find in those quota allotments 100 for Japan, 100 for China, and 100 for each little mandated place in the barred zone and mandated countries elsewhere, but you need not be alarmed about that because that quota is, of course, for those eligible for citizenship. I am trying to find time to place in the RECORD some explanation of the new law which I think you will all need when you get back to your districts in order to answer the questions of interested persons.

I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

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

WAR MINERALS RELIEF ACT

Mr. ROBSION of Kentucky. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2797) to authorize the payment of claims under the provisions of the so-called war minerals relief act, with an amendment, which the Clerk has at the desk.

The SPEAKER. The Chair would suggest it is very doubtful if it can be enacted at this hour with an amendment.

Mr. BLANTON. It was understood that that was to be put in.

Mr. ROBSION of Kentucky. Mr. Speaker, there was no agreement that I ever heard of that we had to offer this amendment.

The SPEAKER. The Chair does not know what the amendment is.

Mr. BLANTON. Mr. Speaker, right at this point we ought to have a quorum here. This is a $2,500,000 bill.

Mr. ROBSION of Kentucky. No; it is not $2,500,000 at all.

The SPEAKER. The Chair will count.

Mr. BLANTON. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. The gentleman from Kentucky moves to suspend the rules and pass the bill S. 2797.

Mr. BLANTON. What is the request?

The SPEAKER. A motion to suspend the rules and pass the bill.

Mr. ROBSION of Kentucky. With an amendment which the Clerk has.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That to enable the Secretary of the Interior to lawfully pay adjudicated claims arising under the provisions of the so-called war minerals relief act, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended, the limitation in said act on the agreegate amount to be disbursed thereunder in the payment of said claims is hereby repealed.

Mr. WINGO. Mr. Speaker, I demand a second.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from Arkansas is in favor of this bill and some one should be recognized to demand a second who is against it. If there is any member of the committee against it, I yield to him, but if not, I claim recognition.

The SPEAKER. Is the gentleman from Arkansas in favor of the bill?

Mr. WINGO. I am in favor of the bill.

The SPEAKER. Is there any other gentleman against the bill who desires recognition? If not, the Chair recognizes the gentleman from Texas.

Mr. BLANTON. I yield half of my time to the gentleman from Arkansas.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I yield three minutes to the gentleman from Colorado [Mr. VAILE].

Mr. VAILE. Mr. Speaker and gentlemen of the House, this amendment makes this bill comply exactly with the recommendations of the Secretary of the Interior. The other night in the discussion of this matter the gentleman from Ohio [Mr. BEGG] made what was not entirely an accurate statement through a too rapid reading of this bill. I am sure the gentleman now realizes that he did not quite correctly state it.

The Secretary of the Interior calls attention to the fact that the necessity for removing this limitation imposed by the present law is because of decisions of the Supreme Court and the Court of Appeals of the District of Columbia holding that certain items, namely, losses in purchase of property and interest on borrowed money, are recoverable by the claimants. This contention has been carried to the Supreme Court of the United States, where it is now pending. If the contention of the Government is sustained in these cases, the present amount of about $1,750,000 which is left in the fund will be sufficient to pay all of these claims or within a very small margin. If the contention of the Government is not sustained, of course, we would have to come to Congress and ask a further appropriation; but the point is that on account of the limitation in the law, to the effect that the appropriation of $8,500,000 in no event could be exceeded, the Secretary has been obliged to hold up the payment of claims which have already been adjudicated and upon which the claimants have been waiting for their money in some cases as long as five years.

Let me call the attention of the House to this fact that the claims which have been proved and paid are the claims of the large miners. They are the claims of the people with whom the

Government made individual contracts by personal individual solicitation. These claims, which were later adjudicated, have not yet been paid. [Applause.]

This results in a very pathetic situation. About 60 per cent of the claims have been adjudicated and paid in full. Those were the large claims, the cases in which the Government by individual personal solicitation induced the large producers to undertake the work, and where in consequence the proof of the claims was easy.

The claims which were adjudicated late and which are not yet paid are those of the small producers who found it more difficult to prove their claims because instead of entering into an individual written contract they began work as a result of appeals made at mass meetings and appeals published by the Government in the western newspapers—appeals to their patriotism to produce the necessary minerals which we could not then get from abroad and which were as necessary to the winning of the war as was the valor of our soldiers.

It required an act of Congress to permit these people to prove their claims, and, their proof being late through no fault of their own, these little fellows have not been paid. They can not be paid in full unless we remove this limitation.

I know one widow who, fired by patriotic fervor, as the result of a public appeal made by a Government agent at Leadville, personally did most of the manual labor necessary to reopen her little mine, herself pulling rock out of the shaft by the original "armstrong hoist."

She has not been paid. Without this relief she never can be paid in full, while claims as large as half a million dollars, claims no more deserving perhaps but not nearly so urgent, have been completely settled.

I hope this Congress will perform a plain obligation of the Government, an obligation to a most patriotic and deserving class of citizens, by passing this bill. [Applause.]

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

Mr. BLANTON. I yield two minutes to the gentleman from Ohio.

Mr. ROBSION of Kentucky. I yield two minutes to the gentleman from Ohio.

Mr. BEGG. Mr. Speaker and gentlemen of the committee, the night before last it was I who stopped this bill from going through, and at that time I offered to permit its passage if they would insert such an amendment as we have now before us; that is, an amendment that would not carry any appropriation but would remove the restrictions on the one million seven hundred thousand and odd dollars that are now available for the payment of these claims. If the Supreme Court reverses the decision next November, this action to-day will not have been futile. Last October, after the suits were entered and courts found that they could gain in compensation in their claims for original investments plus interest, it immediately became apparent that $8,500,000 would not be enough to pay all of the claims. Then the Secretary of the Interior, in order to protect himself against spending more than the appropriation, said that he would stop paying any of the claims, and as a result a number of claimants whose claims had been allowed have been compelled to go without their money since last October, at great injury to themselves. All this amendment does is to permit the Secretary of the Interior to pay the claims that have been found to be justifiable down to date. This does not carry one cent of appropriation. Next November, if the Supreme Court itself finds that the lower courts have been accurate in their findings and that we are obligated to pay for the original investment plus the interest, then the claimants will all come back to Congress and ask for a new appropriation, for enough to cover the amount of the original investment plus the interest for all the claimants. That is the whole thing in a nutshell. There is no charge in this, it removes the restriction and that alone on money already appropriated, claims already found to be just, and there can not be any damage in passing this legislation.

Mr. BLANTON. Mr. Speaker, I have fought this mineral bonus bill since four or five years ago when it was first passed. With the amendment that we have forced to be offered it is not so bad as it was last night, when it embraced an authorization for $2,500,000 appropriation. There is just one argument for the passage of this bill, and only one, and that is a good one. The big fellows, as our colleague from Arkansas [Mr. WINGO] has said, have already gotten their money. It is the little fellows who have been left out in the cold, it is the little fellows who are still unpaid, and my sympathies are with the little fellows on the proposition.

Mr. SMITH. Where were the gentleman's sympathies in respect to the poor farmers on the reclamation projects?

Mr. BLANTON. I want to quote the RECORD right here on those northwestern reclamation farmers. I want to tell the gentleman from Idaho [Mr. SMITH] something about these poor people of his who live in the Northwest, who have been coming in here and asking hand-outs from Congress because they are so poor they can not pay their debts.

Mr. SMITH. We are not asking for any hand-outs, but we are asking for a little time in which to pay.

Mr. BLANTON. The last census of 1920 shows that the approximate average per capita wealth in all of the 48 States is $2,918. Yet these poor people out in Idaho who can not pay their debts, however, have an average per capita wealth of $3,301, which is $383 per person more than the average per capita wealth of the 48 States. And I notice that the great State of Nevada heads the list as the richest State in per capita wealth of all the 48.

Mr. RICHARDS. I wish the gentleman would put the figures in the RECORD.

Mr. BLANTON. I notice that Wyoming, that is seeking so much of this jack pot to be taken out of the Treasury—this common joint northwestern jack pot to be divided up there—Wyoming is the second richest State in the Union in per capita wealth. Wyoming has $4,663 per person, as compared with the average of $2,918 for the 48 States. Then I notice South Dakota is third and Iowa is fourth and Oregon is fifth, California is sixth, and Nebraska is seventh in per capita wealth. [Applause.] Let us see about a comparison of increase of per capita wealth from 1912 to 1922, given by the census, as to these "poor people seeking hand-outs to pay their debts." I notice Arizona heads the list, and I notice Wyoming comes next, and I notice that Idaho is the fourth State on the list. And they talk to me about "the poor people of the Northwest"!

I am not going to take up any more time. I think with this amendment probably the rights of the people are safeguarded, and I am not going to take up any more time against it.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

### HOWARD UNIVERSITY ATHLETIC FIELD AND GYMNASIUM

Mr. ZIHLMAN. Mr. Speaker, I move to suspend the rules and pass the bill S. 2694, a bill to enable the trustees of Howard University to develop an athletic field and gymnasium project, and for other purposes.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 2694) to enable the trustees of Howard University to develop an athletic field and gymnasium project, and for other purposes

*Be it enacted, etc.*, That for the purpose of developing an athletic field and gymnasium project, the trustees of Howard University are hereby authorized to acquire, by gift, purchase, condemnation, or otherwise, so much of square 3059, formerly block 6, Howard University Subdivision, as the university does not already own, also 45,000 square feet of land, being that portion of square 3057, formerly block 7, Howard University Subdivision, which lies south of the 15-foot alley running east and west in said square, also known as the east 300-feet front on Euclid Street: *Provided*, That no special appropriation of funds of the United States shall be made for this purpose, and that no liability on the part of the United States shall be involved in said acquisition.

SEC. 2. That those portions of Fairmont and Girard Streets lying within the area to be acquired and between the said area and the present grounds of Howard University, together with all alley space not subject to the terms of the Code of Laws for the District of Columbia, shall and are hereby declared to be closed and abandoned as public ways and shall be subject to acquisition under section 1 hereof.

SEC. 3. That the Secretary of War is hereby authorized and directed to reconvey to the trustees of the Howard University a triangular plot of land now included in McMillan Park and situated between Fairmont Street, Fifth Street, and the McMillan Park Reservoir, at the price per foot formerly paid to the said university by the United States for the said property, subject to such terms and conditions as may be prescribed by the Secretary of War.

SEC. 4. That no street shall be closed until all of the property abutting on the portion to be closed shall have been acquired by the trustees of Howard University: *Provided*, That no street shall be closed until the trustees of Howard University shall have secured the necessary title to and shall have dedicated to the District of Columbia the land necessary to provide the following streets, to wit:

An extension of Sixth Street, with a width of 50, north for 194 feet from its present terminus at Girard Street; also a street, with a width of 44 feet, from the terminus of Sixth Street as above extended

eastwardly to Fifth Street: *Provided further,* That an easement in the areas of the streets hereby closed shall remain in the District of Columbia for all except highway purposes, and that no structures shall be erected thereon except with the permission of the Commissioners of the District of Columbia.

Mr. ZIHLMAN. Mr. Speaker, I would like to explain this proposition.

Mr. STEVENSON. Mr. Speaker, I ask for a second on this.

The SPEAKER. The gentleman demands a second.

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

There was no objection.

Mr. ZIHLMAN. Mr. Speaker and gentlemen of the House, this bill provides for the closing of Fairmont Street to Girard Street through the northern end of the land north of Howard University, two short spurs of streets, and running from Sixth Street down to the reservoir. One street, Fairmont Street, is now closed having a dwelling and parking space across the street. This bill also provides the Secretary of War shall sell this piece of land which was purchased back to the university, and that the university could condemn and open up Sixth Street to a point on the present line of Girard Street and then carry down to the road running around the reservoir. It has the approval of the District Commissioners who reserve the right of easement over the property to be used, and it has the approval of the Secretary of the Interior. Congress has appropriated $197,500 for this improvement, and unless this bill passes it will be impossible for this improvement to be made.

Mr. TILSON. Will the gentleman yield?

Mr. ZIHLMAN. I will yield.

Mr. TILSON. How far beyond the ball park is this street?

Mr. ZIHLMAN. I would say two squares.

Mr. TILSON. It seems to me that district is rather congested at times and there seems to be a lack of streets running off from Georgia Avenue.

Mr. ZIHLMAN. I will say these streets run from Sixth Street down to the reservoir, and there is no congestion there because there is only one piece of property in all the land to be acquired except the property necessary for the extension and opening up of Sixth Street.

Mr. TILSON. The gentleman's plan has nothing to do with the extension between Vermont Avenue and Georgia Avenue?

Mr. ZIHLMAN. Nothing whatever. This is vacant land directly north of Howard University and between Sixth Street and the reservoir.

Mr. TILSON. And it is entirely east of Georgia Avenue?

Mr. ZIHLMAN. Yes; and entirely east of Georgia Avenue.

Mr. CRISP. Mr. Speaker, it is impossible to hear what is being said; but I desire to ask the gentleman, does this directly or indirectly lead to a charge on the United States Treasury?

Mr. STEVENSON. Does it not lead to an expenditure by the Government of the United States?

Mr. ZIHLMAN. There is an appropriation for this in the current law.

Mr. CRAMTON. The appropriation has been made for the athletic field.

Mr. ZIHLMAN. In the appropriation act of 1923.

Mr. CRISP. But this bill does not involve an expenditure——

Mr. BLANTON. If the bill called for an expenditure, I would have raised an objection to it, I will say to the gentleman, because it comes from a committee of which I am a member. They are going to spend this $190,000 that has already been appropriated in some way, and they might just as well expend it on this as any other purpose.

Mr. STEVENSON. I agree with the gentleman from Connecticut that those are rather congested streets up in that particular part; and if this closes two streets running from Georgia Avenue, it seems to me it will lead to more congestion.

Mr. ZIHLMAN. If the gentleman will read the bill, he will see that they are to open up Sixth Street running from Girard Street down to the road running around the edge of the reservoir.

Mr. HOWARD of Nebraska. Mr. Speaker, will the gentleman yield for a question?

Mr. ZIHLMAN. I yield.

Mr. HOWARD of Nebraska. Does this bill close streets in the city of Washington?

Mr. ZIHLMAN. It closes the ends of two streets running from Sixth Street down to the reservoir, and gives the District the right of easement over those streets.

Mr. HOWARD of Nebraska. Have the property owners adjacent consented to the closing?

Mr. ZIHLMAN. The major part of the property belongs to Howard University. One side of it, from Sixth Street to the reservoir, is entirely controlled by the university. There is a small piece of land owned by the Government which the Government will deed to the university upon the payment of the purchase price.

Mr. HOWARD of Nebraska. Are there people on the other side? Are there any white folk?

Mr. ZIHLMAN. None whatever.

Mr. STEVENSON. I see it says, "The easement hereby reserved shall remain in the District of Columbia except for highway purposes." Why do you contemplate keeping an easement when it can not be used?

Mr. ZIHLMAN. That language was suggested by the District commissioners.

Mr. UNDERHILL. It may be needed for sewerage purposes or water mains.

Mr. STEVENSON. If it is for city purposes, all right. That is what I wanted to know.

The SPEAKER. The question is on the motion of the gentleman from Maryland [Mr. ZIHLMAN] to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended, and the bill was passed.

### MONUMENT COMMEMORATING THE SACRIFICES OF AMERICAN WOMEN IN THE WORLD WAR

Mr. LUCE. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 43.

The SPEAKER. The gentleman from Massachusetts moves to suspend the rules and pass Senate Joint Resolution 43. The Clerk will report it.

The Clerk read as follows:

*Resolved,* That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $150,000 as a part contribution to the erection of a memorial building with equipment in the District of Columbia to commemorate the services and sacrifices of the patriotic women of the United States of America, of its insular possessions, and of the District of Columbia during the World War. Said memorial to be erected on the land now occupied in part by the Memorial to the Women of the Civil War, the permanent headquarters of the American Red Cross.

SEC. 2. That said memorial shall be a building monumental in design and character and shall be used by the American National Red Cross and shall cost not less than $300,000: *Provided,* That this expenditure shall include complete equipment.

SEC. 3. That the sum hereby authorized to be appropriated shall not be payable until there shall be raised by private subscription an additional sum of $150,000.

SEC. 4. That the money hereby authorized to be appropriated shall not be paid until the plan of the proposed building shall have been approved by a commission consisting of the president of the American Red Cross, the Secretary of War, the chairman of the Senate Committee on the Library, the chairman of the House Committee on the Library, and a representative of the central committee of the American Red Cross. The plans of the said memorial shall likewise be approved by the Commission of Fine Arts.

The expenditures for said memorial building shall be made under the direction of a commission consisting of the chairman of the Senate Committee on the Library and the chairman of the House Committee on the Library. That said memorial building shall remain the property of the United States Government but under the supervision of the Superintendent of Public Buildings and Grounds, and the American Red Cross shall at all times be charged with the responsibility, the care, keeping, and maintenance of the said memorial building without expense to the United States.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Massachusetts, to suspend the rules and pass the resolution.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended and the resolution was passed.

### PUBLIC ALLEY FACILITIES IN SQUARE 616, DISTRICT OF COLUMBIA

Mr. CRAMTON. Mr. Speaker, I move to suspend the rules and pass Senate bill 2265.

The SPEAKER. The gentleman from Michigan moves to suspend the rules and pass Senate bill 2265, which the Clerk will report.

The Clerk read as follows:

*Be it enacted, etc.,* That the Commissioners of the District of Columbia be, and they hereby are, authorized and directed to rearrange the public alley facilities in square 616 in the District of Columbia by the opening of a new public alley along and over the west 10 feet

in width by 135 feet in length of the lot designated for assessment and taxation purposes as lot 801 in said square, now occupied as the site for the O Street vocational school, and likewise by the opening of a new public alley along and over the east 10 feet in width by 135 feet in length of said lot 801; and upon the opening and paving without cost to the abutting private property owners of said new public alleys the Commissioners of the District of Columbia are further authorized and directed to close the portion of the public alley 30 feet in width by 117.36 feet in length now existing and abutting upon the north boundary of said lot 801, and to use said closed portion of said alley for school purposes.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Michigan [Mr. CRAMTON] to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended and the bill was passed.

Mr. HOWARD of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. The gentleman can get time on the next bill.

Mr. HOWARD of Nebraska. Oh, let it go this time.

Mr. LEHLBACH rose.

The SPEAKER. The gentleman from New Jersey is recognized.

AMENDMENT TO CLASSIFICATION ACT

Mr. LEHLBACH. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 146.

The SPEAKER. The gentleman from New Jersey moves to suspend the rules and pass Senate Joint Resolution 146. The Clerk will report it.

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

Mr. LEHLBACH. I will say to the gentleman from Texas that this is not the bill which has come under discussion heretofore. This is merely to correct a clerical error.

Mr. BLANTON. What bill is this?

Mr. LEHLBACH. I will make it plain.

Mr. DYER. Mr. Speaker, I ask that the resolution be reported first.

Mr. BLANTON. Mr. Speaker, I withdraw the reservation until it is reported.

The Clerk read as follows:

*Resolved, etc.*, That paragraph 5, under the heading "Custodial Service," of section 13 of the act entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services" be amended by striking out the sums "$780" and "$840" from the rates of compensation fixed for grade 2 in said section, and that paragraph 7 under said heading in said section 13 be amended by striking out the sums "$900" and "$960" as rates of compensation fixed for grade 3 in said service; said amendments being made necessary for the purpose of correcting a clerical error in preparing the bill for the signature of the President, the bill as it passed both Houses and agreed to in conference not having included the sums proposed to be stricken out.

Mr. LEHLBACH. Mr. Speaker, this is merely to correct a clerical error in the copy of the reclassification bill enrolled for the signature of the President.

Mr. BLANTON. Mr. Speaker, I demand a second, to protect that feature of it.

Mr. SANDERS of Indiana. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Indiana asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

Mr. LEHLBACH. Mr. Speaker, a number of copies of the reclassification bill were from time to time introduced and referred to the committee, and changes were made, and the bill was reintroduced. That happened in the House and it happened in the Senate. The bill was passed in the House and the bill, with amendments, was passed in the Senate. The bill went to conference and was further amended in conference, and the conference report was agreed to by both Houses. Now, the four sums which are mentioned in the bill, $780, $840, $900, and $960, in one of the earlier bills appeared in the compensation schedules in the custodial service. They were eliminated from the bill before it passed the House, they were not in the bill when it passed the Senate, and they were not in the conference report, but when the bill was enrolled for the signature of the President the enrolling clerk inadvertently got hold of a copy of one of the earlier bills, which had passed neither the House nor the Senate, and erroneously inserted in the copy signed by the President these four items, which were not contained in the bill as passed by both Houses of Congress at all.

Now, these salaries being effective on the 1st day of July, if this correction is not made, in view of the mandatory provision of the statute, it will be necessary for new employees to enter at a rate of compensation not contemplated by the Congress. This is merely to correct a clerical error and is in no sense new legislation.

Mr. BLANTON. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. BLANTON. Has the President signed this bill?

Mr. LEHLBACH. It became a law on the 4th of March, 1923.

Mr. BLANTON. I thought this bill was seeking to affect the gentleman's bill, the one he had here the other day.

Mr. LEHLBACH. No; this is to affect a statute which is now in existence and make it conform with the statute that was actually adopted by the Congress and to eliminate the error which the enrolling clerk put in the bill.

Mr. BLANTON. This does not seek in any way to increase any of the salaries that were specified in the gentleman's bill?

Mr. LEHLBACH. Absolutely not. This is merely a resolution to correct a clerical error.

Mr. BLANTON. Mr. Speaker, I do not care to use any time.

The SPEAKER. The question is on the motion of the gentleman from New Jersey to suspend the rules and pass the bill.

The question was taken, and two-thirds having voted in favor thereof, the rules were suspended, and the bill passed.

REMITTANCE OF DUTY ON A CARILLON OF BELLS

Mr. O'CONNELL of Rhode Island. Mr. Speaker, I move to suspend the rules and pass the bill S. 3397.

The SPEAKER. The gentleman from Rhode Island moves to suspend the rules and pass a bill, which the Clerk will report.

The Clerk read the bill, as follows:

An act (S. 3397) to remit the duty on a carillon of bells to be imported for the Church of Our Lady of the Rosary, Providence, R. I.

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to admit free of duty a certain carillon of 16 bells to be imported for the Church of Our Lady of the Rosary, Providence, R. I.

The SPEAKER. The question is on the motion of the gentleman from Rhode Island to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

MARINE HOSPITAL RESERVATION, DETROIT MICH.

Mr. McLEOD. Mr. Speaker, I move to suspend the rules and pass H. R. 8588.

The SPEAKER. The gentleman from Michigan moves to suspend the rules and pass a bill, which the Clerk will report.

The Clerk read the bill, as follows:

A bill (H. R. 8588) authorizing the Secretary of the Treasury to sell the United States marine hospital reservation and improvements thereon at Detroit, Mich., and to acquire a suitable site in the same locality and to erect thereon a modern hospital for the treatment of the beneficiaries of the United States Public Health Service, and for other purposes

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to sell at such time and upon such terms as he may deem for the best interests of the United States, the marine hospital reservation and improvements thereon at Detroit, Mich., and to convey said property to the purchaser thereof by the usual quitclaim deed.

SEC. 2. That the proceeds derived from the sale of said marine hospital and the site thereof are hereby made available for the acquisition of a new site within the county of Wayne, State of Michigan, and for the construction thereon of suitable hospital facilities.

SEC. 3. That the Secretary of the Treasury be, and he is hereby, further authorized and empowered to acquire by purchase, condemnation, or otherwise, in the county of Wayne, State of Michigan, a suitable site, and to enter into contracts for the construction thereon of the necessary hospital facilities for the beneficiaries of the United States Public Health Service and such other beneficiaries of the United States Government, its departments, bureaus, and establishments as may be eligible for care and treatment in hospitals operated by the United States Public Health Service. The limit of cost for such site and buildings shall not exceed the amount realized from the sale of the present hospital and site.

SEC. 4. That not exceeding 3 per cent of the amount received for said marine hospital shall be available for the payment of the necessary technical services, preparation of designs, plans, estimates, and specifications for such new hospital facilities, supervision of work, etc.

Mr. WOLFF. Mr. Speaker, I demand a second.

Mr. BLANTON. Is the gentleman from Missouri opposed to the bill?

Mr. WOLFF. I want an explanation.

Mr. BLANTON. Mr. Speaker, I am opposed to the bill, and unless the gentleman from Missouri is opposed to it I claim that right.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLFF. I can not say I am, but I want to find out about it.

Mr. BLANTON. Mr. Speaker, I am opposed to the bill, and I demand a second.

Mr. McLEOD. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. The gentleman from Michigan asks unanimous consent that a second may be considered as ordered. Is there objection? [After a pause.] The Chair hears none.

Mr. McLEOD. Mr. Speaker and gentlemen, this authorization is merely for the Secretary of the Treasury to sell an old marine hospital in Detroit, which is over 40 years old, and use the money derived from the sale thereof for a new hospital. There is not one nickel of additional appropriation asked for in this bill.

The hospital in Detroit is now situated next door to a large varnish factory, one of the largest in the world; a large glue factory, with railroad tracks in the rear; and the property is a very valuable business site. With the money which can be obtained by the sale of this hospital a very up-to-date building, with all modern facilities, can be obtained for Detroit, and Michigan has no Government hospital at the present time. And the disabled service men of Michigan are entitled to it.

Mr. CRAMTON. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. CRAMTON. I understand my colleague's statement to be that there will be enough money from the sale of this very valuable site to completely construct a new one and not involve an additional appropriation?

Mr. McLEOD. Yes.

Mr. CRAMTON. I am somewhat familiar with the site. I know it is very valuable as a business proposition and very unsuitable for a hospital.

Mr. McLEOD. That is correct.

Mr. TILSON. Will the gentleman yield further?

Mr. McLEOD. Yes.

Mr. TILSON. The gentleman has made it clear that the present site is very unsuitable for a hospital site and very valuable for other kinds of business. Has a new site, more suitable, been selected?

Mr. McLEOD. It has not been selected as yet, but there are several sites that are available. There are many available sites.

Mr. BLANTON. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BLANTON. I have a report now in my office of the hundreds of vacant beds that exist in Government-owned and Government-controlled hospitals, and in the face of that report we passed a comprehensive hospital bill the other day involving millions of dollars to build new ones. Why was not the gentleman's proposition included in that bill?

Mr. McLEOD. I will answer the gentleman by saying there was no appropriation asked for. We already have a hospital in Detroit which has a small number of beds.

Mr. BLANTON. If my colleague will yield further, what is in my mind is this: Is not this a case of the camel getting his nose under the tent? Are we not going to sell this block of land out there and then begin the construction of another hospital with the money that is taken in, and then will not the gentleman from Michigan and his colleagues—I started to say conspirators—come back to Congress next year asking for some more money?

Mr. CRAMTON. If the gentleman will yield, I will say to the gentleman that my colleague is not especially a follower of the camel, politically.

Mr. BLANTON. After November he will hardly be a follower of the elephant any longer.

Mr. McLEOD. In answer to the gentleman I will say that the money obtained from the sale of this property will absolutely warrant the building of a hospital that will accommodate a sufficient number of beds, with no additonal appropriation.

Mr. BLANTON. And the gentleman will state absolutely here that there will be no more requests for additional money?

Mr. McLEOD. I do not think so.

I yield five minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, I would like to exlain this bill a little further. The gentleman from Michigan [Mr. McLEOD] and myself saw the President of the United States a few hours ago, and he is willing that this bill should be passed. Every American Legion post in Michigan is in favor of the bill. It takes care of a number of ex-soldiers. This hospital lies in the factory district next to a large glue factory, and next to the largest varnish factory in the world. As my colleague from Michigan has explained, it does not mean the expenditure of an additional dollar out of the Treasury. Every Treasury official is in favor of it, and the chief of the Hospital Service and the Surgeon General are very much in favor of it.

This hospital has been such a scandal in the city of Detroit that the newspapers have devoted columns to it. I have in my hand a number of those newspaper items now. I do not see how any gentleman can sincerely object to this humanitarian measure.

Mr. BLANTON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. WOLFF] such time as he may desire.

Mr. WOLFF. Mr. Speaker and gentlemen, if this bill had come up in the regular way I possibly would not have had any objection to it. As a member of the Committee on Public Buildings and Grounds of this House I believe that bills of this kind should come before that committee. I have attended every meeting of that committee, and this bill has not been before the committee.

Mr. ZIHLMAN. If the gentleman will yield, this bill is reported from the gentleman's committee.

Mr. WOLFF. I do not remember it, if it was reported. I may be mistaken.

Mr. CLANCY. The gentleman from Indiana [Mr. ELLIOTT], the ranking member of that committee, is here, and he will tell the gentleman that the bill was reported unanimously from that committee.

Mr. WOLFF. Well, I will say to the gentleman that, even at that, I am opposed to taking Government property which the Government owns in the down-town district or any commercial district, which becomes valuable property, and then turning it over to a commission or then selling it and making a graft on that sale and then grafting on the new purchase. I am opposed to deals of that kind. We have a hospital bill that we reported out from the committee carrying over $6,000,000 this year to help build hospitals for these veterans. I would not oppose any proposition that is for the good of the veterans, but I will say to the gentleman that I am opposed to selling this property and possibly getting nothing for it.

Mr. CLANCY. Will the gentleman yield?

Mr. WOLFF. Yes.

Mr. CLANCY. We have no Federal hospital in Michigan to take care of cases of this kind. It does not necessarily follow that there will be any graft in the sale of this property. This same thing was done in Cleveland two years ago, where they sold an old, antiquated hospital in the down-town section and built one in the outskirts of the city and made $300,000 on the deal.

Mr. WOLFF. There is not any such hospital in my town, either, so far as that goes.

Mr. SCHAFER. Will the gentleman yield?

Mr. WOLFF. I yield.

Mr. SCHAFER. I see no provision in this bill to provide for an appraisal, which means that it leaves everything in the hands of the Secretary of the Treasury.

Mr. WOLFF. Absolutely.

Mr. CLANCY. I will say in answer to that statement that we have two appraisals, one from the Detroit Real Estate Board, of Detroit——

Mr. SCHAFER. Who are interested in the sale.

Mr. WOLFF. Sure.

Mr. CLANCY. Oh, no; not at all; and the other appraisal is from the city appraisers.

Mr. WOLFF. This property has now become commercially valuable, and I say you are making a mistake if you sell the property in this way.

Mr. BLANTON. Mr. Speaker, I yield my judgment on this proposition to the judgment of the minority leader, who asked me to withdraw objection, and under the circumstances I shall not oppose the bill any longer.

Mr. GARRETT of Tennessee. Mr. Speaker, this matter has been represented to me as being property of much value for business purposes; that it can be sold at this time and another site purchased in a more desirable location and a hospital erected that will accommodate an equal number to those accommodated by this hospital; that a new hospital can be erected for the sum of money that will be realized by this hospital and that there will be no expense to the Treasury. That is my

understanding, and for that reason I said I thought it was a proper bill to be passed.

Mr. SCHAFER. Will the gentleman yield?

Mr. GARRETT of Tennessee. I do not know that I have the floor, but if I do, I yield.

Mr. SCHAFER. There is no provision in this bill for appraisal. The fact that the gentleman says that the real estate board has appraised it and the city appraisers have appraised it means nothing. There is nothing in the bill that compels the Secretary of the Treasury to keep within the amount of that appraisal.

Mr. McLEOD. The appraisal has been made, $630,000.

Mr. HUDDLESTON. Will the gentleman yield? What is there in the bill to insure that a fair price will be realized on the sale of this property?

Mr. McLEOD. It will be sold by competitive bids.

Mr. HUDDLESTON. Is it so provided in the bill?

Mr. McLEOD. That is the general law.

Mr. HUDDLESTON. It will be sold by competitive bids without an upset price.

Mr. McLEOD. Does the gentleman think that will protect the Treasury? That is the regular business method.

Mr. HUDDLESTON. Does not the gentleman think there ought to be some provision for public bids and some upset price?

Mr. CLANCY. If my colleague will yield, is it not true that every American Legion post is in favor of this bill, and that several officers and American Legion posts said that they desired this legislation? It does not mean the expenditure of an additional dollar, and that they desire this more than they did the bonus.

Mr. HUDDLESTON. What does the American Legion know about this as a business transaction? What has the American Legion to do with it? It is our responsibility and it is high time that we got away from hiding behind the soldiers to put over things that ought not be put over. If this is right, do it; and if it is wrong, stop it. Let us stop trying to hide behind the American Legion.

Mr. McLEOD. Let me say that this morning the President of the United States recommended this bill.

Mr. JOHNSON of South Dakota. Mr. Speaker, this bill was originally sent to the committee on Veterans' Legislation. We gave it as careful consideration as we could, but we came to the conclusion that under the rule creating the Veterans' Committee it properly belonged to the Committee on Public Buildings and Grounds. At the request of my committee, and myself as chairman, it was referred to the Committee on Public Buildings and Grounds. The bill has had careful consideration in that committee and has been considered informally but nevertheless considered by the members of the Veterans' Legislation Committee. I see no objection to the measure. This hospital that we have in Detroit is located in the business part of the town and is no place for a hospital. This land would be appraised and sold by the Government under the same regulations, the same restrictions, that any Government property is sold, and the money would be used to purchase some other ground outside the city. It ought to be done, so that we can have an up-to-date modern hospital.

Mr. FULBRIGHT. How long has this hospital been located there?

Mr. JOHNSON of South Dakota. I think over 50 years, and the city has grown up around it.

Mr. SCHAFER. The gentleman from Michigan says that this will be sold under competitive bids. What about this language, "upon such terms as he may deem for the best interest"?

Mr. JOHNSON of South Dakota. That is whether it is cash or part payment, and so forth.

Mr. McLEOD. Mr. Speaker and gentlemen of the House, a six-year fight is nearing its close. A six-year battle in the interest of humanity, one to provide the proper medical and surgical treatment for the many Michigan boys who so gallantly responded to the Nation's call to colors in 1917 when America entered the World War, and who came back from France maimed and in dire need of proper care and attention.

Six years seems an exceedingly long time to wage a fight for right, and there is no one here—there is no one in the United States—who will deny that providing adequate hospitalization facilities for these heroes is right and just. These same mothers' sons helped conquer for the cause of right in a little over one year; these same men made untold sacrifices in the interest of right, and it is no more than justice that the United States Government should care for them in the proper manner in recognition of their great service to the Nation and to mankind.

In the year 1855 there was erected in the city of Detroit, Mich., the marine hospital with facilities enabling it to handle 80 patients. During the years that followed there sprang up a large glue factory and one of the largest, if not the largest, varnish establishment in the entire universe adjacent to the hospital. The site on which this hospital building was erected has increased steadily in value and to-day it is appraised at $630,000, and is one of the most desirable commercial locations in Detroit. The building has deteriorated to such an extent that it is now a disgrace to my fair city. It is to-day a delapidated affair, infested with rats, bugs, and vermin of all species; it is a fire trap, and to ask veterans of the great conflict, maimed men, men who are entitled to the best there is, to stay there and receive such treatment as the hospital authorities are in a position to give, which is not what it should be—to ask these men to inhale the foul odors emanating from the near-by factories, endure the nerve-racking noise, and put up with the pests that have practically seized the hospital is entirely too much.

During the last four months 140 men have been hospitalized in hospitals in Illinois and Wisconsin. Men from my city and State were sent to Chicago to have their tonsils removed, each case costing the United States Government $30. And, mind you, this is a year of Government economy.

To remedy this unusual condition, which is wholly unfair to the disabled men of Michigan, and to enable our men to receive the proper treatment at home, I introduced this bill to permit the Secretary of the Treasury to sell the old marine hospital and grounds, and with the money acquired from the sale of the land on which it stands he is authorized to purchase a new site in a more desirable neighborhood and erect thereon a modern building with a capacity of 300 beds.

Mr. Speaker and gentlemen, we are not asking for one cent's appropriation from the Federal Government. We have been assured that the money derived from the sale of the old marine hospital and the land on which it stands will enable us to meet this most urgent demand for proper hospitalization facilities in the State of Michigan. The majority of us here in Congress are in hearty accord with the administration's economy policy, and when large sums of money are sought for this and that project we ponder and give serious thought to the advisability of the appropriation. But, as I have said before, this old site will bring approximately $700,000, and with that amount we could build our new hospital without any fiscal aid from the United States Treasury.

The end of this session is growing near, Mr. Speaker, and it would be a shame indeed for Congress to deny my disabled comrades what they rightfully deserve in recognition of their heroic services for their country, their glorious fight that our great land might be saved from the hand of the militarist and the soviet.

Pass this bill giving our disabled men something that they badly need, a Government hospital in Detroit with the proper facilities to relieve their intense suffering, and those distasteful memories of days and nights on the battle fields and in the vermin-infested trenches of France, those terrible horrors that our boys viewed, will be made less vivid by an attempt on the part of their Government to help them and give them the best there is.

This is indeed a humanitarian measure, and I am sure that my colleagues will rally to this cause of right and justice. Give our boys, my comrades, a decent place where their pains can be relieved, and I trust be discharged as well men. Give them what the disabled men in other States are receiving, and these boys of Michigan will be just as grateful to Congress as Congress should be to them—men who were willing to give their all for humanity's sake.

Mr. Speaker, I am ready to yield the floor with the firm conviction that my colleagues and friends will vote for this measure to a man.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. WOLFF) there were 103 ayes and 2 noes.

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

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 314, nays 5, not voting 114, as follows:

YEAS—314

| | | | |
|---|---|---|---|
| Abernethy | Almon | Bankhead | Begg |
| Ackerman | Arnold | Barbour | Bell |
| Aldrich | Ayres | Barkley | Bixler |
| Allen | Bacon | Beers | Black, N. Y. |

| | | | |
|---|---|---|---|
| Black, Tex. | Free | Longworth | Robsion, Ky. |
| Bland | French | Lowrey | Rogers, Mass. |
| Blanton | Frothingham | Lozier | Sabath |
| Bloom | Fulbright | Luce | Sanders, Ind. |
| Box | Fuller | McClintic | Sanders, N. Y. |
| Boyce | Fulmer | McDuffie | Sanders, Tex. |
| Boylan | Funk | McFadden | Sandlin |
| Brand, Ga. | Gallivan | McLaughlin, Mich. | Schall |
| Brand, Ohio | Garber | McLaughlin, Nebr. | Scott |
| Briggs | Gardner, Ind. | McLeod | Sears, Nebr. |
| Browne, Wis. | Garrett, Tenn. | McNulty | Seger |
| Browning | Garrett, Tex. | McReynolds | Shallenberger |
| Brumm | Gasque | McSwain | Simmons |
| Buchanan | Gibson | McSweeney | Sinnott |
| Buckley | Gifford | MacGregor | Sites |
| Burdick | Glatfelter | MacLafferty | Smith |
| Burtness | Goldsborough | Magee, N. Y. | Smithwick |
| Busby | Graham, Ill. | Magee, Pa. | Snell |
| Byrns, Tenn. | Green, Iowa | Major, Ill. | Snyder |
| Cable | Greene, Mass. | Major, Mo. | Speaks |
| Campbell | Greenwood | Manlove | Sproul, Ill. |
| Canfield | Griest | Mansfield | Stalker |
| Cannon | Griffin | Mapes | Steagall |
| Carew | Hadley | Martin | Stedman |
| Casey | Hardy | Mead | Stephens |
| Chindblom | Harrison | Merritt | Stevenson |
| Christopherson | Hastings | Michener | Strong, Pa. |
| Clague | Haugen | Miller, Wash. | Summers, Wash. |
| Clancy | Hawes | Milligan | Sumners, Tex. |
| Clarke, N. Y. | Hawley | Minahan | Swank |
| Cleary | Hayden | Montague | Swing |
| Cole, Iowa | Hickey | Mooney | Swoope |
| Cole, Ohio | Hill, Ala. | Moore, Ga. | Taber |
| Collier | Hill, Md. | Moore, Ohio | Tague |
| Colton | Hill, Wash. | Moore, Va. | Taylor, W. Va. |
| Connally, Tex. | Hoch | Moores, Ind. | Temple |
| Connery | Holaday | Morehead | Thatcher |
| Cook | Hooker | Morgan | Thomas, Ky. |
| Cooper, Wis. | Howard, Nebr. | Morrow | Thomas, Okla. |
| Corning | Hudson | Murphy | Thompson |
| Cramton | Hull, Iowa | Nolan | Tilson |
| Crisp | Hull, Morton D. | O'Brien | Tincher |
| Croll | Hull, William E. | O'Connell, N. Y. | Tinkham |
| Crosser | Humphreys | O'Connell, R. I. | Underhill |
| Crowther | Jacobstein | O'Connor, La. | Underwood |
| Cullen | James | O'Connor, N. Y. | Upshaw |
| Cummings | Jeffers | O'Sullivan | Vaile |
| Dallinger | Johnson, Ky. | Oldfield | Vare |
| Darrow | Johnson, S. Dak. | Oliver, Ala. | Vestal |
| Davey | Johnson, Tex. | Oliver, N. Y. | Vincent, Mich. |
| Davis, Minn. | Johnson, Wash. | Park, Ga. | Vinson, Ga. |
| Davis, Tenn. | Johnson, W.Va. | Parker | Vinson, Ky. |
| Deal | Jones | Parks, Ark. | Voigt |
| Dempsey | Kearns | Peery | Wason |
| Denison | Keller | Perkins | Watkins |
| Dickinson, Iowa | Ketcham | Perlman | Watres |
| Dickstein | Kincheloe | Porter | Watson |
| Dowell | Kindred | Pou | Weller |
| Dyer | King | Prall | White, Kans. |
| Eagan | Kopp | Purnell | Williams, Ill. |
| Edmonds | Kurtz | Quin | Williams, Mich. |
| Elliott | Kvale | Rainey | Williams, Tex. |
| Evans, Iowa | LaGuardia | Raker | Williamson |
| Evans, Mont. | Lampert | Ramseyer | Wilson, Ind. |
| Fairchild | Lanham | Rankin | Wilson, La. |
| Fairfield | Langford | Ransley | Wingo |
| Faust | Larsen, Ga. | Rathbone | Winslow |
| Favrot | Lazaro | Rayburn | Winter |
| Fenn | Leatherwood | Reece | Woodruff |
| Fish | Leavitt | Reed, Ark. | Wurzbach |
| Fisher | Lee, Ga. | Reed, N.Y. | Wyant |
| Fitzgerald | Lehlbach | Reid, Ill. | Young |
| Fleetwood | Lindsay | Richards | Zihlman |
| Foster | Lineberger | Roach | |
| Frear | Linthicum | Robinson, Iowa | |

NAYS—5

| | | | |
|---|---|---|---|
| Huddleston | Sinclair | Wefald | Wolff |
| Schafer | | | |

NOT VOTING—114

| | | | |
|---|---|---|---|
| Allgood | Drewry | McKenzie | Sherwood |
| Anderson | Driver | McKeown | Shreve |
| Andrew | Fredericks | Madden | Spearing |
| Anthony | Freeman | Michaelson | Sproul, Kans. |
| Aswell | Garner, Tex. | Miller, Ill. | Stengle |
| Bacharach | Geran | Mills | Strong, Kans. |
| Beck | Gilbert | Moore, Ill. | Sullivan |
| Beedy | Graham, Pa. | Morin | Sweet |
| Berger | Hammer | Morris | Taylor, Colo. |
| Boies | Hersey | Mudd | Taylor, Tenn. |
| Bowling | Howard, Okla. | Nelson, Me. | Tillman |
| Britten | Hudspeth | Nelson, Wis. | Timberlake |
| Browne, N. J. | Hull, Tenn. | Newton, Minn. | Treadway |
| Bulwinkle | Jost | Newton, Mo. | Tucker |
| Burton | Kahn | Paige | Tydings |
| Butler | Kelly | Patterson | Wainwright |
| Byrnes, S. C. | Kendall | Peavey | Ward, N. Y. |
| Carter | Kent | Phillips | Ward, N. C. |
| Celler | Kerr | Quayle | Weaver |
| Clark, Fla. | Kiess | Ragon | Welsh |
| Collins | Knutson | Reed, W.Va. | Wertz |
| Connolly, Pa. | Kunz | Rogers, N. H. | White, Me. |
| Cooper, Ohio | Langley | Romjue | Wilson, Miss. |
| Curry | Larson, Minn. | Rosenbloom | Wood |
| Dickinson, Mo. | Lea, Calif. | Rouse | Woodrum |
| Dominick | Lilly | Rubey | Wright |
| Doughton | Little | Salmon | Yates |
| Doyle | Logan | Schneider | |
| Drane | Lyon | Sears, Fla. | |

So, two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following additional pairs:
Until further notice:

Mr. Treadway with Mr. Bowling.
Mr. Mills with Mr. Driver.
Mr. Anthony with Mr. McKeown.
Mr. Wood with Mr. Romjue.
Mr. Madden with Mr. Sears of Florida.
Mr. Newton of Minnesota with Mr. Quayle.
Mr. Wainwright with Mr. Celler.
Mr. Britten with Mr. Browne of New Jersey.
Mr. Hersey with Mr. Tydings.
Mr. Anderson with Mr. Woodrum.
Mr. Yates with Mr. Spearing.
Mr. Nelson of Maine with Mr. Allgood.
Mr. Sproul of Kansas with Mr. Geran.
Mr. Andrew with Mr. Morris.
Mr. Beedy with Mr. Garner of Texas.
Mr. Kelly with Mr. Ragon.
Mr. McKenzie with Mr. Salmon.
Mr. Miller of Illinois with Mr. Rouse.
Mr. Schneider with Mr. Sherwood.
Mr. Moore of Illinois with Mr. Dickinson of Missouri.
Mr. Wurtz with Mr. Taylor of Colorado.
Mr. Rosenbloom with Mr. Wright.
Mr. Nelson of Wisconsin with Mr. Tillman.
Mr. Peavey with Mr. Aswell.
Mr. Beck with Mr. Rubey.
Mr. Strong of Kansas with Mr. Carter.
Mr. Freeman with Mr. Gilbert.
Mr. Kendall with Mr. Rogers of New Hampshire.
Mr. Morin with Mr. Kent.
Mr. Reed of West Virginia with Mr. Collins.
Mr. Timberlake with Mr. Lea of California.
Mr. Knutson with Mr. Berger.

The result of the vote was announced as above recorded.

DECLARING AGRICULTURE TO BE THE BASIC INDUSTRY

Mr. HOCH. Mr. Speaker, I call up a conference report upon Senate Joint Resolution 107, declaring agriculture to be the basic industry of the country, and for other purposes, and ask its immediate consideration.

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

The Clerk read as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 107) declaring agriculture to be the basic industry of the country, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the House insert the following:

"That it is hereby declared to be the true policy in rate making to be pursued by the Interstate Commerce Commission in adjusting freight rates, that the conditions which at any given time prevail in our several industries should be considered in so far as it is legally possible to do so, to the end that commodities may freely move.

"That the Interstate Commerce Commission is authorized and directed to make a thorough investigation of the rate structure of common carriers subject to the interstate commerce act, in order to determine to what extent and in what manner existing rates and charges may be unjust, unreasonable, unjustly discriminatory, or unduly preferential, thereby imposing undue burdens, or giving undue advantage as between the various localities and parts of the country, the various classes of traffic, and the various classes and kinds of commodities, and to make, in accordance with law, such changes, adjustments, and redistribution of rates and charges as may be found necessary to correct any defects so found to exist. In making any such change, adjustment, or redistribution the commission shall give due regard, among other factors, to the general and comparative levels in market value of the various classes and kinds of commodities as indicated over a reasonable period of years, to a natural and proper development of the country as a whole, and to the maintenance of an adequate system of transportation. In the progress of such investigation the commission shall, from time to time, and as expeditiously as possible, make such decisions and orders as it may find to be necessary or appropriate upon the record then made in order to place the rates upon designated classes of traffic upon a just and reasonable basis with relation to other rates. Such investigation shall be conducted with due regard to other investigations or proceedings affecting rate adjustments which may be pending before the commission.

"In view of the existing depression in agriculture, the commission is hereby directed to effect with the least practicable delay such lawful changes in the rate structure of the country

as will promote the freedom of movement by common carriers of the products of agriculture affected by that depression, including livestock, at the lowest possible lawful rates compatible with the maintenance of adequate transportation service: *Provided*, That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and that such cases shall be decided in accordance with this resolution."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title, and agree to the same.

SAMUEL E. WINSLOW,
HOMER HOCH,
SAM RAYBURN,
*Managers on the part of the House.*

E. D. SMITH,
A. B. CUMMINS,
KEY PITTMAN,
*Managers on the part of the Senate.*

Mr. HOCH. Mr. Speaker and gentlemen of the House, I shall take only one minute on this conference report, and then yield five minutes to the gentleman from Alabama [Mr. HUDDLESTON], after which I shall ask for a vote on the conference report. This is a complete report, and in the judgment of the House conferees does not substantially change the resolution as it passed the House. There are only one or two words changed, and there is added one sentence from the Senate resolution which is in line with the policy declared in the resolution as it passed the House.

Mr. BROWNE of Wisconsin. Mr. Speaker, does the gentleman feel that this will fully satisfy the farmers of Kansas and of the West?

Mr. HOCH. I think that this will be very helpful to the farmers of Kansas and the country.

Mr. HUDDLESTON. Will not the gentleman explain what changes have been made in the paragraph over which there was controversy?

Mr. HOCH. The only change from the House resolution is in the latter part of the resolution, where the commission is directed to make such "reasonable and lawful changes" in the rates on agricultural products as are consistent with the maintenance of an adequate transportation system. The word "reasonable" is stricken out, leaving the commission to fix such "lawful" rates, and in the judgment of the conferees this makes no substantial change, as they believe that no rates can be fixed that are "lawful" which are not reasonable, "reasonable" taking into consideration all of the elements that should be taken into consideration. We have given very careful thought to it, and our judgment is that it does not substantially change the law.

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

Mr. HOCH. I can not yield further. I now yield five minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Speaker, the objectionable second paragraph of this resolution is reported by the conferees in the following form:

> In view of the existing depression in agriculture the commission is hereby directed to effect with the least practicable delay such lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture affected by that depression, including livestock, at the lowest possible lawful rates compatible with the maintenance of adequate transportation service.

By the change in conference it is directed that rates on agricultural products shall be reduced to "the lowest possible lawful rates." The word "reasonable" has been eliminated.

The descriptive term for rates carried by the transportation act and generally used is "just and reasonable." This term has been defined by the courts and its meaning is fairly well understood. I know of no construction of the word "lawful" as applied to rates, but think it must mean such a rate as is nonconfiscatory; in other words, which is not violative of the fifth amendment. The case of Smythe *v.* Ames, construing the fifth amendment, holds that a regulatory body can not make rates so low as not to yield the carrier a "just return," and that rates below that limit are a confiscation of the carrier's property and violative of the fifth amendment. I can not be certain as to the meaning of "lawful," as used in the resolution, but believe that it will be held to justify any rate which will leave the carriers such a return from all rates as will not amount to a confiscation of their property. That is the best interpretation that I can put on the word "lawful" without time for further investigation.

A reduction of rates on agricultural products may never prove not to be "lawful" where it is accompanied by rates on other commodities which will in the aggregate altogether yield the carrier a "just return." If the Interstate Commerce Commission, in reducing rates on grain and hay, should raise them correspondingly on coal, iron, and lumber, there seems to be no low limit to which they may not prefer agriculture.

The point I want to present in these few moments is, are Members of the House willing that any industry or any group shall be preferred at the expense of the general public? In the concrete, are you willing that the agricultural interests shall receive a reduction in rates, to what is below what is reasonable, and that the rates upon the balance of the country shall be held at figures which are above what is reasonable and just? If you are prepared to do that kind of thing, then accept this resolution in the form in which it is reported by the conferees. But if you feel that it is bad public policy that any interest in this country shall profit at the expense of other interests, if you feel that every interest should pay a just return for the value of service that it receives from a carrier and not impose the expense of that serivce upon some other interest, then you can not afford to vote for this resolution.

There is no time to do more than merely to give you my hasty interpretation. For my part I want to do everything possible and that is reasonable and honest for the farmers, but I would not consider it honest to the balance of the people of this country, nor would I consider it good public policy to prefer the agricultural interests at the expense of the other legitimate business interests.

Mr. JACOBSTEIN. Is it intended that this is merely an emergency measure?

Mr. HUDDLESTON. Oh, no; this is a matter of permanent policy. The resolution establishes a permanent rule of rate making, which will work incalculable injustice and harm to the general public of the United States.

The SPEAKER. The time of the gentleman from Alabama has expired. The question is on agreeing to the conference report.

The question was taken, and on a division (demanded by Mr. HUDDLESTON) there were—ayes, 170, noes 13.

So the conference report was agreed to.

### EXTENSION OF AIRPLANE MAIL SERVICE TO BOSTON, MASS.

Mr. DALLINGER. Mr. Speaker, I move to suspend the rules and pass the bill S. 3319, authorizing the extension and operation of the transcontinental airplane mail service to Boston, Mass., which I send to the desk.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Postmaster General is hereby authorized to extend and operate the transcontinental airplane mail service to Boston, Mass.: *Provided*, That the appropriations heretofore or hereafter made for the operation and maintenance of the transcontinental airplane mail service shall be sufficient for such purpose.

The SPEAKER. Is a second demanded?

Mr. CRAMTON. Mr. Speaker, I demand a second.

Mr. BLANTON. Mr. Speaker, I want to know whether the gentleman from Michigan is against this bill?

Mr. CRAMTON. One hundred per cent.

Mr. BLANTON. I make the point of order that there is no quorum present.

The SPEAKER. The Chair overrules the point of order. He has just counted a quorum.

Mr. DALLINGER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Massachusetts is entitled to 20 minutes and the gentleman from Michigan to 20 minutes.

Mr. DALLINGER. Mr. Speaker, the Post Office Department would like to have this authority. The bill as originally introduced provided that the Postmaster General was "authorized and directed." The Post Office Department objected to the words "and directed," and those words were eliminated at the time the bill passed the Senate. Now, this bill is carefully guarded as to the question of appropriations. It involves not an additional dollar of expense to the Government. There is a proviso in it which says:

> *Provided*, That the appropriations heretofore or hereafter made for the operation and maintenance of the transcontinental airplane service shall be sufficient for such purpose.

If this appropriation, already passed by Congress, for the transcontinental air mail route is sufficient, then they might experiment between New York and Boston. I want to call the attention of the House to the fact that Boston is on this transcontinental line, simply 150 or 200 miles east, and the Post Office Department would like to have this authority, and I trust the House will vote to suspend the rules and pass the bill.

Mr. Speaker, I reserve the remainder of my time.

Mr. CRAMTON. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I am using up this five minutes against this bill, knowing that it will be an uphill job to defeat it, because in this confusion it is likely that the bill will pass; but I am going to use the five minutes nevertheless, because by using it maybe the bill will not get through after all in time to be signed by 7 o'clock, when the Congress will adjourn.

A MEMBER. It will be signed then.

Mr. BLANTON. I hope and pray that it will not. It is a special class bill for air mail service through Massachusetts, and when a Member gets up and, exercising his constitutional privileges, makes a point of order to insist on a constitutional quorum being present such point of order is arbitrarily overruled.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. No; I regret I can not yield. My time is entirely too limited. When a man gets up under the Constitution and makes a proper point of order against a Massachusetts bill our splendid presiding officer gets out of humor and becomes very abrupt in arbitrarily overruling it. [Laughter and applause.]

I remember when the then very distinguished gentleman from Kansas, Mr. Phil Campbell, was presiding over the last hours of the final session of the Sixty-seventh Congress he, too, became abrupt in denying this Member his constitutional rights, and he became so abrupt that his abruptness ended in his ceasing to remain a Member of Congress. It does not pay for even Speakers to get abrupt. He ought to keep in a good humor in the closing hours of the Congress, and when a man makes a constitutional point of order if there is a quorum present he should say so in parliamentary words and not act abruptly.

This bill ought not to be passed. It is not a meritorious measure. The gentleman from Massachusetts [Mr. DALLINGER], I know, wants this bill as a political help this summer. [Laughter.] He thinks if he can pass this bill in the closing hours of Congress, giving air mail service to Boston, it will help him across the hall to another body. [Laughter and applause.] But I am not going to let him take advantage of the Speaker in any such manner. [Laughter.] I am going to see that his opponent, the distinguished Speaker of this House, gets a square deal [laughter and applause], because everyone is entitled to that.

Mr. WATKINS. Will the gentleman yield?

Mr. BLANTON. I regret that I have not time to yield, for it is very important that some one should denounce this unmeritorious measure.

Mr. SCHAFER. Will the gentleman please give us a little information as to why this bill should not be passed? [Laughter.]

Mr. BLANTON. I will tell the gentleman. This special air mail service to Boston will cost just about 15 times as much as to send it by the United States mail.

Mr. DALLINGER. As a matter of fact it will not cost anything.

Mr. BLANTON. How does the gentleman know?

Mr. GALLIVAN. Because Paul Henderson, the Second Assistant Postmaster General, says so.

Mr. BLANTON. We have had such reports from time to time, but I am willing to take the word of the distinguished gentleman from Illinois [Mr. MADDEN], our efficient chairman of the Committee on Appropriations, who has assured us that it costs 15 times as much to send the mail by air as it does by rail, and Chairman MADDEN knows what he is talking about, and I am for saving the money of the people. The gentleman from Massachusetts [Mr. DALLINGER] ought to use some other means to help himself up the ladder politically and not waste the people's money on air mail service to Boston.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. BLANTON. Yes. I could not refuse my worthy friend from California.

Mr. MACLAFFERTY. I want to say to the gentleman I want this bill passed and I am not trying to get over on the other side of the Capitol Building.

Mr. BLANTON. Mr. Speaker, the distinguished four-minute man from California has already gotten his air mail service from New York to California and now he wants to give it to Boston.

The SPEAKER. The time of the gentleman has expired.

Mr. CRAMTON. I yield three additional minutes to the gentleman.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I do.

Mr. SCHAFER. The gentleman for political purposes would rather use his taxpayers and spend thousands of dollars of the people's money to print a lot of ads in newspapers in the RECORD each day. [Laughter and applause.]

Mr. BLANTON. Printing those newspaper advertisements in the RECORD showing that hundreds of residences and apartments were being advertised for rent in Washington at the very time Congress was declaring an emergency and extending the Rent Commission for another year, was used by the courts in declaring the law unconstitutional and saving the people's money.

Possibly, too, the gentleman has in mind the fact that I spent a few dollars last night to put some pertinent, material facts in the RECORD about the so-called surplus bill and thereby saved the people of the country about $4,500,000, which was sought to be taken out of the Treasury, as such facts stopped the passage of that bill to-day.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield further?

Mr. BLANTON. No; I regret exceedingly that I can not yield further, as my time is limited.

The gentleman from California [Mr. MACLAFFERTY]—and, by the way, he is one of the most affable colleagues that we have—already has his mail service by air from New York to San Francisco and Los Angeles. Now he wants to have air mail service connection from Boston to San Francisco.

Mr. MACLAFFERTY. We do. We want to be connected with the Hub by air. [Applause.]

Mr. BLANTON. Of course. He should worry! The people are to pay for it. I want to say this to the gentleman from California, that this special air mail service should pay its own way, and when you fix it so that it pays its own way I will vote for it. But when you let a letter go from Boston by air mail for 2 cents——

Mr. GALLIVAN. It is to be 24 cents.

Mr. BLANTON. I am talking about what was once proposed by the department.

Mr. SNELL. It is 18 cents now.

Mr. BLANTON. Well, if you fix it so that it pays its own way I will vote for it.

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

Mr. BLANTON. Yes.

Mr. DALLINGER. The business men of Boston will be willing to pay the whole expense.

Mr. BLANTON. Very well. Put it in the bill that way as an amendment and I will vote for it. But it is not now so written in the bill. [Applause.]

Mr. DALLINGER. Mr. Speaker, I yield three minutes to my colleague from Massachusetts [Mr. CONNERY].

The SPEAKER. The gentleman from Massachusetts is recognized for three minutes.

Mr. CONNERY. Mr. Speaker and gentlemen, I dislike very much to disagree with my amiable friend from Texas [Mr. BLANTON], who says the Speaker does not always display good humor when he, the gentleman from Texas, rises to a point of order, especially on a Massachusetts point of order. I want to say to the gentleman from Texas that he himself has kept me in good humor all during this session. Neither is this bill a question of senatorial aspirations between the gentleman from Massachusetts over here, referring to Mr. DALLINGER, and the gentleman from Massachusetts up there, referring to the Speaker. [Applause.] As a Democrat from Massachusetts, I wish to say that the people of my great State are intensely interested in this matter of the Air Mail Service not only because it will affect Boston but because it affects the whole United States.

I was speaking here on one occasion when the gentleman from Illinois [Mr. MADDEN] interrupted me to raise a point of order to the effect that I was not then speaking on the matter that was pending. I wished at that time to speak upon a proposed air mail service item, and I emphatically favored raising that item from $1,500,000 to $8,000,000. I did not know at that time that Boston was to be included, and I was not so much interested in it as a local affair as in its being a means of national defense. I with others have stood here and

asked Congress to appropriate money for the Air Mail Service. I believe in a great air force for defense in time of war and for commerce in time of peace. Future wars will be in the air. I am in favor of this bill and I want to see it pass not because of any senatorial considerations but because it is for the benefit of the people of Massachusetts, and not only them but the people of the whole country.

Mr. DALLINGER. Mr. Speaker, I yield two minutes to my colleague from Massachusetts [Mr. FROTHINGHAM].

The SPEAKER. The gentleman from Massachusetts is recognized for two minutes.

Mr. FROTHINGHAM. Mr. Speaker, this is a matter of importance not alone to the city of Boston, but even to the Jumbo district of Texas, because it will carry letters from there across this route to Boston and all over the country. Now I have reported a bill from the Committee on Military Affairs, the purpose of which is to provide that helium gas shall be used in rigid airships, and practically all of that helium gas is found now in the State of Texas. It is noninflammable, and that is why it is so useful in airships, and if it had only been used on the *Dixmude*, which blew up, and if it had been used on the *Roma*, instead of hydrogen, those airships would not have been blown up. This is a noninflammable gas, and sooner or later I hope the bill I have referred to will go through. That bill, like this one, will provide for a service which is useful not only in time of peace for commercial purposes, but as a great asset in the way of national defense, whether it is helium gas coming from Texas to be used in the rigid airplane or whether it is these airplanes to carry mail in time of peace. It is a proposition that interests the whole country. I hope the bill will pass. [Applause.]

Mr. CRAMTON. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, to extend the Air Mail Service to Boston is nonsense [applause], nothing more or less. In the first place, air mail service is impracticable on any distance less than 1,000 miles. If you can not run the Air Mail Service for 1,000 miles or more you had better not run it at all, because the trains will get the mail to points covering a distance of 500, 600, or 700 miles quicker than the airplanes will, because the trains run at night while the airplanes run only in the daytime, except on the specified route that is lighted between New York and San Francisco.

The plan has been to run the Air Mail Service between New York and San Francisco simply for experimental purposes, and anything more than that is pork barrel, ought not to be done, and ought not to be tolerated. You can not carry mail at $5.35 a ton-mile as a commercial proposition, and that is what it has been costing. It is true they have reduced the cost to $2.40 a ton-mile, and it may be true that some time in the distant future they will reduce that cost to 60 cents a ton-mile; but to say that we will send mail by air instead of by train over a route where the train can arrive sooner than the airplane can is not only expensive but unwise and nonsense. It ought not to be done, and this bill ought not to pass. [Applause.]

Mr. CRAMTON. Mr. Speaker, how much time did the gentleman yield back?

The SPEAKER pro tempore (Mr. SNYDER). The gentleman from Illinois used three minutes.

Mr. DALLINGER. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Speaker, despite the lecture delivered by my colleague from Abilene, Tex., I am going to be abrupt; abrupt in speech.

This bill does not call for one cent of appropriation. Far be it from me to cause a rift in any family in Congress, but I was on the subcommittee of the Committee on Appropriations, before which appeared the distinguished son-in-law of the gentleman who has just spoken, Col. Paul Henderson, Second Assistant Postmaster General, and one of the ablest men in the Government service. He is the man whom I now quote, and he said they would reduce the cost to 60 cents, and, therefore, I disagree with the chairman of the Committee on Appropriations when he stands here and tells Congress it would be absurd to carry this Air Mail Service to Boston. Col. Paul Henderson, as I said before, one of the ablest men in the Government service, and son-in-law of MARTIN MADDEN, was an enthusiastic sponsor of this piece of legislation, and he converted me, whole soul and heartedly, for the passage of the bill.

Mr. MADDEN. He may have converted the gentleman to the Air Mail Service, but not to this proposition.

Mr. GALLIVAN. Therefore I appeal to the House to stand for this simple request from Massachusetts, and, my Democratic friends, this is not a contest between the candidate from Cambridge, Mass., for the United States Senate, and the distinguished Speaker of this House.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. GALLIVAN. Yes.

Mr. MACLAFFERTY. Did not the gentleman think, in listening to the distinguished gentleman from Illinois, of the argument made against the steamboat when Fulton first suggested it?

Mr. GALLIVAN. I was rather amazed to hear the speech of my leader, whom I am always proud to follow.

Reference has been made that the reason for this bill is because the gentleman from Cambridge, Mass. [Mr. DALLINGER], the sponsor of the bill, is a candidate for the Senate against the distinguished Speaker, who comes from Springfield, Mass. Such a contest has nothing whatever to do with the present bill. I can assure my Democratic friends that when they get through fighting, we, in Massachusetts, will triumphantly reelect the junior Senator from our State in the person of Hon. DAVID I. WALSH. [Loud applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 966) for the continuance of construction work of the San Carlos irrigation project in Arizona, and for other purposes.

The message also announced that the President pro tempore had appointed Mr. WADSWORTH and Mr. FLETCHER members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1888, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the War Department.

## SECOND DEFICIENCY APPROPRIATION BILL, 1924

Mr. MADDEN. Mr. Speaker, I present a conference report on H. R. 9559, the second deficiency appropriation bill for 1924.

The SPEAKER. The gentleman from Illinois presents a conference report, which the Clerk will report.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9559) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1925, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 32, 35, and 36.

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment insert the following: "*Provided*, That no part of the sums herein appropriated shall be used for the commencement of construction work on any reclamation project which has not been recommended by the Commissioner of Reclamation and the Secretary of the Interior and approved by the President as to its agricultural and engineering feasibility and the reasonableness of its estimated construction cost"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$375,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$315,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33,

and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert: "$375,000"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 29, 34, 58, and 59.

F. E. WARREN,
CHARLES CURTIS,
W. L. JONES,
LEE S. OVERMAN,
WM. J. HARRIS,
*Managers on the part of the Senate.*

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
*Managers on the part of the House.*

Mr. MADDEN. Mr. Speaker, the conferees, after further meeting, have reached the following agreement: We put in the general clause which is involved in amendment No. 27, with a limitation that no part of the sums appropriated shall be used for the commencement of construction work on any reclamation project which has not been recommended by the Commissioner of Reclamation and the Secretary of the Interior and approved by the President as to its agricultural and engineering feasibility and the reasonableness of its estimated construction cost.

Then the Senate, in amendment No. 28, had $800,000 for the Guernsey Reservoir, to which the House conferees have agreed, and this was estimated by the Budget. On amendment No. 30, Salt Lake Basin, the Senate had an amendment for $1,500,000 and the House conferees reduced that to $375,000. On amendment No. 31, the Owyhee irrigation project, Oregon, the Senate had $1,250,000, and the House conferees reduced that to $315,000. On amendment 32, Warm Springs, Oreg., the Senate had $250,000, and they receded from that. On No. 33, the Kittitas unit of Yakima project, Washington, the Senate had $1,500,000, and they receded down to $375,000. On amendment No. 35, for the development of oil shale, $90,000, the Senate receded. On No. 36, the Yuma and Carlsbad project, $1,047,000, the Senate receded.

So that while the Senate had in all $7,147,088 on reclamation project appropriations, in this last conference the Senate receded from $1,482,088 and the House conferees agreed to $1,865,000.

There is still in disagreement one item of $800,000, which the House conferees brought back in disagreement. This item of $800,000 is for the Spanish Springs irrigation project, Nevada.

We also brought back the legislation on amendment No. 34, which provides that there shall be a bureau of reclamation within the Department of the Interior, with a bureau chief, at a salary of $10,000 per annum. We brought back that amendment in disagreement.

Amendment No. 58, the reclamation legislation, to which we called attention this afternoon, has been brought back in disagreement.

Mr. LONGWORTH. Will the gentleman yield to me?

Mr. MADDEN. Yes.

Mr. LONGWORTH. On the whole, I gather from what the gentleman has said, that the Senate has made a very substantial recession.

Mr. MADDEN. There have been $4,482,088 reduced from the Senate amendments.

Mr. LONGWORTH. And the vital thing remaining is the law known generally as the reclamation relief law?

Mr. MADDEN. Yes; of course, it may be said, as I stated a moment ago, that what we did appropriate we surrounded with safeguards to prevent the expenditure of the money until the Secretary of the Interior and the Director of the Reclamation Service and the President of the United States certified and approved it.

Mr. LONGWORTH. The gentleman from Illinois will ask the House to agree to the amendments on which he has receded?

Mr. MADDEN. Yes.

Mr. LONGWORTH. And will submit to the House the question of the adoption of the law?

Mr. MADDEN. Yes; for such action as the House may think proper to take. Mr. Speaker, I move the previous question on the conference report.

Mr. SNELL. Will the gentleman yield to me for one question before doing that?

Mr. MADDEN. Yes.

Mr. SNELL. Does not the gentleman think they have receded as far as you could expect them to under the circumstances?

Mr. MADDEN. I would not say as far as we could expect, but as far as we were able to get them.

The previous question was ordered.

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

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 29, page 34, after line 4, insert:

"Spanish Springs irrigation project, Nevada: For continued investigations, commencement of construction, and incidental operations, $800,000."

Mr. MADDEN. Mr. Speaker, I move the House further insist on its disagreement to that amendment.

Mr. SMITH. Mr. Speaker, I submit a preferential motion that the House recede and concur in the Senate amendment.

The SPEAKER. The gentleman from Idaho makes the preferential motion that the House recede and concur.

The question was taken, and the motion was rejected.

The SPEAKER. The question now is on the motion of the gentleman from Illinois that the House further insist on its disagreement.

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

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

There is hereby established in the Department of the Interior a bureau of reclamation, and there shall be a director of the said bureau, who shall be thoroughly equipped for the duties of said office by technical education and experience, and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive a salary of $10,000 per annum, and there shall also be in the said bureau such experts and other employees, to be appointed subject to civil service laws and regulations, as may be required to carry out the purposes of the reclamation act of June 17, 1902 (32 Stat., p. 388), and acts amendatory thereof or supplementary thereto, in accordance with the appropriations made from time to time by Congress for such purposes.

Mr. MADDEN. Mr. Speaker, I move that the House further insist on its disagreement.

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

Mr. MADDEN. The next amendments are Senate amendments 58 and 59. They are long amendments covering several pages. I ask that they be considered together and voted on as one amendment, and without reading.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendments 58 and 59.

Mr. FRENCH. Mr. Speaker, I offer a preferential motion that the House recede and concur in the Senate amendments 58 and 59.

Mr. MADDEN. I yield five minutes to the gentleman from Idaho [Mr. FRENCH.]

Mr. FRENCH. Mr. Speaker and gentlemen, a minute will clear up this situation. So far as the several items of appropriation for the various projects are concerned that were put on by the Senate and to which the House has just agreed, they have been tied down so carefully by requiring that the projects, before the expenditure of any money, shall be approved by the Secretary of the Interior, the Reclamation Service, and the President of the United States, that greater safeguards have been thrown around them than have attached to any other project that has been authorized by Congress in 20 years.

More than that, if the House shall support my motion to concur in the legislative amendment, there will be provided a more adequate means of determining the value and worthwhile character of any project than has heretofore obtained.

But what is this legislative amendment? In substance, it is the Smith reclamation relief bill that has been reported from the House Committee on Irrigation of Arid Lands and which is now upon the House Calendar.

It provides for a reorganization of the Bureau of Reclamation. It provides for a more adequate manner of ascertaining facts prior to the undertaking of future reclamation work. It provides for relief to the settlers upon the reclamation projects throughout the West. It provides that hereafter all construction charges shall be based upon the productive power of the land. It provides that all delinquent construction and maintenance charges, including interest and penalties, shall be covered into one amount, and that a moratorium or deferment

of payment for three years shall be granted. It provides that penalties for delinquent accounts shall be reduced from 1 per cent per month to one-half of 1 per cent. The amendment carries no appropriation but it carries an authorization for future investigation work that will rest in the hands of future Congresses.

Why should this amendment be approved?

National reclamation was undertaken between 20 and 22 years ago, and since that time more than 2,000,000 acres of land have been reclaimed and homes provided for more than 32,000 settlers. Towns and cities within projects or near them furnish homes for thousands more.

Until last March 31 the Government had expended more than $152,502,000 in reclamation work, and had received in return from settlers nearly $18,000,000—most of the balances falling due in periods ranging up to 20 years.

The settlers are in arrears nearly $6,000,000 at this time, and conditions upon the projects are such that unless relief shall be furnished thousands of settlers will be forced to lose their homes and to lose in addition to the lands themselves investments and accumulations that represent years of struggle and sacrifice.

When the reclamation law was passed 22 years ago it was generally supposed that the cost of reclamation would be approximately $25 to $60 per acre.

With this understanding it was provided that payments for reclamation would be made to the Government by the settlers over a period of 10 years.

On account of unforeseen conditions that entailed additional expenses, and on account of increased prices of materials and more extensive work than was planned in the beginning, the costs of reclamation per acre mounted to such an extent that within 10 years of the time the first law was passed it was found that the costs per acre had mounted to twice the original estimates.

It was apparent that if 10 years was a reasonable time within which the first estimated costs should be repaid, on the basis of the new costs the time of payment should be extended to 20 or 30 years, and in 1914 we extended the time of payment to 20 years.

The World War came on, and one of the immediate results of the World War was to double the prices of building materials, of labor, of agricultural implements, of commodities generally required by the settlers or by the Government in reclamation work. Freight rates were increased 60 to 70 per cent, and they are now between 50 and 60 per cent above what they were before the war.

The cost of construction upon projects has increased still further, until to-day the estimate for reclamation work runs from $60 to $150 per acre.

Prices of farm commodities have increased but slightly beyond what they were 10 years ago.

From the foregoing it must be apparent that if 10 years was a reasonable time within which the first payment should have been made and 20 years was a reasonable time within which, upon the basis of new conditions, payments were required following 1914, present conditions imperatively demand that a moratorium be granted and that the time of payment be spread over a longer period.

If this shall not be done, thousands of settlers will lose their homes; their places will need to be taken by new settlers. In this process the Government will not gain. On the other hand, the Government will lose, and why? Reclamation projects will lose, and why?

Both questions can be answered by the simple statement that the present settlers upon the projects better than any new settlers will know the problem with which they are face to face and can come more nearly to making a success of it than can any new settlers who will be placed upon the lands.

The proposition of the pending bill is not only a relief proposition for settlers but it is a business proposition for the Government and for the Reclamation Service.

Mr. SINNOTT. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. SINNOTT. This has been worked out by the House committee and the fact finding committee.

Mr. FRENCH. Yes; it has been reported by the legislative committee and represents the work of the fact finding committee appointed by the Secretary of the Interior. In substance it is backed by the Secretary of the Interior, the Reclamation Service, and the President of the United States. If you want to do the right thing by these settlers, the right thing by the Government, let me beg the Members of the House to agree to the Senate provision amending the bill. [Applause.]

Mr. MADDEN. I yield two minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Speaker, this bill appropriates outright $100,000 for certain investigations. In addition, it provides that all money for investigations will hereafter come out of the general funds in the Treasury instead of out of the reclamation fund as heretofore, chargeable to each project benefited. That will mean several hundred thousand dollars a year. In addition, they have a provision that will permit them to have the money for 35 to 50 years without interest, instead of 20 years, going much further than the House committee has recommended. We have accepted the Senate provision beginning the projects. We have receded on that, and it ought to be up to the Senate to recede and strike out this matter of legislation that ought never to have been placed in this bill. [Applause.]

Mr. MADDEN. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Speaker, I make no pretensions to being an authority on matters of reclamation. I can see the justice of the position taken by the gentleman from Michigan and others that we ought not to act hastily on matters of such moment as these, but it is a very practical condition that confronts us. We must adjourn at 7 o'clock to-night. I am persuaded that if this matter was sent back to conference great delay might occur. The Senate has yielded on most of the propositions they have advanced.

Mr. CRAMTON. Does not the gentleman know that the only yielding is in amount, but they get the beginning of their projects, which means that millions of dollars will be necessary to follow in each case?

Mr. LONGWORTH. Mr. Speaker, as I say, I do not pretend to be an expert, but I submit that the Senate has yielded in a very substantial degree on a preponderating proportion of the matters in disagreement. I think under all of the circumstances that the wise thing for this House to do is to concur in this amendment so that we may adjourn. [Applause.]

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Idaho that the House recede from its disagreement to the Senate amendment and concur in the same.

The question was taken; and on a division (demanded by Mr. FRENCH) there were—ayes 122, noes 65.

So the motion to recede and concur was agreed to.

Mr. MADDEN. That is all, Mr. Speaker.

The SPEAKER. The Chair understands that there are two amendments still in disagreement.

Mr. MADDEN. Yes; Mr. Speaker. We will let the Senate ask for a conference, if they want it.

### COMMITTEE TO NOTIFY THE PRESIDENT

Mr. LONGWORTH. Mr. Speaker, I present the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 355

*Resolved*, That a committee of two Members be appointed by the House, to join a similar committee appointed by the Senate, to wait upon the President of the United States to inform him that the two Houses have completed the business of the present session and are ready to adjourn, unless the President has some other communication to make to them.

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

The resolution was agreed to.

The SPEAKER. The Chair appoints the gentleman from Ohio [Mr. LONGWORTH] and the gentleman from Tennessee [Mr. GARRETT].

### EXTENSION OF AIRPLANE MAIL SERVICE TO BOSTON, MASS.

The SPEAKER. When the business of the House was interrupted to take up the conference report, the matter before the House was the motion of the gentleman from Massachusetts [Mr. DALLINGER] to suspend the rules and pass the bill S. 3319, authorizing the extension and operation of the transcontinental airplane mail service to Boston, Mass.

Mr. DALLINGER. Mr. Speaker, I call the attention of the House before we vote on the matter to the fact that I introduced the bill at the suggestion of the Second Assistant Postmaster General, who is anxious to have authority, and I say that the business men of Boston do not expect to have this service unless the charge to them is sufficient to pay the expense. This simply authorizes them to do this. I hope the House will act favorably upon the motion to suspend the rules and pass the bill.

Mr. CRAMTON. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Speaker, I am in thorough sympathy with Massachusetts in their program for economy. [Applause and laughter.] This bill does not mean what the two last speakers have said it means with reference to economy. The proviso in the bill reads as follows:

That the appropriations heretofore or hereafter made for the operation and maintenance of the transcontinental airplane mail service shall be sufficient for such purpose.

That means that after we authorize the carrying of the mail off the line down to Boston, it will be an obligation on the part of the American Congress to appropriate for that purpose, and I say to you, Mr. Speaker, being in sympathy with the program for economy, that if Boston is entitled to this, then every other important city off that line is entitled to it, and the description of the gentleman from Illinois that this is a pork barrel, and a pork barrel pure and simple, is accurate to the minutest detail.

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

Mr. TINCHER. No; I think I can talk as well against this as the gentleman can, and he is surely against this. [Laughter.] I want to say, Mr. Speaker, that I hope that the Sixty-eighth Congress in its first session will not pass a bill of this kind without any proposal for consideration. There is absolute misrepresentation as to the expense on the part of the Government before the House, and I hope that we can rouse up enough votes to defeat this bill.

Mr. DALLINGER. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker and gentlemen of the House, this bill is simply permissive. If the Postmaster General can not furnish the mail service economically, he does not need to do it. The gentleman from Kansas [Mr. TINCHER] says that this measure smacks of the pork barrel. Let me tell him that the shoe is on the other foot. On the Consent Calendar of this House to-day there are two bills under which the post office is to be authorized to make contracts with private parties for the operation of the Air Mail Service. They are H. R. 6942 and H. R. 7064. Gentlemen, the same fight is being made against this new industry as was made by the stage coaches against the railroads when they were in their infancy. There are contractors who are now speculating on the juicy prospects of the air mail business. They are to a great extent the same men, or identified with the men, who have robbed this Government out of millions of dollars with their war-time air experimentation. Beware of cormorants flying low watching for the opportunity to grab this infant industry.

Gentlemen, the Postal Service is administering the Air Mail Service honestly, economically, and satisfactorily. They should be encouraged to enlarge and develop it. As to the statement of the gentleman from Illinois [Mr. MADDEN] that it costs $6 to operate this air mail per mile, I have here the testimony of Colonel Shaughnessy, who admitted, on page 294 of the hearings, that it is only costing the Air Mail Service 75 cents per mile.

What, then, will be the cost of carrying this mail 225 miles from New York to Boston or vice versa? It will cost $168.75 to carry 800 pounds of mail, containing 3,200 letters, which will represent to the Government, at 20 cents a letter, $640. There is a profit to the Government, if you please, of $471.25—sufficient to tempt the avarice of these gentlemanly contractors, the friends of my friend from Kansas [Mr. TINCHER], who are waiting for an opportunity to inaugurate another star-route scandal in the mail service, and reap the profits that ought to go to the Government and people of the United States. [Applause.]

I herewith append to my remarks the report of the Committee on the Post Office and Post Roads on H. R. 7064, and ask my good friends to note that my apprehensions are more than confirmed.

First, it says that "the hearings were attended by representatives and individuals, firms and corporations interested in commercial aviation."

Why did they not invite some one to testify who was disinterested and who had no ax to grind?

Second, look at Postmaster New's letter, quoted in the report, in which he urges that the "contractor carrying mail should be paid a certain proportion of the postage."

Gentlemen, there is no more reason to employ contractors to carry the air mail than there is to give them the contract to run the motor trucks that carry the mail on the surface.

Well, here is the report. Digest it and deliberate on it. The Air Mail Service is a success. It can not be stopped. It is going to develop and grow until it will carry more mail than the railroads.

Perhaps this is one of the reasons why the Government development of the Air Mail Service is opposed. I do not know. Judge for yourselves:

[Sixty-eighth Congress, first session]

(Report No. 730, to accompany H. R. 7064)

The Committee on the Post Office and Post Roads, having had under consideration the bill (H. R. 7064) to encourage commercial aviation and to authorize the Postmaster General to contract for air mail service, reports the same back to the House with the recommendation that the bill do pass.

This bill was referred to a subcommittee for a hearing.

These hearings were attended by representatives and individuals, firms and corporations interested in commercial aviation, all of whom expressed the opinion that the measure is a big step forward tending to the establishment of transportation by air on a sound basis.

The objection to all previous proposals for the establishment of contract air mail service has been the demand for a subsidy in the form of a guaranteed load at a fixed price. The present bill provides for the payment of the contractor upon a basis of four-fifths of the revenue derived from the mail carried by air, which is in no way a charge upon the postal revenues.

The report of the Postmaster General on this bill follows:

OFFICE OF THE POSTMASTER GENERAL,
*Washington, D. C., February 23, 1924.*

Hon. W. W. GRIEST,
*House of Representatives.*

MY DEAR MR. GRIEST: Replying to your letter of February 19, with which you inclosed a copy of a bill (H. R. 7064) to encourage commercial aviation and to authorize the Postmaster General to contract for air mail service, which was referred for my consideration and recommendation.

Your attention is invited to my letter of February 18 replying to your communication of the 14th relative to a similar bill, H. R. 503.

In that letter I stated that in my opinion any bill naming a flat rate per ton-mile, per ship-mile, or per pound-mile will not be a satisfactory way to approach the problem. I believe that the contractor carrying mail should be paid a certain proportion of the postage, and it appears that in H. R. 7064 the objectionable features have been eliminated.

Very truly yours,

HARRY S. NEW, *Postmaster General.*

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, including some suggestions as to this legislation, which I think would be effective now if the House cares to hear them, which I fear it does not.

The SPEAKER. Is there objection?

Mr. HILL of Maryland. Reserving the right to object, are they the gentleman's own remarks?

Mr. CRAMTON. Yes; and I will give them now, if the House desires to hear them.

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

Mr. CRAMTON. Mr. Speaker, under leave granted me, I simply want to say that this proposal should be defeated as the entering wedge for a pork-barrel aviation mail service.

This year, when the post-office appropriation bill was pending in the House, I made a point of order against the $1,500,000 proposed for the Air Mail Service. I knew a radical increase was proposed in that item, and by the point of order stopped the matter at that time. I said then I was moved by a desire to forestall any pork-barrel increases. The Senate restored and increased the item, and it became law at $2,750,000, a quarter of a million less than was proposed by the advocates in the House. That sum fully provides for complete experimentation on a through route from coast to coast, from New York to San Francisco. It provides for night flying and a 30-hour schedule across our whole country. It provides for increase of the carrying capacity of the planes to a ton instead of 500 pounds, and the department is to charge a special rate for this service instead of the ordinary rates as heretofore.

This route and program give full opportunity for mechanical testing and all aerial and service experimentation.

The cost for carrying mail by train is about 11 cents per ton-mile. They have brought the cost down to $2.60 per ton-mile in the air, taking all matter offered without regard to special rates of postage.

It is claimed if the planes carry the full capacity of 1 ton that will reduce the cost per ton-mile to a little over 60 cents, six times the rail rate. The increased rate for this special service to be put in effect, it is alleged, will make the service self-sustaining, but that will depend upon there being enough of the special-rate mail to fill the planes to capacity.

The proposed New York to San Francisco program gives ample opportunity for this sort of experiment.

Any extensions now to Boston or elsewhere have no importance, except to gratify local pride. That pride runs about as strong in one place as another, and many other Members here are as keen to please as is my very valued colleague from Massachusetts [Mr. DALLINGER].

This extension to Boston I oppose as the entering wedge. If allowed, next will come demand from Detroit, Washington, Philadelphia, New Orleans, Minneapolis, Denver, San Diego, Seattle, and many other cities for such service, and if enough join together, there being strength in union, you have a new and very modern pork barrel on tap.

The Treasury will not afford such sops to local pride while the service is as big a loser financially as at present.

Think of the inconsistency of our passing this bill to-day, the day the most distinguished son of Massachusetts vetoes the postal salary raise bill, correcting so many serious inequalities and inadequacies in pay, vetoed because of a need to avoid extravagance. Think of our passing a bill this same day to extend the air service to the metropolis of the President's home State.

Whatever may be the financial aid to be expected in this service from the people of Boston, there is nothing in the bill to prevent using a portion of that $2,750,000 appropriation. It is extravagance, not great in the beginning, but the forerunner of millions of waste if not stopped. Stop these extensions before they begin.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts to suspend the rules and pass the bill.

The question was taken; and the Speaker announced, in the opinion of the Chair, two-thirds did not vote in the affirmative.

Mr. DALLINGER. Division, Mr. Speaker.

The House divided; and there were—ayes 75, noes 128.

So the motion to suspend the rules was rejected.

PERSONAL PRIVILEGE

Mr. YOUNG. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. YOUNG. I ask permission to address the House for seven minutes.

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

Mr. YOUNG. Mr. Speaker and colleagues, this is my last day of service in the House of Representatives. I want to say that I am just as fond of the Members of this House and just as reluctant about severing my relations with them as was the gentleman from Illinois [Mr. GRAHAM] who spoke so beautifully this morning. I want to say frankly that I was not a candidate for reelection, and I am leaving this House because I can not afford to serve here longer on the salary paid to a Congressman. [Applause.] Our family is small, and as you all know, we live modestly. Notwithstanding this our expenditures have gone decidedly over my salary. If we had not saved up some money while I was practicing law before coming here I would have quit Congress long ago. That is the experience of many others.

There are some things that people throughout the United States either overlook or are not familiar with in connection with what a Congressman must pay to live and his necessary outlays. In the first place, some of them forget that he must maintain two homes, one in his district and one in the city of Washington. They perhaps do not know that the living costs at the Capital are very much higher than they are in practically all the districts represented in the House. A Congressman must entertain more in Washington than in his home district. This is expected on account of the position he holds and it is really necessary. The daily sessions of the House are much longer than they are generally thought to be, averaging over five hours a day, and the departments of the Government are very much further separated from our offices than is generally thought. The nearest department is over a mile from my office, others are 2 and 3 miles away. Now those two things coupled together make it necessary either for a Congressman to keep an automobile and stand the expense of the upkeep of it or pay a very substantial amount for taxi hire. There are a number of small items I might give you that in themselves do not look large but taken together really run into quite a large amount. I only mention two or three of them. The subscriptions for church and charity and for other things of that kind that a man makes in his home district must be very largely duplicated when he comes to the city of Washington. It is necessary for one to subscribe for a large number of home papers if he wants to keep up with what is going on there and understand the conditions of his district.

He must also pay a very substantial income tax on a salary that is not big enough to pay his expenses here. I might give a number of other illustrations of that kind.

I think it is very proper to put in election costs as a proper part of a Congressman's expenses. If they are not, it means that a poor man can not aspire to serve in this House; only men of means can aspire to serve in this House if you say election expenses are not a proper part of a Congressman's outlay.

Again, a man without money saved up for a rainy day ought to carry a very substantial amount of life insurance. Congressmen who are either only breaking even or going behind are the very ones who ought to carry enough life insurance to protect their families, and that costs considerable money. A former Member from Georgia, William Schley Howard, said that the average Congressman was only three minutes ahead of the sheriff. [Laughter.] I think that is largely true. I venture this assertion, that a Congressman must either run behind or take the hazard of leaving his family penniless at the time of his death and also subject to other hardships not experienced before they came down to Washington.

As a general principle of sound government the salary of a Congressman should be sufficient so that any man of character and ability, without regard to his means, can aspire to become a candidate for Congress or to remain in Congress. Of course, I feel quite sure that you are not likely to vote to raise your own salaries, preferring to submit to hardships. Still, I believe that if you do not do this, you are going to do an injustice to your families and you are going to prevent many men of real worth from coming here who might otherwise aspire to come here for service n this House. [Applause.]

Now, I want to make this suggestion to you: I do not want any of you gentlemen to pay any hotel bills in New York after this. [Laughter and applause.] For that purpose I want you to write down my address, which is "641 Washington Street, New York." [Applause.]

Mr. BARKLEY. What was it? I did not catch it. [Laughter.]

Mr. YOUNG. "641 Washington Street, New York."

Mr. BANKHEAD. Does that apply during the Democratic Convention? [Laughter.]

Mr. YOUNG. It surely does.

After having served in Congress for almost 12 years, I want to say that I have only two ambitions left. First, I want to make a good judge [applause], and second, I want to put all the big hotels in New York out of business. [Laughter and applause.] Gentlemen, I thank you very much for the many courtesies you have extended to me. I shall be your friend for all time. You will always have a warm place in my heart. God bless you all. [Applause, the Members rising.]

Mr. OLDFIELD. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. OLDFIELD. Mr. Speaker, after several years' service on the Committee on Ways and Means with the distinguished gentleman from North Dakota [Mr. YOUNG], I want to say that I bespeak the feeling of every member of that committee, and especially those on the Democratic side, when I say that we hate very much to lose him from that committee. [Applause.]

Mr. YOUNG was a faithful member, one of the most hard-working men on the committee. He worked in season and out of season for the things he believed in. He was conscientious in that work, and I, for one, want to say that I shall miss him a very great deal indeed. I know that he has the good wishes of every member of the committee, and I feel sure he has the good wishes of every Member of this House. [Applause.] We shall always give him the glad hand when he sees fit to visit the House and to visit us personally. We regret that he is to go. [Applause.]

EXPENSES OF A SELECT COMMITTEE

Mr. MACGREGOR. Mr. Speaker, I present a privileged report from the Committee on Accounts.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Accounts, which the Clerk will report.

The Clerk read as follows:

House resolution (H. Res. 336) authorizing the select committee appointed under House Resolution 325 to employ stenographic and other assistance, and for other purposes

*Resolved*, That the Judiciary Committee, authorized under the provisions of H. Res. 325, adopted May 23, 1924, to make inquiry into the official conduct of William E. Baker, United States district judge

for the northern district of West Virginia, is hereby authorized to employ such stenographic, legal, and clerical assistance as it may deem necessary.

*Resolved further*, That all expenses incurred by said committee under the provisions of H. Res. 325, including the expenses of such committee or any subcommittee thereof when sitting outside of the District of Columbia, shall be paid out of the contingent fund of the House of Representatives on vouchers, ordered by said committee, signed by the chairman of said committee, and approved by the Committee on Accounts, evidenced by the signature of the chairman thereof: *Provided, however*, That the total of expenditures authorized by this resolution shall not exceed the sum of $5,000.

With committee amendments as follows:

Amend the title by striking out the words "select committee appointed under H. Res. 325" and insert the words "Judiciary Committee."

Page 1, line 2, strike out the figures "23" and insert the figures "22."

Page 1, line 6, strike out both the commas and the word "legal."

Page 1, line 13, strike out the first comma and the word "ordered" and insert the word "submitted."

Page 2, line 5, strike out the figures "$5,000" and insert "$2,500."

Mr. MACGREGOR. Mr. Speaker, I move the adoption of the committee amendments.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

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

The resolution as amended was agreed to.

ADDITIONAL CLERK FOR COMMITTEE ON ALCOHOLIC LIQUOR TRAFFIC

Mr. MACGREGOR. Mr. Speaker, I present another privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from New York presents a privileged resolution from the Committee on Accounts, which the Clerk will report.

The Clerk read as follows:

House Resolution 345

*Resolved*, That the Committee on Alcoholic Liquor Traffic be authorized to employ a clerk for this session of the Sixty-eighth Congress, appointment to be made by the chairman of the committee. Compensation is to be at the rate of $100 per month from date of employment, and is further authorized to have such printing done as it may require.

*Resolved further*, That the committee or such subcommittees it may designate shall have leave to sit during sessions of the House during the Sixty-eighth Congress and during the recess of that Congress, and may hold its sessions at such places as the committee may determine.

With the following committee amendment:

On page 1, line 1, strike out all of the resolution after the word "*Resolved*" and insert the following:

"That the Committee on Alcoholic Liquor Traffic is hereby authorized to employ clerical assistance at compensation not exceeding $100 per month until January 1, 1925, to be paid out of the contingent fund of the House. Said committee, or any subcommittee thereof, is hereby granted leave to sit during any recess of Congress and to hold its sessions outside of the District of Columbia."

Mr. BLANTON. Will the gentleman yield?

Mr. MACGREGOR. Yes.

Mr. BLANTON. The House is going to adjourn in 45 minutes. This is June 7, 1924, and the Congress will not meet again until December, 1924. This committee during this entire Congress has been without a clerk, it has been without an assistant clerk, and yet now, when we are adjourning and going home, the committee is trying to pass a resolution to grant this committee during the recess both a clerk at $100 and an assistant clerk at $100.

Mr. MACGREGOR. Oh, no; there is no clerk.

Mr. BLANTON. Well, it says "clerical assistance" which means a clerk and an assistant clerk.

Mr. MACGREGOR. No; it does not.

Mr. BLANTON. What does it say?

Mr. MACGREGOR. A temporary clerk.

Mr. BLANTON. What is the difference between a temporary clerk and a clerk? They are going to draw the money.

If the gentleman will yield further, I do not see how in the world the gentleman can go to the country on economy when he is going to give two swivel-chair jobs here until the Congress meets again. This temporary clerk and this temporary assistant clerk will have nothing in the world to do, and I dare say there will not be a member of this committee meet here for hearings until December; and there is no use for them to meet.

I want to say this: That the gentleman from Chicago [Mr. RATHBONE], aided by his subcommittee of four members, has held exhaustive hearings on this very subject. They have been meeting for the last six weeks.

Mr. CABLE. Will the gentleman from Texas yield?

Mr. MACGREGOR. I have the floor.

Mr. BLANTON. I am speaking by sufferance, and I am simply trying to take up some of the time of the House, because otherwise it would cost the people of the country some money, as other bills would be passed.

I hope the House will not pass this resolution, and I hope I shall get a chance to meet some Republican spellbinder on the hustings this summer and call attention to a lot of these fool propositions that this House has been voting on here. This is a fool proposition, and I hope it will not pass.

Mr. HILL of Maryland. Will the gentleman from New York yield?

Mr. MACGREGOR. Yes.

Mr. HILL of Maryland. Just how many times has this committee met during this session of Congress?

Mr. MACGREGOR. I have no official information, and I will call on the chairman to answer that.

Mr. CABLE. Will the gentleman yield to me?

Mr. MACGREGOR. I yield five minutes to the gentleman from Ohio. [Cries of "Vote!" "Vote!"]

Mr. CABLE. The Committee on Alcoholic Liquor Traffic has come to life; and I am in favor of the passage of this resolution, and I hope you will put it through.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. CABLE. No; I will not yield.

Mr. HILL of Maryland. How many times has this committee met? It has not met once during the whole session, and it has not met once for five years.

Mr. SHALLENBERGER. I was a member of that committee 24 years ago, and it has not met since.

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

The question was taken; and on a division (demanded by Mr. CABLE) there were—ayes 91, noes 96.

So the committee amendment was rejected.

Mr. CRAMTON. Mr. Speaker, I ask for recognition to offer an amendment.

I offer an amendment, Mr. Speaker, to the resolution, on page 1, line 2, strike out all after the word "traffic" and insert the amendment which I send to the desk.

Mr. SABATH. A point of order, Mr. Speaker. The resolution was defeated, was it not.

Mr. CABLE. No; the vote was on the amendment.

The SPEAKER. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Strike out, on page 1, line 2, all after the word "traffic" and insert the following: "Is hereby authorized to employ clerical assistance at compensation not exceeding $100 per month until January 1, 1925, to be paid out of the contingent fund of the House. Said committee or any subcommittee thereof is hereby granted leave to sit during any recess of Congress and to hold its sessions outside of the District of Columbia.

Mr. BLANTON. Mr. Speaker, I make the point of order against the amendment that the amendment is just exactly the language that the House has just voted down. It provides for the same things, and the House has already passed on that by a decisive vote.

Mr. CRAMTON. No; I left out several words that were in the other amendment.

Mr. KVALE. Will the gentleman yield?

Mr. BLANTON. I have not the floor.

The SPEAKER. It seems to the Chair the point of order is well taken.

Mr. LARSEN of Georgia. Mr. Speaker, I move to amend the amendment.

Mr. CRAMTON. Mr. Speaker, I still have the floor. I do not want to take time to argue the point of order. I offer a further amendment which I will not take the time of the House to write out, but I want to provide in this amendment——

Mr. BLANTON. Mr. Speaker, I have a preferential motion.

The SPEAKER. The Chair has recognized the gentleman from Michigan.

Mr. CRAMTON. I have the floor.

Mr. BLANTON. I have a preferential motion.

The SPEAKER. The gentleman from Texas is out of order. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRAMTON: Page 1, line 1, strike out all the resolution after the word "*Resolved*" and insert the following:

"That the Committee on Alcoholic Liquor Traffic is hereby authorized to employ clerical assistance at compensation not exceeding $110 per month until February 1, 1925, to be paid out of the contingent fund of the House. Said committee or any subcommittee thereof is hereby granted leave to sit during any recess of Congress and to hold its sessions outside of the District of Columbia."

Mr. BLANTON. Mr. Speaker, I make a point of order against the amendment that it in substance provides just exactly what the House has already voted down.

The SPEAKER. The Chair overrules the point of order.

Mr. BLANTON. Mr. Speaker, I offer a substitute.

The SPEAKER. The gentleman said he had a preferential motion.

Mr. BLANTON. Well, I have a preferential motion. Mr. Speaker, I move to strike out the resolving clause of the resolution.

Mr. CRAMTON. Mr. Speaker, I do not yield the floor for that purpose.

Mr. BLANTON. This is a House resolution and has a resolving clause, and I move to strike out the resolving clause.

Mr. CRAMTON. Mr. Speaker, I have not yielded the floor for that purpose.

The SPEAKER. The Chair thinks that is a preferential motion.

Mr. CRAMTON. It would be preferential in consideration, but would not take me off the floor.

The SPEAKER. Does the gentleman from Michigan wish to debate the amendment?

Mr. CRAMTON. Yes, Mr. Speaker.

Mr. Speaker and gentlemen of the House, this is a matter of some serious importance. The Committee on Alcoholic Liquor Traffic, whatever it may or may not have done in the past, has appointed a very capable subcommittee, which proposes between this and the reconvening of Congress to make a very careful survey of the effects of prohibition. The subcommittee has been appointed by the authority of the full committee. It is a capable committee, headed by my colleague from Michigan [Mr. HUDSON], and associated with him are gentlemen of equal standing in the House.

Mr. SNELL. Will the gentleman give us the names of the members of the committee?

Mr. CABLE. Will the gentleman yield?

Mr. CRAMTON. Mr. UPSHAW, Mr. KVALE, Mr. BOX, Mr. ADDISON SMITH, and Mr. HUDSON, five Members.

This committee has authorized a subcommittee, and the subcommittee has not asked a large amount of money. They are asking nothing for traveling expenses, nothing for any other purpose except the hiring of one clerk; and, whatever my word is good for, I am glad to give it to the House that it is the intention that this committee will really work during these six months, and this clerk is all that the resolution asks for.

Mr. BEGG. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BEGG. Is it not a fact that the Senate has a committee which has been investigating this for a month, and if we pass this resolution it will be a duplication of work?

Mr. CRAMTON. Not at all. The committee in the Senate is seeking to investigate the enforcement operations in the Treasury Department—some kind of personnel and efficiency service. This committee proposes to make a real survey of the result of the past four years of national prohibition. It is an important matter, and I hope every friend of prohibition will give his support to this resolution.

Mr. BLANTON. Mr. Speaker, this is nothing in the world but duplication. The Committee on Alcoholic Liquor Traffic until recently has not held a meeting for five years. Just recently when it decided to look into this question, just when adjournment is in front of us, it comes in with a resolution wanting a clerk and an assistant clerk. The gentleman from Illinois [Mr. RATHBONE], aided by the gentleman from Vermont [Mr. GIBSON], and the gentleman from Pennsylvania [Mr. BEERS], and myself, have just held an exhaustive investigation on this subject for the last six weeks. We made recommendations to Congress, and the work of this committee would be nothing but duplication. I understand the same work is being done in the Senate. I do not think you can go to the country with any such proposition as this when the gentleman from Georgia [Mr. UPSHAW] will be in New York attending the convention, when the gentleman from Michigan will be in Michigan on the hustings, and when other members of the committee will be scattered over the United States; you do not want them spending the money of the people on junketing trips with a clerk and an assistant clerk.

Mr. MACGREGOR. Mr. Speaker, I move the previous question on the resolution and all amendments thereto.

Mr. LARSEN of Georgia. Mr. Speaker, I want to offer an amendment.

The SPEAKER. But the gentleman from New York has moved the previous question. The question is on the amendment offered by the gentleman from Michigan.

Mr. BLANTON. Mr. Speaker, I made a motion to strike out the resolving clause.

The SPEAKER. The gentleman from Texas said he was going to make the motion but he did not make it. The Chair refused him recognition.

Mr. BLANTON. The Chair recognized me and I made the motion.

The SPEAKER. The Chair will ascertain the fact from the Reporter's notes.

Mr. BLANTON. I am sure that the Speaker wants to be fair.

The SPEAKER. The Chair just said he would ascertain the fact from the Reporter's notes.

Mr. SNELL. The gentleman from Michigan had the floor and did not yield to the gentleman from Texas.

The SPEAKER. As the Chair remembers it, the gentleman from Texas said he wished to make a preferential motion. He had no right to be recognized at that moment. Later when the gentleman was recognized the Chair does not remember that he made the motion again.

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent to print in the RECORD a letter from the Department of Agriculture.

The SPEAKER. The gentleman from Iowa asks unanimous consent to print in the RECORD a letter from the Department of Agriculture. Is there objection?

Mr. JONES. Reserving the right to object, who is the letter from?

Mr. HAUGEN. Charles J. Brand, who served in the department.

Mr. BANKHEAD. I object.

The SPEAKER. The Chair is informed by the Reporter that the gentleman from Texas did make the motion to strike out the enacting clause. So the question is on the motion of the gentleman from Texas to strike out the resolving clause.

The question was taken; and on a division (demanded by Mr. CRAMTON) there were 153 ayes and 88 noes.

Mr. CRAMTON. I demand the yeas and nays.

The SPEAKER. The gentleman from Michigan demands the yeas and nays. As many as are in favor of taking the question by yeas and nays will rise. [After counting.] Nine Members have arisen, not a sufficient number, and the yeas and nays are refused.

### REPORT OF COMMITTEE TO WAIT UPON THE PRESIDENT

Mr. LONGWORTH. Mr. Speaker, the committee appointed on the part of the House to wait upon the President of the United States and inquire whether he has any further communication to make to Congress, have performed that duty, and have the honor to report that the President has informed us that he has no further communication to make.

### SOLDIERS' BONUS

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the revenue question and adjusted compensation.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROSSER. Mr. Speaker, the nature and source of the opposition to the soldiers' compensation bill, sometimes called the bonus bill, does not surprise me. When the young men of the country were being drafted to be sent across the sea to fight on the fields of France and Flanders there were none who talked so much about the reward these boys should have as the class of men who now oppose giving them a trifling sum as compensation for their loss of wages, for the discomforts they suffered, and for the danger they incurred. I remember well the report of speeches made by the representatives of great commercial and industrial institutions at the departure of the boys from almost every town in the land. I recall, too, that in Congress the Representatives of the great financial centers of the country waxed eloquent in a like manner. All these speeches, after eulogizing the soldiers who were going to fight on foreign fields for America, generally closed by saying, "Go; God bless you; and when you come back you

will receive your reward from a grateful people. The fat of the land will be yours. Your jobs will be waiting for you, aye, better jobs and better pay, for you go to fight for our cause." But now what do we find? These same people are the ones who speak sneeringly of capitalizing patriotism. These men, most of whom never were in any danger themselves, now tell the boys who risked their lives that they must be content with the reward of glory. I am not greatly surprised, for I understand the mind of the patrioteer, who is always willing to talk big when some one else does the fighting.

What, I ask, is unfair in the proposal to pay the boys in part the loss they suffered in wages or their disturbed business career while they risked their lives, their health, and their comfort for the Nation as a whole? We are told that it is "class legislation." "Class legislation," when the Government during the war guaranteed to the wheat producers of America $2.20 a bushel for wheat. Did we hear this same crowd prating about class legislation when the Government poured millions into the coffers of the railroads as an adjustment of their compensation? Did we hear these gentlemen yowl about class legislation when, several years ago, the Government in effect guaranteed the railroads a fixed income on their stocks? No; we heard nothing of "class legislation" in those cases; but when we propose to pay the soldiers just a little toward making up the loss suffered on account of the war, then we hear the wail that it is "class legislation."

Hugh K. Martin, State adjutant of the American Legion of Ohio, stated the case well in the letter commenting on the President's veto when he said:

Because the Government saw fit to draft a minority of the people it thereby created a class which served the whole people, and now because of the service that class, created by the Government itself, is to be penalized because it is not a majority of the whole people.

Mr. Coolidge refers to the proposed bonus as a gratuity. This, of course, means that nothing was done by the ex-service men to merit this little insurance policy. How soon are services forgotten? The service men had nothing to do with fixing their compensation while in the service. But because a man renders a service which is needed in an emergency at a wage far below that of the lowest-paid laborer is no reason for regarding a subsequent partial adjustment as a gratuity or gift which is doled out as charity. If this is a gratuity, then the service of these men was a gratuity exacted by the Government from a class rather than from the whole people.

The time was, in the Middle Ages, when a vassal owed his life to his overlord and was to receive no compensation for it. This was not only an injustice but it created many wars between barons, because fighting material was available and was so cheap.

The President, in his message vetoing the measure, says:

Patriotism which is bought and paid for is not patriotism.

Was that the kind of argument, was that the kind of speech, which was delivered to the young men boarding the trains to leave for France and Flanders? We all know that it was not the kind of talk they heard. Apparently the President himself did not always think so, for on July 3, 1919, he sent a letter to a Mr. Macdonald, apparently believing at the time that he was greatly honoring Mr. Macdonald by giving him as a memento the instrument by which the then Gov. Calvin Coolidge, of Massachusetts, had signed a so-called Massachusetts bonus law. The following is a copy of that letter:

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT, STATEHOUSE,
*Boston, July 3, 1919.*

MR. KENNETH MACDONALD, Jr.,
*17 Capen Street, Dorchester, Mass.*

DEAR MR. MACDONALD: I take great pleasure in handing you herewith a quill with which I have to-day signed an act "to provide suitable recognition of those residents of Massachusetts who served in the Army and Navy of the United States during the war with Germany."

Very truly yours,

CALVIN COOLIDGE.

Mr. Speaker, it is a real pleasure, a genuine satisfaction to me, to support the bill giving to the young men who served their country something to make up for the loss they suffered during the war, little as it is, compared with their total loss.

FEDERAL TAX REDUCTION

Mr. COOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on tax reduction.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOK. Mr. Speaker, I desire to discuss the question of tax reduction. I realize that there has been so much criticism of the efforts of this Congress to enact such legislation and so much prejudice created in the minds of the people against the new law that it will be no easy task to present its merits. However, I have confidence in the sober second thought of the American people and feel confident that when the truth is known they will find that this law will materially lighten the heavy burden of Federal taxation of the greatest number and is otherwise a good law.

It was found before the present Congress assembled that under the operations of the existing revenue laws there would be a surplus in the Treasury amounting to something over $300,000,000 per year for the next four or five years. This made a reduction of Federal taxes necessary, as there should never be collected more money from the people than is necessary to pay the expenses of a government economically administered. Before going to the merits of the new tax law I desire to mention several preliminary matters which will pave the way to a clearer understanding of its provisions.

The money required for this purpose is derived from duties collected at the customhouses on goods brought into this country. The revenue from that source for the fiscal year of 1923 amounted to $562,000,000, in round numbers. The other source is from income and excise taxes. The largest item in this class is the tax collected from incomes. In 1922 the Government received over $2,000,000,000 from incomes and profits, but it fell to $1,691,000,000 for the year 1923. So it will be seen that practically two-thirds of the money required to support the General Government is derived from income and profit taxes.

The income and excise taxes were levied and increased to meet the expenses of the war. Some of them had been reduced in 1921 and 1923. The excise taxes are very simple, but the income tax is more complicated. It covers the incomes of individuals, partnerships, and corporations. I shall refer to some of the provisions as to individuals.

There are two kinds of taxes on the income of the individual combined into one. The one is called a normal tax and the other a surtax. The normal tax is a certain rate levied on all of the income of an individual above his credits or exemption and deductions. The surtax is a tax in addition to the normal tax. In the present new law it does not begin until the income exceeds $10,000 and is graduated up step by step to 40 per cent on incomes in excess of $500,000. It is important to keep the point in mind that there are no surtaxes on any sum under $10,000. It is also important to remember that the returns of 1921 showed there were over 6,000,000 persons with incomes under $10,000 in the United States. In 1922 this number was 3,417,626.

Under the amendment of 1923 the normal tax was 4 per cent on the first $4,000 above the credits and 8 per cent on incomes in excess of that sum. Under the law of 1921 for the years 1922 and thereafter the surtax started with 1 per cent at $6,000 and was graduated up to 50 per cent on incomes in excess of $200,000.

For the purpose of making comparisons I shall take the provisions which relate to the head of a family or a married person living with husband or wife. Of course, there are many other payers. A married person under the new law is allowed an exemption of $2,500, and if the income is less than that no income taxes would have to be paid. In case there are children under 18 years of age there is also allowed an exemption of $400 for each child.

In addition to this an individual is also allowed to deduct from his income expenses in carrying on any trade or business, including salaries and traveling expenses, rents paid, interest paid, ordinary State and local taxes, losses in trade or business not covered by insurance, worthless debts, reasonable allowance for wear and tear of property used in business, gifts for religious, charitable, literary, and educational purposes, and amounts paid to posts of war veterans, lodges, and so forth.

The statement that it would be necessary to reduce Federal taxes to the approximate amount of $300,000,000 naturally excited a great deal of interest among the people who were groaning under the heavy load of local and State taxation. Everybody was in favor of reduction and many overlooked the point of how the reduction should be made. Besides this, many of the large income-tax payers who desired most of the reduction to apply to the higher surtaxes took advantage of this general desire to reduce taxes and started a flood of propaganda in favor of their plan. When the true facts are learned as to the merits of the new law people will see what an attempt was made to mislead them by certain selfish interests of the country.

It will be well for the people to remember what a long fight they had to make in order to bring about an income tax law, so that those having large incomes should pay their just share of the expense of the Government which protects them. The

first law was passed in 1894. It was held void by the Supreme Court of the United States.

The matter was agitated and strongly opposed until 1912, when an amendment was finally proposed to the legislatures of the several States. It was ratified and declared a part of the Constitution in February, 1913. This gave Congress power to levy a tax on incomes. Under the authority of the amendment Congress enacted an income tax law, which went into effect in October, 1913. It has been changed at different times since then. The large financial interests did not like the law and that explains much of their activity in the recent contest. They wanted to reduce their surtaxes 50 per cent and only reduce those having incomes under ten thousand 25 per cent. It is my opinion that it is the ultimate purpose of these interests to finally overthrow the surtax tax and substitute a sales tax in its place. This would shift most of the burden of Federal taxation to the shoulders of the common people. For it would be a tax on what a person uses or consumes instead of on his income.

The Constitution wisely provides that such bills as the one to reduce taxes must originate in the House of Representatives. That seemed to be overlooked in this instance. Our fathers no doubt thought that the Members of the House, being the most numerous body and elected every two years, could be better intrusted with the power of originating laws for reducing their taxes than any other department of the Government. Of course, the President, the Secretary of the Treasury, and every other person in the country has the right to make suggestions to Congress, but in the end its Members must use their own judgment. They are answerable to the people who sent them here, and to no one else, and they can not shift that responsibility to any department of the Government.

I desire to refer to the facts in relation to the new tax law. It is always well for the people to withhold final opinion on any given public question until both sides can be heard and until it can be considered what interest the proponents of any given plan may have in it. Because certain leaders and great newspapers say a thing is so does not make it so if it is wrong. Mr. Lincoln illustrated this point by this homely illustration: He asked, "If you call a sheep's tail a leg, how many legs will it have?" The listener answered, "Five." "No," said he, "it has only four. Calling a sheep's tail a leg does not make it so." The voter must get the facts and follow his own judgment and conscience on public questions. If he has all of the facts he can come to his own conclusion. I am sometimes amused at some public men in giving their conclusions instead of giving the public the facts. The writings of Jefferson and Lincoln demonstrate that they were very careful to give all of the facts before they asked the people to accept their conclusions. They had confidence in the people and believed if they were given the facts they would reach the right conclusion.

Before the Ways and Means Committee of the House had time to prepare a bill for tax reduction the Secretary of the Treasury sent one to it. It embodied what was afterwards known as the "Mellon plan." The committee began to consider this plan, and finally reported a bill to the House containing substantially the same provisions as the "Mellon plan." The propaganda entirely overlooked the unfair provisions of this bill and the interests of the over 6,000,000 taxpayers who paid in 1921 on sums under $10,000. A majority of the Members of the House thought they should at least be allowed to examine the bill before acting on it.

These Members recalled how a previous Congress had repealed the excess-profits tax on corporations; that during the four years of the war these corporations so relieved made over $30,000,000,000 over and above the excess-profits taxes. About $19,000,000,000 of this was made by 1,000 corporations, among the largest being the Steel Trust, Powder Trust, Standard Oil Trust, and Bethlehem Steel Trust. These Members thought it was about time to reduce the taxes on the over 6,000,000 having incomes in 1921 of less than $10,000. This is why they have been criticized so severely. After all of the argument in the House the simple question which remained and which overshadowed all others was whose taxes should be reduced.

It seemed to me that a majority of the House was in favor of reducing taxes to the lowest possible limit consistent with the needs of the Treasury, but the reduction should not be limited to any class, but benefit the greatest number.

The "Mellon plan" as reported to the House contains some very good provisions. The principal objection to it was that it proposed to reduce the surtaxes of the some 172,359 from 50 per cent to 25 per cent, or one-half, while it reduced the normal tax of the class of over 6,000,000 taxpayers in 1921 only 25 per cent, or one-fourth. It proposed to retain many of the nuisance taxes and failed to provide for a reduction on the taxes of 1923, payable in 1924.

The advocates of the "Mellon plan" while contending that it would release capital for investment in industries seemed to overlook the fact that a reduction on the millions having incomes under $10,000 would also release capital for the same purpose and be a direct benefit to a greater number by a general diffusion of the benefits of reduction. The new law should release something like $183,200,000 of normal taxes on the taxpayers with incomes less than ten thousand for the first year. That ought to do some good. No good reason was given why Congress should ignore the large body of taxpayers and make such a discrimination against them in the reduction.

Soon after the Mellon plan was reported to the House the gentleman from Texas [Mr. GARNER] offered what was afterwards termed the "Garner plan." It cut the normal taxes on individuals as follows: Two per cent above the credits on the first $5,000; 4 per cent on the next $3,000; and 6 per cent by which the net income exceeded $8,000. He proposed the surtaxes should be as follows: One per cent from $12,000 to $14,000, and then the rate is graduated up until it reached 44 per cent on net incomes exceeding $92,000. His plan raised the exemption of a single person from $1,000 to $2,000 and a married person or head of a family from $2,500 to $3,000.

The gentleman from Illinois [Mr. MADDEN] offered an amendment which was like the Mellon plan with the exception of 1 per cent difference on incomes exceeding $100,000. This was rejected in the House in the Committee of the Whole by a vote of 152 for and 244 against. This was a test vote on the Mellon plan in the Committee of the Whole, and was rejected by a majority of 92 votes. The gentleman from Wisconsin [Mr. FREAR] offered a substitute for the Garner plan, but it was rejected. It started the surtaxes at 1 per cent at over $6,000 and graduated up to 50 per cent on exceeding $200,000. Finally the Garner plan was substituted for the Mellon rates in the Committee of the Whole by a vote of 221 for and 196 against. When the bill was reported back to the full House the gentleman from Oregon [Mr. HAWLEY] offered the Mellon plan as an amendment to the "Garner plan," and it was rejected by a vote of 153 for to 261 against. This was a yea-and-nay or record vote. On this vote 66 Republicans when their names were called voted against the Mellon rates.

Then the gentleman from Ohio [Mr. LONGWORTH] offered a substitute for the Garner plan. The rates for the normal tax were 2 per cent on the first $4,000, 5 per cent on the next $4,000, and 6 per cent above that. It provided a surtax of three-fourths of the following: Two per cent beginning at $10,000 and graduated up to 37½ per cent on incomes exceeding $200,000. This substitute carried on a record vote with 216 for and 199 against. It will be noted that the highest rate in the "Garner plan" was 44 per cent above $92,000 and the highest rate in the "Longworth plan" was 37½ per cent above $200,000. The Longworth rate at $92,000 was 33 per cent. This shows that the highest Longworth surtax rate was 11 per cent below the Garner rate. The bill with the Longworth amendment finally passed in the House by a record vote of 408 for and only 8 against. The bill was sent to the Senate, and after some changes was finally agreed to in conference, and finally the Senate passed it by a vote of 60 for to 6 against, and it passed in the House by a vote of 376 for to 9 against. The action of the Senate and conferees reduced the normal tax on the second $4,000 1 per cent to the benefit of the great number having incomes under $10,000 and otherwise improved the bill. It then went to the President, who signed it.

What are some of the important provisions of this new law? It fixes the normal tax at 2 per cent on the first $4,000, 4 per cent on the next $4,000, and 6 per cent above that. It fixes the surtaxes as follows: One per cent beginning at $10,000 and graduated up to 40 per cent in excess of $500,000. These rates reduce the surtaxes on every taxpayer up to those having incomes under $65,000 more than the Mellon plan. To illustrate, the surtax under the Mellon rates on incomes of $64,000 is $6,340, and under the new law it will be the same. It is true that as to the some 6,100 persons having incomes above $65,000 per year, they will have to pay more surtaxes under the new law than under the Mellon plan. The scale really turns between incomes of $67,000 and $68,000. However, they will have to pay much less surtax than under the old law. To illustrate: A person having an income of $100,000 paid surtaxes under the old law in the sam of $22,460, but under the new law he will pay $17,020; and under the old law his normal tax was $7,680, and under the new law he will pay $5,597.50. Suppose we combine the normal and surtax under the old law on small incomes

and compare them with the Mellon plan and the new law and see the result to the taxpayer. On an income of $10,000 under the old law he would pay $480, under the Mellon plan $337.50, and under the new law $207.50. On an income of $25,000, under the old law he would pay $2,560, under the Mellon plan $1,877.50, and under the new law $1,607.50. On an income of $50,000, under the old law he would pay $8,640, under the Mellon plan $6,657.50, and under the new law $6,137.50. Let me repeat again that the total taxes on every taxpayer having an income of any sum below $65,000 will be less under the new law than it would have been if the Mellon rates had been adopted. To put it in another form: If the Mellon rates had been adopted every taxpayer in the United States with an income of any sum under $65,000 would have had to pay more taxes than he will under the new law. In the face of that fact there are those who are still denouncing the new tax law and calling the Mellon plan a "scientific plan." The following table gives the normal and surtax under the old law, the "Mellon plan," and under the new law. A number of such tables have been used in the argument of this question and I have not heard anyone dispute any of the figures in it:

*Comparison of the Mellon plan and new law (act of 1924) tax plans with the act of 1921 (married person without dependents), the first $5,000 of all income to be deemed to be earned, balance unearned*

| Number of persons making returns in each class for 1921 | Income | Amount of normal tax under— | | | Amount of surtax under— | | |
|---|---|---|---|---|---|---|---|
| | | Old act of 1921 | Mellon plan | New act of 1924 | Old act of 1921 | Mellon plan | New act of 1924 |
| 401,849 under | $1,000.00 | | | | | | |
| | 2,000.00 | | | | | | |
| | 3,000.00 | $20.00 | $11.25 | $7.50 | | | |
| | 4,000.00 | 60.00 | 33.75 | 22.50 | | | |
| | 5,000.00 | 100.00 | 56.25 | 37.50 | | | |
| 6,087,968 | 6,000.00 | 160.00 | 97.50 | 57.50 | | | |
| | 7,000.00 | 240.00 | 157.50 | 87.50 | $10.00 | | |
| | 8,000.00 | 320.00 | 217.50 | 127.50 | 20.00 | | |
| | 9,000.00 | 400.00 | 277.50 | 167.50 | 30.00 | | |
| | 10,000.00 | 480.00 | 337.50 | 207.50 | 40.00 | | |
| | 11,000.00 | 560.00 | 397.50 | 257.50 | 60.00 | $10.00 | $10.00 |
| | 12,000.00 | 640.00 | 457.50 | 317.50 | 80.00 | 20.00 | 20.00 |
| | 13,000.00 | 720.00 | 517.00 | 377.50 | 110.00 | 40.00 | 30.00 |
| | 14,000.00 | 800.00 | 577.50 | 437.50 | 140.00 | 60.00 | 40.00 |
| 114,244 | 15,000.00 | 880.00 | 637.50 | 497.50 | 180.00 | 90.00 | 60.00 |
| | 16,000.00 | 960.00 | 697.50 | 557.50 | 220.00 | 120.00 | 80.00 |
| | 17,000.00 | 1,040.00 | 757.50 | 617.50 | 270.00 | 160.00 | 110.00 |
| | 18,000.00 | 1,120.00 | 817.50 | 677.50 | 320.00 | 200.00 | 140.00 |
| | 19,000.00 | 1,200.00 | 877.50 | 737.50 | 380.00 | 250.00 | 180.00 |
| | 20,000.00 | 1,280.00 | 937.50 | 797.50 | 440.00 | 300.00 | 220.00 |
| | 21,000.00 | 1,360.00 | 997.56 | 857.50 | 520.00 | 360.00 | 270.00 |
| | 22,000.00 | 1,440.00 | 1,057.50 | 917.50 | 600.00 | 420.00 | 320.00 |
| | 23,000.00 | 1,520.00 | 1,117.50 | 977.50 | 690.00 | 490.00 | 380.00 |
| | 24,000.00 | 1,600.00 | 1,177.50 | 1,037.50 | 780.00 | 560.00 | 440.00 |
| | 25,000.00 | 1,680.00 | 1,237.50 | 1,097.50 | 880.00 | 640.00 | 510.00 |
| 28,948 | 26,000.00 | 1,760.00 | 1,297.50 | 1,157.50 | 980.00 | 720.00 | 580.00 |
| | 27,000.00 | 1,840.00 | 1,357.50 | 1,217.50 | 1,090.00 | 810.00 | 660.00 |
| | 28,000.00 | 1,920.00 | 1,417.55 | 1,277.50 | 1,200.00 | 900.00 | 740.00 |
| | 29,000.00 | 2,000.00 | 1,477.50 | 1,337.50 | 1,320.00 | 1,000.00 | 830.00 |
| | 30,000.00 | 2,080.00 | 1,537.50 | 1,397.50 | 1,440.00 | 1,100.00 | 920.00 |
| | 31,000.00 | 2,160.00 | 1,597.50 | 1,457.50 | 1,570.00 | 1,210.00 | 1,020.00 |
| | 32,000.00 | 2,240.00 | 1,657.50 | 1,517.50 | 1,700.00 | 1,320.00 | 1,120.00 |
| | 33,000.00 | 2,320.00 | 1,717.50 | 1,577.50 | 1,850.00 | 1,440.00 | 1,220.00 |
| | 34,000.00 | 2,400.00 | 1,777.50 | 1,637.50 | 2,000.00 | 1,560.00 | 1,320.00 |
| 12,047 | 35,000.00 | 2,480.00 | 1,837.50 | 1,697.50 | 2,150.00 | 1,690.00 | 1,430.00 |
| | 36,000.00 | 2,560.00 | 1,897.50 | 1,757.50 | 2,300.00 | 1,820.00 | 1,540.00 |
| | 37,000.00 | 2,640.00 | 1,957.50 | 1,817.50 | 2,460.00 | 1,960.00 | 1,660.00 |
| | 38,000.00 | 2,720.00 | 2,017.50 | 1,877.50 | 2,620.00 | 2,100.00 | 1,780.00 |
| | 39,000.00 | 2,800.00 | 2,077.50 | 1,937.50 | 2,790.00 | 2,240.00 | 1,910.00 |
| | 40,000.00 | 2,880.00 | 2,137.50 | 1,997.50 | 2,960.00 | 2,380.00 | 2,040.00 |
| | 41,000.00 | 2,960.00 | 2,197.50 | 2,057.50 | 3,140.00 | 2,530.00 | 2,170.00 |
| | 42,000.00 | 3,040.00 | 2,257.50 | 2,117.50 | 3,320.00 | 2,680.00 | 2,300.00 |
| | 43,000.00 | 3,120.00 | 2,317.50 | 2,177.50 | 3,510.00 | 2,830.00 | 2,440.00 |
| | 44,000.00 | 3,200.00 | 2,377.50 | 2,237.50 | 3,700.00 | 2,980.00 | 2,580.00 |
| 6,051 | 45,000.00 | 3,280.00 | 2,437.50 | 2,297.50 | 3,900.00 | 3,130.00 | 2,730.00 |
| | 46,000.00 | 3,360.00 | 2,497.50 | 2,357.50 | 4,100.00 | 3,280.00 | 2,880.00 |
| | 47,000.00 | 3,440.00 | 2,557.50 | 2,417.50 | 4,310.00 | 3,440.00 | 3,040.00 |
| | 48,000.00 | 3,520.00 | 2,617.50 | 2,477.50 | 4,520.00 | 3,600.00 | 3,200.00 |
| | 49,000.00 | 3,600.00 | 2,677.50 | 2,537.50 | 4,740.00 | 3,760.00 | 3,370.00 |
| | 50,000.00 | 3,680.00 | 2,737.50 | 2,597.50 | 4,960.00 | 3,920.00 | 3,540.00 |
| | 51,000.00 | 3,760.00 | 2,797.50 | 2,657.50 | 5,190.00 | 4,080.00 | 3,720.00 |
| | 52,000.00 | 3,840.00 | 2,857.50 | 2,717.50 | 5,420.00 | 4,240.00 | 3,900.00 |
| | 53,000.00 | 3,920.00 | 2,917.50 | 2,777.50 | 5,660.00 | 4,410.00 | 4,090.00 |
| | 54,000.00 | 4,000.00 | 2,977.50 | 2,837.50 | 5,900.00 | 4,580.00 | 4,280.00 |
| 3,431 | 55,000.00 | 4,080.00 | 3,037.50 | 2,897.50 | 6,150.00 | 4,750.00 | 4,470.00 |
| | 56,000.00 | 4,160.00 | 3,097.50 | 2,957.50 | 6,400.00 | 4,920.00 | 4,660.00 |
| | 57,000.00 | 4,240.00 | 3,157.50 | 3,017.50 | 6,660.00 | 5,090.00 | 4,860.00 |
| | 58,000.00 | 4,320.00 | 3,217.50 | 3,077.50 | 6,920.00 | 5,260.00 | 5,060.00 |
| | 59,000.00 | 4,400.00 | 3,277.50 | 3,137.50 | 7,190.00 | 5,440.00 | 5,270.00 |
| | 60,000.00 | 4,480.00 | 3,337.50 | 3,197.50 | 7,460.00 | 5,620.00 | 5,480.00 |
| | 61,000.00 | 4,560.00 | 3,397.50 | 3,257.50 | 7,740.00 | 5,800.00 | 5,690.00 |
| | 62,000.00 | 4,640.00 | 3,457.50 | 3,317.50 | 8,020.00 | 5,980.00 | 5,900.00 |
| | 63,000.00 | 4,720.00 | 3,517.50 | 3,377.50 | 8,310.00 | 6,160.00 | 6,120.00 |
| | 64,000.00 | 4,800.00 | 3,577.50 | 3,437.50 | 8,600.00 | 6,340.00 | 6,340.00 |
| 2,240 | 65,000.00 | 4,880.00 | 3,637.50 | 3,497.50 | 8,900.00 | 6,530.00 | 6,570.00 |
| | 66,000.00 | 4,960.00 | 3,697.50 | 3,557.50 | 9,200.00 | 6,720.00 | 6,800.00 |
| | 67,000.00 | 5,040.00 | 3,757.50 | 3,617.50 | 9,510.00 | 6,910.00 | 7,040.00 |
| | 68,000.00 | 5,120.00 | 3,817.50 | 3,677.50 | 9,820.00 | 7,100.00 | 7,280.00 |
| | 69,000.00 | 5,200.00 | 3,877.50 | 3,737.50 | 10,140.00 | 7,290.00 | 7,530.00 |
| | 70,000.00 | 5,280.00 | 3,937.50 | 3,797.50 | 10,460.00 | 7,480.00 | 7,780.00 |
| | 71,000.00 | 5,360.00 | 3,997.50 | 3,857.50 | 10,790.00 | 7,680.00 | 8,040.00 |
| | 72,000.00 | 5,440.00 | 4,057.50 | 3,917.50 | 11,120.00 | 7,880.00 | 8,300.00 |
| | 73,000.00 | 5,520.00 | 4,117.50 | 3,977.50 | 11,460.00 | 8,080.00 | 8,560.00 |
| | 74,000.00 | 5,600.00 | 4,177.50 | 4,037.50 | 11,800.00 | 8,280.00 | 8,820.00 |
| 1,423 | 75,000.00 | 5,680.00 | 4,237.50 | 4,097.50 | 12,150.00 | 8,480.00 | 9,090.00 |
| | 76,000.00 | 5,760.00 | 4,297.50 | 4,157.50 | 12,500.00 | 8,680.00 | 9,360.00 |
| | 77,000.00 | 5,840.00 | 4,357.50 | 4,217.50 | 12,860.00 | 8,890.00 | 9,640.00 |
| | 78,000.00 | 5,920.00 | 4,417.50 | 4,277.50 | 13,220.00 | 9,100.00 | 9,920.00 |
| | 79,000.00 | 6,000.00 | 4,477.50 | 4,337.50 | 13,590.00 | 9,310.00 | 10,200.00 |
| | 80,000.00 | 6,080.00 | 4,537.50 | 4,397.50 | 13,960.00 | 9,520.00 | 10,480.00 |
| | 81,000.00 | 6,160.00 | 4,597.50 | 4,457.50 | 14,340.00 | 9,730.00 | 10,770.00 |
| | 82,000.00 | 6,240.00 | 4,657.50 | 4,517.50 | 14,720.00 | 9,940.00 | 11,060.00 |
| | 83,000.00 | 6,320.00 | 4,717.50 | 4,577.50 | 15,110.00 | 10,160.00 | 11,360.00 |
| | 84,000.00 | 6,400.00 | 4,777.50 | 4,637.50 | 15,500.00 | 10,380.00 | 11,660.00 |
| 957 | 85,000.00 | 6,480.00 | 4,837.50 | 4,697.50 | 15,900.00 | 10,600.00 | 11,970.00 |
| | 86,000.00 | 6,560.00 | 4,897.50 | 4,757.50 | 16,300.00 | 10,820.00 | 12,280.00 |
| | 87,000.00 | 6,640.00 | 4,957.50 | 4,817.50 | 16,710.00 | 11,040.00 | 12,590.00 |
| | 88,000.00 | 6,720.00 | 5,017.50 | 4,877.50 | 17,120.00 | 11,260.00 | 12,900.00 |
| | 89,000.00 | 6,800.00 | 5,077.50 | 4,937.50 | 17,540.00 | 11,490.00 | 13,220.00 |
| | 90,000.00 | 6,880.00 | 5,137.50 | 4,997.50 | 17,960.00 | 11,720.00 | 13,540.00 |

*Comparison of the Mellon plan and new law (act of 1924) tax plans with the act of 1921 (married person without dependents), the first $5,000 of all income to be deemed to be earned, balance unearned*—Continued

| Number of persons making returns in each class for 1921 | Income | Amount of normal tax under— | | | Amount of surtax under— | | |
|---|---|---|---|---|---|---|---|
| | | Old act of 1921 | Mellon plan | New act of 1924 | Old act of 1921 | Mellon plan | New act of 1924 |
| 666 | $91,000.00 | $6,960.00 | $5,197.50 | $5,057.56 | $18,390.00 | $11,950.00 | $13,870.00 |
| | 92,000.00 | 7,040.00 | 5,257.50 | 5,117.50 | 18,820.00 | 12,180.00 | 14,200.00 |
| | 93,000.00 | 7,120.00 | 5,317.50 | 5,177.50 | 19,260.00 | 12,410.00 | 14,540.00 |
| | 94,000.00 | 7,200.00 | 5,377.50 | 5,237.50 | 19,700.00 | 12,640.00 | 14,880.00 |
| | 95,000.00 | 7,280.00 | 5,437.50 | 5,297.50 | 20,150.00 | 12,880.00 | 15,230.00 |
| | 96,000.00 | 7,360.00 | 5,497.50 | 5,357.50 | 20,600.00 | 13,120.00 | 15,580.00 |
| | 97,000.00 | 7,440.00 | 5,557.50 | 5,417.50 | 21,060.00 | 13,360.00 | 15,940.00 |
| | 98,000.00 | 7,520.00 | 5,617.50 | 5,477.50 | 21,520.00 | 13,600.00 | 16,300.00 |
| | 99,000.00 | 7,600.00 | 5,677.50 | 5,537.50 | 21,990.00 | 13,840.00 | 16,660.00 |
| | 100,000.00 | 7,680.00 | 5,737.50 | 5,597.50 | 22,460.00 | 14,080.00 | 17,020.00 |
| 1,817 | 150,000.00 | 11,680.00 | 8,737.50 | 8,597.50 | 46,460.00 | 26,580.00 | 35,520.00 |
| | 200,000.00 | 15,680.00 | 11,737.50 | 11,597.50 | 70,960.00 | 39,080.00 | 54,020.00 |
| 451 | 250,000.00 | 19,680.00 | 14,737.50 | 14,597.50 | 95,960.00 | 51,580.00 | 73,020.00 |
| | 300,000.00 | 23,680.00 | 17,737.50 | 17,597.50 | 120,960.00 | 64,080.00 | 92,020.00 |
| 63 | 500,000.00 | 39,680.00 | 29,737.50 | 29,597.50 | 220,960.00 | 114,080.00 | 170,020.00 |
| | 1,000,000.00 | 79,680.00 | 59,737.50 | 59,597.50 | 470,960.00 | 239,080.00 | 370,020.00 |

There is no question but that it will be found that the new law is better than the "Mellon plan." In short, that plan proposed practically a 50 per cent cut for the large taxpayers, on their surtaxes, while the millions having incomes under ten thousand would have been given only 25 per cent reduction on the basis of unearned incomes. The great injustice of the "Mellon plan" can not be rightly understood without considering that in 1921 there were over 6,000,000 having incomes under ten thousand. Inasmuch as the surtaxes begin at over ten thousand, all of those under that would be vitally affected and interested in the normal rates. If the Mellon rates had been adopted, this great class would have only received a 25 per cent reduction on unearned incomes, while under the new law all incomes under the ten thousand are reduced more than one-half as compared with the old rates. This point is made plain by the following comparison:

| Net income | Amount of normal tax under— | |
|---|---|---|
| | Act of 1921 | Act of 1924 |
| $1,000 | | |
| $2,000 | | |
| $3,000 | $20.00 | $7.50 |
| $4,000 | 60.00 | 22.50 |
| $5,000 | 100.00 | 37.50 |
| $6,000 | 160.00 | 57.50 |
| $7,000 | 240.00 | 87.50 |
| $8,000 | 320.00 | 127.50 |
| $9,000 | 400.00 | 167.50 |
| $10,000 | 480.00 | 207.50 |

In Indiana there were 150,300 who made income-tax returns in 1921. All of this number will receive greater reductions under the new law than under the "Mellon plan," except 52 of the largest taxpayers, who would have profited more under the "Mellon plan."

The following table, which is correct, as it is compiled from the official figures of the Treasury Department and contained in statistics of income for the year 1921, shows the total number of persons making income-tax returns in each State and how they are benefited more by the present law than they would have been by the Mellon plan:

| State | Total number making income-tax returns, 1921 | Number benefited more by Mellon plan | Number benefited more by act of 1924 |
|---|---|---|---|
| Alabama | 43,009 | 25 | 42,984 |
| Arizona | 18,477 | 1 | 18,476 |
| Arkansas | 33,830 | 8 | 33,822 |
| California | 386,082 | 237 | 385,845 |
| Colorado | 69,676 | 25 | 69,651 |
| Connecticut | 123,269 | 96 | 123,173 |
| Delaware | 15,889 | 12 | 15,877 |
| District of Columbia | 89,966 | 68 | 89,898 |
| Florida | 42,249 | 14 | 42,235 |
| Georgia | 67,719 | 24 | 67,695 |
| Hawaii | 11,481 | 22 | 11,459 |
| Idaho | 22,976 | 1 | 22,975 |
| Illinois | 611,558 | 537 | 611,021 |
| Indiana | 150,300 | 52 | 150,248 |
| Iowa | 111,483 | 24 | 111,459 |
| Kansas | 88,785 | 9 | 88,776 |
| Kentucky | 69,496 | 25 | 69,471 |
| Louisiana | 67,960 | 34 | 67,926 |
| Maine | 44,397 | 25 | 44,372 |
| Maryland | 112,963 | 109 | 112,854 |
| Massachusetts | 388,442 | 505 | 387,937 |
| Michigan | 250,147 | 174 | 249,973 |
| Minnesota | 124,501 | 81 | 124,420 |
| Mississippi | 25,614 | 5 | 25,609 |
| Missouri | 172,519 | 106 | 172,413 |
| Montana | 36,907 | 4 | 36,903 |
| Nebraska | 71,853 | 14 | 71,839 |
| Nevada | 9,719 | 1 | 9,718 |
| New Hampshire | 32,410 | 17 | 32,393 |
| New Jersey | 269,096 | 274 | 268,822 |
| New Mexico | 11,780 | 1 | 11,779 |
| New York | 1,066,637 | 2,050 | 1,064,587 |
| North Carolina | 44,161 | 38 | 44,123 |
| North Dakota | 18,440 | 1 | 18,439 |
| Ohio | 367,096 | 270 | 366,826 |
| Oklahoma | 69,381 | 15 | 69,366 |
| Oregon | 62,804 | 18 | 62,786 |
| Pennsylvania | 621,103 | 833 | 620,270 |
| Rhode Island | 48,057 | 103 | 47,954 |
| South Carolina | 25,160 | 6 | 25,154 |
| South Dakota | 21,681 | 0 | 21,681 |
| Tennessee | 60,949 | 19 | 60,930 |
| Texas | 200,188 | 66 | 200,122 |
| Utah | 26,128 | 1 | 26,127 |
| Vermont | 17,746 | 8 | 17,738 |
| Virginia | 76,257 | 21 | 76,236 |
| Washington, including Alaska | 115,688 | 21 | 115,667 |
| West Virginia | 75,277 | 38 | 75,239 |
| Wisconsin | 148,457 | 67 | 148,390 |
| Wyoming | 22,413 | 4 | 22,409 |
| Total | 6,662,176 | 6,109 | 6,656,067 |

A glance at this table tells the whole story as to the relative merits of the Mellon plan as compared with the new tax plan.

This is not all. Under the Mellon plan the personal exemption of a married person or head of a family was $2,500 if the income did not exceed $5,000, but if it exceeded the latter the exemption was only $2,000. Under the new law an exemption of $2,500 is given in all cases regardless of the amount of the income. This will be a great benefit to the millions of taxpayers having incomes under $10,000. They constitute the great body of those making returns. Besides this, the original Mellon plan as submitted to the committee did not contain any provision for the relief to taxpayers for the year 1923, payable in 1924. The Ways and Means Committee in the House added such a provision allowing a horizontal reduction of 25 per cent on the returns for 1923 made in 1924. This provision is a part of the new law, and it reaches back and gives the taxpayer a reduction on his income of last year. The taxpayer who has been told that the new law was not a good law will not be much impressed with that statement when he gets this reduction on paying his taxes this year.

Another improvement of the new law is that the first $5,000 of income is considered as "earned income," and the taxpayer is given a 25 per cent reduction of the tax thereon.

The new law is an improvement in making greater reductions in certain excise or nuisance taxes. Here are some of the more important changes: The tax on telephone and telegraph messages is repealed. The admission tax of 10 per cent will now apply only to admissions above 50 cents. On cereal beverages and soft drinks the tax was repealed. The tax on candy, hunting garments, and knives, and on yachts is re-

pealed. Taxes on jewelry under $30 and watches under $60 are removed. Taxes on theaters, circuses, and other public amusements are repealed. The tax on sales of produce is reduced one-half. The stamp tax on drafts, checks payable otherwise than at sight or on demand, and on promissory notes is repealed. The tax on brokers of produce or merchandise is repealed. The tax on automobiles, trucks, and wagons with chassis selling for $1,000 or less or body selling for less than $200 is removed. The 5 per cent tax on automobile tires, inner-tube parts, and accessories is reduced one-half. Mah-jong sets are taxed 10 per cent. The tax on bowling alleys, billiard rooms, and paintings is retained. Slot machines are taxed at 5 per cent. The tax on gifts runs from 1 per cent on gifts of the value of $50,000 to 40 per cent on gifts valued at $10,000,000 or more. This is to prevent gifts being made to evade the estate and other taxes. The taxes on estates of decedents run from 1 per cent on estates valued at $50,000 to 40 per cent on those of $10,000,000 or more. The taxes on playing cards are increased from 8 to 10 cents per pack. There are many other features of improvement over the old law, but I will not undertake to discuss them here.

It must not be overlooked that there were Members of the House and Senate who favored the adoption of the Mellon plan, but they were at all times in the minority.

It was inevitable that Congress could not make this great tax reduction without some disappointments and without criticism and efforts being made to influence its action and misrepresent its purposes. A proposition to reduce taxes appeals to everyone. The large income taxpayers were sorely disappointed that they only got a reduction of about 20 per cent instead of 50 per cent. They are a great power in this country, and the people must not overlook how this power can be quickly concentrated and used to control great newspapers and thereby mold public opinion. Mr. Lincoln saw the danger of this power in his day when it was comparatively weak as compared with to-day when he said:

> I see in the near future a crisis arising that unnerves me and causes me to tremble for the safety of my country. As a result of the war corporations have been enthroned, an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed. I feel more anxiety for my country than ever before, even in the midst of the war.

It is no wonder that those who were disappointed will not admit that there is anything good in the new law. It is hard for some people to give up, even when everybody around them knows they are wrong. That is why these selfish interests continue to misrepresent the new law and criticize Congress. The people should not be deceived, these interests will never give up until they can elect a Congress which will enact the kind of an income and sales tax law which at heart they want. This would shift the burden to the shoulders of the producing masses. That is what they mean when they talk about a "scientific law." Beware of such a law. It is a deception.

The argument which they advance that by reducing their taxes the Government will get more taxes from them is inconsistent. It will hardly be believed that they want a law to increase the amount which they will pay to the Government. The other argument that by reducing their taxes others will be benefited is the old argument always advanced by those asking for special favors at the hands of the Government. In this instance the cry was: Reduce the taxes of the few 50 per cent and of the many only 25 per cent. Whatever may be thought of such an argument I am inclined to believe that the average man will conclude that it will do him much more good to actually reduce his taxes rather than leave the burden on him, with the promise that some of the benefits enjoyed by others on account of reduction will in some way trickle down and reach him.

The progressive elements in this Congress have given to the country a law which will reduce taxes on individual and corporation incomes in the sum of $232,000,000, and excise taxes of $56,000,000 this year. The effort to make a political issue against Congress on account of this law is unfair and will react on those who attempt it, because the people will resent such an effort when they learn the truth about its provisions.

### WAR GRAFT PROSECUTIONS

Mr. HOWARD of Nebraska. Mr. Speaker, I take it for granted that every Member of this House wants to make good the pledges of the House. In the RECORD at page 8999 it will be discovered that the House granted special permission for the chairman of the Committee on Appropriations to address the House for five minutes for the purpose of giving to me the name of any one person now in the Federal penitentiary as a result of the $6,000,000 appropriated for the prosecution of war grafters.

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. HOWARD of Nebraska. Mr. Speaker, I do not like to be interrupted in that way. [Laughter.]

### WILLIAM S. M'GINNISS

Mr. MacGREGOR. Mr. Speaker, I present the following privileged resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 265

*Resolved*, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to the daughter of William S. McGinniss, late bookkeeper of the House of Representatives, a sum equal to six months' salary as bookkeeper, and that the Clerk be further directed to pay out of the contingent fund the expenses of the last illness and funeral of said William S. McGinniss, such expenses not to exceed $250.

Mr. MacGREGOR. Mr. Speaker, I move the adoption of the resolution.

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

The resolution was agreed to.

### SURVEY OF SOLDIERS' HOMES

Mr. JOHNSON of South Dakota. Mr. Speaker, I present a privileged report from the Committee on Rules which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 351

*Resolved*, That the Committee on World War Veterans' Legislation or any subcommittee thereof which its chairman may appoint be, and they are hereby, empowered to make a comprehensive survey and investigation of soldiers' homes, hospitals, and hospital facilities, including any hospital with which the Government has a contract for exservice men of any war in which the United States was engaged. This shall include the national military homes for disabled volunteer soldiers. The management, administration, personnel of such institutions and treatment of the veterans therein shall be included in such survey and investigation.

Said committee shall make a report of its findings to the House not later than December 31, 1924, accompanied by such recommendations in the form of a bill or otherwise as it may deem necessary.

Said committee or subcommittees are empowered to sit during the sessions of Congress or during the recess between sessions of Congress, and to incur necessary expenses for transportation and subsistence and for clerical and stenographic services, which shall be paid out of the contingent fund of the House upon vouchers signed by the chairman thereof and approved by the Committee on Accounts.

Mr. JOHNSON of South Dakota. Mr. Speaker, the service men of all of the wars are now being placed in different hospitals under different branches of the Government jurisdiction. All that the Veterans' Committee and the Rules Committee desire to do is to make a survey of the hospitals so that we can eventually draft a law and provide for every hospital being conducted under the Veterans' Bureau. This will save money, and it will be of benefit to the men. I wish I had more time to discuss the resolution, but I have not, and to save time I move the previous question.

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

The previous question was ordered.

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

The resolution was agreed to.

### CHARGES AGAINST A UNITED STATES JUDGE

Mr. DYER. Mr. Speaker, a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. DYER. The Judiciary Committee of the House has been authorized by a resolution of the House to make an investigation of certain charges touching the conduct of a judge of the United States court in West Virginia. I desire to know if the committee needs special authority——

The SPEAKER. That is not a parliamentary inquiry.

### WILLIAM H. OVERHUE

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHINDBLOM. Mr. Speaker and gentlemen of the House, I have asked for this one minute in order to pay a

short tribute to a gentleman who was a servant of this House for many years. He came here in the year 1909 and was introduced to service here by the Hon. Joseph G. Cannon, one of the most distinguished Members who ever served in this House. During the last few years this gentleman was the enrolling clerk of the House. I refer to Mr. William H. Overhue, who passed away on the 11th day of April last during the present session. I ask unanimous consent to extend my remarks in the RECORD briefly by making a few observations upon his life and character.

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

There was no objection.

Mr. CHINDBLOM. Mr. Speaker, I have asked for this moment of the time of the House for the purpose of paying a brief tribute to a faithful servant of the House and a valued personal friend, whose memory, I know, is cherished by many other Members with myself. I refer to our late enrolling clerk, Mr. William H. Overhue, who passed away at the National Capital on April 11 last. He first came here and entered the service of the House 15 years ago through the intervention of one of the most distinguished Members who ever sat in this House, the Hon. Joseph G. Cannon, of Illinois. Mr. Overhue's home was at Sheldon, Ill., but he was also well known in Chicago and many other places in our State. After serving in the House in various capacities from 1909 to 1911, he retired to private business, but with the return of Republican control he was appointed assistant enrolling clerk in 1919, and soon thereafter succeeded to the position of enrolling clerk, which he held at the time of his death.

Mr. Overhue was of an exceptionally genial and kindly nature and was notably high-minded and high-purposed in every contact with his fellow men. In his public service he stood out as efficient and attentive to duty, always ready and anxious not only to perform the things actually required of him, but as well to be accommodating and helpful beyond the letter of his commission. The House, in his death, lost an exemplary employee and his friends a loyal and delightful companion. We grieve at his passing and extend our sympathy to his sorrowing widow and other members of his family.

### MUSCLE SHOALS

Mr. ALMON. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALMON. Mr. Speaker, friends, and colleagues, I have asked for this three minutes' time just before the House adjourns to extend to each and every one of you a most cordial invitation to visit Muscle Shoals during the vacation. [Applause.] Come down and see the biggest dam and the largest munitions and fertilizer plant in the world. Come regardless of how you voted on the Ford offer. All that some of you know about southern hospitality and the beauty and charm of our southern women is what you have heard. Come down and get first-hand information; partake of our hospitality and see our beautiful women. Come and enjoy a real southern barbecue, watermelons, and such good things. [Applause.]

Some of you may be asked when you go back home about the Ford offer. Tell them that all other offers have been rejected. That two reports have been made by the Agricultural Committee of the Senate. One by Senator NORRIS, providing for Government operation of Muscle Shoals, and the other by Senator LADD, favoring the acceptance of the Ford offer. A definite time, namely, December 3, has been set to take up, discuss, and dispose of this question. A clean-cut issue has now been made. That is, whether we shall have Government operation as provided by the Norris amendment, or private operation by the acceptance of the Ford offer as provided in the McKenzie bill which passed the House by an overwhelming majority on the 10th day of March. Get the reports and study them during vacation.

I not only want you to come to Muscle Shoals, but I want you to be a guest in my home when you come. The latchstring of the Almon home hangs on the outside. I want you all to come, but not at the same time. [Applause and laughter.]

Mr. OLIVER of Alabama. Mr. Speaker, I ask permission to address the House for one minute.

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

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Muscle Shoals and to insert the minority report of the Senate Agricultural Committee relating thereto.

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

Mr. OLIVER of Alabama. Mr. Speaker, under permission to extend my remarks on Muscle Shoals, I desire to present some record facts relating to the sale of the Gorgas steam plant which will, I fell certain, refute the vitrolic and unjustified attack made on the President in the majority report of the Senate Committee on Agriculture and Forestry in reporting out H. R. 518, which is now on the calendar of the Senate and to be taken up under unanimous-consent order on December 3, 1924.

I am intimately acquainted with all of the facts relating to the sale of the Gorgas steam plant, and my purpose, Mr. Speaker, in setting forth these facts is not so much to exonerate the President from the attacks made in the majority report of the Senate Agricultural Committee as it is to point out to the Members of the House what sound business common sense and dependable good judgment was exhibited by the chairman of the Committee on Appropriations of the House in proposing a substitute steam plant after the sale of Gorgas to the Alabama Power Co. by the Secretary of War without authorization by Congress.

### ATTACK ON PRESIDENT CONDEMNED BY THE PRESS

Touching the aspersions and unfair attack upon the President found in the majority report of the Senate Committee on Agriculture and Forestry I freely concede that the President needs no defense by me. It is true that we find in the newspaper press such statements as the following, quoted from the Boston Morning Globe of June 15:

> Then there is Senator NORRIS'S report on Muscle Shoals made to the Senate within a few days of adjournment, in which he savagely assails the Ford offer and President Coolidge for advocating it and is warmly commended in LA FOLLETTE'S platform for doing so. Mr. NORRIS thinks it suspicious that so harsh a critic of the administration as Mr. Ford was last fall, especially after the sale of the Gorgas power plant, should change to one of its warmest admirers after it had been intimated that another power plant might be built by the Government and that the administration approved Mr. Ford's offer.

It is also true, Mr. Speaker, that we find that all editorial comments in the daily papers of the country condemn the shockingly unwarranted intimation that either the President suggested the building of the steam plant as a substitute for Gorgas or that Mr. Ford ever requested such a plant to be built. The decision that such a substitute steam plant should be built by the Government did not originate with the President or with Henry Ford, but found its original conception in the mind of the able chairman of the Appropriations Committee of this House, Mr. MADDEN, of Illinois.

### FORD'S POSITION ON GORGAS

In order to understand the effect of the sale of Gorgas on the Ford offer we must not forget Mr. Ford's letter to Hon. JULIUS KAHN, chairman of the Committee on Military Affairs of the House, written May 31, 1922, and as Mr. Ford in this letter definitely stated that he could not consent to eliminate the Gorgas steam plant from his offer, because he said "it is necessary to the economical operation of the Muscle Shoals properties," I include the letter in full, as follows:

MAY 31, 1922.

Hon. JULIUS KAHN,

*Chairman Committee on Military Affairs,*

*House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN: I have carefully examined the amendments made by your committee to my proposal dated January 25, 1922, for the lease and purchase of the Government's Muscle Shoals properties, and observe with surprise and regret that you have rejected that part of the modified proposal relating to the Government's Gorgas steam plant.

The greater portion of the other changes suggested by your committee have been approved and are incorporated in the accompanying corrected proposal. More than a month ago Mr. Mayo presented to me certain clarifications in the proposal of January 25 to which your committee desired my agreement, which was promptly given. Mr. Mayo explained that while some of your committee were unwilling to accept that part of my offer which included the Government steam power plant at Gorgas, certain other members of the committee had requested him to ascertain if I would agree to accept an assignment and transfer by the United States of everything now owned by the Government at Gorgas under its contract of December 1, 1917, with the Alabama Power Co., to which I assented, and Mr. Mayo was instructed to advise your committee that the offer would be revised

accordingly. I have been informed that this revision was accepted by your committee, but later, upon reconsideration, you decided to eliminate the Gorgas plant.

I can not consent to eliminate the Gorgas plant, because it is necessary to the economical operation of the Muscle Shoals properties. If my revised offer for Gorgas is rejected, then I must understand that the acceptance of my offer for Muscle Shoals "as a whole and not in part" is refused.

I am sending a final proposal containing all the amendments suggested by the committee to which I can consistently agree. In doing so, and in view of the fact that my first proposal was signed July 8, 1921, nearly a year ago, and in order to bring these negotiations to a close, I ask that your committee consider this proposal as final, and that no further changes should be expected. I further request that your committee send this final offer to the House so that its Members may vote for acceptance or rejection. This request is made with the understanding that power to dispose of the plants at Muscle Shoals is vested in the Congress. If the Secretary of War after his negotiations relative to the first offer did not have the power to accept or reject it, you will probably agree that your committee has not the power to accept or reject. Moreover, I do not believe that your committee or any member of it wishes to assume the responsibility of accepting or rejecting this final proposal, involving as it does a matter of such great national importance.

If Congress votes acceptance of my offer, we will get on the job at Muscle Shoals at once; but if Congress rejects it, that will be but the beginning of a more determined effort on my part to save Muscle Shoals for the benefit of the public.

I wish to thank you and each member of the committee for the courtesies shown my representatives during the negotiations of the past three months.

Very truly yours,

HENRY FORD.

Mr. Speaker, no Member of the House who was even superficially informed with reference to the important and extended hearings by the Committee on Military Affairs on the Ford offer felt any further doubt of any sort about Mr. Ford's position touching Gorgas, and no Member of the House with any information upon the subject of the hearings before the Military Committee after reading Mr. Ford's letter believed that if Mr. Ford's offer was to be accepted that Gorgas could be eliminated. Mr. Ford's letter to Chairman KAHN settled that matter.

NEED FOR SUBSTITUTE STEAM PLANT FIRST RECOGNIZED BY MR. MADDEN

Also, Mr. Speaker, no Member of the House recognizing and admiring, as every Member of the House does, the ability, integrity, and devotion of the chairman of the Appropriations Committee in protecting the taxpayers of the country against wasteful expenditures of Treasury funds, felt any surprise whatever that Mr. MADDEN immediately after the sale of the Gorgas plant addressed himself to the question of the substitution of a steam plant to replace the sale of Gorgas to the Alabama Power Co. Mr. MADDEN, always consistent, sound, reasonable, and clear-headed, realized as every other thinking Member of the House did that when Gorgas was sold then Mr. Ford's statement in his letter to Chairman KAHN of May 31, 1922, had to be met.

The absolute need for an auxiliary steam plant such as Gorgas in the operation of the Muscle Shoals plants is well stated in an editorial appearing in the St. Paul News September 13, 1923, as follows:

STILL JUGGLING THE SHOALS

Washington dispatches still agree that Secretary Weeks will probably continue to oppose the Ford offer for Muscle Shoals, even though the latter should eliminate the Gorgas plant from the properties bid for. It is evidently the Secretary's purpose to turn the power development over to the Alabama Power Co., if he can possibly do so, for he is reported as saying that the Government would receive more benefit from the distribution of current through the medium of a transmission company. It all depends on what one regards as a benefit to the Government. There are many equally able thinkers who believe that it would be more to the public advantage to have a nitrate plant in constant readiness to produce explosives when needed than to sacrifice this important feature of the war-time development at Muscle Shoals. Unlike the power company's bid, Ford's plan contemplates the production of fertilizer and the keeping of the plant in condition to turn out explosives on short notice and in quantity. Naturally, if the plant is kept in operation, its formulæ, methods, and equipment will keep pace with the general progress in this line of manufacture. As Secretary of War this factor should appeal to Mr. Weeks. That it does not appear to is no compliment to his sagacity.

The Washington dispatches err in saying that on the completion of the Wilson dam the Gorgas plant would be of no further use to Mr. Ford. On the contrary, the Gorgas plant would be of little use to Mr. Ford until the dam is completed. The Gorgas plant is a small steam plant located near a coal mine 91 miles from the nitrate plant, and was regarded as necessary to supply auxiliary power at Muscle Shoals when the water flow is lower than normal. The Gorgas plant is needed by Mr. Ford for the same reason that the Alabama Power Co. wants it, namely, to take up the slack during periods of diminished flow, for diminished flow means also diminished power development at the hydroelectric stations. The argument that the Government already has a much larger steam plant at Muscle Shoals, which makes the smaller plant unnecessary, is not valid, because it would not pay to operate the large plant to supply just a few thousand horsepower daily. The smaller Gorgas plant, however, would supply this small power efficiently, thence on up to its capacity. Beyond the capacity of the smaller plant the large steam plant would furnish a maximum equivalent of 90,000 horsepower. Let nobody be misled by the statement that the Gorgas plant is merely a subject for academic discussion. The Government itself has removed all argument as to the close association between Gorgas and Muscle Shoals by its earnest efforts during the war to have this plant enlarged and in readiness for service in time of need in conjunction with hydroelectric development in Muscle Shoals.

No one who has ever read the memorable address of Mr. MADDEN to the House on Muscle Shoals February 3, 1923, will be surprised that he was at once moved after the sale of Gorgas to find a remedy for the situation presented to the House and to discover a way that the House could, if it elected to do so, accept the Ford offer, since, in view of Mr. Ford's statement in his letter to Chairman KAHN and Gorgas having been sold, the House could not accept his offer without substituting a steam plant in the place of Gorgas.

SOLUTION OF GORGAS TANGLE A MATTER FOR CONGRESS ALONE

Gorgas having been sold by the Secretary of War and its sale to the Alabama Power Co. approved by the President, the problem and the difficulty brought about by this sale was a difficulty and a problem to be solved by Congress, not by the President, not by the Secretary of War, not by Mr. Ford.

It is understood, and perhaps true, that the President did say that he would be willing to credit Mr. Ford's offer of $5,000,000 for the nitrate plants and Gorgas with the amount the Government was to receive for Gorgas from the Alabama Power Co. That suggestion, however, was no solution of the problem before the House, for Mr. Ford had never intimated that he would accept the amount the Alabama Power Co. was paying for Gorgas as a substitute.

MR. FORD ACCEPTED THE STEAM-PLANT SUBSTITUTE PROPOSED BY MR. MADDEN

The keen business mind of Mr. MADDEN was quick to grasp the situation, and we who know the chairman can readily imagine that he concluded that Mr. Ford could not refuse the proposition that the Government construct a new steam plant of equal capacity as a substitute for Gorgas. Subsequent events disclose how accurate Mr. MADDEN's decision was, because Mr. Ford notified the Committee on Military Affairs on January 18, 1924, during the hearings before that committee, that the substitute steam plant proposed by Mr. MADDEN would be satisfactory to him. It is well to remember in this connection, as shown by the records of the House Committee on Military Affairs, that Henry Ford was not officially consulted with or advised with, nor was any representative of his consulted with or advised with, touching the Madden substitute steam plant until Chairman KAHN, of the House Committee on Military Affairs, telegraphed to Mr. Ford during the hearings by that committee, in answer to which Mr. Ford replied on January 18, 1924, as follows:

Our offer for Muscle Shoals still stands. The McKenzie bill, with the Madden amendment as printed in the Madden bill, is satisfactory with the following suggested amendments of section 19, page 17, beginning at line 5 of the Madden bill: "A suitable site for a steam-power plant, to be located at or near Lock and Dam No. 17, Black Warrior River, Ala., or upon a site to be mutually agreed upon by the Government and Mr. Henry Ford, together with a strip of land 100 feet wide to serve as a right of way for transmission and transportation purposes between Dam No. 17, Black Warrior River, or a site to be agreed upon between the Government and Mr. Henry Ford, and nitrate plant No. 2, Muscle Shoals, Ala., with connection to Waco Quarry, near Russellville, Ala."; remainder of section as appears in bill.

MR. MADDEN VIEWED SITUATION FROM ANGLE OF FUTURE GOVERNMENT APPROPRIATIONS

We can also imagine that the able chairman of the Appropriations Committee of the House did not have so much in mind the $3,472,487.25 which the Government had received for Gorgas as he did the amount of $59,000,000 necessary to be expended at

Muscle Shoals to put the plants into operating condition if operation by the Government should be adopted, as well as the additional amounts to be expended to complete Dam No. 2 and to build Dam No. 3, and so forth; in other words, whether it was going to be necessary, as he had stated in his speech to the House on February 3, 1923, "to sink another $109,000,000 into this Muscle Shoals project."

Let us briefly trace the facts relating to the sale of the Gorgas steam plant:

SALE OF GORGAS WAS UNAUTHORIZED AND UNNECESSARY

The sale of the Gorgas steam plant to the Alabama Power Co. by the Secretary of War was closed on September 24, 1923, for the sum of $3,472,487.25, this sale being without the approval of Congress and not required by the Government's contract with the Alabama Power Co., as is shown by statement attached hereto, marked "Exhibit A," which I prepared and issued on October 8, 1923. I invite special attention to this statement, because in my belief the unauthorized and unnecessary sale of the Gorgas steam plant bears earmarks of having been intended to cripple and perhaps force a withdrawal of the Ford offer in view of Mr. Ford's letter to Chairman KAHN of May 31, 1922, hereinabove quoted. The statement of October 8, 1923, issued by me, also expressly exonerates the President from all knowledge at the time he approved the sale of the fact that the sale was irregular and not required by the Government's contract with the Alabama Power Co.

Those of us who understand and appreciate the orderly and constructive processes of mind usually displayed by Mr. MADDEN were not surprised to find, as published in the Washington Star of November 5, 1923, that he had called on the President and outlined a plan for the Government to build a new steam plant as a substitute for Gorgas, with a new power transmission line from the proposed steam plant on the Warrior River to Muscle Shoals.

THE PRESIDENT INDORSED THE PLAN PROPOSED BY MR. MADDEN

On November 24, 1923, it was published in Washington papers that the President was in accord with the plan of Mr. MADDEN for replacing the Gorgas power unit at Muscle Shoals, and in the Washington Star of November 24 we find the following:

White House officials in presenting this statement of the Chief Executive's view asserted that the President and Representative MADDEN were working in harmony in the matter of this legislation.

Now, bear in mind, Mr. Speaker—and I emphasize this upon the attention of each Member of the House—that Mr. Ford did not have his conference with the President until December 3, and Mr. Ford's announcement in support of President Coolidge did not occur until January 19, 1924, long after these decisions by Chairman MADDEN as to the substitute steam plant. It is also to be noted that the only action taken by the President was in approving the proposal of Mr. MADDEN, as chairman of the Appropriations Committee, for action to be taken by Congress.

THE HOUSE BY SEPARATE VOTE ACCEPTED SUBSTITUTE STEAM-PLANT PROVISION

Nobody acquainted with the constructive legislative methods of Mr. MADDEN will imagine for one moment that he wasted any time in arriving at his conclusions, or that he hesitated in deciding that he would propose to the House that a substitute steam plant for Gorgas be authorized, with the Government's expenditure for same limited to the amount received from the Alabama Power Co. for Gorgas, namely, $3,472,487.25. Mr. MADDEN neither hesitated nor delayed, for on the opening day of Congress, December 5, 1923, he introduced a bill (H. R. 8) authorizing the acceptance of Henry Ford's offer and providing for the authorization of the construction by the Government of the steam plant to replace the sale of the Gorgas steam plant.

As stated above, Chairman MADDEN in his decision to include in his bill for the acceptance of the Ford offer the provision for the substitute steam plant—which bill finally became the McKenzie bill as passed (H. R. 518)—did not consult Mr. Ford nor anybody representing Mr. Ford. He acted on his own judgment, and this House, casting a separate vote on the provision in the McKenzie bill providing for a substitute steam plant, indorsed his action by adopting the provision on March 10, 1924, by a vote of 229 to 138.

THE HOUSE VOTE IGNORED BY MAJORITY REPORT OF SENATE COMMITTEE

Mr. Speaker, it is significant that no reference in the majority report of the Senate Committee on Agriculture and Forestry is made to the important fact that the House of Representatives by a majority vote of 229 to 138 indorsed both the President's and Chairman MADDEN's position with respect to the substitution of a steam plant in the place of Gorgas, and it is not a remote surmise that this omission may have been due to the fact that it was not suitable to the purposes and not helpful to the intentions of the drafter of the majority report. The majority members of the Senate Committee on Agriculture and Forestry in their report possibly overlooked the House vote, so pregnant with meaning, or at least they were strangely silent on the subject, and it possibly escaped the attention of this same majority that the attack in the majority report on the President shot over the President's head and first hit the head of Mr. MADDEN, the chairman of the Appropriations Committee of this House, and the shot then ricocheted and hit the heads of 229 Members of the House who indorsed the substitution of a steam plant for Gorgas, as proposed by Mr. MADDEN and approved by the President.

I know not, Mr. Speaker, what answer others will make to the attack on the President found in the majority report of the Senate Committee on Agriculture and Forestry, but I am willing that the country take the vote of 229 Members of this House as an answer to the majority report of the Senate committee.

MINORITY REPORT BY SENATOR LADD IS CLEAR STATEMENT OF FACTS

The action of the House in accepting the Ford offer, which includes the substitution of a steam plant for Gorgas, is so well stated by Senator LADD, of North Dakota, in his minority report for himself; Senator SMITH, of South Carolina; Senator HARRISON, of Mississippi; Senator HEFLIN, of Alabama; and Senator CARAWAY, of Arkansas, that under leave of the House I set out the minority report from the Senate Committee on Agriculture and Forestry in full as Exhibit B hereto, and I invite its careful reading by every Member of the House.

A careful reading of this minority report will show that to denounce the President of the United States and defame him will not be accepted by the people of the country as either a sound or sane way of dealing with the merits of the Ford offer for Muscle Shoals, and that mere raillery against the Ford offer can not be substituted for reason.

So much erroneous propaganda and so many inaccurate and misleading statements have been circulated through the public press about the Ford offer that it becomes the duty of every Member of the House who voted for the acceptance of the Ford offer to see that the facts so fully and accurately stated in the Ladd report are placed before the public. I have no misgivings whatever as to the verdict of a fair-minded public on the action of the House in accepting the Ford offer if this public will only inform themselves of the facts.

CONCLUSION

In conclusion I challenge anyone to successfully refute from a business standpoint the action of the House in passing the McKenzie bill and its indorsement by the Ladd report (Exhibit B); and I confidently assert that no one will even attempt to deny the correctness of the record facts in my statement issued October 8, 1923, as to the sale of the Gorgas plant (Exhibit A). I therefore urge the fair-minded public to read these two documents.

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EXHIBIT A

THE FACTS AS TO THE SALE OF THE GORGAS STEAM PLANT

[Issued by Hon. WILLIAM B. OLIVER, October 8, 1923]

Hon. WILLIAM B. OLIVER, Representative from Alabama, states the following as to the facts and his findings in reference to the sale to the Alabama Power Co. by Secretary of War Weeks, on September 24, 1923, of the Gorgas auxiliary steam plant on the Warrior River and the transmission line from Gorgas to Muscle Shoals, which constitutes a part of the property included in Mr. Ford's offer for Muscle Shoals dated July 8, 1921.

POWER TO DISPOSE OF THIS PROPERTY WAS VESTED IN CONGRESS

Secretary Weeks in transmitting the Ford offer to Congress on February 1, 1922, said that when a proposal was made which would assure the Government a reasonable return on at least the additional money required to complete the Muscle Shoals project and an effective use of the development for commercial purposes, "I would send it to Congress, as the power to dispose of these plants is vested in that branch of the Government."

From the time the offer was submitted until Congress adjourned in March last no one questioned the correctness of Mr. Weeks's statement that the power to dispose of this property was vested in Congress. Mr. Weeks, the Judge Advocate General of the Army, and Members of Congress seemed to unite in recognizing that Congress alone had the right to dispose of this property. The Attorney General in a written opinion to the Secretary of War held that the contract between the Government and the Alabama Power Co. in reference to the Gorgas plant and transmission line created no valid obligation on the part of the Government to sell this property to the Alabama Power Co.

LAST CONGRESS STRONG FOR FORD OFFER

The supporters of the Ford offer in the last Congress were not confined to any section or to any party, and had Congress been given an opportunity to vote on the offer, I think the offer would have been accepted by a safe majority; in fact, it was this belief that doubtless kept "the few," clothed with too much authority under the rules of the last House, from allowing the offer to be voted on.

Since the adjournment of the last Congress the Ford offer has continued to be a matter of large public interest, and it was generally understood that it would be among the first matters taken up by the next Congress, not in a partisan way but as an outstanding national question commanding strong support from the leaders of both parties.

THE FACTS OF WHICH MR. FORD "DID NOT KNOW"—THE NOTICE SERVED BY THE ALABAMA POWER CO. ON THE GOVERNMENT TO REMOVE GORGAS PROPERTY

Now we find that, almost on the eve of the assembling of the new Congress, the public, Mr. Ford, and Members of Congress have just learned for the first time of certain action taken by the Alabama Power Co. soon after the adjournment of Congress in March last, to wit: That on April 4, 1923, the Alabama Power Co. served a notice on an official of the War Department, demanding that the Government remove the Gorgas plant and transmission line from the land of the power company within six months from that date, unless the Government sold the property to the power company within three months from the said date, the power company claiming that it had the right to give this notice under a provision of the original contract entered into with the Government for the construction of this plant and transmission line, in which contract it was stipulated that this notice could be given if the Government after 24 months failed to take current from the Alabama Power Co. over the Government transmission line connecting the Gorgas plant with the Muscle Shoals properties of the Government. As evidence that this condition had been broken, the power company cited a notice given by the Secretary of War in 1919 discontinuing the taking of current after June 30, 1919, and the power company claimed that this default to take current continued for two years next following June 30, 1919. (In order that the facts hereinafter recited may be understood, it is important to bear in mind that the provision of the contract authorizing the notice to be given by the power company is predicated on the failure of the Government to "take any energy from the Warrior extension," etc.)

The date fixed for the removal of the Government property, if not sold to the power company, as stipulated in the April notice, seems to have been extended to September 24, 1923, on which date the Secretary of War sold the property to the Alabama Power Co., pursuant to an evident previous understanding, since all papers necessary to the transaction had been prepared prior thereto.

The only facts which the Attorney General, Mr. Ford, the public, and the President, it is believed, had knowledge of in reference to this transaction, prior to the sale of the property on September 24, 1923, were those now found to be set out within the four corners of three papers, all bearing date since the adjournment of the last Congress, namely, the notice of the Alabama Power Co. dated April 4, 1923, the letter from Secretary Weeks to the Attorney General dated July 21, 1923, and the opinion of the Attorney General dated August 24, 1923, given in response to Secretary Weeks's letter and predicated alone on the facts set out in the letter.

THE OPINION OF THE ATTORNEY GENERAL REQUESTED BY SECRETARY WEEKS

The power company, in its April notice, bases its right to give such notice on the Government's default to take current and which default it is claimed was complete on July 1, 1921. The letter from Secretary Weeks to the Attorney General, dated July 21, 1923, not only acquiesces in but affirms the existence of the default as set out in the power company's notice, and further assumes that the Secretary of War had authority to sell the Gorgas steam plant and transmission line without further authorization by Congress, and on these assumptions the Secretary of War merely requests of the Attorney General an opinion (quoting the last paragraph of his letter) on the following question:

> "In view of the notice given I request your opinion whether the Government, having no title to the land upon which either the transmission line or the Warrior extension or the Warrior substation is built, and the option provisions of the contract being invalid, as stated in the former opinion, in event the United States should not determine to sell the property to the Alabama Power Co. under the general authority vested in the Secretary of War within the time fixed by the notice as extended, it will be the duty of the United States to comply with the provision of the contract with reference to removal."

The part of the Attorney General's opinion answering the question above quoted from the Secretary of War's letter is in the following terse and significant language, to wit:

> "If, therefore, you look to the contract alone, your question must be answered in the affirmative."

THE SECRETARY OF WAR COULD HAVE CONDEMNED THE LAND

Immediately following the above strikingly succinct and unique reply to the Secretary's question, the Attorney General goes out of his way to add a concluding paragraph to his opinion, in which he states that he deems it proper to say that this contract (referring to the Government's original contract with the Alabama Power Co.) does not control the relations of the United States to the Alabama Power Co. and the properties with which the contract deals, and he then calls Mr. Weeks's attention to the fact that as Secretary of War he is fully authorized by an act of April 18, 1918, amendatory of an earlier act, to condemn the property of the Alabama Power Co. on which are located the Gorgas plant and transmission line, and that nothing in the contract of the Alabama Power Co. with the Government precludes in the slightest the exercise of this right by the Secretary of War.

In this connection it is interesting to recall a heated Senate discussion in January, 1921, between Senator UNDERWOOD and Senator LENROOT, in which, when Senator LENROOT called attention to the fact that the Gorgas plant and transmission line were located on the lands of the Alabama Power Co., Senator UNDERWOOD sharply replied in the following language:

> "I do not know about the title to the land, but the Government can condemn that land in an hour if it wants and operate its plant, which it should do. I do not know whether the Government acquired the title or not. I have always assumed that it did. But if it did not, it can acquire that title by condemnation under existing law, and it ought to do it."

The Attorney General now goes out of his way to suggest to the Secretary of War in his recent written opinion that he has authority to do what Senator UNDERWOOD in January, 1921, said in the Senate should be done.

The president of the Alabama Power Co., a few days after this discussion, sent a wire to Senator UNDERWOOD thanking him for his speech—a speech, mark you, made in defense of Senator LENROOT'S attack on the power company, in which Senator LENROOT had charged that the Alabama Power Co. would be the chief beneficiary of any further expenditures by the Government at Muscle Shoals, and to which Senator UNDERWOOD replied by assuring the Senate that the Alabama Power Co. was not and would not be interested in the power developed at Muscle Shoals. The Senate discussion in January, 1921, and the wire of the president of the Alabama Power Co. to Senator UNDERWOOD are very apropos and interesting in the light of subsequent activities of the power company as to the Muscle Shoals properties—the Gorgas steam plant and transmission line.

THE PRESIDENT AND THE ATTORNEY GENERAL WERE NOT GIVEN ALL THE FACTS

Please pardon this digression as to the Senate discussion, if such it be, and now getting back to the Attorney General's answer to Secretary Weeks's question in the letter of July 21, 1923, it will be noted that the only facts made known to the Attorney General and on which my opinion was asked were those set out in the April notice of the Alabama Power Co. and Secretary Weeks's letter of July 21, 1923. Before the sale was consummated on September 24, it is believed that the President had no knowledge of any facts further than such as are set out in the April notice of the power company, in the July 21 letter from the Secretary of War, and in the August opinion of the Attorney General.

Now, since the Secretary of War in his letter of July 21, 1923, clearly indicated that even though he had authority to sell this Government property located on the land of the power company, and in subsequent conversations with Representative OLIVER and others stated that he would not think of exercising the right to sell this property without the approval of Congress except for this notice given by the Alabama Power Co. in April, 1923, it now becomes very important to inquire whether the notice from the Alabama Power Co. and the letter from Secretary Weeks dated July 21, 1923, transmitting this notice to the Attorney General, set forth all material facts that should have been made known to the Attorney General before calling for an answer to the question whether the notice given by the Alabama Power Co. had any legal effect or imposed any obligation on the Government to take action as to property located on the land of the power company.

Unquestionably there were facts on file in the War Department which were well known to the Secretary when he wrote the letter to the Attorney General on July 21, 1923, and later expressly called by Representative OLIVER to the Secretary's attention on September 24, 1923, before the sale of the Gorgas plant and transmission line was finally consummated—this being Mr. OLIVER'S first opportunity of communicating these facts to the Secretary after learning of them on Saturday evening, September 22. The Secretary of War on September 24, before the sale was concluded, was urged to refer these very material facts to the Attorney General, and was told that, if referred, there could be no question but that the Attorney General would hold that the Alabama Power Co. had no legal right to give the April notice and that the notice so given was without any legal effect whatever.

A simple recital of the facts will convince not only any lawyer but any fair business man that there were withheld from the Attorney General vital facts known to the War Department when Secretary Weeks, by letter dated July 21, 1923, called for the opinion on which he now alone predicates and seeks to justify this recent sale to the Alabama Power Co.

GOVERNMENT HAD CONTRACTS FOR POWER TO BE FURNISHED BY ALABAMA POWER CO. WITH THESE FACILITIES

The Alabama Power Co., after the default occurred, as it alleges, in July, 1921, entered into a written contract with the Government, whereby it was obligated to furnish current to the Government at Muscle Shoals, and by the terms of this contract it was stipulated that the power company should use the Government-owned property located on the power company's land for the purpose of carrying out the contract, it being recognized that only by the use of this Government property could the power company supply the current it was obligated to supply at Muscle Shoals. This contract was first made in 1921, was renewed on June 30, 1922, for 12 months, and was again renewed on June 30, 1923, to June 30, 1924, with the stipulation that the Government should have the right of yearly renewals thereafter. These renewals were in the form of new contracts, setting out in extenso all terms and conditions, and made revocable only at the instance of the Government on 30 days' notice. The contract provided that if the power company failed to supply current the Government could utilize such property of the power company as was located on the Government land for that purpose. Under this contract the amount paid to the power company for some months has been considerable, and the Government is required to take a minimum amount of current and pay a certain minimum sum monthly whether any current is used or not.

Here, then, we find on file in the War Department a direct obligation in writing, based on a valuable consideration, whereby the power company is obligated to use this Government-owned property, located on the power company's land, for the purpose of supplying current to the Government up to and including June 30, 1924, this contract being in full force prior to, during, and since April 4, 1923, and the Government has been regularly taking and paying for current under this contract with the power company since the contract was first made.

Now, in reference to the claim of the power company, as set out in the April, 1923, notice that the Government had taken no current from the power company for the two years next following July 1, 1919, the records of the War Department in the Ordnance Office contradict this statement flatly and show that the Government had been regularly taking current from the power company prior to July, 1921, and for the 12 months next preceding July 1, 1921, had paid to the power company the sum of $73,461.72, representing an average monthly payment of more than $6,000.

ALABAMA POWER CO. HAD LEASES ON STEAM PLANTS OF GOVERNMENT, NECESSITATING USE OF GORGAS TRANSMISSION LINE

As bearing on the good faith of the power company in giving the April notice to the Government to remove the Government's property, unless the said property was sold to the power company, it may be interesting to note two leases of Government steam plants made by the power company and which were in force before, on, and since September 24, 1923.

The power company prior to April, 1923, leased from the Government its steam power plant at Muscle Shoals for the purpose of supplying what, on its application for the lease, were stated as urgent emergency needs in Georgia, North Carolina, and South Carolina, and was given full right to use the Gorgas transmission line and other accessories in connection with the power plant at Muscle Shoals to carry out these purposes. The power company agreed to pay the Government $10,000 a month for the use of this property, and this lease does not expire before December, 1923. The Secretary of War recites in the lease that it was for the public good that the lease be executed in order that emergency business demands in the States of Georgia, North Carolina, and South Carolina could be supplied with current.

The power company had prior to September 24, 1923, and still has under lease, the transformer and Waco transmission line of the Government, with the right to use the Gorgas transmission line and accessories thereto in supplying current to its customers. This last lease was recently made the basis of an application for a permit of convenience and necessity before the Alabama Public Service Commission for authority to expend approximately a million dollars by the power company in preparing to supply current to the Sloss Iron & Steel Co. and other patrons in northern Alabama.

The power company, it will thus be seen, had this property of the Government under lease, with full right to use and operate the same, and was under obligation to use and operate the same not only for the purpose of supplying current to the Government but also for the purpose of supplying current to its general customers. If the Government, pursuant to the notice of the power company given in April, had removed the Gorgas plant and transmission line from the land of the power company, the power company thus would have been violating a solemn obligation which it had with its customers to supply current by means of this very property. These two leases are referred to merely for the purpose of showing lack of good faith on the part of the power company in giving the notice in question.

As bearing on the question of this good faith in giving the notice, it would be interesting to ascertain the amount that the power company has paid the Government for the use of the Government property, thus showing the profitable use that the power company has made of same.

GOVERNMENT WAS TAKING AND PAYING FOR POWER

It is inconceivable for a moment that the Attorney General would have answered the Secretary's question in the affirmative had he been informed that the Alabama Power Co. subsequent to the alleged default on the part of the Government to take current after July, 1919, made with the Government a further contract in writing whereby for a valuable consideration the power company agreed to supply current to the Government at Muscle Shoals by means of the use of Government property located on the power company's land, and under such contract was in fact supplying current to the Government by means of this Government property prior to April, in April, and since April, and was and is still under obligation to continue supplying it by this means until June 30, 1924.

It is further inconceivable that the Attorney General would have answered the Secretary's question in the affirmative had he been informed that the Government prior to July, 1921, had been regularly taking and paying for current from the Alabama Power Co. and that for 12 months next preceding July, 1921, the Government had paid the power company on an average of more than $6,000 a month for current transmitted over the Gorgas transmission line.

Neither the Attorney General nor the President were informed of the above material and vital facts before the sale was consummated.

CONCLUDING QUERY

Do not the facts hereinabove recited well illustrate the devious ways and tricks not infrequently employed by selfish interests to defeat a fair consideration of wholesome legislation in the hope that valuable Government property may ultimately be exploited for selfish gain?

EXHIBIT B

[Senate Report 678, part 2, Sixty-Eighth Congress, first session]

MUSCLE SHOALS

Mr. E. F. LADD (for himself and Messrs. E. D. SMITH, PAT HARRISON, J. THOMAS HEFLIN, T. H. CARAWAY), from the Committee on Agriculture and Forestry, submitted the following views to accompany H. R. 518:

The undersigned members of the Committee on Agriculture and Forestry have long been convinced that the public interest will best be served by the acceptance of the offer of Henry Ford for Muscle Shoals. The extended hearings which have been held by our committee on the various offers have merely added strength to our conviction. The summary of his offer is as follows:

SUMMARY OF FORD OFFER

1. He completes Dam No. 2 and builds Dam No. 3 as rapidly as possible at cost and without profit subject to the approval of the Chief of Engineers.

2. He leases both dams and manufactures commercial fertilizers in accordance with the demand, but he must produce annually at least the equivalent of 250,000 tons of Chilean nitrate, either mixed with other fertilizers (phosphoric acid or potash) or unmixed. This is enough for 2,000,000 tons of 2–8–2 fertilizer.

The present demand is for about three and one-half times as much phosphoric acid as nitrogen, and his obligation requires at least 257,000 horsepower continually throughout the year, or its equivalent, although the power dependable throughout the year at both dams is only 240,000 horsepower, including the steam plants. He must improve some of the irregular and unreliable power that is available for only a part of the year in order to carry out his minimum obligations as to fertilizer. There would be only 326,000 dependable all-year horsepower after storage dams in the upper tributaries of the Tennessee River have been built.

Witnesses all agreed that the price of commercial fertilizers to the farmers can be reduced one-half at Muscle Shoals, so Mr. Ford probably could not supply the entire demand, but he would have to do so at Muscle Shoals to the extent of his reasonable ability. Possibly a ton of fertilizer may be produced with less power than is now required. Then Mr. Ford could supply a greater portion of the demand from Muscle Shoals than otherwise.

3. He agrees to a policy of regulation by the consumer through a board of nine voting members, seven from the three leading national farm organizations, nominated by the President by and with the advice and consent of the Senate, who inspect his books, limit his profits to

not more than 8 per cent of the fair actual annual cost of production, and regulate the price and distribution of the fertilizer. Since it is left to these farmers to say what items are "fair" in the fertilizer operations the entire scheme of manufacture is virtually placed in the hands of the consumers.

4. He maintains nitrate plant No. 2 or a better one ready for use by the Government in time of war for manufacture of explosives.

5. He pays 4 per cent on the entire cost of completing Dam No. 2 and on the entire cost of building Dam No. 3, including dams, power houses, equipment, and locks, except that during the preliminary period his payments are $200,000 per year for the first six years at Dam No. 2 and $160,000 per year for the first three years at Dam No. 3.

6. He provides for a sinking fund, which if invested in Federal farm-loan bonds will return the Government more than $100,000,000 at the end of the 100-year lease. The Government in addition to its interest would receive far more than its entire capital investment in the dams, including $17,000,000 of war-time expenditure on Dam No. 2. Thereafter the water power will be free from interest charges and its cost greatly reduced.

7. He pays $55,000 annually for maintenance and operation of the locks and dams which the Chief of Engineers agrees is sufficient for the purpose. The responsibility for the maintenance of the dams is left to the United States, but the Government is not required to rebuild the dams if they should be destroyed. He furnishes free power to operate all locks.

8. He researches improved methods of fertilizer manufacture at his own expense, employing such as are found successful, thus keeping the nitrate plant up to date.

9. As a cash payment in addition to the foregoing considerations he pays $5,000,000 for nitrate plants No. 1 and No. 2 and their accessories. Plant No. 1 is admittedly unsuccessful and would require a prohibitive expenditure to make it operative, and all agree that nitrate plant No. 2 is obsolete and must be completely rebuilt.

10. In lieu of the Government's interest in the Gorgas steam plant (sold to the Alabama Power Co.) only the amount received from that plant shall be used to construct a similar plant so as to retain the status of the Government properties existing when bids were asked.

OPPOSITION EXAGGERATES OBJECTIONS

We do not claim that the Ford proposal is a perfect instrument. We are quite aware that objections to certain of its provisions have been industriously spread throughout the country. But we realize that no proposal made by any human being, however good or great or wise, can satisfy everybody.

The Ford offer has been made the subject of the most savage attacks which we have ever seen in any legislation. These attacks have not been of a character calculated to lead to a calm and logical decision. There have been exaggerated statements as to the amount of power involved, while the power necessary for the manufacture of fertilizer has been grossly underestimated. The value of the property which Mr. Ford would receive, the title under which he would receive it, the significance of the lease period, the effect of the Federal water power act—in all of these particulars statements which grotesquely distort the picture have been made without fear of contradiction because of the technical difficulties involved in stating the real facts. These impassioned exaggerations have tended to lead us away from the actual facts and to appeal to our prejudices rather to suggest constructively as to how the great benefits admittedly possible at Muscle Shoals can be best made available to this Nation.

FERTILIZERS THE PEACE-TIME PURPOSE

When Congress authorized the development of water power and the construction of nitrate plants in 1916 under section 124 of the national defense act, the legislation made it clear that the peace-time purpose of the enterprise was the production of fertilizers. It was due to the farmers that the original legislation was passed. It was a consideration for their interests that caused this enterprise to be established at Muscle Shoals adjacent to a great water power and close to the Tennessee phosphate fields.

The adoption of this legislation by Congress was a pledge to the farmers that Muscle Shoals should be operated primarily for the production of cheaper and better fertilizers.

Have the farmers hoped in vain? The experts before our committee unanimously declare that they have not, for all agree that under a businesslike management, such as may be reasonably expected with competent private operation at Muscle Shoals such as is to be expected under the Ford plan, the cost of fertilizers to the farmers can be reduced one-half.

The feasibility of such a reduction is evident, for all agree that the nitrogen, which is the most expensive part of the fertilizer that the farmer must buy, can be produced at Muscle Shoals in the form of ammonia for 5 cents per pound as against 15 cents per pound for ammonia in the form of Chilean nitrate at our ports and 20 to 25 cents per pound in the form of mixed fertilizer delivered on the farm.

Among those who have made proposals for Muscle Shoals only one bidder from the beginning has undertaken to carry out the purposes of Congress at his own expense. It was his bid which originally redeemed Muscle Shoals from the program of dismantlement and destruction which had already begun when bids were requested by the Government on April 2, 1921. It was his bid which gave the lie to the representations of the group of power companies dominated by Wall Street who, when asked to bid, declared that the project was without merit and should be abandoned by the Government and that the great Wilson Dam should be left unfinished; that neither private nor Government capital should be invested in its completion.

It was his bid which carried consternation to the group of allied fertilizer companies, who, with one accord, declined to make an offer when earnestly besought by the former nitrate director, Dr. A. G. Glasgow, to undertake the operation of the nitrate plants, rent free, until they should earn 9 per cent on whatever investment was necessary for their operation, thereafter dividing additional profits evenly with the Government. These are the interests which, like the power companies, now heartily indorse the chairman's bill. They see real danger in Ford competition, but in the chairman's poverty-stricken Government corporation they see nothing to fear.

NO LIMIT TO FERTILIZER PRODUCTION IN FORD OFFER

The fact is most significant that while none deny that fertilizers can be made and their cost can be reduced one-half at Muscle Shoals, yet only one bidder agreed to produce fertilizers with the full capacity of nitrate plant No. 2 as a minimum, and, unlike all others, one bidder alone placed no maximum on the amount of power to be devoted to fertilizer production. Other bidders copied the provisions of that proposal as nearly as they dared, but they dared not copy the fertilizer provisions of the offer of Henry Ford for Muscle Shoals. So, aided and encouraged by the chairman of our committee, they sought to belittle and discredit the only proposals that offers the farmer the full measure of the benfits possible for him at Muscle Shoals.

Mr. Ford's minimum obligations to produce fertilizer are limited as to the kind to be produced and the maximum amount to be produced only by the demand. His fertilizer obligations will require more power than the entire supply of the dependable power available at Muscle Shoals with both steam power plants in operation, and they will require the improvement of some of the irregular and unreliable power in order to carry them out.

To produce 40,000 tons of fixed nitrogen by the most approved process (Haber-electrolytic), and to furnish with that the phosphoric acid that must be supplied to market these fertilizers according to demand will require the continuous use of 257,000 horsepower or its equivalent, while the entire dependable supply of power available at Muscle Shoals is only 241,300 horsepower, including the steam-power plants. The frequent statements of the newspapers that the useful power at Muscle Shoals is 850,000 or 1,000,000 horsepower are simply idle exaggerations. We brand all such misleading declarations as false, and we base our statement on the testimony of the United States engineers. Instead of representing one-third or one-fourth of the water-power resources of the Southeastern States, Muscle Shoals in reality constitutes only an insignificant part of these resources, and its entire possibilities amount to a very small fraction of the undeveloped water powers of the United States.

EFFECT OF IMPROVED PROCESSES

It is to be expected that as the processes become improved the amount of power necessary for the manufacture of fertilizers will be reduced; i. e., a ton of high-grade fertilizer probably will be made in the future with less power than is now possible. We can not agree, however, that the time ever will come when no power at all will be required to manufacture fertilizers or anything else. A manufacturing operation of any kind, by its very nature, requires the expenditure of energy and always will.

Since it is agreed that at Muscle Shoals, under competent private management, the cost of fertilizers can be reduced one-half, it is not reasonable to expect that Mr. Ford will be able to supply the entire fertilizer demand of the United States, for witnesses agree that as the cost is reduced the demand will be multiplied, but Mr. Ford will be obliged to meet the demand at Muscle Shoals to the extent of his reasonable ability. In fairness to Mr. Ford we must therefore conclude that as the power requirements diminish the tonnage of fertilizer will be increased and the effect of improved processes will be, not to place at Mr. Ford's private disposal a large amount of power for private purposes, as has been represented, but to enable him to supply a greater part of the demand for these improved fertilizers than he could supply otherwise.

Mr. Ford under his offer agrees to research these improved processes and adopt such as are commercially successful. His obligation to do this is not dependent upon whether or not he has been able to amortize his investment in any particular process or plant. Nitrate plant No. 2 must be rebuilt not once but many times over, no matter whether it has been possible to write off the cost of the plant and pay for its

reconstruction out of the earnings or not. To our minds this constitutes as valid an assurance as this Government could obtain from any source, guaranteeing that for 100 years this Nation will keep pace with the nations of the world in its means of obtaining the nitrogen that is indispensable to our national life, whether in war or in peace.

It has been claimed that Mr. Ford desires Muscle Shoals chiefly to produce aluminum, magnesium, and their alloys, and other metals, and it has been brought to the attention of our committee that on the authority of the United States Fixed Nitrogen Research Laboratory processes do exist whereby aluminum can be produced as a by-product of fertilizer.

Since the determination of the fairness of the items which constitute the cost of the fertilizer under the Ford offer is placed in the hands of the consuming public themselves, it may safely be assumed that the more valuable the by-products which can be produced in connection with the fertilizer manufacture the cheaper the fertilizer itself will become, and we believe that the production of useful by-products in this way, as suggested to our committee by Mr. Ford's chief engineer, Mr. W. B. Mayo, should be encouraged.

PUBLIC INTEREST PROTECTED THROUGH REGULATION BY CONSUMER

Under the Ford proposal a new policy in the utilization of a great natural resource would be adopted; a policy of regulation by the consumer in the manufacture and sale of fertilizers. This is a policy which has been proposed only by Mr. Ford. It is a policy which the special interests are fighting with every resource at their command, and it is accomplished in the Ford offer by limiting the profit on fertilizer to a maximum of 8 per cent upon the fair actual annual cost of production, as determined by a board of farmers' representatives who inspect the books and determine the price and distribution of the product. Since it is left to these farmers to say what items are fair in the operations, the entire scheme of manufacture is placed in the hands of the consumers.

The production of fertilizers under the Ford offer is not made conditional upon the ability of Mr. Ford or his company to make a profit of 8 per cent or any other per cent, but his profit, if any, is limited to this amount.

Since this regulation by the consumer applies to the principal operations at Muscle Shoals, namely, the manufacture of fertilizer, contrary to all the misrepresentations that have been broadcasted throughout the country by a willing press, the truth is that under the Ford offer the Muscle Shoals power will be employed primarily in the public interest and primarily under public control.

FAVORING POWER COMPANIES AT FARMERS' EXPENSE

There is another policy, the adoption of which has been urged at Muscle Shoals, namely, that this power should be devoted primarily not to fertilizers but to public utilities and used for operating cotton mills, street cars, small motors, and electric lights. To adopt such a policy and distribute this power instead of utilizing it first of all for the purpose for which the dam was built, namely, for the production of cheaper and better fertilizers, would be to violate our pledge to the farmers of the country and to decline to bring this effective aid to the farmer at the time of his greatest distress.

Public utilities already control 90 per cent of the water powers of the country, yet they have done nothing to help the farmer reduce his expenses by the sound and feasible method of increased production at less cost through the use of cheaper and better fertilizers. Since only 16 per cent of the water powers of the country have yet been developed, and 8,000,000 horsepower are available in the section of the country in which Muscle Shoals is located, we believe that the least we can do for the farmer is to permit this one development to serve agriculture by the acceptance of the Ford offer.

POWER DISTRIBUTION UNDER FORD BID

As for distribution of power under the Ford proposal, we are convinced that since the production of fertilizers is the purpose of the development in peace time it is not a matter of importance whether power is distributed from this plant or not. It will be interconnected with other plants, of course, as a matter of common business sense, whoever operates it. Mr. Ford has promised the public, in a statement published October 11, 1923, that he will build transmission lines 200 miles each way from Muscle Shoals. This is feasible, since undoubtedly there will be a period of years while the new fertilizers are being introduced, during which time there will be power available for distribution. When, later, the demands of fertilizer manufacture require the use of this power it is reasonable to expect that it can be supplied to the consumers from the storage dams to be built in the upper tributaries of the Tennessee River, or from other sources. In any event, when Mr. Ford distributes power to the public his company becomes a public utility and, like any other public utility, including the chairman's Government corporation, his company automatically becomes subject to regulation by the public utility commission of the State in which he does business.

EXAGGERATED VALUE OF PROPERTY

We repudiate the extravagant statements that have been made by the chairman of the committee and others to the effect that the Government is selling $85,000,000 worth of property for $5,000,000. The property has no such value. Half-price fertilizers can not be furnished to the farmer by utilizing either of the present nitrate plants. Either plant would have to be completely rebuilt to accomplish such a purpose.

Nitrate plant No. 1 is a small, unsuccessful experimental plant having a capacity of 30 tons of ammonia per day, and requires a prohibitive expenditure from the standpoint of cheap fertilizer in order to make it operative at all.

Nitrate plant No. 2 was built to use the cyanamid process, which is admittedly obsolete, and the plant must be rebuilt to use another process and must be supplemented by other plants before it can serve agriculture effectively.

The salvage value of these two nitrate plants has been estimated by the Ordnance Department, first, as scrap only, $7,952,000, and second, as an operating concern for those portions which can be commercially operated and the remainder as scrap, $12,597,000. They have no value at all approximating their original costs.

Neither of these unsuccessful and obsolete plants, however, is to be conveyed in fee simple to Mr. Ford. He does not get a clear title to any real estate, improved or unimproved, for the provisions of his offer are written into his deeds and become a cloud on the title for 100 years.

PROVISIONS OF POWER ACT DO NOT APPLY TO FERTILIZER MANUFACTURE

To ask Mr. Ford to come under the Federal water power act would be unfair to him, for this is an entirely different form of enterprise from those which the Federal water power act is intended to cover. It would be equivalent to asking him to invest $50,000,000 or more in an enterprise to be controlled by three political appointees sitting here in Washington. Furthermore, it is a matter of serious doubt, in view of the testimony as to the decisions of the Supreme Court, whether the "50-year" limit and other so-called regulations of the Federal water power act could be enforced against private operators who own their own dams in navigable streams, while there is no question that such provisions could be enforced against Mr. Ford as conditions attaching to a lease of Government property.

As Mr. McKENZIE has declared in the House, the length of the lease of a water power has no more to do with the rate at which that power is sold than the length of the lease of a railroad has to do with the price of a railroad ticket. We believe it is absolutely immaterial as to whether the lease is for 50 years or for a hundred years if the terms of the lease are in the interest of the public.

GREATER REGULATION IN FORD OFFER THAN IN POWER ACT

We contend that Mr. Ford and his company are regulated in the public interest under the terms of his proposal to a far greater degree than is any licensee under the Federal water power act.

Under the power act a private operator who develops a water power can use that power for whatever purposes he pleases, and he can sell the products made by its use at whatever price the market will bear. No consumer is entitled to inspect his books. He fixes his prices as he pleases and he distributes his product to suit himself.

Under the Ford offer the chief product must be fertilizer, and in its manufacture the profits are limited to 8 per cent of the fair actual annual cost of production. Mr. Ford's books are subject to inspection by a board of consumers, who determine what items in his costs are fair and what his actual cost has been, and who fix the price of the fertilizer and control its distribution. No more complete case of regulation of a great industry by consumers ever was proposed, and nothing in the history of this or any other country for the past hundred years that has come to our notice justifies the belief that by defeating the Ford proposal we will secure something better for the farmers and other consumers.

FALLACY OF 50-YEAR LEASE

A short lease accomplishes but one purpose—it provides an opportunity whereby the Government can step in at the end of the lease period and demand a greater charge. No objection to this charge is made by the power companies who are licensed under the power act, for such a charge becomes at once a fair part of the cost of the power, which is not paid by the power companies but is merely added to the consumer's bill and becomes in effect a tax, not a uniform tax upon the industry as a whole but a special kind of a tax upon the particular class of consumers who happen to be dependent upon this particular power.

We agree with Mr. McKENZIE that electric power generated from coal is one of the very few commodities that is cheaper to-day than it was 20 years ago, and since it is well known that more than 80 per cent of the energy in our coal is wasted in the best of our steam power plants, there is a vast room for improvement, and improvements, we believe, will continue to be made. As Mr. McKENZIE states, the new mercury boilers are an excellent example of the progress that may be expected in this direction.

A mere superficial examination of the case will convince anyone that if the Ford offer is rejected the taxpayers will lose far more in 50

years of Government ownership and operation at Muscle Shoals than then can possibly gain by refusing to consent to the 100-year lease period in Henry Ford's offer.

NO REGULATION OF PROFITS OR RATES UNDER POWER ACT

It has been claimed that under the Federal water power act the profits of a licensee would be limited and the public would secure all profits in excess of a fair return on the licensee's actual net investment. This is denied by the official statement of the executive secretary of the Federal Power Commission himself, who admits in his last annual report that he does not expect to expropriate a dollar of excess profits, for this is a function of the States. The State of Alabama can regulate Mr. Ford's profits, but not the Federal Power Commission.

Another State function in which the Federal Power Commission has little or no voice is the regulation of rates. The Federal Power Commission can not intervene except in the unlikely contingency in which two State utility commissions fail to agree on the rates. In all other cases the rates are in the hands of the State public utility commissions themselves, as are also the terms of service and amounts of security issues.

Under section 8 of his bill the chairman attempts to put his Government corporation into the public utility power business on a different basis from any other power company operating in the State of Alabama. He undertakes to give his board of directors the power to make rates. This provision of his bill is illegal, and the Senator's company will soon discover that they have no such power as is here attempted to give them, either as to rates or service, including the construction of transmission lines, for like any other public utility they will be subject to the rulings of the State utility commission.

The constitutionality of the entire Federal water power act, aside from its provisions for the control of navigation, has been called into question by the States of New York and New Jersey, and the attorney general of New York reports that an adjustment has been reached in their case under which the State is to retain its rights and that a settlement of the case is in sight.

In view of the benefits which have been claimed for the Federal water power act by the advocates of the chairman's bill and their loud protests against the Ford offer for not coming under it, it is surprising to see that no effort is made in this bill to extend the benefits of this act to the chairman's corporation at Muscle Shoals.

It, indeed, would be a flimsy pretext for ignoring the welfare of the farmer to deny to him the benefits of the Ford offer because that offer failed to conform to certain arbitrary conditions wholly inapplicable in the Muscle Shoals case, conditions which even the advocates of the power act are unwilling to meet at Muscle Shoals and which conditions in all probability will be found to be illegal and unenforceable.

NO GOVERNMENT INSURANCE OF DAMS

The fund of $55,000 per annum provided in the Ford offer for the maintenance of the dams and locks has been declared sufficient for all ordinary maintenance costs both by the Chief of Engineers, Gen. Lansing H. Beach, and the Assistant Chief of Engineers, Gen. Harry Taylor.

So far as insuring the dams is concerned, while the United States is responsible for their maintenance, there is nothing in the Ford offer which compels the Government to guarantee their stability during the lease period. The Government is no more in the insurance business under the Ford offer than it is under Government operation itself. While Henry Ford does not agree to rebuild the dams in the very remote contingency of their failure, neither is the Government compelled to do so.

THE FERTILIZER MONOPOLY

Since the chairman's report attempts by indirection to make it appear that the Fertilizer Trust is a mere fiction created in the farmers' minds to deceive them, we offer the following editorial from a leading trade journal:

"CHILEAN NITRATE PRODUCERS TIGHTEN GRIP ON MONOPOLY

"News of exceptional interest in the nitrate industry is reported elsewhere in this issue regarding recent action of the Chilean Nitrate Producers' Association. This body, which controls 98 per cent of the production of Chilean nitrate, voted to continue its organization for the next six years, reduced the price of nitrate for the current year, and passed a resolution not to sell nitrate to purchasers who may also buy from nonmembers of the association. About the same time the Chilean Government published a decree permitting the sale of nitrate lands only to members of the association during the life of that body.

* * * * * * *

"This decision to restrict sales of nitrate, if inclusive, means that American producers and dealers are either blacklisted by the organized producers or limited in their activities by the American law which restrains them from entering price-fixing organizations. It is a clear declaration of war against American interests in the nitrate business. The means to meet this hostile act are not obvious nor will the contest be short or easy. The ultimate result, however, is already clear. The United States will take steps to insure at the earliest possible moment full independence in nitrogen supply. It is intolerable that an act of this sort should permanently place a limitation upon the industrial and fertilizer use of nitrates." (Chemical and Metallurgical Engineering, May 19, 1924.)

If anyone doubts the reality or the effectiveness of this monopoly, let him examine this country's nitrate bill, which totaled $62,972,054 for 1923, and since the beginning of importations has reached the staggering total of $1,103,153,964.41, some 60 per cent of which is paid by the farmer.

The statements about the existence of a fertilizer trust are undeniable, and the farmers' interests will not be served by any attempt to ridicule the facts.

Muscle Shoals under efficient private operation as would follow the acceptance of the Ford offer would have a radical effect upon the prices of the Nitrate Trust, for Mr. MADDEN testified before the House Military Affairs Committee:

"I was told by one of the men heavily interested in Chilean nitrates the other day—I was talking to him about this plant and I told him I thought we would be able to produce nitrates and sell to the farmer much more economically than they have ever purchased them before. He said, 'If that shall prove to be the case, we will cut the price of Chilean nitrates in two—in three, if necessary.'" * * *

TWO COURSES OPEN

We agree with the majority of the committee who have finally come to the conclusion that we, like many others, reached two years ago, namely, that there are but two courses open to the Government, and after hearing the additional testimony of the past six weeks we are the more firmly convinced that Acting Chairman MCKENZIE, of the House Committee on Military Affairs, correctly appraised the situation when he stated in his majority report:

"Two courses are open, one Government ownership and operation, which in view of the character of the project would, in the judgment of the majority of the committee, mean not only failure from the standpoint of income but disaster to the hopes of the farmers and other users of commercial fertilizer. To have the Government undertake to engage in the manufacture of fertilizer ingredients, with political superintendents, foremen, and straw bosses is unthinkable, and to undertake such a scheme would be unspeakable folly.

"The alternative course is to sell the tangible property to private individuals or to a corporation on conditions prescribed by Congress, lease the power at a fair rental, and permit individual American initiative and ingenuity to have an opportunity at this place, where the greatest water power in our country can be developed, requiring the preservation of the element of national defense, and at the same time giving an opportunity for relief, if such there can be, to not only the Southland but our entire country in the way of commercial fertilizer at reasonable prices.

"Is this possible? Does the Ford proposal promise such a consummation? We feel that it does * * *."

We heartily concur in these views.

THE FOLLY OF A GOVERNMENT FERTILIZER BUSINESS AT MUSCLE SHOALS

We speak in the interest of those who favor Government operation as a principle when we declare that they do a grave injustice to the cause which they indorse when they urge that this course be followed at Muscle Shoals. If they were proposing that the Government should go into the shoe manufacturing business, for example, even so radical a course would be open to less objection than that which the majority proposed. The shoemaking business is an old established industry. Its operations and methods are well known; they have been standardized for a generation or more.

The electrochemical fertilizer industry, on the other hand, exists in large commercial form only in Germany where, according to the testimony of Doctor Cottrell, it has been operated entirely by private enterprise. In the United States there is no such industry, and there are no precedents to follow. Mr. E. H. Hooker, one of the most competent electrochemical engineers in the United States, well expressed the situation to our committee when he said, "This art is changing so fast that you can hardly follow it."

The majority of the committee would have the Government engage in an undertaking in which any plant, however well designed, admittedly may become obsolete even before its construction is completed. How can any reasonable man insist upon taking the taxpayer's money by the scores of millions of dollars and sinking it in great fertilizer plants under such conditions when, with the Ford offer accepted, private capital agrees to research these improved processes on a commercial scale and to adopt such processes as prove their worth, insuring that the nitrate plant will be kept up to date without one cent of expense to the United States Government?

OUR EXPERIENCE WITH GOVERNMENT OPERATION AT MUSCLE SHOALS

Our own experience in this nitrate business should be a warning to us. Nitrate plant No. 1, utilizing the so-called Haber-Bosch process, was built on the strength of a report which recommended the expenditure of $3,000,000 for this purpose, but actually cost $13,000,000, and then was unsuccessful as a nitrogen plant. The cost of making that plant a success has been estimated at $4,000,000 to $5,000,000, but its capacity is only 30 tons of nitrogen in the form of ammonia per day. Such an investment for so small a production would be prohibitive from the standpoint of cheapening the cost of fertilizer. It was not until the process was perfected by the Atmospheric Nitrogen Corporation (a subsidiary of the Solvay Process Co., and of the General Chemical Co.) under private initiative at Syracuse, N. Y., that it was made physically possible to operate this process successfully.

Whether this Haber-Bosch process is best for fertilizer is a disputed question; the former advocates of the process now recommend the "Haber-electrolytic" process; but no manufacturer in the United States has undertaken to build a large-scale plant to utilize either of these processes for fertilizers or for any other purpose.

Nitrate plant No. 2, utilizing the cyanamid process, was authorized when it became apparent that we had to have a domestic supply of fixed nitrogen for explosives regardless of cost in order to win the war. It was originally contended by the American Cyanamid Co., who built the plant, that the cyanamid process was the only process suitable for the production of nitrogen fertilizers. The war-time estimate for its cost was $30,300,000, but it actually did cost, not including the Gorgas steam plant and transmission line, $67,800,000. Yet all witnesses agree that for fertilizers, the cyanamid process is obsolete, and it has been declared by Maj. J. H. Burns that to change to the Haber-electrolytic process now in favor, would cost not less than $10,000,000.

Government operation in the construction of the nitrate plants has demonstrated: First, that where a process had not been commercially worked out under private initiative it was not solved under Government management; second, that the cost of construction greatly exceeded the war-time estimates; third, that the processes of both nitrate plants became obsolete before the plants were completed.

If we are to undertake public operation of industry in the United States, then let us give it a fair trial. Let us begin with some well-established industry in which the day of radical changes has long gone by. To begin with such an industry as commercial nitrogen fixation, with the chances all against us, with only one thing certain, and that is that the expenditure will be many times the original estimate, is a course which would do a grave injustice to the general policy of Government operation. It could be justified only if we had no satisfactory offer from private sources. With the offer of Henry Ford before us, it is neither justifiable nor excusable.

WHY GOVERNMENT OPERATION FAILS AT MUSCLE SHOALS

At the very outset the success of the Government enterprise is jeopardized by a three-way division of responsibility: The Secretary of War builds the power dams and the upper storage dams; the Government corporation builds an addition to the steam power plant at nitrate plant No. 2 and transmission lines and operates the dams and this steam power plant, selling power to the Secretary of Agriculture and to the public; the Secretary of Agriculture operates either or both of the nitrate plants (although his power supply is limited to barely half enough to operate nitrate plant No. 2 for nitrogen alone, to say nothing of phosphoric acid) and makes fertilizer and sells it at any "reasonable" profit to the trade in general.

The opportunity for advancing a perfect alibi on the part of any or all concerned in case of misfortune is too evident to require comment. No one is responsible for the conduct of the enterprise as a whole, and no one must take the sole and direct responsibility if it fails. The very first axiom of successful industry is inexcusably violated.

The success of a manufacturing enterprise is very largely dependent upon competent, experienced management. Executives capable of successfully operating an enterprise of such a magnitude are not to be had for $7,500 per year and are not likely to be found in a Government bureau. Such men would be hard to find, particularly in an undeveloped industry, for they are already employed at salaries many times this amount.

The influence of politics presents another easy road to failure under Government operation. The chairman has endeavored to prevent political considerations from affecting the success of the enterprise, but so long as human nature remains as it is the element of politics, directly or indirectly, must be reckoned with in any Government undertaking. If Congress wishes to repeat the scandals of the Veterans' Bureau, the Shipping Board, or the oil leases it needs only to turn this great plant over to a Government bureau to be operated as a commercial undertaking.

GOVERNMENT OPERATION MEANS MANY MILLIONS MORE APPROPRIATIONS

The overwhelming objection to the chairman's bill, however, when Congress is endeavoring to reduce taxes, is the large and unwarranted additional expense, which the taxpayers must shoulder under the chairman's bill, with no assurances of any adequate return on the investment or of ever recovering any part of the principal. Chairman MADDEN, of the House Committee on Appropriations, forcibly brought this feature of the situation to the attention of the House on June 30, 1923, and again on March 6, 1924.

Mr. MADDEN took the official estimates of the cost of remodeling the nitrate plants so as to utilize the process which at present is most in favor and the estimated cost of partially stabilizing the flow of the Tennessee River in a way similar to that proposed by the chairman in his bill, and found that if the Government undertook to engage in the fertilizer business there would be required the following additional appropriations:

| | |
|---|---|
| 1. Auxiliary or reserve water supply to stabilize the flow of the Tennessee River that a more uniform amount of power would be available the year round | $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 mixed fertilizers | 15,000,000 |
| 5. Operating fund | 10,000,000 |
| Total | 59,000,000 |

Since Mr. MADDEN prepared these figures, however, experts before our committee have indicated that they are too low. For example, the phosphoric-acid plant necessary to enable the Government to produce nitrogen and other commercial fertilizers according to demand has been estimated to cost $20,000,000 instead of $15,000,000. It also appears that the $20,000,000 estimate for the cost of the upper river storage dams may be entirely inadequate, for the surveys of these dams have not yet been completed.

The Secretary of War is directed in the Norris bill to build as many storage dams as he sees fit to regulate the flow of the Tennessee River. Without denying the desirability of regulating the flow of the river, this is an unlimited authorization to take funds from the Public Treasury for the purpose of building dams when private power companies are already competing for the privilege of constructing these very dams at their own expense. The Federal Power Commission already has conflicting applications for permits to build many of these storage dams.

The chairman's bill also provides for adding 50 per cent to the capacity of the steam-power plant at nitrate plant No. 2. This is an authorization to add 40,000 horsepower to the capacity of the plant, which at the reasonable figure of $100 per horsepower would cost $4,000,000.

In section 3 of his bill Senator NORRIS undertakes to compel present and future owners of dams on the Tennessee River which would benefit by these storage dams to pay for a share in the cost of these dams proportionate to their benefits, but this provision, however fair it may be, is clearly unconstitutional, for the Federal Government has no authority over navigable streams by virtue of which it can compel developments on one stream to pay for their share or proposed storage reservoirs while those on other streams do not.

NO CHEAPER FERTILIZER FOR FARMER UNDER NORRIS BILL

The change in the title of the chairman's Government corporation from the Federal chemical corporation to the Federal power corporation is very appropriate. While it might conceivably have been agreed that the principal aim of the chairman's bill of last year was to preserve the purpose of Muscle Shoals as a source of better and cheaper fertilizers for the farmers of the country, it can not be denied that in this bill as now amended the fertilizer becomes a very minor and secondary consideration.

Muscle Shoals under the chairman's bill is a public utility power proposition in which the interests of the farmers have been utterly lost in a giant superpower scheme in which Muscle Shoals would be but an insignificant part. The national value of Muscle Shoals disappears and the great dam that was built to serve the farmer becomes a mere cog in a machine for operating street cars, cotton mills, and electric lights in a limited section of the country. Let no farmer expect cheaper fertilizer under such a plan—his chance is gone.

It needs no argument to show that this is so, for the chairman's bill provides that no more than 25,000 primary horsepower shall be used for the manufacture of fertilizer, together with 75,000 horsepower of the secondary or irregular power which would exist not more than four or five months of the year and perhaps less.

Among the proposals made to the committee were several in which the bidders sought to throw a fertilizer sop to the farmers in order to secure control of the water power, but none of them offered to provide as little as 25,000 primary horsepower for fertilizer purposes. If we would protect the farmer's interests, then any of the bids which were considered by our committee would be far superior to what the

chairman proposes. The fertilizer monopoly and the Alabama Power Co. and their associates could not have drawn a bill that would have more effectually freed them from any real competition at Muscle Shoals than this Government corporation.

WHY NOT AWARD IT TO THE ALABAMA POWER CO.?

The power companies see in this bill a wide-open gateway to the power that they long have coveted and which they could not get directly by offers of their own.

It is a well-known fact that the Alabama Power Co. and its associates have been endeavoring to secure control of the Muscle Shoals power for years, and if under Government operation we are merely to operate the hydroelectric plants for the benefit of the power companies, turning over the power to them to distribute and sell, then, in our judgment, we would deal more honestly with the country if we accepted the offer of the power companies directly. We do not believe that this Government should try to do by indirection what it is unwilling to do frankly and openly.

$130,000,000 MORE APPROPRIATIONS

Since the chairman has proposed to take away this power from the farmers and to distribute it over independent lines to the principal cities within a radius of 400 miles, and since this is the policy to be voted on under this bill we want the Senate to know what that means:

The present estimate of $51,000,000 for the cost of Dam No. 2 complete does not include the cost of the transformers, transmission lines, and other equipment necessary for long-distance transmission.

Considering only five main lines—Cincinnati via Nashville and Louisville; Little Rock, Ark., via Memphis; New Orleans via Meridian; Atlanta via Birmingham; and Knoxville via Chattanooga—the transmission distance would be at least 1,500 miles, and according to General Taylor a single-tower line would cost on an average at least $20,000,000 per mile, not including the right of way. This would cost $30,000,000 for transmission lines alone, and the additional equipment, not including the local distribution in the various towns and cities, would require at least $5,000,000 more.

If we confine our transmission system only to those cities within 200 miles of Muscle Shoals, we would require at least 550 miles of main trunk lines.

The cost would be:

| | |
|---|---|
| 550 miles of high-tension transmission line, at an average cost of $20,000 per mile | $11,000,000 |
| Right of way, transformers, and other equipment (estimated) | 4,000,000 |
| Total | 15,000,000 |

Correcting the estimate of probable appropriations necessary on which no reasonable return can be assured, we must increase Mr. MADDEN'S figures as follows:

| | | |
|---|---|---|
| Estimated additional cost to Government if United States engages in fertilizer business (MADDEN estimate) | | $59,000,000 |
| For additional cost of phosphate plant | $5,000,000 | |
| For transmission system, to near-by cities | 15,000,000 | |
| Addition to steam-power plant | 4,000,000 | |
| | | 24,000,000 |
| Total | | 83,000,000 |

If, however, the power is to be distributed over a 400-mile radius by means of the five transmission lines referred to above, we must add $21,375,000 to this estimate, bringing the total new appropriations to $104,375,000.

To this we must add $25,000,000 for building Dam No. 3, and our immediate future expenditure then becomes $129,375,000.

| | |
|---|---|
| When we have completed Dam No. 2 our expenditures at Muscle Shoals will total (exclusive of Dam No. 3) | $107,400,000 |
| To carry out the chairman's program we would have to invest another | 125,375,000 |
| Bringing our total investment to | 232,775,000 |

without the slightest assurance that any part of this huge sum could ever be returned to the taxpayers.

The capital of the corporation consists of $3,472,487.25 received by the United States from the sale of the Gorgas steam plant to the Alabama Power Co., together with such surplus materials as are available at Muscle Shoals, and the sum of $1,500,000 for the purpose of rebuilding nitrate plants and carrying on a great commercial fertilizer business. In other words, with less than $5,000,000 of actual cash this company is expected to obtain enough appropriations to do at least $119,000,000 worth of construction work and carry on a business which has been estimated by Mr. MADDEN to require at least $10,000,000 for operating capital alone. If, however, the expectations are to be carried out as recited in the chairman's report and this power is to be distributed over modern high-tension lines into even a few principal points within the area from Louisiana to the Ohio River, the immediate future appropriations for which this Government corporation would call upon us will total practically $130,000,000.

CHEMISTS AS MANAGERS

Section 14 of the chairman's bill providing for the turning over of nitrate plants Nos. 1 and 2 to the fixed-nitrogen-research laboratory for operation is an amazing proposal. With no reflection upon the character or ability of the high-grade chemists of the nitrogen-research laboratory, the fact remains that they are not operating executives and do not claim to be. The problems of plant operation in the production of the equivalent of 2,000,000 tons of commercial fertilizer per year (the capacity of nitrate plant No. 2) are not problems with which research chemists can be expected to deal successfully. They are problems of money, men, and management. The man who can take a new industry and operate it from the beginning on a large scale and not make any mistakes has never yet been found. Mistakes, costly ones, will be made. Some one must pay the bill. According to the chairman's plan the taxpayers of the United States will pay it, and under his plan the bill will be a large one. Under the Ford offer Henry Ford will pay it, whether it is small or large.

RISK IN MANUFACTURE OF NEW NITROGEN COMPOUNDS

There is another side to the operation of these nitrate plants which to our minds presents an unanswerable argument as to the folly of our attempting to salvage a war-time expenditure and to utilize an obsolete nitrate plant and a few houses and town lots down in Alabama by going into the manufacture of fertilizer as a Government enterprise. We refer to the serious element of physical risk which accompanies the manufacture of new nitrogen compounds.

On February 8, 1923, Senator LADD called attention to the record of disastrous explosions which have occurred at plants using the Haber process of nitrogen fixation. He particularly made reference to the great explosion at Oppau, which destroyed 1,500 lives and more than $50,000,000 worth of property in a few moments. It is now claimed that this was not an explosion due to the process but that it was an explosion of a stored supply of a new fertilizer compound containing ammonium nitrate (the latter being the same material which it has been proposed to produce under Government operation at nitrate plant No. 2) which was responsible for this terrible calamity. Assuming that the nitrogen-fixation process was in no way responsible for the accident, the fact remains that there is a serious element of risk in the preparation and handling of new nitrogen compounds.

Still more recent is the explosion on March 1, 1924, of a batch of ammonium nitrate at the plant of the Columbia Salvage Corporation at Nixon, N. J. Commenting on this explosion editorially, the Oil, Paint & Drug Reporter of March 10, 1924, says:

> "As was the case with respect to the disaster at Oppau a couple of years ago, the recent explosion at Nixon, N. J., which may reasonably be considered to have much in common with the German catastrophe has given rise to a great variety of opinion as to the cause * * *.
>
> "There are so many factors of hazard connected with the handling of such material as ammonium nitrate that it would be extremely difficult to determine whether the fault was a mechanical one or one of contaminated material or lay in human error. Temporarily faulty control of evaporation might result in overheating. Momentary carelessness on the part of a workman might easily lead to disastrous results. It is, at best, doubtful whether the investigations that have been ordered will reach a solution of the mystery; although, for the sake of progress in the production of nitrogen compounds, it is to be hoped that they will uncover evidence that the explosion was not due to an irremediable hazard in such processes, it will be recalled that the owners of the Oppau plant decided after the disaster there to give up the manufacture of ammonium nitrate.
>
> "Whatever the cause, the explosion at Nixon points clearly to the fact that the production and handling of fixation compounds of nitrogen are not the child's play which some comment in Congress and elsewhere on the disposition of the Muscle Shoals plant might be taken to assume. Even though ammonium nitrate be somewhat more hazardous than the other compounds more generally associated with the economic consideration of nitrogen fixation, the importance of efficient chemical control of fixation plants can not be gainsaid. Such establishments are not to be classed with cider mills among the enterprises adaptable to agricultural cooperative movements."

As the Chemical and Metallurgical Engineering Mazagine of March 17, 1924, remarks:

> "It is to be hoped that the different investigations now under way may reveal something of the cause of the explosion—information that will help to fill the admitted void that exists in our knowledge of the behavior of ammonium nitrate, particularly under conditions in which it is associated with other materials."

When we realize that right to-day we have accumulated in the process of manufacture at nitrate plant No. 2 some 1,700 tons of ammonium nitrate, a nitrogen compound which in itself is supposed to be harmless, but which has already cost the lives of thousands and untold millions of property damage by its explosion, and when we realize how little is really known of the behavior of this and other nitrogen compounds, we can not avoid the feeling that if we reject the offer of Henry Ford and undertake Government operation we may

awake some morning to find that our supposed economies have vanished in the untold losses of a great calamity.

Since we have before us a responsible offer to develop this industry at private expense, backed with adequate capital, which is able to command the best technical talent that the world affords, and since by accepting this offer we can assure ourselves that the United States will maintain its advanced place among the nations in this most important industry, we believe that we are indeed fortunate to have such an offer available, and in our judgment common prudence and a regard for the public interest demand that we accept it.

COMPARISON OF THE TWO COURSES

For convenient comparisons we have drawn up a brief parallel statement of the respective provisions of the two bills, as follows:

| FORD OFFER | NORRIS BILL |
|---|---|
| 1. Takes the Government out of the fertilizer and power business. | 1. Sets up the Government in the fertilizer and power business. |
| 2. The only additional expenditure is for the construction of Dam No. 3. | 2. The completion of Dam No. 3 is only one of a number of large new expenditures which may total $130,000,000, and which must be met by new appropriations. |
| 3. The company pays 4 per cent interest throughout the lease period on the actual cost of completing Dam No. 2 and constructing Dam No. 3, with their locks and power-house facilities, except that at Dam No. 2 for the first six years the payment is $200,000 per year, and at Dam No. 3 for the first three years the payment is $160,000 annually. | 3. No guaranteed return of any kind on the Government's investment. |
| 4. The Ford plan is guaranteed by a company having a paid-in capital of $10,000,000 under a contract binding jointly and severally on Mr. Ford, his heirs, representatives, and assigns, and his company, its successors and assigns. Mr. Ford's chief engineer has testified that Mr. Ford expects to invest $50,000,000 in improvements at Muscle Shoals, which investment depends upon the water-power lease for its usefulness, and the lease may be canceled for nonfulfillment of contract. | 4. Under the Norris bill an attempt would be made to operate the nitrate plants and distribute power by a corporation having the absurdly inadequate capital of $4,972,487. Whatever capital is provided must be at the expense of the Government Treasury. The corporation is not required to make guaranties of any kind for faithful performance. |
| 5. Insures that the Muscle Shoals project will be operated primarily under public control and primarily in the public interest, with a minimum annual production equivalent to 2,000,000 tons of 2-8-2 commercial fertilizer as the principal product, with no further expense to the Government. | 5. No assurance of any production of fertilizer at all, for the operations would be dependent upon appropriations by Congress, and in all probability Congress would not long consent to the maintenance of an unprofitable enterprise such as may be expected when an undertaking of this character is attempted by the Government. |
| 6. Limits all profit on manufacture and sale of fertilizers to not more than 8 per cent of the fair actual annual cost of production and agrees that a board of farmers appointed by the President and confirmed by the Senate shall examine the books, pass upon what is fair in his cost of items, and fix the price and control the distribution of the fertilizer. Public interest fully protected through regulation of his chief product which requires all his dependable power, viz, fertilizer. | 6. The corporation is authorized to sell fertilizer direct to farmers or farm organizations as well as to dealers, manufacturers, and to the fertilizer trade generally. There is no limit as to the profit which may be charged so long as the fertilizer is sold at a "reasonable profit." A profit in excess of 8 per cent—say, 10 per cent—could not be held unreasonable. |
| 7. The great fertilizer enterprise at Muscle Shoals would be operated by competent, experienced executives under the efficient manufacturing conditions to be had only under private management. Mr. Ford is not prevented from paying the salaries necessary to secure the highest grade of technical and professional men to conduct the enterprise. | 7. Not only is the efficiency of private management lacking, but it is actually proposed to commit this great manufacturing enterprise into the control and management of the chemists of the Government's nitrogen laboratory. The pay of any employee is limited to $7,500 per year. |
| FORD OFFER—continued | NORRIS BILL—continued |
| 8. No maximum limit upon amount of power to be used for fertilizer manufacture. Minimum power requirements by present methods is 257,000 continuous horsepower or its equivalent. | 8. Power for fertilizer definitely limited to 25,000 horsepower of primary or continuous power and 75,000 horsepower of secondary or irregular power available only four or five months each year. |
| 9. Obligation is to produce in accordance with the demand. This applies both to the kind of fertilizer produced and the amount. The less power required per ton of fertilizer through improved processes the more fertilizer must be produced. | 9. No obligation to produce in accordance with the demand. Fertilizer production can be reduced if power requirements are lessened by improved processes. |
| 10. Obligates Mr. Ford to research improved electric furnace methods, industrial chemistry to develop more economical processes, and requires him to reasonably employ such improved processes as are found to be successful. | 10. Provides for experimentation study and research for cheapening the manufacture and sale of fertilizer or other products either through the fixed-nitrogen-research laboratory (which that laboratory is now doing) or any other way deemed advisable by the Secretary of Agriculture. |
| 11. Maintains nitrate plant No. 2 or a better one of equal capacity free of charge for 100 years, ready for immediate use by the Government in the manufacture of explosives. | 11. Maintains nitrate plant No. 2 nominally at the expense of the Government corporation but actually at the expense of the United States. |
| 12. Provides a guaranteed sinking fund sufficient to return the following amounts within the lease period, according to the statement of the Secretary of War. (H. Doc. No. 167, 67th Cong., 2d sess., p. 7.) Invested at— Amount returned, 4 per cent $49,071,935; 4¼ per cent 58,570,003; 4½ per cent 70,100,049; 5 per cent 100,868,642; 6 per cent 213,134,690 | 12. No sinking fund provided for any return of the Government's investment. |
| 13. Provides a fund of $55,000 annually at the expense of the hydroelectric power for maintenance and operation of locks and dams, exclusive of power house and equipment. The Chief of Engineers has testified that this is ample for that purpose. | 13. No provision requiring the power sold to pay cost of maintenance of locks. Locks continue to be maintained by Government appropriation. |
| 14. While nothing in Mr. Ford's offer compels him to distribute power not needed for fertilizer manufacture, he has promised the public in a statement broadcast to the country on October 11, 1923, that he would extend his power lines 200 miles in each direction from Muscle Shoals. This is a promise to the public which he can not violate with impunity, and it gives every reasonable assurance that, so far as is reasonably practicable, the Muscle Shoals power will be distributed. The distribution will be brought about with no expense whatever to the United States and no appropriations from the Federal Treasury. | 14. Under the Norris bill a conservative estimate of the cost of distribution by only five lines, averaging 375 miles in length, would call for an expenditure of more than $36,000,000, with no assurance whatever of a market at a price that would yield an adequate return on the investment. |

FARM RELIEF

Mr. RANKIN. Mr. Speaker, this Congress is about to adjourn; within a few hours this body, together with the one at the other end of the Capitol, will have disbanded and the various Members will have gone to their respective homes.

Three years have passed away since this administration came into power. The agricultural elements of the country have suffered more during that time than they ever had before. They have been crying out to Congress for help. What has this administration done to relieve their condition? Instead of granting a measure of relief it has piled upon the backs of the American farmers an additional burden in the form of the highest protective tariff ever passed in the history of the civilized world. When the farmer asked for bread you gave him a stone, which you tied about his neck in the form of a tariff

for the benefit of his exploiters, and to-day he is paying more for what he buys according to what he gets for the things he sells than he ever has in the history of this Republic. You have done nothing to advance the price of farm products, which have been gradually declining ever since you came into power; but you have levied a tariff on the necessities of life, collecting a toll on everything he buys "from the swaddling cloths of infancy to the lining of the coffin in which old age is laid away." That toll does not go into the Federal Treasury to help reduce the burden of taxation, but it goes into the pockets of the manufacturers to increase their prosperity at the expense of the American people. Four billions of dollars are thus taken from the masses of the American people annually, of which $3,600,000,000 goes into the pockets of the tariff barons, who have been the chief beneficiaries of this administration. [Applause.]

As a result the farmers are going bankrupt, their credit is being cut off, and their homes are being sold under the hammer. Never in the history of this country have the farmers, especially those in the Western States, suffered as they are suffering now, and everyone else whose prosperity depends on the success of agriculture is suffering in the same way. In addition to the great multitude of farmers who have had their homes swept away by this high tide of misgovernment, hundreds of banks have failed, thousands of merchants have been forced to close their doors, professional men have pulled up and moved to the cities, and schools have closed, while faminelike depression has spread over the land.

What are you going to tell these people when you go home? Are you going to admit that this administration has not tried to relieve them, or do you expect to try to deceive them into indorsing this administration and in their despair underwriting their own destruction? Well, you can not fool hungry, homeless, or bankrupt people into believing that they will ultimately grow prosperous as a result of the same influences which wrought their ruin.

You could relieve the American farmers in 10 days if you really wanted to do so. I have introduced a resolution to exempt from import or tariff duties all articles shipped in from foreign countries and exchanged for American farm products. If you will pass that resolution, you will see farm products begin to move as they have not moved since the close of the war. You will see them advance in price to where the farmers can produce them at a profit. You will see trade and industry stimulated throughout the world. There will come to the American farmers, and incidentally to all the people in the agricultural States, the greatest measure of sound prosperity they have ever enjoyed.

Then you would not have to go down into the Treasury to appropriate money to feed the hungry children of Europe. Large enterprises needing foreign goods would purchase the products of the American farms to exchange for them. Not only would our surplus farm products then be moving toward the hungry people of the Old World, but their industries would be stimulated so that they could have employment at which to earn a livelihood.

We do not have to adjourn this Congress. It is much more important that we pass legislation for the relief of the agricultural sections than it is for Members to get away from here in time to attend political conventions. For my part, I opposed the adjournment resolution; I think we ought to stay here until we give the American people some relief from these unbearable conditions.

But the trouble is that while a great many of you gentlemen on the Republican side of the aisle would be glad to support my resolution—you would be glad to help us relieve these hard conditions—the real powers that control this administration are more in sympathy with the tariff magnates and the other interests that are profiting as a result of these conditions than they are with the masses of the American people.

I expect to renew this fight when we come back here in December. Something must be done. Your three cheers for the farmers will not relieve their distressed conditions. [Laughter.]

We are going to carry this fight to the people this year, and if present indications mean anything the voters in the agricultural States are going to elect men to public office this fall who are in favor of saving the agricultural industry from the implacable destruction which would be the inevitable result of the continuation of the present outrageous tariff policy. [Applause.]

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. J. Res. 283. Joint resolution to permit to remain within the United States certain aliens in excess of quotas fixed under authority of the immigration act of May 19, 1921;

H. R. 4088. An act to establish the upper Mississippi River wild life and fish refuge;

H. R. 7079. An act prohibiting the importation of crude opium for the purpose of manufacturing heroin;

H. R. 7731. An act authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation;

H. R. 9434. An act granting the consent of Congress to the States of Georgia and Florida, through their respective highway departments, to construct a bridge across the St. Marys River;

H. R. 1414. An act to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes;

H. R. 6426. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 9612. An act granting the consent of Congress to the State of Georgia, through its highway department, to construct a bridge across the Oconee River;

H. R. 9314. An act to amend section 98 of the Judicial Code;

H. R. 9402. An act granting the consent of Congress to the Fullerton & Portsmouth Bridge Co. to construct a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

H. R. 9361. An act granting the consent of Congress to the construction of a bridge across the Rio Grande;

H. R. 9610. An act granting the consent of Congress to the Board of Supervisors of Lowndes County, Miss., to construct a bridge across Tombigbee River;

H. R. 1830. An act for the relief of Charles T. Norman;

H. R. 9515. An act granting the consent of Congress to the Delaware State Highway Department to construct a bridge across the canal near Rehoboth;

H. R. 1306. An act for the relief of Henry McGuire;

H. R. 9111. An act directing the remission of customs duties on certain property of the United States imported by the War Department;

H. R. 6652. An act to authorize the city of Los Angeles, in the State of California, to construct and operate a line of railroad across the Fort MacArthur Military Reservation, in the State of California;

H. R. 6950. An act to authorize the incorporated town of Cordova, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of constructing and equipping a public-school building in said town of Cordova, Alaska;

H. R. 9457. An act granting the consent of Congress to the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River at or near Alaga, Ala., connecting Houston County, Ala., and Early County, Ga.;

H. R. 9517. An act granting the consent of Congress to the North Texas Co., of St. Jo, Tex., a corporation organized under the laws of the State of Texas, to construct a toll bridge across the Red River in the vicinity of Illinois Bend, Tex.;

H. R. 6972. An act for the relief of William H. Nelson;

H. R. 4830. An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor;

H. R. 6255. An act to amend an act entitled "An act to authorize the incorporated town of Ketchikan, Alaska, to issue its bonds in any sum not to exceed $100,000 for the purpose of constructing a schoolhouse in said town and equipping the same," approved February 7, 1920;

H. R. 8578. An act to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common cariers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended;

H. R. 8839. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 9345. An act granting the consent of Congress for the construction of a bridge across the Ohio River between Vanderburgh County, Ind., and Henderson County, Ky.;

H. R. 9177. An act granting the consent of Congress to the counties of Kittitas and Grant, in the State of Washington, to

construct a bridge across the Columbia River at or near Vantage Ferry, Wash.;

H. R. 5318. An act to authorize an exchange of lands with the State of Washington;

H. R. 7998. An act granting public lands to the city of Golden, Colo., to secure a supply of water for municipal and domestic purposes;

H. R. 9429. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 4835. An act to pay tuition of Indian children in public schools;

H. R. 7996. An act to regulate and fix rates of pay for employees and officers of the Government Printing Office;

H. R. 4816. An act authorizing the Secretary of War to permit the city of Vicksburg, Miss., to construct and maintain water mains on and under the National Cemetery Road at Vicksburg, Miss.;

H. R. 6049. An act for the relief of V. E. Schermerhorn, E. C. Caley, G. W. Campbell, and Philip Hudspeth;

H. R. 3477. An act for the relief of James B. Porter;

H. R. 5325. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Choctaw and Chickasaw Indians may have against the United States, and for other purposes;

S. J. Res. 146. Joint resolution to amend section 13 of the act entitled "An act to provide for the classification of civilian positions within the District of Columbia and the field service";

S. J. Res. 43. Joint resolution in relation to a monument to commemorate the services and sacrifices of the women of the United States of America, its insular possessions, and the District of Columbia in the World War;

S. 2694. An act to enable the trustees of Howard University to develop an athletic field and gymnasium project, and for other purposes;

S. 2257. An act to consolidate, codify, revise, and reenact the laws affecting the establishment of the United States Veterans' Bureau and the administration of the war risk insurance act, as amended, and the vocational rehabilitation act, as amended;

S. 3420. An act granting the consent of Congress to the construction, maintenance, and operation by the Denver & Rio Grande Western Railroad Co., its successors and assigns, of a line of railroad across the southwesterly portion of the Fort Logan Military Reservation in the State of Colorado;

S. 3355. An act granting the consent of Congress to the counties of Marion and Florence, in the State of South Carolina, to construct a bridge across the Peedee River at or near Savage Landing, S. C.;

S. 3263. An act to provide for the inspection of the battle fields in and around Fredericksburg and Spotsylvania Court House, Va.;

S. 3244. An act granting the consent of Congress to the Board of Supervisors of Hinds County, Miss., to construct a bridge across the Pearl River in the State of Mississippi;

S. 3188. An act for the abandonment of a portion of the present channel of the south branch of the Chicago River;

S. 3116. An act to authorize the Choctaw, Oklahoma & Gulf Railway Co. and the Chicago, Rock Island & Pacific Railway Co. to construct a bridge across the White River near the city of De Valls Bluff, Ark.;

S. 3111. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Stockbridge Indians may have against the United States, and for other purposes;

S. 3024. An act providing for the acquirement by the United States of privately owned lands within Rio Arriba and Taos Counties, N. Mex., known as the Las Trampas grant, by exchanging therefor timber within the exterior boundaries of any national forest situated within the State of New Mexico;

S. 3023. An act designating the State of New Mexico as a judicial district, fixing the time and place for holding terms of court therein, and for other purposes;

S. 2834. An act relating to the American Academy in Rome;

S. 2761. An act to authorize the withdrawal of lands for the protection of antelope and other game animals and birds;

S. 2699. An act to amend an act creating the Custer State Park game sanctuary in the State of South Dakota;

S. 2236. An act to designate the time and place of holding terms of the United States district court in the first division of the district at Kansas City;

S. 2159. An act authorizing annual appropriations for the maintenance of that portion of Gallup-Durango highway across the Navajo Indian Reservation and providing reimbursement therefor;

S. 1785. An act to amend an act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, and acts amendatory thereof;

S. 1308. An act authorizing an appropriation to enable the Secretary of the Interior to purchase a tract of land, with sufficient water right attached, for the use and occupancy of the Temoak Band of homeless Indians, located at Ruby Valley, Nev.;

S. 1203. An act to amend an act entitled "An act authorizing an appropriation to meet proportionate expenses of providing a drainage system for Piute Indian lands in the State of Nevada within the Newlands reclamation project of the Reclamation Service," approved February 14, 1923;

S. 1192. An act to confer jurisdiction upon the United States District Court, Northern District of California, to adjudicate the claims of American citizens;

S. 699. An act authorizing the addition of certain lands to the Medicine Bow National Forest, Wyo., and for other purposes;

S. 697. An act providing for the disposal of certain lands on Crooked and Pickerel Lakes, Mich., and for other purposes;

S. J. Res. 115. Joint resolution to provide for the free transmission through the mails of certain publications for the blind;

S. J. Res. 114. Joint resolution authorizing an investigation of the proposed Casper-Alcova irrigation project, Natrona County, Wyo.; the Deschutes project, in the State of Oregon; and the Southern Lassen irrigation project, in Lassen County, Calif.;

S. 113. An act changing the name of Keokuk Street, in the county of Washington, D. C., to Military Road.

S. J. Res. 106. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of an equestrian statue of General San Martin, which the people of Argentina have presented to the United States;

S. J. Res. 103. Joint resolution authorizing expenditure of the Fort Peck 4 per cent fund now standing to the credit of the Fort Peck Indians of Montana in the Treasury of the United States;

S. J. Res. 90. Joint resolution providing an extension of time for payment by entrymen of lands on the Fort Assinniboine abandoned military reservation in the State of Montana;

S. J. Res. 73. Joint resolution providing for the appointment of a commission for the purpose of erecting in Potomac Park, in the District of Columbia, a memorial to those members of the armed forces of the United States from the District of Columbia who served in the Great War;

S. 3380. An act to grant the consent of Congress to the Cincinnati, New Orleans & Texas Pacific Railway Co. to construct, maintain, and operate a bridge across the Cumberland River, in the county of Pulaski, State of Kentucky, near the town of Burnside;

S. 3093. An act granting certain public lands to the city of Phœnix, Ariz., for municipal, park, and other purposes;

S. 1309. An act for the relief of settlers and town-site occupants of certain lands in the Pyramid Lake Indian Reservation, Nev.;

S. 2573. An act to amend and reenact sections 20, 22, and 50 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

S. 2704. An act to amend paragraph (3), section 16, of the interstate commerce act;

S. 2932. An act to quiet the title to lands within the Pueblo Indian land grants, and for other purposes;

S. 2572. An act to purchase grounds, erect, and repair buildings for customhouses, offices, and warehouses in Porto Rico;

S. 588. An act for the relief of Daniel A. Spaight and others;

S. J. Res. 137. Joint resolution in respect of salaries of original appointees to the Board of Tax Appeals;

S. 3434. An act for the protection of the northern Pacific halibut fishery;

S. 1942. An act to protect navigation from obstruction and injury by preventing the discharge of oil into the coastal navigable waters of the United States;

S. 668. An act to establish the Utah National Park in the State of Utah;

S. 1376. An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia;

S. 1614. An act to repeal an act authorizing the construction of bridges across the Great Kanawha River;

S. 3324. An act to amend section 5 of the trade-mark act of 1905, as amended, relative to the unauthorized use of portraits;

S. 3220. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late George Mauger Burklin and the remains of the late Anton Lerch Burklin from Glenwood Cemetery, District of Columbia, to Fort Lincoln, Prince Georges County, Md.;

S. 2799. An act to provide for quarters, fuel, and light for employees of the Indian Field Service;

S. 3269. An act to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910;

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

S. 1987. An act accepting certain tracts of land in the city of Medford, Jackson County, Oreg.; and

S. 2887. An act authorizing transfer of certain abandoned or unused lighthouse reservation lands by the United States to the State of New York for park purposes.

MESSAGE FROM THE PRESIDENT

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

On June 6:

H. R. 2607. An act for the relief of Jesse L. Meeks;

H. R. 7122. An act for the relief of the Eagle Pass Lumber Co., of Eagle Pass, Tex.;

H. R. 8961. An act for the relief of Frank Stinchcomb; and

H. R. 905. An act for the relief of Gerard E. Bess.

On June 7:

H. R. 7877. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 8233. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 3104. An act granting 160 acres of land to the Western State College of Colorado, at Gunnison, Colo., for the use of the Rocky Mountain biological station of said college;

H. R. 2126. An act for the relief of C. C. Carson;

H. R. 9429. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 8839. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 7998. An act granting public lands to the city of Golden, Colo., to secure a supply of water for municipal and domestic purposes;

H. R. 5318. An act to authorize an exchange of lands with the State of Washington;

H. R. 4816. An act authorizing the Secretary of War to permit the city of Vicksburg, Miss., to construct and maintain water mains on and under the National Cemetery Road at Vicksburg, Miss.;

H. R. 526. An act authorizing the Secretary of War to enter into an arrangement on behalf of the United States with the Alexandria Light & Power Co. whereby civilians may obtain electric current from a Government-owned transmission line extending from Alexandria to Fort Humphreys, Va.;

H. R. 4526. An act to incorporate the United States Blind Veterans of the World War;

H. R. 4835. An act to pay tuition of Indian children in public schools;

H. R. 192. An act to provide for a girls' dormitory at the Fort Lapwai Sanatorium, Lapwai, Idaho;

H. R. 5325. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Choctaw and Chickasaw Indians may have against the United States, and for other purposes;

H. R. 2821. An act authorizing the erection of a sanitary, fireproof hospital at the National Home for Disabled Volunteer Soldiers at Santa Monica, Calif.;

H. R. 2123. An act for the relief of the Thompson-Vache Boat Co., of Bonnots Mill, Mo.;

H. R. 2647. An act for the relief of Lena Garagnon Owens;

H. R. 6049. An act for the relief of V. E. Schermerhorn, E. C. Caley, G. W. Campbell, and Philip Hudspeth;

H.R. 8237. An act for the relief of Bruusgaard Kiosteruds Dampskibs Aktieselskab, a Norwegian corporation of Drammen, Norway;

H. R. 1438. An act for the relief of D. H. MacAdam;

H. R. 3477. An act for the relief of James B. Porter;

H. R. 4012. An act to reimburse William H. Flagg and others for property destroyed by mail airplane *No. 73*, operated by the Post Office Department;

H. R. 4442. An act to extend the insurance and collect-on-delivery service to third-class mail, and for other purposes;

H. R. 5541. An act for the relief of Hubert Reynolds;

H. R. 9177. An act granting the consent of Congress to the counties of Kittitas and Grant, in the State of Washington, to construct a bridge across the Columbia River at or near Vantage Ferry, Wash.;

H. R. 9345. An act granting the consent of Congress for the construction of a bridge across the Ohio River between Vanderburgh County, Ind., and Henderson County, Ky.;

H. R. 6652. An act to authorize the city of Los Angeles, in the State of California, to construct and operate a line of railroad across the Fort MacArthur Military Reservation, in the State of California;

H. R. 9111. An act directing the remission of customs duties on certain property of the United States imported by the War Department;

H. J. Res. 283. Joint resolution to permit to remain within the United States certain aliens in excess of quotas fixed under authority of the immigration act of May 19, 1921;

H. R. 1414. An act to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes;

H. R. 1830. An act for the relief of Charles T. Norman;

H. R. 4088. An act to establish the upper Mississippi River wild life and fish refuge;

H. R. 4830. An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor;

H. R. 6255. An act to amend an act entitled "An act to authorize the incorporated town of Ketchikan, Alaska, to issue its bonds in any sum not to exceed $100,000 for the purpose of constructing a schoolhouse in said town and equipping the same," approved February 7, 1920;

H. R. 6950. An act to authorize the incorporated town of Cordova, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of constructing and equipping a public-school building in said town of Cordova, Alaska;

H. R. 6972. An act for the relief of William H. Nelson;

H. R. 7079. An act prohibiting the importation of crude opium for the purpose of manufacturing heroin;

H. R. 7731. An act authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation;

H. R. 7996. An act to regulate and fix rates of pay for employees and officers of the Government Printing Office;

H. R. 8578. An act to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended;

H. R. 8588. An act authorizing the Secretary of the Treasury to sell the United States Marine hospital reservation and improvements thereon at Detroit, Mich., and to acquire a suitable site in the same locality and to erect thereon a modern hospital for the treatment of the beneficiaries of the United States Public Health Service, and for other purposes;

H. R. 9314. An act to amend section 98 of the Judicial Code;

H. R. 9361. An act granting the consent of Congress to the construction of a bridge across the Rio Grande;

H. R. 9402. An act granting the consent of Congress to the Fullerton & Portsmouth Bridge Co. to construct a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

H. R. 9434. An act granting the consent of Congress to the States of Georgia and Florida, through their respective highway departments, to construct a bridge across the St. Marys River;

H. R. 9457. An act granting the consent of Congress to the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bride across the Chattahootche River, at or near Alaga, Ala., connecting Houston County, Ala., and Early County, Ga.;

H. R. 9515. An act granting the consent of Congress to the Delaware State Highway Department to construct a bridge across the canal near Rehoboth, Del.;

H. R. 9517. An act granting the consent of Congress to the North Texas Co., of St. Jo, Tex., a corporation organized under

the laws of the State of Texas, to construct a toll bridge across the Red River in the vicinity of Illinois Bend, Tex.;

H. R. 9610. An act granting the consent of Congress to the Board of Supervisors of Lowndes County, Miss., to construct a bridge across Tombigbee River;

H. R. 9612. An act granting the consent of Congress to the State of Georgia, through its highway department, to construct a bridge across the Oconee River; and

H. R. 1306. An act for the relief of Henry McGuire.

LEAVE TO PRINT

Mr. SNELL. Mr. Speaker, as I understand the situation, each gentleman has the privilege of extending his own remarks for a period of 10 days.

The SPEAKER. Certainly.

Mr. LARSEN of Georgia. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LARSEN of Georgia. In the event unanimous consent is given, as has been done in several instances individually, does that extend beyond the 10-day period?

Mr. JOHNSON of Washington. I think so.

The SPEAKER. It will depend on when the last issue of the RECORD is printed.

Mr. LARSEN of Georgia. It will be the 24th of June, as I understand it. In that event, Mr. Speaker, I ask unanimous consent to extend my remarks.

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

There was no objection.

ADJUSTED COMPENSATION

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the McGinnis resolution.

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

There was no objection.

Mr. THOMPSON. Mr. Speaker, the best commentary on the adjusted compensation measure, the storm center, or one of the storm centers, of Congress for the last five years, is that this measure is now a law. I sincerely believe that, freed of the distractions of the bitter fight waged when the matter was in controversy, the rank and file of the people of the country will decide that the right action was taken. When it is seen that this great country can justly recognize its veterans and at the same time do justice to its taxpayers by reducing taxes, a large measure of the carefully built resentment against adjusted compensation will melt away.

It has been said that the theory of patriotism interferes with the practice of giving adjusted compensation. This was one of the principal arguments against the measure. It has also been said that the country could not afford it, could not pass such a measure and reduce taxes, and that therefore it was not fair to the large unorganized body of taxpayers.

In answer to the first objection, let me say the giving of adjusted compensation has not been entertained in a spirit of reward for patriotic service, but as a simple matter of economic justice. This Government needed capital, labor, and soldiers to win the war. Capital was used and reaped enormous profits; the wages of labor doubled and trebled—it was necessary, and could ask without refusal; the soldiers, however, were drafted at $1.25 a day, part of which was taken back for Liberty bonds, insurance, and allotments to dependents. To adjust this economic condition, which was manifestly unfair to the soldier, is the purpose of this bill. We have all heard of the growing opinion of the country as a whole, that in the next war labor, capital, and men for military service should all be drafted. This is but an admission of the justice of the adjusted compensation law. The fact that the soldier also performed a patriotic service should not be allowed to confuse the issue, that of economic justice. To say that we are paying the soldier for patriotism is to say, in effect, that capital and labor were not patriotic. If it is admitted, as it must be, that capital and labor were patrioic, then we can not use the argument of "paying for patriotism" against the other class of men who helped win the war—the soldiers. The theory of a class of people fighting at great personal sacrifice to preserve the rights and fortunes of an upper class without recognition should have expired with the middle ages.

With reference to the objection that taxes can not be reduced if adjusted compensation is a law, I refer to the new revenue law just enacted and approved, which reduces taxes for the fiscal year ending June 30, 1925, by $361,000,000, and for the fiscal year ending June 30, 1926, by $400,000,000. It is admitted now that this reduction can be placed in effect and still leave a substantial surplus in the Treasury after paying the current expenses of the bonus or adjusted compensation.

The Republican platform contains a plank favoring adjusted compensation. Many of the States have already taken similar action, including Ohio, and I believe the people of the United States will also approve this action when all the facts are appreciated and when the operation of the law shows that none of the evils so violently predicted as a result of it will come to pass.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 4526. An act to incorporate the United States Blind Veterans of the World War;

H. R. 2126. An act for the relief of C. C. Carson;

H. R. 5541. An act for the relief of Hubert Reynolds;

H. R. 192. An act to provide for a girls' dormitory at the Fort Lapwai Sanatorium, Lapwai, Idaho;

H. R. 1438. An act for the relief of D. H. MacAdam;

H. R. 2123. An act for the relief of the Thompson-Vache Boat Co., of Bonnots Mill, Mo.;

H. R. 2647. An act for the relief of Lena Garagnon Owens;

H. R. 4442. An act to extend the insurance and collect-on-delivery service to third-class mail, and for other purposes;

H. R. 8237. An act for the relief of Bruusgaard Kiosteruds Dampskibs Aktieselskab, a Norwegian corporation, of Drammen, Norway;

H. R. 2821. An act authorizing the erection of a sanitary, fireproof hospital at the National Home for Disabled Volunteer Soldiers at Santa Monica, Calif.;

H. R. 4012. An act to reimburse William H. Flagg and others for property destroyed by mail airplane *No. 73*, operated by the Post Office Department;

H. R. 3104. An act granting 160 acres of land to the Western State College of Colorado, at Gunnison, Colo., for the use of the Rocky Mountain biological station of said college; and

H. R. 8233. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1925, and for other purposes.

H. R. 7731. An act authorizing the Secretary of War to sell a portion of the Carlisle Barracks Reservation;

H. R. 7079. An act prohibiting the importation of crude opium for the purpose of manufacturing heroin;

H. R. 5318. An act to authorize an exchange of lands with the State of Washington;

H. R. 9177. An act granting the consent of Congress to the counties of Kittitas and Grant, in the State of Washington, to construct a bridge across the Columbia River at or near Vantage Ferry, Wash.;

H. R. 7998. An act granting public lands to the city of Golden, Colo., to secure a supply of water for municipal and domestic purposes;

H. R. 9345. An act granting the consent of Congress for the construction of a bridge across the Ohio River between Vanderburgh County, Ind., and Henderson County, Ky.;

H. R. 9429. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 8839. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1925, and for other purposes;

H. R. 4835. An act to pay tuition of Indian children in public schools;

H. R. 6049. An act for the relief of V. E. Schemerhorn, E. C. Caley, G. W. Campbell, and Philip Hudspeth;

H. R. 3477. An act for the relief of James B. Porter;

H. R. 4816. An act authorizing the Secretary of War to permit the city of Vicksburg, Miss., to construct and maintain water mains on and under the National Cemetery Road at Vicksburg, Miss.;

H. R. 5325. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Choctaw and Chickasaw Indians may have against the United States, and for other purposes;

H. R. 7996. An act to regulate and fix rates of pay for employees and officers of the Government Printing Office;

H. R. 4830. An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote

the continuous production of timber on lands chiefly suitable therefor;

H. R. 6950. An act to authorize the incorporated town of Cordova, Alaska, to issue bonds in any sum not exceeding $100,000 for the purpose of constructing and equipping a public-school building in said town of Cordova, Alaska;

H. R. 9314. An act to amend section 98 of the Judicial Code;

H. R. 6255. An act to amend an act entitled "An act to authorize the incorporated town of Ketchikan, Alaska, to issue its bonds in any sum not to exceed $100,000 for the purpose of constructing a schoolhouse in said town and equipping the same," approved February 7, 1920;

H. R. 6972. An act for the relief of William H. Nelson;

H. R. 9517. An act granting the consent of Congress to the North Texas Co., of St. Jo, Tex., a corporation organized under the laws of the State of Texas, to construct a toll bridge across the Red River in the vicinity of Illinois Bend, Tex.;

H. R. 9457. An act granting the consent of Congress to the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River, at or near Alaga, Ala., connecting Houston County, Ala., and Early County, Ga.;

H. R. 6652. An act to authorize the city of Los Angeles, in the State of California, to construct and operate a line of railroad across the Fort MacArthur Military Reservation, in the State of California;

H. R. 9111. An act directing the remission of customs duties on certain property of the United States imported by the War Department;

H. R. 9612. An act granting the consent of Congress to the State of Georgia, through its highway department, to construct a bridge across the Oconee River;

H. R. 9402. An act granting the consent of Congress to the Fullerton & Portsmouth Bridge Co. to construct a bridge across the Ohio River to connect the city of Portsmouth, Ohio, and the village of Fullerton, Ky.;

H. R. 9361. An act granting the consent of Congress to the construction of a bridge across the Rio Grande;

H. R. 1306. An act for the relief of Henry McGuire;

H. R. 1830. An act for the relief of Charles T. Norman;

H. R. 9610. An act granting the consent of Congress to the Board of Supervisors of Lowndes County, Miss., to construct a bridge across Tombigbee River;

H. R. 9515. An act granting the consent of Congress to the Delaware State Highway Department to construct a bridge across the canal near Rehoboth, Del.;

H. R. 8578. An act to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended;

H. R. 1414. An act to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes;

H. R. 4088. To establish the upper Mississippi River wild-life and fish refuge; and

H. R. 9434. Granting the consent of Congress to the States of Georgia and Florida, through their respective highway departments, to construct a bridge across the Saint Marys River.

EMERGENCY DEFICIENCY

Mr. MADDEN. Mr. Speaker, I move to suspend the rules and pass the following House joint resolution.

The SPEAKER. The gentleman from Illinois moves to suspend the rules and pass the following joint resolution, which the Clerk will report.

The Clerk read as follows:

*Resolved, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following sums, for the service of the fiscal year ending June 30, 1925, namely:

GENERAL ACCOUNTING OFFICE

For personal services in the District of Columbia in accordance with the classification act of 1923, fiscal year 1925, $75,240.

UNITED STATES VETERANS' BUREAU

Administrative expenses, World War adjusted compensation act: For administrative expenses in carrying out the provisions of the World War adjusted compensation act of May 19, 1924, including salaries of personnel in the District of Columbia and elsewhere in accordance wtih the classification act of 1923; purchase, hire, exchange, and repair of typewriters, adding machines, and other mechanical devices, furniture, office equipment, printing and binding, telegrams, telephones, stationery, traveling expenses and per diem in lieu of subsistence at not exceeding $4 for officers, agents, and other employees, and for other necessary contingent and miscellaneous expenses to enable the Director of the United States Veterans' Bureau to perform such duties as are required by said act, $1,188,500, to remain available until June 30, 1925: *Provided*, That the Secretary of the Treasury is authorized to issue to the Director of the United States Veterans' Bureau, without charge, for temporary use, such surplus office supplies and equipment as may be under the control of the General Supply Committee.

Adjusted service and dependent pay: For payment of adjusted service credits of not more than $50 each, as provided in sections 401 and 601 of the "World War adjusted compensation act" of May 19, 1924, and for payment to dependents of deceased veterans the quarterly installments due on adjusted service credits in excess of $50 each, as provided in sections 601 and 603 of said act, $26,629,398, to remain available until expended.

Adjusted service certificate fund: For the amount authorized in section 505 of the World War adjusted compensation act of May 19, 1924, to provide for the payment of the face value of each adjusted service certificate in 20 years from its date or on the prior death of the veteran, $100,000,000, to remain available until expended.

NAVY DEPARTMENT

Administrative expenses, World War adjusted compensation act: For temporary personal services in the District of Columbia in accordance with the classification act of 1923, purchase, hire, exchange, and repair of typewriters, adding machines, and other mechanical devices, printing and binding, stationery, office supplies and equipment, transportation of things, and for other necessary contingent and miscellaneous expenses, to enable the Secretary of the Navy to perform such duties as are required by the World War adjusted compensation act of May 19, 1924, $450,000, to remain available until June 30, 1925: *Provided*, That the Secretary of the Treasury is authorized to issue to the Secretary of the Navy, without charge, for temporary use, such surplus office supplies and equipment as may be under the control of the General Supply Committee.

WAR DEPARTMENT

Administrative expenses, World War adjusted compensation act: For temporary personal services in the District of Columbia in accordance with the classication act of 1923, purchase, hire, exchange, and repair of typewriters, adding machines, and other mechanical devices, printing and binding, stationery, office supplies and equipment, telegrams, telephones, maintenance and operation of motor trucks, transportation of things, other necessary contingent and miscellaneous expenses, and rent of buildings and parts of buildings in the District of Columbia, if space is not provided by the Public Buildings Commission in Government-owned buildings, to enable the Secretary of War to perform such duties as are required of him by the World War adjusted compensation act of May 19, 1924, $3,600,000, to remain available until June 30, 1925: *Provided*, That the Secretary of the Treasury is authorized to issue to the Secretary of War, without charge, for temporary use, such surplus office supplies and equipment as may be under the control of the General Supply Committee.

Mr. MADDEN. Mr. Speaker, there is likelihood of the deficiency bill failing, in which event it would prevent the payment of the bonus voted by the Congress as adjusted compensation to the men who served in the World War. The resolution which has just been read, introduced by me, is to provide for the payment of adjusted compensation to the World War veterans regardless of what may happen in the Senate with regard to the deficiency bill.

The SPEAKER. The question is on the motion of the gentleman from Illinois to suspend the rules and pass the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the resolution was passed.

THE FISCAL RECORD OF THE REPUBLICAN PARTY

Mr. MADDEN. It will be my aim in this statement to present briefly and clearly not only a résumé of the appropriations made during the session of Congress which has just closed, but also to recount in an historical manner the record of the Republican Party in connection with the finances of the Nation commencing with the convening of the Republican Congress in the spring of 1919.

The Republican Party came into power in the Congress on March 4, 1919, as a result of the elections of the fall of 1918. The new Congress was summoned into extra session by President Wilson on May 19, 1919. President Harding took office on March 4, 1921, as a result of the elections of the fall of 1920. The financial record made by the Republican Congress during the two years from 1919 to 1921, while the administration was Democratic, and by the Republican administration in

full control of the executive and legislative branches of the Government since 1921 is not surpassed in any period of the history of the country.

Upon assembling in extra session in 1919, the Republican Congress was confronted with innumerable and difficult fiscal problems. The country had just emerged from a devastating war, Government expenditures were on a scale which no nation could long endure, administrative officials were striving to hold at swollen strength many of the enlarged activities of the Government, the number of Federal employees was not diminishing with the rapidity that cessation of war activities would permit, the public debt and the annual interest charge were a burden upon the resumption of normal financing, taxation was crushing the individual and stifling business, and the American people were demanding a speedy resumption of normal conditions in the finances of the Government as a much-needed relief to them individually and as an example and healthy impetus to industry. The new Congress dedicated itself to the task of initiating the reforms which would accomplish the relief the public was demanding.

The reduction of taxes, the curtailment of the public debt, the elimination of surplus employees, and the shrinkage of Federal activities could not be accomplished without a drastic reduction of expenditures, and that could only be had by a decrease in appropriations.

Upon assembling in extra session in May, 1919, the new Republican Congress was confronted with the duty of passing, before the commencement of the fiscal year on July 1, 1919, eight of the largest of the supply bills which the Democratic Congress had failed to enact into law before it went out of power. Those bills at the time of their failure were all pending in the Senate. The amounts carried in them at the time of their failure aggregated $3,768,000,000. The total of the same eight bills after their repassage was $2,828,000,000. The first legislative action of the new Congress resulted in the passage of these bills before the fiscal year began and in the decrease of the appropriations proposed by the Democratic Congress for the fiscal year 1920 by $940,000,000. The estimates for the fiscal years ending June 30, 1921 and 1922, respectively, and deficiency estimates for prior years, were prepared by the Wilson administration and submitted to the Republican Congress. The reductions made by the Congress in these estimates aggregate slightly more than $2,950,000,000. The total reductions which the Republican Congress effected in the amounts proposed to it by the Democratic administration for the fiscal years 1920, 1921, and 1922, reach $3,890,000,000, a sum which is greater than the appropriations for the next fiscal year even if we include in them the figures on account of the World War adjusted compensation act.

In addition to the reduction effected in the estimates of the Democratic administration and the bills of the Democratic Congress, the new Congress, in connection with the preparation of the appropriation bills for the three fiscal years to which I have just alluded also brought about the repeal of war-time appropriations, which were on the books and subject to expenditure, totaling $1,140,000,000.

The new Congress at once realized that the conduct of the finances of the Government according to safe principles could not be accomplished without the inauguration of a systematic procedure. It accordingly prepared and presented to President Wilson the Budget bill. His veto of that legislation postponed until the advent of the present administration the enactment of that important measure. The new law was signed by President Harding on June 10, 1921. Its operation has covered the period of three full fiscal years of expenditure and the preparation of the Budget for the next fiscal year.

The accomplishments under the new system have exceeded the expectations of those who championed its installation. The outstanding principles are, namely: (1) The placing upon the President of the responsibility for the submission of coordinated expenditure and revenue proposals to Congress; (2) the business control required to be exercised by him over expenditures after the appropriations have been made; (3) the centralization over the making of appropriations in a single committee in each the Senate and House of Representatives; and (4) the creation of a centralized and independent audit of accounts.

To the late President Harding and his first Director of the Budget, General Dawes, are due great credit for the successful inauguration of the executive phase of the system. To President Coolidge and the present director, General Lord, who have followed earnestly and courageously the standards set by their predecessors, merited praise should be accorded. The success of the Budget is in direct proportion to the interest taken by the President of the United States in shaping its proposals and the Republican incumbents have begun and carried on a procedure that has not only placed the finances of the country on a sound basis but has given to the Nation a permanent system that will inure to its benefit in the future.

The change in the procedure in the Senate and House to accord with the changed methods in the executive branch has worked equally well. The wide margin between Executive estimates and congressional appropriations has narrowed. The past year and the year just closed find the appropriations made by Congress not more than $10,000,000, less than the proposals submitted by the President. The cooperation of the executive branch of the Government with the legislative branch under the Budget system has been the chief factor in the success in keeping down the appropriations and expenditures of the Government and making possible the natural sequences of such efforts, namely, tax reduction and diminution of the public debt.

The total amount appropriated at this session of Congress for the fiscal year 1925 and for the discharge of obligations on account of the fiscal year 1924 and prior years in all acts and under the permanent and indefinite appropriations is $3,784,123,324.35. This sum is incomplete, due to the failure of the second deficiency appropriation bill carrying $186,833,288.49 and the bill to provide additional appropriations to enable the heads of departments to place employees in certain of the field services on a comparable basis with employees in the District of Columbia carrying $26,357,767.84. Including the amounts in these two bills the total for the session should be stated at $3,997,314,380.68. The corresponding amount appropriated during the last session of the Sixty-seventh Congress for the fiscal year 1924 and for the discharge of obligations on account of the fiscal year 1923 and prior years in all acts and under the permanent and indefinite appropriations is $4,097,499,197.04. The total for the present session is therefore $100,184,816.36 less than the amount similarly appropriated at the last session of Congress. There is included in the second deficiency bill, which failed, the sum of approximately $132,000,000 on account of the first year's expenses under the World War adjusted compensation act. The total reduction in the appropriations at this session under the appropriations of the previous session, if it had not been for the enactment of the adjusted compensation act, would be in excess of $232,000,000.

The total of the Budget estimates submitted at this session for the fiscal year 1925 and for prior years, excluding the estimates transmitted in connection with the two bills which failed of enactment, aggregate $3,793,131,961.43. This sum, contrasted with the total of appropriations made during the session, $3,784,123,324.35, shows a net reduction in all of the Budget estimates, regular annual and deficiency, of $9,008,637.08. This is the narrowest margin between appropriations and estimates since the establishment of the Budget system and is gratifying evidence of the accord between the Executive and the Congress on the sums of money which are necessary for an economical and efficient functioning of the Government. There have been no substantial increases made by Congress in the Budget estimates nor have there been any marked decreases in such estimates. The difference is so small in percentage of the total that it amounts in practical effect to ratification of the Budget as submitted.

The total of $3,784,123,324.35 is classified according to fiscal years as follows:

| | |
|---|---|
| For the fiscal year 1925 | $3,622,125,959.19 |
| For the fiscal year 1924 | 149,464,629.69 |
| For the fiscal year 1923 and prior years | 12,532,735.47 |

The total for the fiscal year 1925 is incomplete without the inclusion of the amounts for that fiscal year carried in the two bills which failed. The amount in the second deficiency bill for the fiscal year 1925 is approximately $175,000,000, and the amount in the field service classification bill of $26,357,767.84, make a total for 1925 in the two failed bills of $201,357,767.84. This sum added to the $3,622,125,959.19 above gives a grand total for the fiscal year 1925 of $3,823,483,727.03.

The total of appropriations for the fiscal year 1924, including appropriations for that fiscal year carried in the regular annual bills and under permanent and indefinite appropriations and also including appropriations for that fiscal year carried in deficiency appropriation acts at this session, is $4,013,109,837.81. This sum, compared with the total for the fiscal year 1925, just stated, shows a decrease in favor of the fiscal year 1925 of $189,626,110.78.

The reductions which contribute largely to this difference between the two years are composed of the following amounts: The appropriations for the Shipping Board are decreased from $50,411,500 to $30,344,000, or by $20,067,500; the funds for support of the Veterans' Bureau, exclusive of the soldiers' bonus,

have declined from $438,161,399.16 to $349,065,000, a reduction of $84,096,399.16; the appropriation for the payment of contract obligations with the States for cooperative road construction are $13,300,000 less than for 1924; the appropriations for payment of pensions are reduced from $254,774,660 to $224,616,000, or a decrease of $30,158,660; the appropriations for the Navy are $19,913,223 less than for the current year; the appropriations for the Treasury Department proper are approximately $95,000,000 less than for 1924, in which year is included $105,000,000 for refunding taxes erroneously collected in previous years; the interest on the public debt is reduced from $940,000,000 to $890,000,000; public-debt retirement funds show a decrease of $29,690,150; and the civil activities of the War Department are less by $13,627,561 than appropriations for 1924.

The increases in the fiscal year 1925, in addition to the $132,000,000 for the bonus, over the fiscal year 1924, including follows: The Postal Service is increased from $597,000,879.56 in the former year the amounts in the bills which failed, are as to $613,645,195.25, an increase of $16,644,315.69, due to the natural growth of the service; the Department of Commerce is increased in the sum of $4,398,283.66, of which $3,500,000 is for the expense of taking the quinquennial census of agriculture; the classification of employees in the District of Columbia represents an increase of approximately $3,200,000 over the amounts for the current year, and the funds in the bill for field employees, which failed, represent an increase of approximately $6,000,000 over the totals for the same purpose for 1924.

The largest single item in the deficiency bill which failed is the aggregate of the amounts for the administration and payment of expenses in connection with the World War adjusted compensation act. These sums total nearly $132,000,000 and are an entirely new item of appropriation. The failure of the bill which carried this money will not materially delay the administration of the new law. Payments under the act and certificates of insurance to be issued in accordance with its provisions can not be accomplished under the law prior to January 1 next, before which time Congress will have assembled and completed the enactment of the appropriation bill.

Another large item in the same bill is the sum of $16,140,000 for the refund of internal-revenue taxes under the provisions of the new revenue act granting a 25 per cent reduction in taxes for the calendar year 1923. These refunds will be made from the amounts already appropriated for tax refunds, and no delay to the taxpayer should occur because of the failure of this bill.

The failure of the bill providing appropriations to place the employees in certain of the field services on the same basis as employees in the District of Columbia under the classification act, while providing a hardship in a minority of cases, will not preclude the payment of salaries during the next fiscal year at the rates contemplated in the bill which failed. The appropriations regularly made for the services which participate in the provisions of that bill will be used temporarily and later supplemented by the amounts in the bill when it is finally enacted in December. The bill has passed all stages of legislative completion with the exception of the signatures of the Speaker and the President of the Senate.

The appropriations made during the session just closed, aside from the adjusted compensation act, do not provide for any unusual new activities of Government. The sums granted have been confined almost wholly to existing activities and within limits of amounts which do not permit any marked expansion, with the exception of the provision for a large number of additional vessels and the necessary personnel in the Coast Guard to enable that service to cope with the "rum-running" fleets operating in violation of the prohibition laws. The record of the session follows that of the preceding sessions under the control of the Republican Party and shows, as have several of the previous sessions, a marked decline in the appropriations.

The record of the Republican Party in reducing appropriations commenced with the reductions made in the spring of 1919 by the Republican House in the estimates and appropriations of the Democratic administration. The following table shows the appropriations for each fiscal year commencing with the fiscal year 1920 and ending with the fiscal year 1925. In these amounts the appropriations are segregated by fiscal years irrespective of the session of Congress in which they may have occurred, and are exclusive of audited claims and judgments:

| | |
|---|---|
| Appropriations, fiscal year 1920 | $7,046,000,000 |
| Appropriations, fiscal year 1921 | 4,049,000,000 |
| Appropriations, fiscal year 1922 | 4,165,000,000 |
| Appropriations, fiscal year 1923 | 3,945,000,000 |
| Appropriations, fiscal year 1924 | 4,013,000,000 |
| Appropriations, fiscal year 1925 (this sum includes amounts for 1925 in the two bills which failed) | 3,823,000,000 |

The foregoing tabulation shows a gratifying reduction in annual appropriations for support of the Government since the Republican Party began its program of retrenchment and financial reform. The reduction in the annual appropriations, from $7,046,000,000 to $3,823,000,000, is $3,223,000,000. This has been accomplished notwithstanding the increase of approximately $132,000,000 for the next fiscal year on account of the soldiers' bonus.

Reductions in public expenditures are directly dependent upon reductions in appropriations. The former can not be accomplished without the latter. The decrease in appropriations has made possible gratifying reductions in the annual expenditures of the Government. The expenditures for the fiscal years 1920 to 1925, inclusive, excluding the postal expenditures payable from the postal revenues and including the postal deficit payable from the Treasury, and including also public debt retirements paid from ordinary receipts are as follows:

| | |
|---|---|
| Expenditures, fiscal year 1920 | $6,141,000,000 |
| Expenditures, fiscal year 1921 | 5,538,000,000 |
| Expenditures, fiscal year 1922 | 3,795,000,000 |
| Expenditures, fiscal year 1923 | 3,697,000,000 |
| Expenditures, fiscal year 1924 | [1] 3,497,000,000 |
| Expenditures, fiscal year 1925 | [1] 3,554,000,000 |

The reductions in annual expenditures from the fiscal year 1920—$6,141,000,000—to the estimated amount of $3,554,000,000 for the fiscal year 1925 is $2,587,000,000. This is an achievement worthy of the hearty commendation of every citizen. Coming during a period when States and municipalities have been increasing their expenditures, the decrease made by the Federal Government has been a distinct relief.

The reduction in expenditures above outlined has been accompanied by a very favorable condition of the Treasury. Commencing with the fiscal year 1921 and including the estimated condition for the current fiscal year and the fiscal year 1925, the excess of ordinary receipts over ordinary expenditures is as follows:

| | |
|---|---|
| Fiscal year 1921 | $86,892,000 |
| Fiscal year 1922 | 313,801,000 |
| Fiscal year 1923 | 309,657,000 |
| Fiscal year 1924 | [2] 498,000,000 |
| Fiscal year 1925 | [2] 60,000,000 |

These surpluses occur notwithstanding two reductions in taxation. They have made possible an unusual reduction in the public debt in addition to the retirements made from the funds especially set apart for that purpose.

The aim of the Republican Party from its partial assumption of control of the Government in 1919 and throughout its full control has been to grant relief from taxation. As expenditures have been reduced the public has been given the direct benefit. The first tax reduction was made in the revenue act of 1921, which reduced the tax levy by approximately $800,000,000 a year. The second reduction was made in the revenue act of 1924. The annual decrease effected by that act is in excess of $450,000,000. The total reduction effected by these two revenue measures is in excess of $1,250,000,000. The rates established by the new revenue law are the lowest they have been since 1917. While the reductions effected in the latter law will not be reflected until the payment of taxes for the calendar year 1924, the act contains a provision for a 25 per cent reduction in many taxes for the calendar year 1923 and under which the taxpayers will receive direct and immediate benefit. The total at approximately $230,000,000.

The excess of receipts over expenditures has contributed to a very substantial decrease in the principal of the public debt. The gross public debt at its peak in August, 1919, amounted to $26,596,000,000. The amounts of the outstanding gross debt on June 30 of each year since 1919 are as follows:

| | |
|---|---|
| June 30, 1920 | $24,297,000,000 |
| June 30, 1921 | 23,976,000,000 |
| June 30, 1922 | 22,964,000,000 |
| June 30, 1923 | 22,349,000,000 |
| May 31, 1924 | 21,544,000,000 |

The total gross debt on May 31 last was $5,052,000,000 less than the total of the debt at its peak. It is also $2,753,000,000 less than the total of the debt on June 30, 1920. The annual interest charge on the public debt reached its high point in the fiscal year 1920 when there was paid out $1,024,000,000. The estimated interest charge for the next fiscal year is $890,000,000. This shows a reduction in the annual fixed charge for interest from the fiscal year 1920 to the fiscal year 1925 of $134,000,000.

The total number of Government employees in the classified civil service, both in and outside of the District of Columbia, aggregated 691,000 on July 31, 1920, the beginning of the first fiscal year for which the Republican Congress made the appro-

[1] Estimated. The amount for 1925 includes the first year's expenditures for the soldiers' bonus.
[2] Estimated.

priations. That number was reduced to 597,000 on July 31, 1921, to 568,000 on December 31, 1921, and to 544,000 on December 31 last. The total reduction in the number from July 31, 1920, to December 31, 1923, is 147,000. This is the net reduction and has taken place notwithstanding the large number which it has been necessary to add to the rolls on account of the normal growth of the Postal Service, the administration of the United States Veterans' Bureau, and the enforcement of the national prohibition act.

The financial outlook for the fiscal years 1924 and 1925, which close on June 30 next and on June 30, 1925, respectively, is very hopeful. At the time of the assembling of Congress in December last it was estimated that receipts for the fiscal year 1924 would exceed expenditures by $329,639,000, and that the receipts for the fiscal year 1925 would exceed the expenditures for that fiscal year by $395,681,000. Since these estimates were prepared the Congress has passed the tax reduction bill, and has also enacted the soldiers' bonus bill. In the face of the shrinkage in revenue and the added expenditures for next year it appears that 1925 will close with a surplus. The best obtainable figures at the present time, based on somewhat incomplete calculations as to the effect of the tax reduction bill on prospective tax income during this and the ensuing fiscal year show the following relationship between receipts and expenditures, excluding postal revenues and postal expenditures payable from postal revenues.

| | |
|---|---|
| Fiscal year 1924: | |
| Estimated receipts | $3,995,000,000 |
| Estimated expenditures | 3,497,000,000 |
| Excess of receipts | 498,000,000 |
| Fiscal year 1925: | |
| Estimated receipts | 3,614,000,000 |
| Estimated expenditures | 3,554,000,000 |
| Excess of receipts | 60,000,000 |

These figures are very naturally estimates and are subject to change from day to day as better data become available. It is safe, however, to predict that if each of these years is concluded without any unusual and unforeseen circumstances intervening, the condition of the Treasury will not be very remote from the estimates herein presented.

An unusually historic and notable achievement of the administration of President Harding was the Conference on the Limitation of Naval Armament. The results of this conference have had a far-reaching effect in the effort to keep down public expenditures. The agreements reached in that conference resulted in the scrapping by the United States of 11 capital ships, the total cost of construction of which was estimated at $436,800,000. There had been expended on the construction of those vessels before the conclusions of the conference became effective the sum of $53,800,000, to which should be added the expenses of scrapping so far made and estimated to be made aggregating $28,450,000, a total of $182,250,000. This sum deducted from the estimated amount required to complete the vessels if their construction had been proceeded with leaves a difference of $254,550,000. This latter sum, except for the intervention of the arms conference, would have been appropriated and expended on the construction of these ships. If these vessels had been completed and placed in commission, their maintenance and operation and that of the auxiliaries necessary to make them effective units of the Navy would have added an annual charge to the Navy of approximately $200,000,000. Aside from its financial benefits, the conference was epochal in that it brought together the naval powers of the world in an effort to relieve their people from the most oppressive of all expenditures—those of armament and preparation for war.

The Republican Party has kept faith in its promises for retrenchment in Government expenditures and financial reform. Its record is complete and unanswerable. From the assembly of the Congress in May, 1919, to the present date, every effort has been made to manage the affairs of the Nation according to efficient, economical, and sound business principles. The results speak for themselves. Appropriations have been reduced, expenditures have correspondingly decreased, taxes have been reduced, the public debt and the interest charge have been lowered, the Budget has been balanced each year and has shown a comfortable margin on the surplus side, the number of employees has been cut, and the country has been given a Budget system. There is ample cause for approval of these accomplishments. The past few years have been critical in the affairs of the nations of the world. The present favorable situation of the United States is due in no small measure to the sound financial policy which has governed the management of its affairs. While other nations are struggling with overwhelming public debts that in some cases are as great or greater than their national wealth and are crying for relief from the taxes caused by deficits in their budgets, the people of the United States are enjoying the economic benefits which arise from sound financing on the part of the Federal Government.

For the information of those who desire to visualize, by large groups, the principal objects of appropriation for the fiscal year 1925, including for that year the amounts in the bills which failed, I shall insert the following tabulation:

GENERAL CLASSIFICATION OF APPROPRIATIONS FOR THE FISCAL YEAR 1925, ARRANGED TO SHOW THE PRINCIPAL OBJECTS OF APPROPRIATION

| | |
|---|---|
| Interest on the public debt | $890,000,000.00 |
| Sinking fund and other public debt retirement funds | 482,277,975.00 |
| Veterans' Bureau, including compensation, insurance, hospitalization, and vocational training | 352,915,000.00 |
| World War adjusted compensation act (soldiers' bonus) | 131,943,138.00 |
| Pensions, all wars prior to the World War | 222,500,000.00 |
| Post Office Department, payable from the postal revenues | 613,645,195.25 |
| Navy | 279,773,327.00 |
| Military activities of the War Department (Army) | 256,515,279.13 |
| Rivers and harbors, maintenance and improvement, flood-control work on the Mississippi and Sacramento Rivers, and work on the dam at Muscle Shoals, Ala | 45,100,000.00 |
| Shipping Board | 30,344,000.00 |
| Classification of employees in certain of the field services | 26,302,767.84 |
| Cooperative construction of roads and for roads in national forests | 19,000,000.00 |
| Refund of taxes under the 25 per cent provision of the revenue act of 1924 | 16,140,000.00 |
| All other activities, including the Executive office, the Congress, the judiciary, the executive departments, and independent establishments | 457,027,044.81 |
| Grand total for 1925 | 3,823,483,727.03 |

I shall also append as a part of my remarks three tabular statements. In each of these the appropriations and estimates are given without the figures for the second deficiency bill and the Field Service classification bill which failed of enactment. The amounts to be added to the grand totals in each of these tabulations on account of the failed bills are shown in footnotes, and taken together with the grand totals as shown in the tables will produce the figures which I have heretofore used in the text of my remarks.

*Recapitulation of appropriations by acts and irrespective of fiscal years, Sixty-eighth Congress, first session (Dec. 3, 1923, to June 7, 1924)*

| Title of act | | Amount |
|---|---|---|
| REGULAR ANNUAL ACTS, FISCAL YEAR 1925 | | |
| Agriculture | | $58,575,274.00 |
| District of Columbia | | 26,455,105.00 |
| Executive office and independent offices | | 398,776,740.16 |
| Interior | | 263,250,455.00 |
| Legislative establishment | | 14,229,016.00 |
| Navy | | 275,105,067.00 |
| State, Justice, Commerce, and Labor: | | |
| Commerce | $23,939,905.00 | |
| Justice | 21,371,430.00 | |
| Labor | 7,956,516.51 | |
| State | 15,001,646.29 | |
| | | 68,269,497.80 |

*Recapitulation of Appropriations by Acts and Irrespective of Fiscal Years, Sixty-eighth Congress, First Session (Dec. 3, 1923, to June 7, 1924)*—Continued

| Title of act | | Amount |
|---|---|---|
| Treasury and Post Office: | | |
| Post Office | $613, 645, 195. 25 | |
| Treasury | 120, 768, 405. 00 | |
| | | $734, 413, 600. 25 |
| War: | | |
| Military activities | 255, 615, 279. 13 | |
| Nonmilitary activities | 72, 355, 186. 00 | |
| | | 327, 970, 465. 13 |
| Total, regular annual acts | | 2, 167, 045, 220. 34 |
| DEFICIENCY APPROPRIATION ACTS, FISCAL YEAR 1924 AND PRIOR YEARS | | |
| First deficiency act, fiscal year 1924 | | 156, 671, 655. 28 |
| Urgent deficiency act, fiscal year 1924 | | 2, 333, 000. 00 |
| Total, deficiency acts | | 159, 004, 655. 28 |
| MISCELLANEOUS ACTS CARRYING APPROPRIATIONS | | |
| Contingent expenses, United States Senate, fiscal year 1924 | | 125, 000. 00 |
| Prosecution of suits to cancel oil leases, fiscal years 1924 and 1925 | | 100, 000. 00 |
| Relief of drought-stricken farm areas of New Mexico, fiscal years 1924 and 1925 | | 1, 000, 000. 00 |
| Eradication of foot-and-mouth disease, fiscal year 1924 | | 1, 500, 000. 00 |
| Miscellaneous relief and other acts | | 267, 709. 88 |
| Total, miscellaneous acts | | 2, 992, 709. 88 |
| Total, regular, deficiency, and miscellaneous acts | | 2, 329, 042, 585. 50 |
| PERMANENTS AND INDEFINITES, FISCAL YEAR 1925 | | |
| Agriculture | | 12, 360, 750. 00 |
| Commerce | | 3, 000. 00 |
| Independent offices | | 6, 457, 301. 79 |
| Interior | | 27, 243, 269. 06 |
| Labor | | 25, 000. 00 |
| Legislative | | 800. 00 |
| Navy | | 2, 103, 260. 00 |
| State | | 26, 000. 00 |
| Treasury: | | |
| Interest on public debt | $890, 000, 000 | |
| Sinking fund and other public debt retirement funds | 482, 277, 975 | |
| Ordinary permanents and indefinites | 26, 773, 100 | |
| | | 1, 399, 051, 075. 00 |
| War: | | |
| Military activities | 900, 000 | |
| Nonmilitary activities | 5, 683, 321 | |
| | | 6, 583, 321. 00 |
| District of Columbia | | 1, 226, 962. 00 |
| Total, permanents and indefinites | | 1, 455, 080, 738. 85 |
| Grand total | | 3, 784, 123, 324. 35 |

*Classification of foregoing appropriations by fiscal years*

| | |
|---|---|
| 1925 | $3, 622, 125, 959. 19 |
| 1924 | 149, 464, 629. 69 |
| 1923 and prior fiscal years | 12, 532, 735. 47 |
| Total | 3, 784, 123, 324. 35 |

NOTE.—In addition to the foregoing sum the following bills failed of passage: Second deficiency, $186,833,288.49; Field Service classification $26,357,767.84. These sums added to the foregoing amount would make the total $3,997,314,380.68

*Comparison of Appropriations by Departments and Establishments, Fiscal Years 1924 and 1925*

[Amounts carried for each of these years in regular annual appropriation acts, deficiency appropriation acts, special acts, and amounts estimated under permanent and indefinite appropriations]

| | Appropriations, fiscal year 1924 | Appropriations, fiscal year 1925 | Decrease (−) or increase (+), 1925 compared with 1924 |
|---|---|---|---|
| Legislative branch: | | | |
| Regular annual | $13, 110, 081. 60 | $14, 229, 016. 00 | +$1, 118, 934. 40 |
| Increased compensation | 1, 705, 140. 00 | | −1, 705, 140. 00 |
| Permanent and indefinite | 800. 00 | 800. 00 | |
| Total | 14, 816, 021. 60 | 14, 229, 816. 00 | −586, 205. 60 |
| Executive Office and independent offices: | | | |
| Regular annual— | | | |
| Shipping Board | 50, 411, 500. 00 | 30, 344, 000. 00 | −20, 067, 500. 00 |
| Veterans' Bureau | 433, 161, 399. 16 | 349, 065, 000. 00 | −84, 096, 399. 16 |
| Executive and other independent offices | 18, 446, 279. 92 | 19, 367, 740. 16 | +921, 460. 24 |
| Increased compensation | 4, 916, 192. 00 | | −4, 916, 192. 00 |
| Total | 506, 935, 371. 08 | 398, 776, 740. 16 | −108, 158, 630. 92 |
| Permanent and indefinite | 6, 508, 926. 74 | 6, 457, 301. 79 | −51, 624. 95 |
| Total | 513, 444, 297. 82 | 405, 234, 041. 95 | −108, 210, 255. 87 |
| Agricultural Department: | | | |
| Regular annual— | | | |
| Department proper | 40, 925, 603. 00 | 39, 575, 274. 00 | −1, 350, 329. 00 |
| Increased compensation | 3, 304, 800. 00 | | −3, 304, 800. 00 |
| Roads, construction of | 32, 300, 000. 00 | 19, 000, 000. 00 | −13, 300, 000. 00 |
| Permanent and indefinite | 12, 220, 000. 00 | 12, 360, 750. 00 | +140, 750. 00 |
| Total | 88, 750, 403. 00 | 70, 936, 024. 00 | −17, 814, 379. 00 |
| Commerce, Department of: | | | |
| Regular annual | 19, 541, 621. 34 | 23, 939, 905. 00 | +4, 398, 283. 66 |
| Increased compensation | 1, 958, 956. 00 | | −1, 958, 956. 00 |
| Permanent and indefinite | 3, 000. 00 | 3, 000. 00 | |
| Total | 21, 503, 577. 34 | 23, 942, 905. 00 | +2, 439, 327. 66 |
| Interior, Department of: | | | |
| Regular annual— | | | |
| Pensions | 254, 774, 660. 00 | 224, 616, 000. 00 | −30, 158, 660. 00 |
| Interior Department proper | 41, 624, 402. 37 | 38, 634, 455. 00 | −2, 989, 947. 37 |
| Increased compensation | 2, 845, 309. 00 | | −2, 845, 309. 00 |
| Permanent and indefinite | 28, 352, 069. 00 | 27, 243, 269. 06 | −1, 108, 799. 94 |
| Total | 327, 596, 440. 37 | 290, 493, 724. 06 | −37, 102, 716. 31 |
| Justice, Department of, and judiciary: | | | |
| Regular annual | 21, 122, 556. 00 | 21, 371, 430. 00 | +248, 874. 00 |
| Increased compensation | 875, 000. 00 | | −875, 000. 00 |
| Total | 21, 997, 556. 00 | 21, 371, 430. 00 | −626, 126. 00 |
| Labor, Department: | | | |
| Regular annual | 7, 246, 411. 00 | 7, 956, 516. 51 | +710, 105. 51 |
| Increased compensation | 566, 640. 00 | | −566, 640. 00 |
| Permanent and indefinite | 25, 000. 00 | 25, 000. 00 | |
| Total | 7, 838, 051. 00 | 7, 981, 516. 51 | +143, 465. 51 |
| Navy, Department of: | | | |
| Regular annual | 294, 480, 828. 00 | 275, 105, 067. 00 | −19, 375, 761. 00 |
| Increased compensation | 510, 672. 00 | | −510, 672. 00 |
| Permanent and indefinite | 2, 130, 050. 00 | 2, 103, 260. 00 | −26, 790. 00 |
| Total | 297, 121, 550. 00 | 277, 208, 327. 00 | −19, 913, 223. 00 |
| Post Office Department: | | | |
| Payable from the postal revenues— | | | |
| Regular annual | 596, 652, 111. 56 | 613, 645, 195. 25 | +16, 993, 083. 69 |
| Increased compensation | 337, 248. 00 | | −337, 248. 00 |
| Payable from other Federal revenues— | | | |
| Increased compensation | 11, 520. 00 | | −11, 520. 00 |
| Total | 597, 000, 879. 56 | 613, 645, 195. 25 | +16, 644, 315. 69 |

*Comparison of Appropriations by Departments and Establishments, Fiscal Years 1924 and 1925*—Continued

| | Appropriations, fiscal year 1924 | Appropriations, fiscal year 1925 | Decrease (−) or increase (+), 1925 compared with 1924 |
|---|---|---|---|
| State Department: | | | |
| Regular annual | $15, 262, 975. 79 | $15, 001, 646. 29 | −$261, 329. 50 |
| Increased compensation | 134, 000. 00 | | −134, 000. 00 |
| Permanent and indefinite | 106, 000. 00 | 26, 000. 00 | −80, 000. 00 |
| Total | 15, 502, 975. 79 | 15, 027, 646. 29 | −475, 329. 50 |
| Treasury Department: | | | |
| Regular annual | [1] 236, 934, 694. 04 | 120, 768, 405. 00 | −116, 166, 289. 04 |
| Increased compensation | 10, 749, 292. 00 | | −10, 749, 292. 00 |
| Permanent and indefinite— | | | |
| Interest on public debt | 940, 000, 000. 00 | 890, 000, 000. 00 | −50, 000, 000. 00 |
| Public debt redemption funds | 511, 968, 125. 00 | 482, 277, 975. 00 | −29, 690, 150. 00 |
| All other | 31, 055, 093. 41 | 26, 773, 100. 00 | −4, 281, 993. 41 |
| Total | 1, 730, 707, 204. 45 | 1, 519, 819, 480. 00 | −210, 887, 724. 45 |
| War Department: | | | |
| Military— | | | |
| Regular annual | 251, 544, 581. 00 | 255, 615, 279. 13 | +4, 070, 698. 13 |
| Permanent and indefinite | 900, 000. 00 | 900, 000. 00 | |
| Total, military | 252, 444, 581. 00 | 256, 515, 279. 13 | +4, 070, 698. 13 |
| Nonmilitary— | | | |
| Regular annual | 85, 822, 747. 00 | 72, 355, 186. 00 | −13, 467, 561. 00 |
| Permanent and indefinite | 5, 843, 321. 00 | 5, 683, 321. 00 | −160, 000. 00 |
| Total nonmilitary | 91, 666, 068. 00 | 78, 038, 507. 00 | −13, 627, 561. 00 |
| Total, War Department— | | | |
| Regular annual | 337, 367, 328. 00 | 327, 970, 465. 13 | −9, 396, 862. 87 |
| Increased compensation | 6, 102, 057. 00 | | −6, 102, 057. 00 |
| Permanent and indefinite | 6, 743, 321. 00 | 6, 583, 321. 00 | −160, 000. 00 |
| Total | 350, 212, 706. 00 | 334, 553, 786. 13 | −15, 658, 919. 87 |
| District of Columbia: | | | |
| Regular annual | 23, 047, 555. 00 | 26, 455, 105. 00 | +3, 407, 550. 00 |
| Increased compensation | 1, 795, 067. 00 | | −1, 795, 067. 00 |
| Permanent and indefinite | 1, 512, 843. 00 | 1, 226, 962. 00 | −285, 881. 00 |
| Total | 26, 355, 465. 00 | 27, 682, 067. 00 | +1, 326, 602. 00 |
| Grand total— | | | |
| Regular annual | 2, 436, 410, 006. 78 | 2, 167, 045, 220. 34 | −269, 364, 786. 44 |
| Increased compensation | 35, 811, 893. 00 | | −35, 811, 893. 00 |
| Private relief acts unclassified | 262, 709. 88 | | −262, 709. 88 |
| Permanent and indefinite | 1, 540, 625, 228. 15 | 1, 455, 080, 738. 85 | −85, 544, 489. 30 |
| Grand total | 4, 013, 109, 837. 81 | 3, 622, 125, 959. 19 | −390, 983, 878. 62 |
| Less sum payable from postal revenues | 596, 989, 359. 56 | 613, 645, 195. 25 | +16, 655, 835. 69 |
| Total, exclusive of sum payable from postal revenues | 3, 416, 120, 478. 25 | 3, 008, 480, 763. 94 | −407, 639, 714. 31 |

[1] This sum includes $105,467,000 for refunding internal revenue taxes erroneously collected.

NOTE.—Appropriations herein stated do not include the amounts pertaining to the second deficiency bill and the field service classification bill, both of which failed of enactment. The amount for the fiscal year 1925 in the latter bill was $26,357,767.84 and the amount for the same year in the former bill is approximately $175,000,000. Including these amounts in the 1925 totals, the aggregate for 1925 becomes $3,823,483,727.03 and the reduction of 1925 under 1924 would decline from $390,983,878.62 to $189,626,110.78.

*Comparison of Budget Estimates and Appropriations, Fiscal Year 1925*

[The appropriations for 1925 include amounts carried for fiscal year 1925 in regular annual appropriations acts, and amounts estimated under permanent and indefinite appropriations]

| Department or establishment | Budget estimates submitted Dec. 3, 1923 | Supplemental Budget estimates submitted Dec. 3, 1923, to June 7, 1924 | Total Budget estimates fiscal year 1925 | Appropriations, 1925, regular annual and permanent and indefinite | Increase (+) or decrease (−) appropriations compared with estimates |
|---|---|---|---|---|---|
| Legislative branch: | | | | | |
| Regular annual | $13,783,036.25 | $988,625.40 | $14,771,661.65 | $14,229,016.00 | −$542,645.65 |
| Permanent and indefinite | 800.00 | | 800.00 | 800.00 | |
| Total | 13,783,836.25 | 988,625.40 | 14,772,461.65 | 14,229,816.00 | −542,645.65 |
| Executive office and independent offices: | | | | | |
| Regular annual— | | | | | |
| Shipping Board | 30,344,000.00 | | 30,344,000.00 | 30,344,000.00 | |
| Veterans' Bureau | 349,065,000.00 | | 349,065,000.00 | 349,065,000.00 | |
| Executive and other independent offices | 19,315,131.16 | 14,500.00 | 19,329,631.16 | 19,367,740.16 | +38,109.00 |
| Total | 398,724,131.16 | 14,500.00 | 398,738,631.16 | 398,776,740.16 | +38,109.00 |
| Permanent and indefinite | 6,457,301.79 | | 6,457,301.79 | 6,457,301.79 | |
| Total | 405,181,432.95 | 14,500.00 | 405,195,932.95 | 405,234,041.95 | +38,109.00 |
| Agricultural Department: | | | | | |
| Regular annual— | | | | | |
| Department proper | 38,729,825.00 | | 38,729,825.00 | 39,575,274.00 | +845,449.00 |
| Roads, construction of | 18,500,000.00 | | 18,500,000.00 | 19,000,000.00 | +500,000.00 |
| Permanent and indefinite | 12,360,750.00 | | 12,360,750.00 | 12,360,750.00 | |
| Total | 69,590,575.00 | | 69,590,575.00 | 70,936,024.00 | +1,345,449.00 |
| Commerce, Department of: | | | | | |
| Regular annual | 24,045,025.00 | | 24,045,025.00 | 23,939,905.00 | −105,120.00 |
| Permanent and indefinite | 3,000.00 | | 3,000.00 | 3,000.00 | |
| Total | 24,048,025.00 | | 24,048,025.00 | 23,942,905.00 | −105,120.00 |
| Interior, Department of: | | | | | |
| Regular annual— | | | | | |
| Pensions | 232,120,680.00 | | 232,120,680.00 | 224,616,000.00 | −7,504,680.00 |
| Interior Department proper | 39,948,651.00 | | 39,948,651.00 | 38,634,455.00 | −1,314,196.00 |
| Permanent and indefinite | 27,243,269.06 | | 27,243,269.06 | 27,243,269.06 | |
| Total | 299,312,600.06 | | 299,312,600.06 | 290,493,724.06 | −8,818,876.00 |
| Justice, Department of, and judiciary: | | | | | |
| Regular annual | 21,378,456.00 | | 21,378,456.00 | 21,371,430.00 | −7,026.00 |
| Labor, Department of: | | | | | |
| Regular annual | 6,677,576.51 | | 6,677,576.51 | 7,956,516.51 | +1,278,940.00 |
| Permanent and indefinite | 25,000.00 | | 25,000.00 | 25,000.00 | |
| Total | 6,702,576.51 | | 6,702,576.51 | 7,981,516.51 | +1,278,940.00 |
| Navy, Department of: | | | | | |
| Regular annual | 276,395,794.00 | | 276,395,794.00 | 275,105,067.00 | −1,290,727.00 |
| Permanent and indefinite | 2,103,260.00 | | 2,103,260.00 | 2,103,260.00 | |
| Total | 278,499,054.00 | | 278,499,054.00 | 277,208,327.00 | −1,290,727.00 |
| Post Office Department: | | | | | |
| Payable from postal revenues— | | | | | |
| Regular annual | 613,093,183.50 | | 613,093,183.50 | 613,645,195.25 | +552,011.75 |
| State Department: | | | | | |
| Regular annual | 14,962,446.29 | | 14,962,446.29 | 15,001,646.29 | +39,200.00 |
| Permanent and indefinite | 26,000.00 | | 26,000.00 | 26,000.00 | |
| Total | 14,988,446.29 | | 14,988,446.29 | 15,027,646.29 | +39,200.00 |

*Comparison of Budget Estimates and Appropriations, Fiscal Year 1925*—Continued

| Department or establishment | Budget estimates submitted Dec. 3, 1923 | Supplemental Budget estimates submitted Dec. 3, 1923, to June 7, 1924 | Total Budget estimates fiscal year 1925 | Appropriations, 1925, regular annual and permanent and indefinite | Increase (+) or decrease (−) appropriations compared with estimates |
|---|---|---|---|---|---|
| Treasury Department: | | | | | |
| Regular annual | $122,212,965.00 | | $122,212,965.00 | $120,768,405.00 | −$1,444,560.00 |
| Permanent and indefinite— | | | | | |
| Interest on public debt | 890,000,000.00 | | 890,000,000.00 | 890,000,000.00 | |
| Public debt redemption funds | 482,277,975.00 | | 482,277,975.00 | 482,277,975.00 | |
| All other | 26,773,100.00 | | 26,773,100.00 | 26,773,100.00 | |
| Total | 1,521,264,040.00 | | 1,521,264,040.00 | 1,519,819,480.00 | −1,444,560.00 |
| War Department: | | | | | |
| Military— | | | | | |
| Regular annual | 258,124,006.00 | | 258,124,006.00 | 255,615,279.13 | −2,508,726.87 |
| Permanent and indefinite | 900,000.00 | | 900,000.00 | 900,000.00 | |
| Total, military | 259,024,006.00 | | 259,024,006.00 | 256,515,279.13 | −2,508,726.87 |
| Nonmilitary— | | | | | |
| Regular annual | 71,733,765.00 | | 71,733,765.00 | 72,355,186.00 | +621,421.00 |
| Permanent and indefinite | 5,683,321.00 | | 5,683,321.00 | 5,683,321.00 | |
| Total, nonmilitary | 77,417,086.00 | | 77,417,086.00 | 78,038,507.00 | +621,421.00 |
| Total, War Department— | | | | | |
| Regular annual | 329,857,771.00 | | 329,857,771.00 | 327,970,465.13 | −1,887,305.87 |
| Permanent and indefinite | 6,583,321.00 | | 6,583,321.00 | 6,583,321.00 | |
| Total | 336,441,092.00 | | 336,441,092.00 | 334,553,786.13 | −1,887,305.87 |
| District of Columbia: | | | | | |
| Regular annual | 25,652,850.00 | $6,800.00 | 25,659,650.00 | 26,455,105.00 | +795,455.00 |
| Permanent and indefinite | 1,226,962.00 | | 1,226,962.00 | 1,226,962.00 | |
| Total | 26,879,812.00 | 6,800.00 | 26,886,612.00 | 27,682,067.00 | +795,455.00 |
| Grand total: | | | | | |
| Regular annual | 2,176,082,390.71 | 1,009,925.40 | 2,177,092,316.11 | 2,167,045,220.34 | −10,047,095.77 |
| Permanent and indefinite | 1,455,080,738.85 | | 1,455,080,738.85 | 1,455,080,738.85 | |
| Grand total | 3,631,163,129.56 | 1,009,925.40 | 3,632,173,054.96 | 3,622,125,959.19 | −10,047,095.77 |
| Less Post Office (payable from postal revenues) | 613,093,183.50 | | 613,093,183.50 | 613,645,195.25 | +552,011.75 |
| Total, exclusive of Post Office | 3,018,069,946.06 | 1,009,925.40 | 3,019,079,871.46 | 3,008,480,763.94 | −10,599,107.52 |

NOTE.—The estimates and appropriations herein stated do not include the amounts pertaining to the Second Deficiency Bill and the Field Service Classification Bill, both of which failed of enactment. The amount for the fiscal year 1925 in the latter bill is $26,357,767.84 and the amount for the fiscal year 1925 in the former bill is approximately $175,000,000. The Budget estimates for the fiscal near 1924 and prior years were exceeded in the appropriations by $1,038,458.69. This sum deducted from the decrease shown in this table leaves a total net decrease in all estimates of $9,008,637.08.

APPROPRIATIONS AND EXPENDITURES FISCAL YEAR 1925 AND PRIOR YEARS

Mr. BYRNS of Tennessee. Mr. Speaker, under our form of government party control necessarily carries with it party responsibility. The Republican Party has had control of Congress since March 4, 1919, and of the executive branch since March 4, 1921. Congress alone has the power to levy taxes and appropriate money to be expended by the executive departments. The Republican Party must be held responsible for the reckless use of public money and the utter disregard of the taxpayers' interest during this period.

A considerable increase in Government expenditures was to be expected. Greater attention to education, good roads, and other activities which make for the enlightenment and progress of a people have necessarily increased our national expenditures. The war also increased these expenditures. But taking these desirable activities and necessary expenditures into consideration, the present expenditures of the National Government, with the added expenditures made necessary by the action of Congress at its first session, which closed on June 7, shows a reckless extravagance which no Republican platform pronouncements or administration propaganda of alleged economics can possibly explain or overcome.

| | |
|---|---|
| At the beginning of the session the estimated expenditures for the fiscal year 1925, seven years after the close of the war, were | $3,298,080,444.00 |
| This does not include estimated expenditures of $613,093,183.50 for the Postal Service, which is payable out of postal revenue. The regular annual appropriation for all purposes, exclusive of Postal Service, for 1916, the last full fiscal year before the war, under a Democratic administration was | 801,126,037.09 |
| Since the estimates for expenditure for 1925 were submitted Congress has passed laws increasing the expenditures for 1925 by over | 200,000,000.00 |
| It has increased the obligations of the Government covering a period of years at least | 3,500,000,000.00 |

| | |
|---|---|
| In addition to this there are bills on the calendars of either the Senate or the House which have been recommended by the proper committee and are awaiting consideration which, if enacted into law, will further increase the obligations of the Government in an amount exceeding | $500,000,000.00 |

The amount of new obligations created by this Congress at its first session almost equals the entire amount that has been paid on the public debt since the war. During these fiscal years—1920 to 1924, inclusive—more than $23,933,000,000 has been paid into the Treasury by the people in direct, indirect, and miscellaneous taxes. Notwithstanding this huge sum the present total obligations of the Government are only about one-half of a billion dollars less than they were when the first payments on the public debt were made.

A Republican Member recently declared to his Republican majority colleagues that "extravagance runs wild." The platform recently adopted by the Republican National Convention declared that during the past session "Congress has, in the main, confined its work to tax reduction." But these figures indicate that Congress and some of its committees have devoted the major portion of their time to authorizing the appropriation of public money and creating heavier obligations for the taxpayer. The entire public debt, Federal, State, and municipal, at the beginning of the session amounted to more than $32,000,000,000, and with the added expenditures and rapidly increasing obligations it is apparent that unless there is a check upon increasing public expenditures, taxation will soon become confiscatory.

ANALYSIS OF APPROPRIATIONS

An analysis of the figures will show whether or not the Republican administration and Congress are justified in their claims of economy.

| | | |
|---|---|---|
| The appropriations carried in the regular annual appropriation bills for 1925 amount to | | $2,167,045,220.34 |
| But to this sum must be added the sum of | | 172,289,092.96 |
| Carried in the second deficiency bill for 1925, which was passed by both Houses but failed of immediate enactment on account of a filibuster in the Senate during the last hour of the session, but which will be passed and approved by the President in December in order to meet the requirements of laws recently passed by Congress, there must also be added the sum of | | 26,302,767.84 |
| Carried in a special appropriation which passed but was enrolled too late to be signed at this session. This provides for the increased compensation for field employees under an act recently passed by Congress. Thus the regular annual appropriations for 1925 will be | | 2,365,637,081.14 |
| Similar appropriations for 1924 were | | 2,323,019,979.97 |
| This shows an increase for 1925 over 1924 of | | 42,617,101.17 |
| To these sums must be added the permanent and indefinite appropriation for interest on the public debt, public-debt retirements, and other items. For 1925 these sums amount to | | 1,455,080,738.85 |
| For 1924 these sums amounted to | | 1,540,625,228.15 |
| This makes the total appropriations for 1925 | | 3,820,717,819.99 |
| And for 1924 | | 3,863,645,208.12 |
| It will be noted that this decrease in total appropriations for 1925 may be entirely accounted for by the reduction in interest on the public debt, which in itself amounts to | 50,000,000.00 | |
| This is not due to a reduction of expenses of the business operations of the Government, which have actually been increased, as is shown above. | | |
| The reduction in public debt retirements, according to estimates, is | 29,690,150.00 | |
| The reduction in the appropriations for executive and independent offices for the Veterans' Bureau is | 79,995,773.00 | |
| This was made possible by the fact that vocational rehabilitation is being concluded; that compensation will grow less as the disabled ex-service men become physically rehabilitated; and that hospitalization will inevitably become less the farther we get from the war. The reduction in the same appropriation bill for the Shipping Board is | 20,067,500.00 | |
| This is due to the fact that certain claims for which appropriations were made during the current year have been settled. Civil War pensions have been reduced in the appropriation for the Department of the Interior to the amount of | 30,500,000.00 | |
| This results from the fact that the pension roll is being steadily reduced by death. There is a reduction in the appropriation for the War Department for rivers and harbors of | 19,446,760.00 | |
| This appropriation is really based upon the needs of the service for the first nine months of the fiscal year. The next annual appropriation bill will take care of any additional amounts needed after Mar. 4, 1925, the beginning of the next Congress. The same explanation may be made of the reduction in the appropriations for the Department of Agriculture for special road items amounting to | 14,600,000.00 | |
| These sums total | | 243,490,183.00 |

It is evident that the administration can claim no credit for these reductions as economies effected. The appropriations for 1925 would have been less than the appropriations for 1924 by at least this amount if appropriations for other objects had not been increased.

The following table shows the increase of 1925 appropriations over those of 1916, excluding from 1925 the appropriations growing out of the war and which, therefore, should not be taken into consideration in making the comparison:

| | | |
|---|---|---|
| Total appropriations for 1925 | | $3,820,717,819.99 |
| Total appropriations for 1916 | | 1,114,490,704.09 |
| Increase of 1925 over 1916 | | 2,706,227,115.90 |
| Deduct war expenses, which were: | | |
| Interest on public debt | $890,000,000 | |
| Public-debt retirements, including sinking fund | 482,277,975 | |
| Veterans' Bureau | 349,065,000 | |
| Shipping Board | 30,344,000 | |
| | | 1,751,686,975.00 |
| Grand total increase of 1925 over 1916 | | 954,540,140.90 |

The following table shows appropriations for 1924 and 1925:

| | 1924 | 1925 |
|---|---|---|
| ANNUAL APPROPRIATIONS | | |
| Department of State | $15,200,665.50 | $15,001,646.29 |
| Department of Justice | 19,253,506.00 | 21,371,430.00 |
| Department of Commerce | 21,142,957.00 | 23,939,905.00 |
| Department of Labor | 7,451,896.00 | 7,956,516.51 |
| Treasury Department | 126,159,802.37 | 120,768,405.00 |
| Post Office Department | 585,221,759.50 | 613,645,195.00 |
| Department of Agriculture | 72,841,453.00 | 58,575,274.00 |
| Department of the Interior | 297,520,009.00 | 263,250,455.00 |
| Navy Department | 294,967,200.00 | 275,105,067.00 |
| War Department | 342,449,261.00 | 327,970,465.13 |
| Executive and independent offices | 501,821,377.00 | 398,776,740.16 |
| Legislative | 14,416,111.60 | 14,229,016.00 |
| District of Columbia | 24,573,982.00 | 26,455,105.00 |
| Increased compensation, field employees | | 26,302,767.84 |
| Second deficiency | | 172,289,092.96 |
| Total annual appropriations | 2,323,019,979.97 | 2,365,637,081.14 |
| PERMANENT AND INDEFINITE APPROPRIATIONS | | |
| Interest on public debt | 940,000,000.00 | 890,000,000.00 |
| Public-debt retirements | 511,968,125.00 | 482,277,975.00 |
| Other | 88,657,103.15 | 82,802,763.85 |
| Total permanent and indefinite appropriations | 1,540,625,228.15 | 1,455,080,738.85 |
| Total of annual appropriation acts, including permanent and indefinite appropriations | 3,863,645,208.12 | 3,820,717,819.99 |

Deficiencies for 1924 are not included in the above table. These will be balanced off by the deficiencies which will undoubtedly occur in 1925.

COOPERATIVE ROAD CONSTRUCTION

In connection with the above statement, it might be well to call attention to the appropriations for cooperative road construction. Good roads are one of the greatest of assets to the agricultural interests of the country, yet for the fiscal year 1925, $75,000,000 was authorized to be appropriated, and the Republican Congress appropriated but $13,000,000, leaving $62,000,000 to be obligated by the Secretary of Agriculture in approved road-building projects. If the entire authorization had been appropriated, the total of all the moneys appropriated for the year 1925 would be $62,000,000 in excess of the total given in the statement above, or $3,882,717,819.99.

A similar practice of appropriating but a portion of the authorization, having the remainder made available as a contractual obligation on the part of the Government, has prevailed for the two preceding years, so that, although a Republican Congress passed an act authorizing appropriations of $190,000,000 for the cooperative construction of roads, there has actually been appropriated during the last three fiscal years but $67,300,000. Unexpended balances of appropriations, the greater portion of which were made by a Democratic Congress, have enabled the Bureau of Public Roads to continue the road-building program without curtailment, but before the end of the fiscal year 1925 these balances and the meager appropriations provided by the Republican Congress will have been exhausted, and unless deficiency appropriations are made the work on road construction will be greatly delayed if not altogether suspended in some States.

Attention should also be called at this point to the law passed at this session of Congress liberalizing the benefits extended to World War veterans by the United States Veterans' Bureau. The added cost on account of this legislation is approximately $35,000,000 annually, and an additional amount

will have to be appropriated next session. That sum should be added to the total herein stated for 1925.

Most recent estimates of receipts for 1925 under the new revenue law are as follows:

*Receipts and expenditures for 1925 (estimated)*

| | | |
|---|---|---|
| Customs | | $500,000,000 |
| Internal-revenue taxes: | | |
| Individual and corporation income tax | $1,650,000,000 | |
| Miscellaneous taxes | 814,000,000 | |
| | | 2,464,000,000 |
| Miscellaneous receipts | | 473,000,000 |
| Total ordinary receipts | | 3,437,000,000 |
| At the beginning of the session in December, 1923, Treasury estimates of expenditures for the fiscal year 1925 were | | 3,298,080,444 |
| Since that estimate was submitted Congress has appropriated for 1925 to meet requirements of authorizations not then anticipated as follows: | | |
| Second deficiency | $172,289,092 | |
| Added compensation | 26,302,767 | |
| | | 198,591,859 |
| Total | | 3,496,672,303 |

It will be necessary to provide additional sums at the December session to meet other authorizations.

The estimation of receipts and expenditures a year in advance of the close of the fiscal year is necessarily an uncertain task. It is apparent from the present situation with respect to expenditures that unless the receipts exceed considerably those now in sight that there will be a deficit for the fiscal year 1925. Should a favorable increase in receipts occur it would not in any event produce more than a small surplus.

RECEIPTS FROM BACK TAXES AND SURPLUS WAR STORES

The Republican Party since it came into power on March 4, 1921, has been favored with receipts a large part of which accrue from war years and the demobilization period. The Treasury has been exceedingly slow in the audit of taxes for the war period and the years immediately following. As the result of the audit of these war and postwar tax returns, the Republican administration, since March, 1921, has had the benefit of approximately $1,070,000,000 net of payments from back taxes, after deducting the amounts which it has had to refund for overpayments arising from such audits. It has during this period also had the advantage of large receipts from sales of stores, supplies, and plants acquired during the war in an amount approximating $270,000,000. These two sums make unusual revenues of $1,340,000,000, and this sum accounts for the aggregate of excess of receipts over expenditures from March, 1921, to the present date and has left a margin of receipts which has added quite a comfortable sum to the ordinary running expenses of the Government.

NEW COMMITMENTS

| | |
|---|---|
| Congress passed during the first session laws increasing the obligation of the Government and the burden of the taxpayers, and which will ultimately require appropriations, according to the lowest estimate submitted to the extent of at least | $3,423,128,388.82 |
| In most instances these estimates will doubtless prove to be too low. There are now on the calendars, passed by one or the other of the two Houses and awaiting consideration and enactment by the other House, bills making authorizations for different projects which will ultimately require appropriations in the sum of at least | 371,688,500.00 |
| There are now on the calendars of either the Senate or the House bills favorably reported by Republican committees and which are awaiting consideration at the next session carrying authorizations which will require appropriations of at least | 533,027,052.66 |

INCREASE OF SALARIES

Congress has passed laws increasing annual salaries of Government employees, in addition to the bonus which has been paid for several years and which amounted to $35,893,110 annually, beginning July 1, 1924, as follows:

| | |
|---|---|
| District and field employees, exclusive of Postal Service | $9,271,000.00 |
| Consular officials | 495,000.00 |
| Employees of Government Printing Office | 500,000.00 |
| Senate and House employees | 362,799.20 |
| Teachers, firemen, and police of District of Columbia | 2,500,000.00 |
| The pay of officers and enlisted men in the Army and Navy has been increased in the last two years, approximately, each year | 55,000,000.00 |

Many new positions have been created with salaries ranging as high as $10,000 and $12,000 per year.

Congress passed a bill increasing the annual pay of postal employees, estimated by the department to cost $80,000,000. This bill was vetoed by the President on the last day of the session, too late to be acted upon, and will be taken up in December.

Congress passed the Bursum bill increasing the pensions of soldiers of the Civil and other wars, estimated to cost annually $58,000,000. It was vetoed by the President.

PUBLIC DEBT RETIREMENTS

The following table shows retirements on the public debt by fiscal years:

| | Total gross debt | Reduction |
|---|---|---|
| June 30, 1919 | $25,484,506,160 | |
| June 30, 1920 | 24,299,321,467 | $1,185,184,693 |
| June 30, 1921 | 23,977,450,552 | 321,870,915 |
| June 30, 1922 | 22,963,381,708 | 1,014,068,844 |
| June 30, 1923 | 22,349,767,365 | 613,674,343 |
| May 31, 1924 (11 months) | 21,544,803,398 | 804,903,989 |

It will be noted that the year of greatest retirement was in 1920, under a Democratic administration.

Reduction in taxes has been too long delayed. With an excess of receipts over expenditures each year, the Republican administration up to June 30, 1923, had used of this surplus $697,000,000 for retirement of the public debt in addition to the retirements made from the regularly constituted funds for that purpose. These surpluses, instead of being applied to debt retirement, should have been used to make a decrease in taxes which the American people have been demanding. Relief could have been granted several years ago had it not been for the desire of the administration to make a spectacular decrease in the principal of the debt.

GOVERNMENT EMPLOYEES

The following table, according to the report of the Civil Service Commission, shows the number of employees on the rolls:

| | |
|---|---|
| July 1, 1916 | 438,057 |
| Nov. 11, 1918 | 917,760 |
| July 1, 1920 | 691,116 |
| July 1, 1921 | 597,482 |
| July 1, 1922 | 560,863 |
| July 1, 1923 | 548,531 |
| Jan. 1, 1924 | 544,671 |

Thus it appears that on the first of the year the number of employees on the Government rolls was nearly 24½ per cent greater than in 1916. The peak was reached at the close of the war. During the following two and a half years, under a Democratic administration, the number was reduced by 320,278. During the two and one-half years of the Republican administration the number was reduced by 52,811.

ARMY AND NAVY

The following sums were appropriated for the Army and Navy for the fiscal years 1925 and 1916:

| | Army and Navy | 1925 | 1916 |
|---|---|---|---|
| For the Army: | | | |
| Direct appropriations, strictly military activities, War Department | $254,224,865.13 | | |
| Permanent appropriations | 900,000.00 | | |
| Reappropriations | 93,753.81 | | |
| | | $255,218,618.94 | $109,089,225.14 |
| For the Navy: | | | |
| Direct appropriations | 275,105,067.00 | | |
| Indirect appropriations | 22,500,000.00 | | |
| | | 297,605,067.00 | 149,661,864.88 |
| Total | | 552,823,685.94 | 259,751,091.02 |

THE DISARMAMENT CONFERENCE

The disarmament conference, which was concluded February 26, 1922, was heralded as a great accomplishment toward stopping competition among nations in the building of navies and, as an incident thereto, the reduction of expenses. It was an egregious failure. It is significant that the result was the scrapping of the type of ship the United States was then constructing and leaving wide open the door to competition in other types of warships. The failure of that conference is attested by the fact that ever since its adjournment there has been a demand that a new conference be called to do what the former conference failed to do. The naval bill just passed requests the President to call such a conference, but as yet he has taken no steps to do so.

As a result of the conference it became necessary for the United States to scrap seven large battleships and four battle cruisers under construction, and which, if completed, would

have given the United States the most powerful Navy in the world.

| | |
|---|---|
| There has been appropriated up to this time for the scrapping of these ships | $28,450,000 |
| There had already been expended on the construction of these vessels | 153,814,000 |
| Total cost of scrapping up to date | 182,264,000 |
| Congress is now asked to authorize a new shipbuilding program of lighter cruisers and gunboats to make the Navy of the United States the equal of that of Great Britain, as authorized by the treaty. To this end the House has passed a bill authorizing the construction of eight scout cruisers and six gunboats which will ultimately cost | 150,000,000 |
| The naval appropriation bill also carries for construction | 30,000,000 |

Unless another conference is called and is attended with greater success the construction of airplane carriers and other ships costing many millions of dollars must follow if the United States is to maintain its ratio with the Navy of Great Britain.

Republican control has signally failed to meet the hopes and expectations of the people for retrenchment of public expenditures. It has failed to give relief to the farmers, hundreds of thousands of whom have become bankrupt in the last few years because of Republican policies, foreign and domestic. Compelled to sell their products at less than cost, because of the unstable condition of the world's market, they are forced by the high protective tariff, which was levied for the benefit of a few, to pay exorbitant prices for everything which it is necessary for them to buy. Under its control fraud and corruption have found their way into the high places of government, vast public resources have been exploited for private gain, and those who are guilty have not been brought to account for the betrayal of their public trust.

Fortunately the people will have an opportunity to pass upon this record at the election which will be held in November.

RECORD OF REPUBLICAN ACCOMPLISHMENT

Mr. SANDERS of Indiana. Mr. Speaker, under the policies of the Republican Party for a half century we have builded a mighty Nation, whose magnificent history for those years is a record of Republican accomplishment.

The Republican administration took over the affairs of the Government three years ago. During that time we have a record of undertaking huge tasks, of facing great difficulties, of forging straight ahead to bring order out of chaos, a record of progress made and of gratifying results achieved in keeping with the traditions and history of the party.

When Warren Harding was sworn in as Chief Executive we were at low ebb in the aftermath of the greatest war the world has ever known. After the armistice, when everyone knew our happiness and prosperity demanded the prompt negotiation of terms of peace, countless months were wasted weaving a League of Nations covenant into the treaty of peace, and a still greater time was spent in trying to foist such an un-American war pact upon the country. During the last two years of the Democratic régime the Republican Congress undertook to prepare for peace, but were blocked at every move by an unfriendly Executive. The Republican Congress passed a joint resolution to end the war. The Democratic President vetoed it. The Republican Congress passed a comprehensive Budget law as a foundation for economic reduction of Government expenses. The Democratic President vetoed it. The Republican Congress passed an emergency tariff bill to prevent disaster to the American farmer and to protect American workmen and American industries. The Democratic Chief Executive vetoed it. The Republican Senate agreed upon reservations to the peace treaty which would prevent the surrender of our sovereignty and the sending of our soldiers to fight in European broils. The Democratic President used the mighty influence of his office to defeat the treaty with such reservations.

In short, when the Republican administration took over the reins of government we found the country as unprepared for peace as we had been unprepared for war.

What a task we faced! A world torn asunder with the financial and economic structure of Europe collapsed, with our war debt $25,000,000,000—$250 for every man, woman, and child in America—with a billion dollar yearly interest charge, with wounded and disabled soldiers in such numbers as to require the expenditure of a half billion more yearly for their care. With an overhang charge from the Railroad Administration and Shipping Board, losses inherited from the Democratic administration running into hundreds of millions, with a country still in a state of war, with our industries suffering the inevitable collapse when the war orders ended, unemployment stalking abroad. Liberty bonds down $15 on the hundred, and our scale of public expenditures tuned up to war days.

No administration at any time since the Civil War faced such a mass of confusion. And no administration since the framing of the Constitution has worked more steadily in judiciously clearing away the débris and reconstructing a working, peace-time Government.

We had promised the people we would bring about peace. We passed a resolution declaring a state of peace, which was duly signed by President Harding. Our Democratic friends said Germany would never agree to it, and if she did we would lose valuable rights which we might have had under the Versailles treaty. But Secretary Hughes negotiated a treaty with Germany which expressly ratified the peace resolution and which in terms gave to America every right granted by the old treaty and released us from the covenant of the League of Nations.

We repassed the Budget law which the Democratic President had vetoed and, after it was signed by the President, General Dawes, a business man of wide experience, was made director general, and under the leadership of a Republican President and under the direction of General Dawes, and later General Lord, the present Director of the Budget, the business affairs of the Government were so administered as to save literally hundreds of millions of dollars.

Let me explain the nature of that law and just how it effects economies. Prior to the adoption of the Budget law each of the 11 departments made its itemized estimate of needed expenditures to the Secretary of the Treasury. The Secretary had no authority to change these estimates, but merely transmitted them to Congress in a book of estimates.

The Budget law provides for a director general, who has general charge of estimates and who makes a comprehensive study of proposed expenditures. Each department submits the estimates to the Budget Bureau and the director general has authority to cut down estimates. So that for the first time in the country's history the responsibility for expenditures is located in one man. The head of each department and bureau has a more or less exaggerated idea of the needs of the department and wants to expand bureaus out of proportion to their governmental value and out of keeping with Uncle Sam's pocketbook. But now one disinterested head of the Budget Bureau, whose very function is to economize, pares the estimates down according to his complete knowledge of the Government needs.

The Budget system established a principle of exchange of equipment which has meant a saving of immense sums of money. The Lighthouse Service of the Department of Commerce was in need of certain boats, which it was planned to build at a cost of some $1,500,000.

The War Department had on hand boats which it did not need and which could have brought only a small amount if sold. These were ordered transferred to the Lighthouse Service. This was the result of the Budget system.

I could continue with many instances of saving. The Congress received the estimates from the new Budget Bureau, and in making appropriations entered into the full spirit of economy, even cutting below the amount recommended by the Budget Bureau.

By dint of economizing here and lopping off there, cutting the Army to 125,000, cutting the naval appropriations in keeping with the agreement at the arms conference, dropping employees from the pay roll wherever possible by cutting to the bone on every appropriation, we reduced the expenditures during 1922 below 1921 in the amount of over $1,700,000,000. And during 1923, a still greater amount.

After the inauguration of economies we were prepared to reduce the taxes, and the passage of the revenue act of 1921 reduced the taxes for that year in the amount of $80,000,000, and $800,000,000 in 1922.

This was accomplished by a reduction (by means of increased exemption) on every income of heads of families under $5,000 a year. The change affected 2,500,000 heads of families in the United States and reduced their Federal taxes $70,000,000. We repealed many taxes on the necessaries of life, relieving the taxpayer of the payment of almost $900,000,000.

We passed legislation providing for a Debt Funding Commission to deal with the collection of debts owed us by foreign nations. This amount reached the sum of over $11,000,000,000. No criticism is attached to the Democratic Party for most of these loans, although loans were advanced to Russia after she was of no help in carrying on the war, and all the loans were made in the most haphazard way, without requiring such bonds and other evidences of indebtedness as would make all terms definite. But it is easier to loan than to collect money. The Democrats loaned it out bountifully and our less pleasant task is to collect what we can.

Although the armistice was signed in 1918, and the Democratic President served until March, 1921, yet not one single step had been taken by him toward negotiating the payment. We provided in the funding law that the debt should not be canceled. The commission is now functioning.

We have settled with Great Britain. During 62 years, by regular increase, partial payments are to be made, the first payment being fixed at $23,000,000 in 1923, and at $175,000,000 in the last year that the loan has to run, which would be 1984. Interest is to be paid.

We have settled with Finland, and settlement has been made with Cuba and Nicaragua. Negotiations are under way with other countries.

We passed the emergency tariff law, the law authorizing cooperative marketing, the law extending the War Finance Corporation and authorizing the financing of exports of farm products—all for the benefit of the farmer. We are now trying to work out a comprehensive plan for agricultural relief.

We passed the immigration restriction act. Under its provisions the number of aliens who could enter this country at any one time was restricted to 3 per cent of the number of such nationals here as shown by the census reports. We did not want to shut the gates of America from those in foreign lands who want to enter America and build their homes and tune their hearts to the hearts of America, but we realized that restriction in numbers was needed. This was the first law ever enacted limiting the number that could come into the country. We had had various laws prescribing physical and other like tests, but no law restricting the number. Under this law in one year, it is estimated by the chairman of the House Committee on Immigration, we saved the United States from an influx of 1,500,000 aliens which we could not have properly assimilated and Americanized. It was fortunate in this time of stress and disturbed conditions that the country was spared from the ordeal of dealing with that great number of new aliens. This law we further amended, further limiting and restricting immigration.

We passed the Sweet reorganization bill creating the Veterans' Bureau, placing the responsibility upon the director, and creating district offices and suboffices so as to get nearer to the soldier. The effectiveness of administration has been improved remarkably, although there are, of course, some isolated cases which are deserving and have not yet gotten relief. In the overwhelming majority of cases adjudication is made with promptness and expedition. The Republican Congress passed the Reed-Johnson bill liberalizing and extending the provisions of the Veterans' Bureau law.

There was such unity of action during the war while the Democratic administration was in power and such a feeling of gratitude toward the American soldier that I had hoped no partisan would undertake to make political capital out of his attempt to serve the soldier, but some Democratic utterances on soldier-relief legislation leads me to state precisely what the record shows.

As soon as the Republican Congress was called in session—which was two years before the end of the Democratic President's term—we began to investigate the amounts of compensation provided by the Democratic laws for the wounded and disabled soldier. We found the amounts shockingly inadequate and immediately passed the Sweet law to increase the amounts to be paid these wounded heroes.

Under the Democratic law the highest amount paid the disabled soldier without wife or child living was $30. The Republican law provided $80.

With wife living, the Democratic law provided $45; the Republican law $90.

With wife and one child living, the Democratic law provided $55; the Republican law $95.

With wife and two children living, the Democratic law provided $65; the Republican law $100; and for double total disability $200.

The Republican measure also provided for medical and surgical treatment and appliances and greatly liberalized the insurance provisions, giving ample chance to reinstate lapsed policies.

We take no political credit for this; it was only what was justly due the soldier; but the record of the two administrations undoubtedly demonstrates our conscientious devotion to the cause of the American soldiers and that we regard providing for their care as our sacred privilege.

We passed the Fordney Protective Tariff Act. When this act was passed the Democratic fight was waged against it chiefly on two grounds: First, that we were building up a wall which would keep out all imports; second, that since we would import nothing, the nations of the world could not trade with us. But their dire prophecy has proven false. In 1922, nine months of which were under the Underwood Tariff Act, the exports sent out of this country were $3,832,000,000. In 1923, all of which was under the Fordney Act, the exports were $4,168,000,000; we thus sent out $336,000,000 more in value under a protective tariff.

Now let us look at the imports. In 1922 our imports were $3,113,000,000; in 1923 our imports were $3,792,000,000. Thus we brought in $679,000,000 more imports under a protective tariff act.

This has been the uniform history of periods under a protective policy. We encourage our own industry and give such stimulus to trade that the total exports and imports increase.

President Harding won the admiration of the world in his grasp and disposition of world problems. His appointment of Justice Hughes as Secretary of State met with universal approval. Under the President's direction Secretary Hughes has adjusted every dispute of serious import which threatened to disturb our peace relations with any foreign government. Doubts and disputes arose with reference to our status with Mexico and Russia. The terms upon which we would enter upon diplomatic relations with Mexico were stated so clearly and the justice of our position was made so plain that Mexico took definite steps to place her Government in position to be recognized, and recognition has now been granted. The Government's reason for not recognizing the Soviet Government of Russia was so candidly given that everyone believing in the rights of liberty of person and property must be in accord.

The call for the Arms Conference met with prompt and favorable response from all civilized nations. In stating our readiness to limit armament, President Harding and Secretary Hughes struck out boldly on an unbeaten path of open diplomacy, which for an instant startled the civilized world; but the world's reaction was so generous and universally favorable that for once diplomacy was ruled by the sentiment and judgment of the masses of people. The Hughes proposal for scrapping battleships and reduction of fighting machinery was agreed to substantially as proposed. The terms finally agreed upon have been a great factor in removing causes for war. As a measure of economy it is the greatest single stroke in the world's history.

We are now able to determine with reasonable certainty the amount saved to the taxpayers by reason of the Conference on Limitation of Armament. Congressman FRENCH, of Idaho, presented the Navy appropriation bill this year, and his report shows that there has been a direct saving of over $200,000,000, because the treaties put a stop to new structural work under way which would have necessitated an expenditure of that amount. In addition we will save $200,000,000 each year on cost of maintenance and upkeep of the Navy. This does not include the saving effected by not being required to fortify Guam, which would have cost $85,000,000 to fortify and still more to maintain, nor additional Philippine fortifications which would have cost equally as much. The arms conference has wrought a hundredfold more benefit to mankind in effecting economies and bringing about friendly relations than has the League of Nations.

There sits in the White House to-day a calm, hard-thinking, few-worded statesman, who has the confidence of America. Reared amid rural hardships, trained close to nature in early life, schooled in affairs of government by his service as mayor, as State senator, as president of the senate, as lieutenant governor, as governor, and as Vice President, he was eminently equipped for the high office to which Divine Providence called him.

His program for Budget economy, for tax reduction, for restricted immigration, for welfare legislation, for maintenance of protection to American labor and industry, his stalwart devotion to the great fundamentals of government, have placed high in the esteem of the people of the country that matchless outstanding American, Calvin Coolidge.

Our wise economies have brought about a condition permitting further tax reduction. We passed a bill as nearly approaching the Republican plan as was possible with our slim Republican majority. The essential feature of the Republican plan is to reduce taxation on all incomes, including surtax on large incomes, while the essential feature of the Democratic plan was to make the smallest possible reduction in surtaxes. The law as finally passed included the reduction of taxes for the present year 25 per cent.

The first Republican tax reduction law cut the maximum surtax from 65 to 50 per cent. This high surtax during the war, before opportunity was presented to change investment, brought in fairly heavy returns; but those with large investments soon

found that they could change their investments to tax-free Government bonds and municipal securities and get a much larger net yield, and they did so. This is conclusively demonstrated by the records of tax returns. In 1918 the number of incomes over one million was 67; in 1919 it was 65; in 1920 it was 33; in 1921 it was 21. If the surtax were reduced to a maximum of 25 per cent after the first year, it would mean an actual increase in revenue, because the large fortunes would be reinvested in industrial enterprises and a great stimulus for business would be furnished. This heavy surtax is the greatest factor in the high cost of living, because the ultimate consumer finally pays the bill in increased cost of the articles produced. We will work for further economies and additional tax reform.

The primary function of Congress is to legislate. In recent months it might be thought that its chief function is inquisition. The investigation of the Veterans' Bureau inaugurated and carried out by that fine Republican soldier, Senator REED of Pennsylvania, which resulted in the prosecution growing out of the Veterans' Bureau fraud brought good results.

I do not decry the investigation of the Teapot Dome transaction. That was a fortunate investigation, for there was uncovered evidence of corruption which furnished a basis for legislation and court proceedings. No legislative body, however, is warranted in neglecting its legislative duties and running rampant into the field of investigation. There have been some things in connection with the Senate investigations that have been unfortunate. The simple, everyday rules of evidence so absolutely necessary to separate the true from the false have been grossly violated. Attempts have been made to besmirch the character of men living and dead, by hearsay evidence and by expressions of vague opinions unsupported by facts. It seems passing strange that a committee will go through the mockery of swearing a witness so as to have his statement supported by the sanctity of a solemn oath and then permit the witness to spend a whole morning testifying to what somebody else said who was certainly not under oath. This in effect permits statements not only not under oath, but repeated second-handed at that. No blackmailer or lying bandit or self-confessed train robber ought to be permitted to exercise his unbridled imagination in order to gain partisan advantage for any party.

Our Democratic friends have not risen above narrow partisanship but have frequently permitted themselves to pursue a course with a view of partisan advancement. With a blare of trumpets they hailed the oil scandal with delight, but they were doomed to despair. They found Democratic ex-Cabinet members and Democratic campaign contributors the counselors of and close associates with the very men charged with corruption. A Republican Senate, a Republican House, and a Republican President acted promptly to authorize civil suits and start criminal investigations. Far from leaving the matter in partisan hands, they employed as one of the two counsel former Senator Pomerene, of Ohio, prominent Democrat, who has been frequently mentioned for the Presidency. The rights of the Government are being aggressively protected by Calvin Coolidge.

Facing a national campaign against the Republican Party which has a fine record of accomplishment in governmental affairs almost without parallel, our opponents are still seeking to divert attention from the great economic issues and great governmental principles to a side issue. A dishonest public official can not become a national issue. Crime is unconnected with party, and corruption is nonpartisan. The people of the country will not be fooled by this false cry into voting into power a party whose governmental policies are unsound and always spell disaster, and into voting out of power a party whose policies are sound and have brought prosperity and happiness to America.

The Democratic administration left us at war. The Republican administration brought about peace.

They left us endangered by the League of Nations and the loss of our sovereignty. We disentangled the Republic from foreign broils and regained our independence.

They left unemployment on every hand. We provided jobs for everyone.

They left us with an accumulating debt. We have reduced it $2,500,000,000.

They left a Government running with a saturnalia of extravagance and waste. We wrote and administered the Budget system so as to effect unheard-of economy.

They left us with a tariff for revenue act, which did not even produce revenue, and we supplanted it with a real American tariff law, which not only produced the revenue but brought prosperity.

We will go before the country under the leadership of Calvin Coolidge with every confidence of success, and under the continued policies of the Republican Party this mighty Republic with rapid strides of progress will march on to the high destiny within our reach.

### THE M'NARY-HAUGEN BILL

Mr. RUBEY. Mr. Speaker, I avail myself of this opportunity to set forth as briefly as I may the proceedings in the House and elsewhere as they occurred relative to the McNary-Haugen agricultural bill.

The final stages of the proceedings in reference to the McNary-Haugen bill began on Friday, May 30, Decoration Day. The House met at 12 o'clock and shortly thereafter began the consideration of the bill under the five-minute rule. Scarcely had the work begun when the attention of the Members were called to an article which appeared in the Washington Times, noon edition, by Representative ASWELL, of Louisiana, who read the headlines and a part of the article. The headlines in large black letters contained the information that President Coolidge wanted Congress to kill the McNary-Haugen farm bill, and stated that it would be vetoed if passed. The headlines further stated that work had already begun on a compromise measure. In the face of these glaring headlines, and despite these discouraging statements, the consideration of the bill continued during the remainder of the day.

When the House convened on Saturday, May 31, an effort was made by the majority leader, Mr. LONGWORTH, to obtain a unanimous-consent agreement under which the bill could be considered under the five-minute rule and finished on Saturday, but that the final vote on the bill would not be had until the following Tuesday. In connection with this unanimous-consent agreement I called the attention of the House to the situation in the following language:

> Reserving the right to object, let me say this: If this agreement is entered into you can mark my word that this bill will not pass this House on next Tuesday. If the gentlemen on the Republican side of the House want to take the responsibility for the defeat of this legislation, well and good; but I want the country to know where the responsibility is in the proposal of this unanimous-consent agreement to-day. You put off the vote on this bill until next Tuesday morning, and those who make the proposition know that at that time there will be 40 or 50 or 60 gentlemen in this House who are not here now, every one of whom will be against this legislation.

The chairman of the Committee on Agriculture, Mr. HAUGEN, stated that he had nothing to do with the proposition of unanimous consent offered by the gentleman from Ohio, and he asked that the bill be taken up and disposed of, and that it be taken up at once. The gentleman from Washington [Mr. SUMMERS] objected to the unanimous-consent agreement offered by Mr. LONGWORTH, and then Mr. LONGWORTH said:

> I merely desire to say that a motion will be made to adjourn when the previous question has been ordered on this bill in order to have a vote later on.

Consideration of the McNary-Haugen bill continued through the day on Saturday. Many amendments were offered, but all of them except one were rejected, and that one was offered by the gentleman from Texas [Mr. JONES], and was acceptable to the Committee on Agriculture. For that reason it was adopted. Late in the afternoon the bill was completed. The Committee of the Whole arose, Mr. GRAHAM, the Chairman, reported the bill back to the House with the recommendation that the amendment be agreed to and that the bill do pass. At that point in the proceeding Mr. VOIGT, of Wisconsin, moved that the House adjourn.

I state only the facts when I say that at the time Mr. VOIGT made the motion to adjourn the majority leader, Mr. LONGWORTH, was standing by him, and when a division was called he motioned to the men on his side of the House to stand. There is not any doubt in my mind but what he was carrying out his statement previously made that a motion to adjourn would be made in order that the final vote on the bill might go over until Tuesday of the following week. The motion to adjourn was carried, and further consideration of the McNary-Haugen bill was therefore postponed and could not come up again until Tuesday, June 3. The bill was then placed upon final passage, at which time I demanded the yeas and nays, and the roll was called. The bill was defeated—154 to 224.

On Monday, the day preceding, when Mr. LONGWORTH presented his resolution to adjourn on the 7th, and before the vote was taken, I interrogated him, calling his attention to the fact that on the following day we would vote on the McNary-Haugen bill, and asked him if the bill were defeated whether he had

any idea that other legislation could be brought in during the remaining three or four days that would help agriculture. He replied, "I think so."

On Wednesday, June 4, it was stated through the press and among the Members on the floor of the House that a modified farm relief bill was being worked out through the cooperation of the representatives of farm organizations and the Republican leaders, and it was stated, in substance, that this new proposal would authorize the War Finance Corporation to buy wheat and flour and livestock products at approximately ratio prices and export them abroad and sell them at the best obtainable prices, the loss to be paid out of the funds that had been accumulated by the War Finance Corporation. This eleventh-hour emergency legislation was submitted to the President by certain well-known Republican leaders—it is not necessary for me to name them here, but everyone knows who they are.

The President advised these gentlemen that he would consider their proposal and report later in the day. It is stated that he called into consultation some of his advisers and they gave consideration to this proposed measure. Late in the afternoon the President's answer was sent to the leaders of the House of Representatives by former Representative the Hon. Frank Mondell. For some time the steering committee conferred with Mr. Mondell, at the end of which time the Republican leader, Mr. LONGWORTH, issued the following formal statement to the press:

A large majority recorded against the McNary-Haugen bill made it evident that any legislative proposition embodying the basic principles of this bill could not be passed. While realizing fully the condition of agriculture, and with the most earnest desire to bring relief as far as legislatively possible, we have so far been unable to work out a plan which would command the necessary support.

Not a single word is said in this statement as to the views of President Coolidge in regard to the proposed compromise emergency relief measure.

Had the President agreed to any relief measure, it could have been passed. From the very moment the consideration of the McNary-Haugen bill began under the five-minute rule until the end the President's position was well known, and that in itself was sufficient to bring it to defeat. Congress will adjourn to-day, and no relief bill will be passed for the benefit of agriculture. The farmers of America will continue to present their just claims to the Congress of the United States. They are asking that American agriculture be given equal right, equal opportunities, and equal protection with those which Congress has already given to other industries. All that the farmer asks is agricultural justice and equality.

### PEACE BY PROPER PREPAREDNESS

Mr. McSWAIN. Mr. Speaker, under leave to extend my remarks, I respectfully call attention to the following facts in connection with the proposition to take the profits out of war and to equalize the burdens of war and thereby to promote the national defense and the peace of this Nation and the world.

### NOT A NEW OR SUDDEN MOVE

In the Sixty-seventh Congress I introduced a resolution, then designated H. J. Res. 400, and the same was referred to the Judiciary Committee, and one day's hearings had; but the committee made no report on same. On the convening of the Sixty-eighth Congress I introduced a resolution identical in language and purpose, now known as H. J. Res. 128, and the following is a copy of same:

Joint resolution (H. J. Res. 128) to promote peace and to equalize the burdens and to minify the profits of war

Whereas it is the duty of Congress to require that the burdens and benefits of war shall be justly and fairly distributed; and

Whereas it is the duty of all citizens to contribute to our Nation's success in war according to their several capacities and resources; and

Whereas modern warfare rests increasingly upon scientific knowledge and industrial resources and must be carried on by the Nation as a whole and not merely by the young men in arms; and

Whereas to take the profits out of war and to require equal service for all and deny special profits to any will be conducive to peace (which is our traditional policy); and

Whereas we should employ the experience of recent wars to work out and enact into law, while we are yet at peace, such provisions and policies to be pursued when the war shall come as shall empower the President immediately to mobilize all the resources of the country: Now, therefore, be it

*Resolved, etc.*, That a commission is hereby created to draft and report to the President of the United States, who in turn shall transmit the same, with or without his approval, to Congress not later than the first Monday in December, 1924, proposed legislation to accomplish in fact the principles and policies expressed in this resolution.

That said commission shall be bipartisan and nonpolitical and shall be composed of four members of the Military Affairs Committee of the House of Representatives and two members of the Military Affairs Committee of the Senate, the Secretary of War, the Secretary of the Navy, the Secretary of Commerce, and three other persons not holding official or governmental position whatever, and selected with a view to represent in a general sense the views of labor, industry, and capital, respectively.

Within 30 days after the approval of this resolution the President shall appoint and announce the members of said commission and shall direct the same to meet in the city of Washington, D. C., as soon thereafter as may be practicable and shall supply from the War Department all necessary office and clerical assistance.

When said commission shall meet it shall organize by electing one of its number as chairman and another as vice chairman, and shall appoint a secretary and proceed to draft proposed legislation to accomplish the aims and purposes of this resolution; and such proposed legislation, with any comment upon same deemed desirable, shall be transmitted to the President not later than November 1, 1924, and the President shall direct that there shall be printed not exceeding 5,000 copies thereof for the use of Congress.

That the guiding principle to control the labors of said commission is that true preparedness demands our calm and careful adoption in advance of another war of a nation-wide policy of service for all citizens to the end that while young men are laying down for their country the comforts and joys of home and family, their health, their strength and time, their blood, bodies, and life itself, others not required to make these greater sacrifices may be required to lay down equitably and fairly some of their material resources and wealth, to the great end that victory for the Nation's ideals may speedily come, and that after victory there be no need for any adjustment of compensation and no mighty war debt piled up to sap the strength of the producing activities of the people for scores of years.

That no compensation shall be paid any member of said commission, and no expenses shall be incurred by them except the actual cost of maintenance and travel to the three members of the commission not already holding an official position.

### SEVERAL BILLS PENDING IN THE HOUSE

This resolution was referred to the Committee on Military Affairs, to which had also been referred H. R. 194, by Hon. BURTON L. FRENCH, of Idaho, and H. R. 4841, by Hon. ROYAL C. JOHNSON, of South Dakota, and H. R. 811, introduced by myself. Extensive hearings were conducted, and there appeared before the committee to express approval of the result aimed at by the resolution and by H. R. 194, by Representative FRENCH, et al., and H. R. 4841, by Representative JOHNSON of South Dakota, numbers of prominent citizens and public officials, including Hon. Herbert Hoover, Secretary of Commerce; Hon. Curtis D. Wilbur, Secretary of the Navy; Hon. Dwight F. Davis, Assistant Secretary of War; Mr. William B. Colver, formerly chairman of Federal Trade Commission and member of Price Fixing Commission during the World War; Mr. R. S. Brookings, LL. D., chairman of Price Fixing Commission during the World War; Mr. Bernard M. Baruch, chairman of War Industries Board during the World War; Mr. Edward F. McGrady, representative of American Federation of Labor; Col. John D. Marky, national chairman of legislative committee of the American Legion; Hon. JOHN M. EVANS, Representative from Montana; Hon. ROYAL C. JOHNSON, Representative from South Dakota; Hon. CHARLES L. RICHARDS, Representative from Nevada; and Hon. BURTON L. FRENCH, Representative from Idaho.

After most careful consideration the committee unanimously reported, recommending the adoption of House Joint Resolution 128, for the appointment of a commission to study economic and constitutional questions and to report same to the next session of Congress. I earnestly recommend that all Members of Congress obtain a printed copy of the hearings before the Military Affairs Committee and study the same carefully. There is a vast amount of information contained in the 250 pages of printed matter. The report of the committee is as follows:

### TO PROMOTE PEACE AND TO EQUALIZE THE BURDENS AND TO MINIFY THE PROFITS OF WAR

Mr. McSWAIN, from the Committee on Military Affairs, submitted the following report, to accompany H. J. Res. 128:

The Committee on Military Affairs, to whom was referred the resolution (H. J. Res. 128) to promote peace and to equalize the burdens and to minify the profits of war, having considered the same, report thereon with a recommendation that it do pass.

This resolution explains its object and purpose. The desirability of accomplishing the end sought is well expressed in the inaugural address of President Warren G. Harding, March 4, 1921, as follows:

> "Our supreme task is the resumption of our onward, normal way. Reconstruction, readjustment, restoration—all these must follow. I would like to hasten them. If it will lighten the spirit and add to the resolution with which we take up the task, let me repeat for our Nation we shall give no people just cause to make war upon us; we hold no national prejudice; we entertain no spirit of revenge; we do not hate; we do not covet; we dream of no conquest nor boast of armed prowess.
>
> "If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and women is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation."

This sentiment was several times repeated by President Harding, and notably on December 8, 1922, in his message to Congress:

> "The proposed survey of a plan to draft all the resources of the Republic, human and material, for national defense may well have your approval. I commended such a program in case of future war, in the inaugural address of March 4, 1921, and every experience in the adjustment and liquidation of war claims and settlement of war obligations persuades me we ought to be prepared for such universal call to armed defense."

The same principle has been several times indorsed by national conventions of the American Legion.

There appeared before the committee to express approval of the result aimed at by the resolution and by H. R. 194, by Representative FRENCH, et al., and H. R. 4841, by Representative JOHNSON, South Dakota, numbers of prominent citizens and public officials, including Hon. Herbert Hoover, Secretary of Commerce; Hon. Curtis D. Wilbur, Secretary of the Navy; Hon. Dwight F. Davis, Assistant Secretary of War; Mr. William B. Colver, formerly chairman of Federal Trade Commission and member of Price Fixing Commission during the World War; Mr. R. S. Brookings, LL. D., chairman of Price Fixing Commission during the World War; Mr. Bernard M. Baruch, chairman of War Industries Board during the World War; Mr. Edward F. McGrady, representative of American Federation of Labor; Col. John D. Marky, national chairman of legislative committee of the American Legion; Hon. JOHN M. EVANS, Representative from Montana; Hon. ROYAL C. JOHNSON, Representative from South Dakota; Hon. CHARLES L. RICHARDS, Representative from Nevada; and Hon. BURTON L. FRENCH, Representative from Idaho.

The hearings have been somewhat extensive for the purpose of ascertaining the facts relating to profiteering during previous wars, and especially during the World War, in order to understand the better what laws and legislative agencies are necessary to prevent a recurrence of such inequalities and unfairness while making war. It is highly desirable that remedial and regulatory legislation be adopted during the present Congress while the successes and mistakes of the recent war are fresh in our minds, and especially while there are yet in Congress and in the public service generally many of those who participated in legislation and administration during the recent war period.

There is another strong and convincing reason for enacting into law the result of experiences in conducting war now, far in advance of another war. That reason is manifest. If we wait for the outbreak of another war, those persons then in Congress will have but faint and uncertain recollection of the governmental agencies set up during the World War to coordinate transportation, production by industries, mines, forests, and farms, and buying and consumption by the military and civilian populations. The result may and probably will be that in the rush and excitement of commencing war utterly inadequate legislation will be formulated to prevent the outrage of profiteering in war, whereby some citizens, equally bound in moral and patriotic spirit to sacrifice for the country's defense, will grow rich, many of them immensely rich, while other citizens, perhaps millions of them, are under arms, suffering the hardships of the field and trench, blistering under torrid heat or freezing with arctic coldness, being gassed, wounded, killed. Such inequality or burden in democratic America, where all have enjoyed so many blessings, is an injustice that we must not permit to be repeated.

The exact legal methods and machinery whereby to accomplish the end invariably conceded to be highly desirable are not just yet clear to your committee. Therefore, without reporting any one of the pending bills, with or without amendments, we deem it best to recommend the adoption of House Joint Resolution 128, creating a commission to continue the study we have commenced and to formulate the language necessary to accomplish the desired results. That will involve knowledge, patience, concentration, and full opportunity for conference and counsel; this a commission sitting in the recess can have. The fruit of their labors will be before us in definite and well-thought out form when we reconvene in December. A vote for the creation of this proposed commission is merely an expression of approval of the general principle that "In war, as among the citizens of America, there should be equal service and equal sacrifice for all and special profits to none."

As a well-nigh ideal program of effective preparedness, the proposition will appeal to all seeking to insure national defense. It will mean that on the outbreak of war our skeleton organization for the human, material, and financial resources of the country is ready-made. There will be universal cooperation, and we will be able to strike an instant and concentrated blow with the vast powers of the entire Nation, insuring speedy and complete victory.

But as a war deterrent it is bound to prove efficacious. Undoubtedly certain interests that have profited hugely by previous wars are, to speak mildly, not averse to the recurrence of war. These same interests, or sympathetic interests, own and control most of the great daily newspapers of the country, and these, without specific war intent, are apt to influence the public mind out of a desire to satisfy a popular craving for the sensational. But if these interests understood in advance of war that they would have to make sacrifices and bear burdens and suffer losses, and not make huge profits as heretofore, then such interests would prescribe that these newspapers controlled by them shall not unduly and unnecessarily alarm the public mind. In such case the newspapers would caution prudence and toleration and forbearance to the last.

Since no group of citizens will then have any motive to stir up an aggressive war, and other nations will be very slow to attack or outrage the rights of a nation so prepared to make prompt and cooperative effective defense, war will become very remote and improbable. We do not contend that all wars will be prevented. That is yet impossible in the present state of human development.

Again, in the event of an inevitable, unpreventable war of national defense there will also be harmonious spiritual cooperation among all citizens, because all become defenders, whether in uniform or not, and some will not feel a sense of injustice and unfairness arising from inequality. After the war there will be no heartburnings, recriminations, and demand for adjusted compensation. The Nation will resume its normal labors where it left off. There will be absent during and after the war the usual carnival of corruption and bribery. If Government officials have no contracts to let carrying great profits, there will be no motive to offer a bribe. There will not be a new class of very rich made from war profits. All will equally and sincerely rejoice at the conclusion of war and the coming of peace, because it will mean the end of suffering and sacrifice for all.

OBJECTION TO CONSIDERATION ON CONSENT CALENDAR

This report was placed upon the Union Calendar, but not being able to consider the same under the ordinary rules I had said matter placed upon the Consent Calendar, and the same was reached on the call of the Consent Calendar on June 5, when objection was made to the present consideration by the Hon. MORTON D. HULL, of Illinois, as evidenced from the following extract of the RECORD of that date:

PROMOTION OF PEACE AND EQUALIZATION OF THE BURDENS OF WAR

The next business on the Consent Calendar was House Joint Resolution 128, to promote peace and to equalize the burdens and to minify the profits of war.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. MORTON D. HULL. I object, Mr. Speaker.

In the meantime application had been made by the Hon. C. W. RAMSEYER, of Iowa, and myself to the Committee on Rules for a special resolution and rule, and accordingly on June 5 the chairman of the Committee on Rules, by the authority of the committee, reported favorably House Joint Resolution 285:

Joint resolution (H. J. Res. 285) providing for the creation of a joint commission on national defense

*Resolved, etc.*, That a joint commission is hereby created, to be known as the joint commission on national defense, which shall consist of five Senators to be appointed by the President of the Senate and five Representatives to be appointed by the Speaker.

It shall be the duty of said commission to investigate and study the most practicable and effective plan to prevent profiteering in time of war upon either the Government or the civilian population; to insure the national defense by the mobilization in time of war of all the resources of the Nation, both human and material; to discourage any tendency to aggressive warfare; and to equalize the burdens and sacrifices of defensive warfare by requiring a just and fair contribution to the national defense by all the forces and factors of national life without war profit to any private individual, corporation, or combination.

The said commission shall report its acts, proceedings, findings, and conclusions to Congress on or before the first Monday in December, 1925. The commission shall include in its report recommendations for legislation which, in its opinion, will tend to carry out the purposes of this resolution and shall specifically report upon the limitations of the powers of Congress to enact such legislation.

The commission shall elect its chairman and vice chairman, and vacancies occurring in the membership of the commission shall be filled in the same manner as the original appointments.

The commission or any subcommittee of its members is authorized to sit during the sessions or recesses of Congress, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ such personal services and incur such expenses as may be necessary to carry out the purposes of this resolution; such expenditures shall be paid from the contingent funds of the Senate and House of Representatives in equal proportions upon vouchers authorized by the commission and signed by the chairman thereof.

It having been made to appear that H. J. Res. 285 is not privileged matter, being a joint resolution and providing for the expenditure of money, the Hon. BERTRAND H. SNELL, of New York, chairman of the Committee on Rules, by instruction of the committee introduced a House concurrent resolution, as will appear by reference to the following extract from the proceedings in the House on June 6, 1924:

JOINT COMMISSION OF NATIONAL DEFENSE

Mr. SNELL. Mr. Speaker, I have another resolution.

The SPEAKER. The gentleman from New York offers a resolution, which the Clerk will report.

The Clerk read as follows:

"Concurrent resolution providing for the creation of a joint commission on national defense

*"Resolved by the House of Representatives of the United States of America in Congress assembled (the Senate concurring)*, That a joint commission on national defense, which shall consist of five Senators to be appointed by the President of the Senate and five Representatives to be appointed by the Speaker.

"It shall be the duty of said commission to investigate and study the most practicable and effective plan to prevent profiteering in time of war upon either the Government or the civilian population; to insure the national defense by the mobilization in time of war of all the resources of the Nation, both human and material; to discourage any tendency to aggressive warfare; and to equalize the burdens and sacrifices of defensive warfare by requiring a just and fair contribution to the natonal defense by all the forces and factors of national life without war profit to any private individual, corporation, or combination.

"The said commission shall report its acts, proceedings, findings, and conclusions to Congress on or before the first Monday in January, 1925. The commission shall include in its report recommendations for legislation which in its opinion will tend to carry out the purposes of this resolution and shall specifically report upon the limitations of the powers of Congress to enact such legislation.

"The commission shall elect its chairman and vice chairman, and vacancies occurring in the membership of the commission shall be filled in the same manner as the original appointments.

"The commission or any subcommittee of its members is authorized to sit during the sessions or recesses of Congress, to send for persons and papers, to administer oaths, to summons and compel the attendance of witnesses."

Mr. SNELL. Mr. Speaker, this resolution provides for a joint commission of both Houses, whose duty it shall be to study and investigate the most practical and effective plan to prevent profiteering in time of war upon either the Government or the civilian population; to insure the national defense by the mobilization in time of war of all the resources of the Nation, both human and material; to discourage any tendency to aggressive warfare, and to equalize the burdens and sacrifices of defensive warfare by requiring a just contribution to the national defense by all the factors of our national life. It also provides that this commission shall report back to the House its various recommendations before January 1, 1925.

The first recommendation along this line was made by President Harding, and this recommendation received a most unanimous response throughout the length and breadth of this country; and on account of the study and investigation of some of our own Members, and the introduction of bills along this line, there has been quite a general demand that Congress take notice of this proposition and give cognizance of our interest in the developments along this line. For that reason the Committee on Rules has thought it proper and just to present this resolution at this time.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. MOORE of Virginia. Is this expected to be a part of the Cleveland platform?

Mr. SNELL. It having come from a Democratic Member, I should not think it would be.

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

Mr. SNELL. Yes.

Mr. HUDDLESTON. Why was this delayed so late in the session? Why is it necessary to do it now? Is war imminent?

Mr. SNELL. I do not know that it is. A great many people desire to have it presented at this time.

Mr. HUDDLESTON. Why is the national defense more relevant at this time than at other times? The gentleman has delayed until now to lay it before the House for its consideration.

Mr. SNELL. It does not require an appropriation. It just permits these people to investigate the question this summer and make a report next fall.

Mr. HUDDLESTON. Well, this resolution is not as innocent as it might be thought to be. There is a purpose behind it.

Mr. SNELL. If there is, I do not know it.

Mr. HUDDLESTON. I would like to know what the purpose is. I would like to know who really advised that.

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

Mr. SNELL. Yes.

Mr. MCSWAIN. The gentleman from Alabama [Mr. HUDDLESTON] asked if there is any purpose behind it. I want to say that, so far as I know, the purpose is to equalize the burdens of war, so that my children and grandchildren and yours, if they have to meet the issues that we have had to meet, may meet them with some degree of equity, so that just as America stands on the proposition of equality in time of peace, that there shall be equal rights and special privileges to none, so in time of war there shall be equal sacrifices and equal burdens imposed on all. [Applause.]

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

Mr. SNELL. I will yield to the gentleman from Alabama.

Mr. HUDDLESTON. It is quite evident to me that the Committee on Military Affairs has all the jurisdiction needed to investigate the subject and that there exists no real reason along the line indicated by the gentleman from South Carolina [Mr. MCSWAIN] for appointing this commission. The real fact is, as I deduce, that the purpose of appointing this commission is to afford an instrumentality of propaganda and to exercise and advocate it between now and the beginning of the next Congress. The gentleman is providing, as I understand, for the conscription of human labor and all kinds of human material. He may think he is fighting for the conscription of property; but if he expects to get anywhere, I want to say to him that he wants to abandon that portion of the program. And let me say to the gentleman that there is a considerable body of people in the country who are opposed to the conscription of labor and the conscription of human material. Anyhow, there are some of us who are opposed to the conscription of men in time of war, and I for one am altogether opposed to the bringing in here, in the last moment of Congress, of a bill without proper investigation to provide an agency of propaganda such as the gentleman entertains. [Applause.] I think the gentleman ought to give us some time for debate on this question.

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

Mr. SNELL. Yes.

Mr. TREADWAY. I understood the gentleman to say, in the course of his brief explanation, that there was a great general demand for this sort of an inquiry. I try to keep up with the times, but I confess that that general demand has overshawdowed my information, and I would be glad to know where it is.

Mr. SNELL. There is a general demand all over the country.

Mr. HUDDLESTON. Mr. Speaker, I am unwilling that this should be done without a quorum. I make the point of order that a quorum is not present in the House.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Ohio moves——

Mr. LONGWORTH. I understand that there is no possibility of a conference report being reported to-night.

Mr. MOORE of Virginia. I ask the gentleman not to press that. A large number of Members will be here after a while. I do not think there will be any difficulty.

Mr. LONGWORTH. Mr. Speaker, I was not aware that such a controversial subject would be brought up.

Mr. SNELL. I will say I did not know there was any controversy about it. Mr. Speaker, I did not understand this bill was going to cause so much trouble.

The SPEAKER. Does the gentleman from Alabama withdraw his point of no quorum?

Mr. HUDDLESTON. Temporarily I withdraw it.

Mr. SNELL. I think we had better withdraw this resolution. It is nothing in which I am especially interested myself.

The SPEAKER. The gentleman withdraws the resolution, and the gentleman from Maine [Mr. HERSEY] is recognized.

NO COMMISSION TO STUDY QUESTION NOW POSSIBLE

Now, Mr. Speaker, it is manifest that no action can be taken at the present session of Congress to appoint a commission to continue the study of this great question and to report their conclusions and recommendations at the next session of Congress. I was very anxious that this commission of 10 Members of Congress might be designated, so that by correspondence they might exchange ideas and suggestions and have a special interest in the subject stimulated, so that when we reassemble in December these 10 men might assemble and formulate definite and specific suggestions as to the form and substance that legislation should take in order to accomplish the great aim desired by the peace-loving and justice-loving people of America.

PROPER PROCEDURE IS BY COMMISSION—A STUDY CAN HURT NOTHING, AND WILL SURELY HELP MUCH

There are many Members of Congress prepared now to vote in favor of legislation to prescribe in advance the methods and means of mobilizing all the resources of the Nation, human material and financial, at the outbreak of any future war. I heartily favor the general proposition because it is manifestly unjust that some citizens should grow rich during the war while others make the great sacrifice of time, of health, of body, and of life itself. The American Legion has been on record by resolution of its national conventions of several years as in favor of the language of the bill known as H. R. 4841, introduced by the Hon. ROYAL C. JOHNSON, of South Dakota. But I can see that there are many very intricate and important questions that will require careful and concentrated thought. I have been very anxious to have the benefit of the counsel and the usual contrariety of view coming from a conference of 10 men around a table devoting their time and thought to the solution of this great problem. Therefore, while I have introduced H. R. 8111, I have often and frankly stated that I am not quite sure of some of its parts and provisions, and I am sure that all of its parts are not consistent and properly related, but I introduced it in great haste as a sort of working basis and especially to provoke the criticism, both constructive and destructive, from other members of the committee and of Congress. One of the chief reasons why we ought to have a commission is because the Committee on Military Affairs, like all other committees of Congress, has several hundred bills pending before it, and the importunate proponents of these several bills are usually present and earnestly pressing their pet measures upon our attention. We are therefore distracted, and find it impossible to give the necessary quiet and connected study to such a great proposition as the universal mobilization of all the Nation's strength for national defense in time of war.

COMMISSION TO STUDY UNIVERSAL CONSCRIPTION FAVORED BY AMERICAN FEDERATION OF LABOR

After the proceedings in the House of Representatives on June 6 it was called to my attention that there is an article in the June number, 1924, of the American Federationist, written by Samuel Gompers, under the caption, "What about universal conscription for war?" In the article it is stated that the theory of universal conscription in time of war, and that its principle is just and that we must be spared all profiteering in the next war, if there is to be a next war. The seriousness of the question is emphasized, and several very pertinent and serious questions are asked. Answers are not advanced to these questions, and the reader is not sure as to what views the writer now holds on the questions propounded. But there is no doubt that the writer does favor the appointment of a commission to study this great question, as evidenced by the concluding paragraph in the article, which is as follows:

> These are things to think about. I should like to see a commission, composed of men from all walks of life, representing all forms of human effort, give study to this great question. We want no more war, but if we must have war we want to be as effective as possible and we do not want abuses and profiteering at home. What are the measures to be taken? We can not determine that question according to emotional desires, probably not according to abstract principles, and probably not according to any prearranged formula.

I am informed that there is an editorial in the June number, 1924, of the Review of Reviews, in which indorsement is given to the principle of universal mobilization in the interest, first, of proper preparedness for national defense in order to defend against an unavoidable war of aggression; second, to insure greater justice by equalizing and distributing the burdens and sacrifices of war; and, third, to promote peace by removing the temptation to incite to any war of aggression, and by deterring other nations from assaulting a nation so thoroughly prepared to defend itself by the instant cooperation of all its sources of strength.

SOME OBJECTIONS ANSWERED

Some may object to making such a study on the ground that they object to any war and object to making any preparation for war and object to drafting men to be soldiers in time of war, and therefore, to be consistent, they object to devising a plan to draft wealth and material resources to help fight a war. Such objectors are conscientious and unselfish, but I think their counsels are unsafe. Even while our Nation was composed largely of rural and agricultural people, with little commerce to defend, while still so small and weak as to excite only the friendly sympathy of other nations and never their jealousy and envy, yet then we engaged in several wars. Recently we nobly and generously rushed into what we called "the last great war to end war." We must now realize that our noble aims were not achieved in full. We destroyed hereditary autocratic power in the central empires, but autocracy is still raging in the world. The world may be reasonably safe for democracy, but the world is not functioning according to the ideals of democracy, and we are confronted with a condition of reality and not a theory of fancy. Even the League of Nations, if universally adhered to, would not prevent and exclude the recurrence of war. It could only postpone and render less frequent the outbreak of war. For that purpose it was a noble conception and is to-day a powerful reality.

WE LIVE IN A HUMAN WORLD AND NOT IN A FOOL'S PARADISE

When we study history we must comprehend the forces of selfishness and of passion that have prevailed among nations and even within nations. There have been international wars and internecine wars. Perhaps human nature has not changed so very much. Most of the Members of this Congress are sons of those who wore the blue and followed Grant and of those who wore the gray and followed Lee. Lee and Grant were both graduates of the same national military school. They had both held commissions in the United States Army. Both had resigned from the United States Army, hoping never to take up the art of war again. But both were disillusioned. With Grant Civil War broke out in a few short years after his resignation. With Lee a call came to defend his native State of Virginia against the invader. I wish there might be eternal peace, never broken by the clash of arms. I hope that war for our country will be long deferred. I favor the minimum of safe and sane outlay for armament and oppose a large standing army, but believe that our civilians should be encouraged to volunteer their services to become prepared to defend the Nation against a foreign invader or violator of our rights. I therefore think that we must be prepared, to adopt the language of South Carolina's motto, "in mind and resources" for the possible eventuality of war. Such being my views, I feel that we should plan now, while the lessons from the successes and mistakes of the World War are fresh, so to organize by legislation the machinery of government to become operated on a declaration of war by Congress as to equalize the burdens and sacrifices of warfare, so far as possible, among all our citizens.

THOUGH THE IDEAL BE PERHAPS UNATTAINABLE, YET SUBSTANTIAL PROGRESS IS POSSIBLE

Some persons object to appointing a committee to study this question, saying that "You can never take the profits out of war, because profiteering has heretofore prevailed during every war," and therefore they object to making an honest and unselfish effort toward progress. Such arguments could be made against crime and against any proposition to correct evil or to promote human advancement. Some persons object to drafting men to fight in the uniform and to drafting sufficient material resources to carry on the war in cooperation with human beings, because the fear that it is a covert and sinister scheme whereby to force the entire civilian population, especially civilian laborers, into the rigors of military discipline, even though performing nonmilitary services. I admit that a few extreme individuals have hastily contended that we ought to go to such lengths. However, I do not believe that any substantial and appreciable number of persons can be found who will advocate drafting more men and women than those necessary to conduct essentially military services, nor would they propose to draft—

which is merely another word for commandeer—any more material resources, such as railroads, factories, steamships, mines, munitions factories, and so forth, than may be actually and manifestly necessary at the time to be employed in cooperation with the military forces, either actually in the field or in supplying them with munitions, food, and clothing. Practical men, working to accomplish the ends of justice, recognize reasonable limitations. We must have idealism, but we must know its limitations.

WAR IS THE WHOLE NATION'S BUSINESS

Those who advocate the purely voluntary method of raising armies, to be consistent, should advocate the voluntary method of raising supplies to support the Army. That would exclude taxation to pay the expenses of war. That would mean our utter helplessness, and would be an express invitation to our enemies, now unknown, and I hope to remain unknown. But war is the business of the whole Nation and not a part of the Nation. If it is not everybody's business, Congress should never declare war. Being everybody's business, everybody should do his part, according to his respective ability. That is the foundation of the selective service system for human beings. Let all register and let those fit physically and mentally that can be spared from essential civilian pursuits with least dislocation to existing industries be called to the colors and assigned to different branches of service, according to their several capacities. In like manner let material wealth and financial resources be drafted in the same selective and discriminating way. A war of national defense is just as much in defense of wealth as of human beings. No conqueror would now massacre a population, but instead would impose a terrible indemnity upon property. Therefore let accumulated wealth contribute pro rata and equitably to maintain the fighting forces so that after war there may be no great war debt.

TO STOP PROFITEERING IS THE KEY TO THE SITUATION

It has been conservatively estimated by safe and sane men that about two-thirds of the war debts of this Nation represent the inflation due to war-time prices pushed up by the spirit of profiteering. The effort to tax back into the Treasury excess war profits proved largely futile. It produced a dislocation and confusion by reason of which speculators reaped enormous profits. Practical men, such as Bernard Baruch, chairman of the War Industries Board, a man of wide and successful business experience, and William B. Culver, chairman of the Federal Trade Commission and member of the Price Fixing Commission during the war, and many other equally practical and hard-headed business men, express positive conviction that war-time prices may be so stabilized and industries so regulated as to stop profiteering. When we stop profiteering we eliminate any motive to inflame the public mind unduly and unnecessarily. Practical and proven patriots, such as the nearly 1,000,000 members of the American Legion, have several times solemnly expressed their resolution that this Nation must erect now in peace an equitable and fair organization for employing, without profit, every resource of the Nation to defend the Nation's life and rights.

THIS PLAN IS NO PART OF A PACIFIST PROGRAM

Some object that this is an emotional, idealistic scheme of a few pacifists, understanding that "pacifists" are those who would supinely lie down and allow those who envy our blessings, and are jealous of our wealth, and want to occupy our land to do with us according to their own sweet will. That was the thought neither of George Washington nor Thomas Jefferson. I feel that I can safely say that 95 per cent of the practical, cool-headed, red-blooded, and thoughtful soldiers and ex-soldiers of this Nation believe that this plan that I am advocating is primarily and preeminently part of a program of proper preparedness, and, secondarily, is inspired by the ideals of democracy and prompted by the spirit of justice. If, in consequence of our preparation to defend ourselves, others may be deterred from attacking us, and war be thereby prevented, then this measure is in that sense a powerful promoter of peace. If, as a result of eliminating war profits, any of our citizens controlling the instrumentalities of publication and propaganda be influenced to encourage the preservation of peace, and not to incite to aggressive war, even by reason of the selfish motive of not being compelled to make financial sacrifice to carry on the war, and war be thus deferred and even prevented, then this measure would by this reason be a mighty agency for peace. In other words, this is the peace plan of practical men, believing in the principles of American democracy, and willing to suffer and sacrifice to defend American ideals.

THE INTERNATIONAL ASPECTS OF THIS PROPOSITION

It is commonplace to say that as America goes so goes the world; but there is much truth in the statement, as the history of the world shows since we proclaimed the Declaration of Independence. If other nations be deterred from attacking us because of our ability to defend and if self-interest prompts us not to attack others, how will war come about? Furthermore, other nations will adopt the same system of preparedness and the same forces will operate upon the human nature of their citizens. The outcome through the ages must be that the rank and file of the people must come to realize that war is a national calamity, that war means sacrifice to each and every citizen and a benefit to none. It was perhaps the greatest American practical political philosopher, Thomas Jefferson, who gave utterance to that fundamental democratic conception that among our people in peace there should be "equal rights for all and special privileges to none." So let us build on that sure foundation and proclaim a new conception of the ideals of American democracy, operating in time of war upon the principle that there shall be "equal service and equal sacrifice for all and special profits to none."

THE REVENUE ACT OF 1924

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

The following table of the number of persons making income-tax returns in 1921 is compiled from the official figures of the Treasury Department contained in Statistics of Income for 1921.

It shows the total number of persons making income-tax returns in each State, and the number benefited more by the Democratic (act of 1924) plan than by the Mellon plan, and the number benefited more by the Mellon plan than by the Democratic (act of 1924) plan.

*Comparative table showing beneficiaries of the Democratic (act of 1924) tax-reduction plan and of the Mellon plan by States*

| State | Total number making income-tax returns, 1921 | Number benefited more by Mellon plan | Number benefited more by act of 1924 (Democratic plan) |
|---|---|---|---|
| Alabama | 43,009 | 25 | 42,984 |
| Arizona | 18,477 | 1 | 18,476 |
| Arkansas | 33,830 | 8 | 33,822 |
| California | 386,082 | 237 | 385,845 |
| Colorado | 69,676 | 25 | 69,651 |
| Connecticut | 123,269 | 96 | 123,173 |
| Delaware | 15,889 | 12 | 15,877 |
| District of Columbia | 89,966 | 68 | 89,898 |
| Florida | 42,249 | 14 | 42,235 |
| Georgia | 67,719 | 24 | 67,695 |
| Hawaii | 11,481 | 22 | 11,459 |
| Idaho | 22,976 | 1 | 22,975 |
| Illinois | 611,558 | 537 | 611,021 |
| Indiana | 150,300 | 52 | 150,248 |
| Iowa | 111,483 | 24 | 111,459 |
| Kansas | 88,785 | 9 | 88,776 |
| Kentucky | 69,496 | 25 | 69,471 |
| Louisiana | 67,960 | 34 | 67,926 |
| Maine | 44,397 | 25 | 44,372 |
| Maryland | 112,963 | 109 | 112,854 |
| Massachusetts | 338,442 | 505 | 387,937 |
| Michigan | 250,147 | 174 | 249,973 |
| Minnesota | 124,501 | 81 | 124,420 |
| Mississippi | 25,614 | 5 | 25,609 |
| Missouri | 172,519 | 106 | 172,413 |
| Montana | 36,907 | 4 | 36,903 |
| Nebraska | 71,853 | 14 | 71,839 |
| Nevada | 9,719 | 1 | 9,718 |
| New Hampshire | 32,410 | 17 | 32,393 |
| New Jersey | 269,096 | 274 | 268,822 |
| New Mexico | 11,780 | 1 | 11,779 |
| New York | 1,066,637 | 2,050 | 1,064,587 |
| North Carolina | 44,161 | 38 | 44,123 |
| North Dakota | 18,440 | 1 | 18,439 |
| Ohio | 367,096 | 270 | 366,826 |
| Oklahoma | 69,381 | 15 | 69,366 |
| Oregon | 62,804 | 18 | 62,786 |
| Pennsylvania | 621,103 | 833 | 620,270 |
| Rhode Island | 48,057 | 103 | 47,954 |
| South Carolina | 25,160 | 6 | 25,154 |
| South Dakota | 21,681 | 0 | 21,681 |
| Tennessee | 60,949 | 19 | 60,930 |
| Texas | 200,188 | 66 | 200,122 |
| Utah | 26,128 | 1 | 26,127 |
| Vermont | 17,746 | 8 | 17,738 |
| Virginia | 76,257 | 21 | 76,236 |
| Washington, including Alaska | 115,688 | 21 | 115,667 |
| West Virginia | 75,277 | 38 | 75,239 |
| Wisconsin | 148,457 | 67 | 148,390 |
| Wyoming | 22,413 | 4 | 22,409 |
| Total | 6,662,176 | 6,109 | 6,656,067 |

*Comparison of the Mellon and Democratic (act of 1924) tax plans with the act of 1921 (married persons without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned*

| Number of persons making returns in each class for 1921 | Income | Amount of normal tax under— | | | Amount of surtax under— | | | Amount of surtax reduction under— | | Amount of greater reduction of surtax under— | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Act of 1921 | Mellon plan | Act of 1924, Democratic plan | Act of 1921 | Mellon plan | Act of 1924, Democratic plan | Mellon plan | Act of 1924, Democratic plan | Mellon plan | Act of 1924, Democratic plan |
| 401,849 under | $1,000.00 | | | | | | | | | | |
| | 2,000.00 | | | | | | | | | | |
| | 3,000.00 | $20.00 | $11.25 | $7.50 | | | | | | | |
| | 4,000.00 | 60.00 | 33.75 | 22.50 | | | | | | | |
| | 5,000.00 | 100.00 | 56.25 | 37.50 | | | | | | | |
| 6,087,968 | 6,000.00 | 160.00 | 97.50 | 57.50 | | | | | | | |
| | 7,000.00 | 240.00 | 157.50 | 87.50 | $10.00 | | | $10.00 | $10.00 | | |
| | 8,000.00 | 320.00 | 217.50 | 127.50 | 20.00 | | | 20.00 | 20.00 | | |
| | 9,000.00 | 400.00 | 277.50 | 167.50 | 30.00 | | | 30.00 | 30.00 | | |
| | 10,000.00 | 480.00 | 337.50 | 207.50 | 40.00 | | | 40.00 | 40.00 | | |
| | 11,000.00 | 560.00 | 397.50 | 257.50 | 60.00 | $10.00 | $10.00 | 50.00 | 50.00 | | |
| | 12,000.00 | 640.00 | 457.50 | 317.50 | 80.00 | 20.00 | 20.00 | 60.00 | 60.00 | | |
| | 13,000.00 | 720.00 | 517.00 | 377.50 | 110.00 | 40.00 | 30.00 | 70.00 | 80.00 | | $10.00 |
| | 14,000.00 | 800.00 | 577.50 | 437.50 | 140.00 | 60.00 | 40.00 | 80.00 | 100.00 | | 20.00 |
| 114,244 | 15,000.00 | 880.00 | 637.50 | 497.50 | 180.00 | 90.00 | 60.00 | 90.00 | 120.00 | | 30.00 |
| | 16,000.00 | 960.00 | 697.50 | 557.50 | 220.00 | 120.00 | 80.00 | 100.00 | 140.00 | | 40.00 |
| | 17,000.00 | 1,040.00 | 757.50 | 617.50 | 270.00 | 160.00 | 110.00 | 110.00 | 160.00 | | 50.00 |
| | 18,000.00 | 1,120.00 | 817.50 | 677.50 | 320.00 | 200.00 | 140.00 | 120.00 | 180.00 | | 60.00 |
| | 19,000.00 | 1,200.00 | 877.50 | 737.50 | 380.00 | 250.00 | 180.00 | 130.00 | 200.00 | | 70.00 |
| | 20,000.00 | 1,280.00 | 937.50 | 797.50 | 440.00 | 300.00 | 220.00 | 140.00 | 220.00 | | 80.00 |
| | 21,000.00 | 1,360.00 | 997.50 | 857.50 | 520.00 | 360.00 | 270.00 | 160.00 | 250.00 | | 90.00 |
| | 22,000.00 | 1,440.00 | 1,057.50 | 917.50 | 600.00 | 420.00 | 320.00 | 180.00 | 280.00 | | 100.00 |
| | 23,000.00 | 1,520.00 | 1,117.50 | 977.50 | 690.00 | 490.00 | 380.00 | 200.00 | 310.00 | | 110.00 |
| | 24,000.00 | 1,600.00 | 1,177.50 | 1,037.50 | 780.00 | 560.00 | 440.00 | 220.00 | 340.00 | | 120.00 |
| 28,948 | 25,000.00 | 1,680.00 | 1,237.50 | 1,097.50 | 880.00 | 640.00 | 510.00 | 240.00 | 370.00 | | 130.00 |
| | 26,000.00 | 1,760.00 | 1,297.50 | 1,157.50 | 980.00 | 720.00 | 580.00 | 260.00 | 400.00 | | 140.00 |
| | 27,000.00 | 1,840.00 | 1,357.50 | 1,217.50 | 1,090.00 | 810.00 | 660.00 | 280.00 | 430.00 | | 150.00 |
| | 28,000.00 | 1,920.00 | 1,417.50 | 1,277.50 | 1,200.00 | 900.00 | 740.00 | 300.00 | 460.00 | | 160.00 |
| | 29,000.00 | 2,000.00 | 1,477.50 | 1,337.50 | 1,320.00 | 1,000.00 | 830.00 | 320.00 | 490.00 | | 170.00 |
| | 30,000.00 | 2,080.00 | 1,537.50 | 1,397.50 | 1,440.00 | 1,100.00 | 920.00 | 340.00 | 520.00 | | 180.00 |
| | 31,000.00 | 2,160.00 | 1,597.50 | 1,457.50 | 1,570.00 | 1,210.00 | 1,020.00 | 360.00 | 550.00 | | 190.00 |
| | 32,000.00 | 2,240.00 | 1,657.50 | 1,517.50 | 1,700.00 | 1,320.00 | 1,120.00 | 380.00 | 580.00 | | 200.00 |
| | 33,000.00 | 2,320.00 | 1,717.50 | 1,577.50 | 1,850.00 | 1,440.00 | 1,220.00 | 410.00 | 630.00 | | 220.00 |
| | 34,000.00 | 2,400.00 | 1,777.50 | 1,637.50 | 2,000.00 | 1,560.00 | 1,320.00 | 440.00 | 680.00 | | 240.00 |
| 12,047 | 35,000.00 | 2,480.00 | 1,837.50 | 1,697.50 | 2,150.00 | 1,690.00 | 1,430.00 | 460.00 | 720.00 | | 260.00 |
| | 36,000.00 | 2,560.00 | 1,897.50 | 1,757.50 | 2,300.00 | 1,820.00 | 1,540.00 | 480.00 | 760.00 | | 280.00 |
| | 37,000.00 | 2,640.00 | 1,957.50 | 1,817.50 | 2,460.00 | 1,960.00 | 1,660.00 | 500.00 | 800.00 | | 300.00 |
| | 38,000.00 | 2,720.00 | 2,017.50 | 1,877.50 | 2,620.00 | 2,100.00 | 1,780.00 | 520.00 | 840.00 | | 320.00 |
| | 39,000.00 | 2,800.00 | 2,077.50 | 1,937.50 | 2,790.00 | 2,240.00 | 1,910.00 | 550.00 | 880.00 | | 330.00 |
| | 40,000.00 | 2,880.00 | 2,137.50 | 1,997.50 | 2,960.00 | 2,380.00 | 2,040.00 | 580.00 | 920.00 | | 340.00 |
| | 41,000.00 | 2,960.00 | 2,197.50 | 2,057.50 | 3,140.00 | 2,530.00 | 2,170.00 | 610.00 | 970.00 | | 360.00 |
| | 42,000.00 | 3,040.00 | 2,257.50 | 2,117.50 | 3,320.00 | 2,680.00 | 2,300.00 | 640.00 | 1,020.00 | | 380.00 |
| | 43,000.00 | 3,120.00 | 2,317.50 | 2,177.50 | 3,510.00 | 2,830.00 | 2,440.00 | 680.00 | 1,070.00 | | 390.00 |
| | 44,000.00 | 3,200.00 | 2,377.50 | 2,237.50 | 3,700.00 | 2,980.00 | 2,580.00 | 720.00 | 1,120.00 | | 400.00 |
| 6,051 | 45,000.00 | 3,280.00 | 2,437.50 | 2,297.50 | 3,900.00 | 3,130.00 | 2,730.00 | 770.00 | 1,170.00 | | 400.00 |
| | 46,000.00 | 3,360.00 | 2,497.50 | 2,357.50 | 4,100.00 | 3,280.00 | 2,880.00 | 820.00 | 1,220.00 | | 400.00 |
| | 47,000.00 | 3,440.00 | 2,557.50 | 2,417.50 | 4,310.00 | 3,440.00 | 3,040.00 | 870.00 | 1,270.00 | | 400.00 |
| | 48,000.00 | 3,520.00 | 2,617.50 | 2,477.50 | 4,520.00 | 3,600.00 | 3,200.00 | 920.00 | 1,320.00 | | 400.00 |
| | 49,000.00 | 3,600.00 | 2,677.50 | 2,537.50 | 4,740.00 | 3,760.00 | 3,370.00 | 980.00 | 1,370.00 | | 390.00 |
| | 50,000.00 | 3,680.00 | 2,737.50 | 2,597.50 | 4,960.00 | 3,920.00 | 3,540.00 | 1,040.00 | 1,420.00 | | 380.00 |
| | 51,000.00 | 3,760.00 | 2,797.50 | 2,657.50 | 5,190.00 | 4,080.00 | 3,720.00 | 1,110.00 | 1,470.00 | | 360.00 |
| | 52,000.00 | 3,840.00 | 2,857.50 | 2,717.50 | 5,420.00 | 4,240.00 | 3,900.00 | 1,180.00 | 1,520.00 | | 340.00 |
| | 53,000.00 | 3,920.00 | 2,917.50 | 2,777.50 | 5,660.00 | 4,410.00 | 4,090.00 | 1,250.00 | 1,570.00 | | 320.00 |
| | 54,000.00 | 4,000.00 | 2,977.50 | 2,837.50 | 5,900.00 | 4,580.00 | 4,280.00 | 1,320.00 | 1,620.00 | | 300.00 |
| 3,431 | 55,000.00 | 4,080.00 | 3,037.50 | 2,897.50 | 6,150.00 | 4,750.00 | 4,470.00 | 1,400.00 | 1,680.00 | | 280.00 |
| | 56,000.00 | 4,160.00 | 3,097.50 | 2,957.50 | 6,400.00 | 4,920.00 | 4,660.00 | 1,480.00 | 1,740.00 | | 260.00 |
| | 57,000.00 | 4,240.00 | 3,157.50 | 3,017.50 | 6,660.00 | 5,090.00 | 4,860.00 | 1,570.00 | 1,800.00 | | 230.00 |
| | 58,000.00 | 4,320.00 | 3,217.50 | 3,077.50 | 6,920.00 | 5,260.00 | 5,060.00 | 1,660.00 | 1,860.00 | | 200.00 |
| | 59,000.00 | 4,400.00 | 3,277.50 | 3,137.50 | 7,190.00 | 5,440.00 | 5,270.00 | 1,750.00 | 1,920.00 | | 170.00 |
| | 60,000.00 | 4,480.00 | 3,337.50 | 3,197.50 | 7,460.00 | 5,620.00 | 5,480.00 | 1,840.00 | 1,980.00 | | 140.00 |
| | 61,000.00 | 4,560.00 | 3,397.50 | 3,257.50 | 7,740.00 | 5,800.00 | 5,690.00 | 1,940.00 | 2,050.00 | | 110.00 |
| | 62,000.00 | 4,640.00 | 3,457.50 | 3,317.50 | 8,020.00 | 5,980.00 | 5,900.00 | 2,040.00 | 2,120.00 | | 80.00 |
| | 63,000.00 | 4,720.00 | 3,517.50 | 3,377.50 | 8,310.00 | 6,160.00 | 6,120.00 | 2,150.00 | 2,190.00 | | 40.00 |
| | 64,000.00 | 4,800.00 | 3,577.50 | 3,437.50 | 8,600.00 | 6,340.00 | 6,340.00 | 2,260.00 | 2,260.00 | | |
| 2,240 | 65,000.00 | 4,880.00 | 3,637.50 | 3,497.50 | 8,900.00 | 6,530.00 | 6,570.00 | 2,370.00 | 2,330.00 | $40.00 | |
| | 66,000.00 | 4,960.00 | 3,697.50 | 3,557.50 | 9,200.00 | 6,720.00 | 6,800.00 | 2,480.00 | 2,400.00 | 80.00 | |
| | 67,000.00 | 5,040.00 | 3,757.50 | 3,617.50 | 9,510.00 | 6,910.00 | 7,040.00 | 2,600.00 | 2,470.00 | 130.00 | |
| | 68,000.00 | 5,120.00 | 3,817.50 | 3,677.50 | 9,820.00 | 7,100.00 | 7,280.00 | 2,720.00 | 2,540.00 | 180.00 | |
| | 69,000.00 | 5,200.00 | 3,877.50 | 3,737.50 | 10,140.00 | 7,290.00 | 7,530.00 | 2,850.00 | 2,610.00 | 240.00 | |
| | 70,000.00 | 5,280.00 | 3,937.50 | 3,797.50 | 10,460.00 | 7,480.00 | 7,780.00 | 2,980.00 | 2,680.00 | 300.00 | |
| | 71,000.00 | 5,360.00 | 3,997.50 | 3,857.50 | 10,790.00 | 7,680.00 | 8,040.00 | 3,110.00 | 2,750.00 | 360.00 | |
| | 72,000.00 | 5,440.00 | 4,057.50 | 3,917.50 | 11,120.00 | 7,880.00 | 8,300.00 | 3,240.00 | 2,820.00 | 420.00 | |
| | 73,000.00 | 5,520.00 | 4,117.50 | 3,977.50 | 11,460.00 | 8,080.00 | 8,560.00 | 3,380.00 | 2,900.00 | 480.00 | |
| | 74,000.00 | 5,600.00 | 4,177.50 | 4,037.50 | 11,800.00 | 8,280.00 | 8,820.00 | 3,520.00 | 2,980.00 | 540.00 | |
| 1,423 | 75,000.00 | 5,680.00 | 4,237.50 | 4,097.50 | 12,150.00 | 8,480.00 | 9,090.00 | 3,670.00 | 3,060.00 | 610.00 | |
| | 76,000.00 | 5,760.00 | 4,297.50 | 4,157.50 | 12,500.00 | 8,680.00 | 9,360.00 | 3,820.00 | 3,140.00 | 680.00 | |
| | 77,000.00 | 5,840.00 | 4,357.50 | 4,217.50 | 12,860.00 | 8,890.00 | 9,640.00 | 3,970.00 | 3,220.00 | 750.00 | |
| | 78,000.00 | 5,920.00 | 4,417.50 | 4,277.50 | 13,220.00 | 9,100.00 | 9,920.00 | 4,120.00 | 3,300.00 | 820.00 | |
| | 79,000.00 | 6,000.00 | 4,477.50 | 4,337.50 | 13,590.00 | 9,310.00 | 10,200.00 | 4,280.00 | 3,390.00 | 890.00 | |
| | 80,000.00 | 6,080.00 | 4,537.50 | 4,397.50 | 13,960.00 | 9,520.00 | 10,480.00 | 4,440.00 | 3,480.00 | 960.00 | |
| | 81,000.00 | 6,160.00 | 4,597.50 | 4,457.50 | 14,340.00 | 9,730.00 | 10,770.00 | 4,610.00 | 3,570.00 | 1,040.00 | |
| | 82,000.00 | 6,240.00 | 4,657.50 | 4,517.50 | 14,720.00 | 9,940.00 | 11,060.00 | 4,780.00 | 3,660.00 | 1,120.00 | |
| | 83,000.00 | 6,320.00 | 4,717.50 | 4,577.50 | 15,110.00 | 10,160.00 | 11,360.00 | 4,950.00 | 3,750.00 | 1,200.00 | |
| | 84,000.00 | 6,400.00 | 4,777.50 | 4,637.50 | 15,500.00 | 10,380.00 | 11,660.00 | 5,120.00 | 3,840.00 | 1,280.00 | |
| 957 | 85,000.00 | 6,480.00 | 4,837.50 | 4,697.50 | 15,900.00 | 10,600.00 | 11,970.00 | 5,300.00 | 3,930.00 | 1,370.00 | |
| | 86,000.00 | 6,560.00 | 4,897.50 | 4,757.50 | 16,300.00 | 10,820.00 | 12,280.00 | 5,480.00 | 4,020.00 | 1,460.00 | |
| | 87,000.00 | 6,640.00 | 4,957.50 | 4,817.50 | 16,710.00 | 11,040.00 | 12,590.00 | 5,670.00 | 4,120.00 | 1,550.00 | |
| | 88,000.00 | 6,720.00 | 5,017.50 | 4,877.50 | 17,120.00 | 11,260.00 | 12,900.00 | 5,860.00 | 4,220.00 | 1,640.00 | |
| | 89,000.00 | 6,800.00 | 5,077.50 | 4,937.50 | 17,540.00 | 11,490.00 | 13,220.00 | 6,050.00 | 4,320.00 | 1,730.00 | |
| | 90,000.00 | 6,880.00 | 5,137.50 | 4,997.50 | 17,960.00 | 11,720.00 | 13,540.00 | 6,240.00 | 4,420.00 | 1,820.00 | |
| | 91,000.00 | 6,960.00 | 5,197.50 | 5,057.50 | 18,390.00 | 11,950.00 | 13,870.00 | 6,440.00 | 4,520.00 | 1,920.00 | |
| | 92,000.00 | 7,040.00 | 5,257.50 | 5,117.50 | 18,820.00 | 12,180.00 | 14,200.00 | 6,640.00 | 4,620.00 | 2,020.00 | |
| | 93,000.00 | 7,120.00 | 5,317.50 | 5,177.50 | 19,260.00 | 12,410.00 | 14,540.00 | 6,850.00 | 4,720.00 | 2,130.00 | |
| | 94,000.00 | 7,200.00 | 5,377.50 | 5,237.50 | 19,700.00 | 12,640.00 | 14,880.00 | 7,060.00 | 4,820.00 | 2,240.00 | |
| 666 | 95,000.00 | 7,280.00 | 5,437.50 | 5,297.50 | 20,150.00 | 12,880.00 | 15,230.00 | 7,270.00 | 4,920.00 | 2,350.00 | |
| | 96,000.00 | 7,360.00 | 5,497.50 | 5,357.50 | 20,600.00 | 13,120.00 | 15,580.00 | 7,480.00 | 5,020.00 | 2,460.00 | |
| | 97,000.00 | 7,440.00 | 5,557.50 | 5,417.50 | 21,060.00 | 13,360.00 | 15,940.00 | 7,700.00 | 5,120.00 | 2,580.00 | |
| | 98,000.00 | 7,520.00 | 5,617.50 | 5,477.50 | 21,520.00 | 13,600.00 | 16,300.00 | 7,920.00 | 5,220.00 | 2,700.00 | |
| | 99,000.00 | 7,600.00 | 5,677.50 | 5,537.50 | 21,990.00 | 13,840.00 | 16,660.00 | 8,150.00 | 5,330.00 | 2,820.00 | |
| | 100,000.00 | 7,680.00 | 5,737.50 | 5,597.50 | 22,460.00 | 14,080.00 | 17,020.00 | 8,380.00 | 5,440.00 | 2,940.00 | |
| 1,817 | 150,000.00 | 11,680.00 | 8,737.50 | 8,597.50 | 46,460.00 | 26,580.00 | 35,520.00 | 19,880.00 | 10,940.00 | 8,940.00 | |
| | 200,000.00 | 15,680.00 | 11,737.50 | 11,597.50 | 70,960.00 | 39,080.00 | 54,020.00 | 31,880.00 | 16,940.00 | 15,940.00 | |
| | 250,000.00 | 19,680.00 | 14,737.50 | 14,597.50 | 95,960.00 | 51,580.00 | 73,020.00 | 44,380.00 | 22,940.00 | 21,440.00 | |
| 451 | 300,000.00 | 23,680.00 | 17,737.50 | 17,597.50 | 120,960.00 | 64,080.00 | 92,020.00 | 56,880.00 | 28,940.00 | 27,940.00 | |
| | 500,000.00 | 39,680.00 | 29,737.50 | 29,597.50 | 220,960.00 | 114,080.00 | 170,020.00 | 106,880.00 | 50,940.00 | 55,940.00 | |
| 63 | 1,000,000.00 | 79,680.00 | 59,737.50 | 59,597.50 | 470,960.00 | 239,080.00 | 370,020.00 | 231,880.00 | 100,940.00 | 130,940.00 | |

*Comparison of the Mellon and Democratic (act of 1924) tax plans with the act of 1921 (married persons without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned*

| Number of persons making returns in each class for 1921 | Income | Amount of total tax under— | | | Amount of reduction of total tax under— | | Amount of greater reduction of total tax under— | | Percentage of reduction of total tax under— | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Act of 1921 | Mellon plan | Act of 1924, Democratic plan | Mellon plan | Act of 1924, Democratic plan | Mellon plan | Act of 1924, Democratic plan | Mellon plan | Act of 1924, Democratic plan |
| 401,849 under | $1,000.00 | | | | | | | | | |
| | 2,000.00 | | | | | | | | | |
| | 3,000.00 | $20.00 | $11.25 | $7.50 | $8.75 | $12.50 | | $3.75 | $43.75 | $62.50 |
| | 4,000.00 | 60.00 | 33.75 | 22.50 | 26.25 | 37.50 | | 11.25 | 43.75 | 62.50 |
| | 5,000.00 | 100.00 | 56.25 | 37.50 | 43.75 | 62.50 | | 18.75 | 43.75 | 62.50 |
| 6,087,968 | 6,000.00 | 160.00 | 97.50 | 57.50 | 62.50 | 102.50 | | 40.00 | 39.06 | 64.06 |
| | 7,000.00 | 250.00 | 157.50 | 87.50 | 92.50 | 162.50 | | 70.00 | 37.00 | 65.00 |
| | 8,000.00 | 340.00 | 217.50 | 127.50 | 122.50 | 212.50 | | 90.00 | 36.03 | 62.50 |
| | 9,000.00 | 430.00 | 277.50 | 167.50 | 152.50 | 262.50 | | 110.00 | 35.47 | 61.05 |
| | 10,000.00 | 520.00 | 337.50 | 207.50 | 182.50 | 312.50 | | 130.00 | 35.10 | 60.10 |
| | 11,000.00 | 620.00 | 407.50 | 267.50 | 212.50 | 352.50 | | 140.00 | 34.27 | 56.85 |
| | 12,000.00 | 720.00 | 477.50 | 337.50 | 242.50 | 382.50 | | 140.00 | 33.68 | 53.13 |
| | 13,000.00 | 830.00 | 557.50 | 407.50 | 272.50 | 422.50 | | 150.00 | 32.83 | 50.90 |
| | 14,000.00 | 940.00 | 637.50 | 477.50 | 302.50 | 462.50 | | 160.00 | 32.18 | 49.20 |
| 114,244 | 15,000.00 | 1,060.00 | 727.50 | 557.50 | 332.50 | 502.50 | | 170.00 | 31.35 | 47.41 |
| | 16,000.00 | 1,180.00 | 817.50 | 637.50 | 362.50 | 542.50 | | 180.00 | 30.72 | 45.97 |
| | 17,000.00 | 1,310.00 | 917.50 | 727.50 | 392.50 | 582.50 | | 190.00 | 29.96 | 44.47 |
| | 18,000.00 | 1,440.00 | 1,017.50 | 817.50 | 422.50 | 622.50 | | 200.00 | 29.34 | 43.22 |
| | 19,000.00 | 1,580.00 | 1,127.50 | 917.50 | 452.50 | 662.50 | | 210.00 | 28.64 | 41.93 |
| | 20,000.00 | 1,720.00 | 1,237.50 | 1,017.50 | 482.50 | 702.50 | | 220.00 | 28.05 | 40.84 |
| | 21,000.00 | 1,880.00 | 1,357.50 | 1,127.50 | 522.50 | 752.50 | | 230.00 | 27.79 | 40.00 |
| | 22,000.00 | 2,040.00 | 1,477.50 | 1,237.50 | 562.50 | 802.50 | | 240.00 | 27.57 | 39.34 |
| | 23,000.00 | 2,210.00 | 1,607.50 | 1,357.50 | 602.50 | 852.50 | | 250.00 | 27.26 | 38.57 |
| | 24,000.00 | 2,380.00 | 1,737.50 | 1,477.50 | 642.50 | 902.50 | | 260.00 | 27.00 | 37.92 |
| 28,948 | 25,000.00 | 2,560.00 | 1,877.50 | 1,607.50 | 682.50 | 952.50 | | 270.00 | 26.66 | 37.21 |
| | 26,000.00 | 2,740.00 | 2,017.50 | 1,737.50 | 722.50 | 1,002.50 | | 280.00 | 26.37 | 36.59 |
| | 27,000.00 | 2,930.00 | 2,167.50 | 1,877.50 | 762.50 | 1,052.50 | | 290.00 | 26.02 | 35.92 |
| | 28,000.00 | 3,120.00 | 2,317.50 | 2,017.50 | 802.50 | 1,102.50 | | 300.00 | 25.72 | 35.34 |
| | 29,000.00 | 3,320.00 | 2,477.50 | 2,167.50 | 842.50 | 1,152.50 | | 310.00 | 25.38 | 34.71 |
| | 30,000.00 | 3,520.00 | 2,637.50 | 2,317.50 | 882.50 | 1,202.50 | | 320.00 | 25.07 | 34.16 |
| | 31,000.00 | 3,730.00 | 2,807.50 | 2,477.50 | 922.50 | 1,252.50 | | 330.00 | 24.73 | 33.58 |
| | 32,000.00 | 3,940.00 | 2,977.50 | 2,637.50 | 962.50 | 1,302.50 | | 340.00 | 24.43 | 33.06 |
| | 33,000.00 | 4,170.00 | 3,157.50 | 2,797.50 | 1,012.50 | 1,372.50 | | 360.00 | 24.28 | 32.91 |
| | 34,000.00 | 4,400.00 | 3,337.50 | 2,957.50 | 1,062.50 | 1,442.50 | | 380.00 | 24.15 | 32.79 |
| 12,047 | 35,000.00 | 4,630.00 | 3,527.50 | 3,127.50 | 1,102.50 | 1,502.50 | | 400.00 | 23.81 | 32.45 |
| | 36,000.00 | 4,860.00 | 3,717.50 | 3,297.50 | 1,142.50 | 1,562.50 | | 420.00 | 23.51 | 32.15 |
| | 37,000.00 | 5,100.00 | 3,917.50 | 3,477.50 | 1,182.50 | 1,622.50 | | 440.00 | 23.19 | 31.81 |
| | 38,000.00 | 5,340.00 | 4,117.50 | 3,657.50 | 1,222.50 | 1,682.50 | | 460.00 | 22.89 | 31.51 |
| | 39,000.00 | 5,590.00 | 4,317.50 | 3,847.50 | 1,272.50 | 1,742.50 | | 470.00 | 22.76 | 31.17 |
| | 40,000.00 | 5,840.00 | 4,517.50 | 4,037.50 | 1,322.50 | 1,802.50 | | 480.00 | 22.65 | 30.86 |
| | 41,000.00 | 6,100.00 | 4,727.50 | 4,227.50 | 1,372.50 | 1,872.50 | | 500.00 | 22.50 | 30.70 |
| | 42,000.00 | 6,360.00 | 4,937.50 | 4,417.50 | 1,422.50 | 1,942.50 | | 520.00 | 22.37 | 30.54 |
| | 43,000.00 | 6,630.00 | 5,147.50 | 4,617.50 | 1,482.50 | 2,012.50 | | 530.00 | 22.36 | 30.35 |
| | 44,000.00 | 6,900.00 | 5,357.50 | 4,817.50 | 1,542.50 | 2,082.50 | | 540.00 | 22.36 | 30.13 |
| 6,051 | 45,000.00 | 7,180.00 | 5,567.50 | 5,027.50 | 1,612.50 | 2,152.50 | | 540.00 | 22.46 | 29.98 |
| | 46,000.00 | 7,460.00 | 5,777.50 | 5,237.50 | 1,682.50 | 2,222.50 | | 540.00 | 22.55 | 29.79 |
| | 47,000.00 | 7,750.00 | 5,997.50 | 5,457.50 | 1,752.50 | 2,292.50 | | 540.00 | 22.61 | 29.58 |
| | 48,000.00 | 8,040.00 | 6,217.50 | 5,677.50 | 1,822.50 | 2,362.50 | | 540.00 | 22.67 | 29.38 |
| | 49,000.00 | 8,340.00 | 6,437.50 | 5,907.50 | 1,902.50 | 2,432.50 | | 530.00 | 22.81 | 29.13 |
| | 50,000.00 | 8,640.00 | 6,657.50 | 6,137.50 | 1,982.50 | 2,502.50 | | 520.00 | 22.95 | 28.97 |
| | 51,000.00 | 8,950.00 | 6,877.50 | 6,377.50 | 2,072.50 | 2,572.50 | | 500.00 | 23.16 | 28.74 |
| | 52,000.00 | 9,260.00 | 7,097.50 | 6,617.50 | 2,162.50 | 2,642.50 | | 480.00 | 23.34 | 28.54 |
| | 53,000.00 | 9,580.00 | 7,327.50 | 6,867.50 | 2,252.50 | 2,712.50 | | 460.00 | 23.51 | 28.31 |
| | 54,000.00 | 9,900.00 | 7,557.50 | 7,117.50 | 2,342.50 | 2,782.50 | | 440.00 | 23.66 | 28.11 |
| 3,431 | 55,000.00 | 10,230.00 | 7,787.50 | 7,367.50 | 2,442.50 | 2,862.50 | | 420.00 | 23.88 | 27.98 |
| | 56,000.00 | 10,560.00 | 8,017.50 | 7,617.50 | 2,542.50 | 2,942.50 | | 400.00 | 24.08 | 27.86 |
| | 57,000.00 | 10,900.00 | 8,247.50 | 7,877.50 | 2,652.50 | 3,022.50 | | 370.00 | 24.33 | 27.73 |
| | 58,000.00 | 11,240.00 | 8,477.50 | 8,137.50 | 2,762.50 | 3,102.50 | | 340.00 | 24.58 | 27.60 |
| | 59,000.00 | 11,590.00 | 8,717.50 | 8,407.50 | 2,872.50 | 3,182.50 | | 310.00 | 24.78 | 27.46 |
| | 60,000.00 | 11,940.00 | 8,957.50 | 8,677.50 | 2,982.50 | 3,262.50 | | 280.00 | 24.97 | 27.32 |
| | 61,000.00 | 12,300.00 | 9,197.50 | 8,947.50 | 3,102.50 | 3,352.50 | | 250.00 | 25.22 | 27.26 |
| | 62,000.00 | 12,660.00 | 9,437.50 | 9,217.50 | 3,222.50 | 3,442.50 | | 220.00 | 25.45 | 27.19 |
| | 63,000.00 | 13,030.00 | 9,677.50 | 9,497.50 | 3,352.50 | 3,532.50 | | 180.00 | 25.73 | 27.11 |
| | 64,000.00 | 13,400.00 | 9,917.50 | 9,777.50 | 3,482.50 | 3,622.50 | | 140.00 | 25.91 | 27.04 |
| 2,240 | 65,000.00 | 13,780.00 | 10,167.50 | 10,067.50 | 3,612.50 | 3,712.50 | | 100.00 | 26.22 | 26.94 |
| | 66,000.00 | 14,160.00 | 10,417.50 | 10,357.50 | 3,742.50 | 3,802.50 | | 60.00 | 26.43 | 26.85 |
| | 67,000.00 | 14,550.00 | 10,667.50 | 10,657.50 | 3,882.50 | 3,892.50 | | 10.00 | 26.68 | 26.75 |
| | 68,000.00 | 14,940.00 | 10,917.50 | 10,957.50 | 4,022.50 | 3,982.50 | $40.00 | | 26.92 | 26.66 |
| | 69,000.00 | 15,340.00 | 11,167.50 | 11,267.50 | 4,172.50 | 4,072.50 | 100.00 | | 27.20 | 26.55 |
| | 70,000.00 | 15,740.00 | 11,417.50 | 11,577.50 | 4,322.50 | 4,162.50 | 160.00 | | 27.46 | 26.44 |
| | 71,000.00 | 16,150.00 | 11,677.50 | 11,897.50 | 4,472.50 | 4,252.50 | 220.00 | | 27.69 | 26.33 |
| | 72,000.00 | 16,560.00 | 11,937.50 | 12,217.50 | 4,622.50 | 4,342.50 | 280.00 | | 27.91 | 26.22 |
| | 73,000.00 | 16,980.00 | 12,197.50 | 12,537.50 | 4,782.50 | 4,442.50 | 340.00 | | 28.16 | 26.16 |
| | 74,000.00 | 17,400.00 | 12,457.50 | 12,857.50 | 4,942.50 | 4,542.50 | 400.00 | | 28.41 | 26.11 |
| 1,423 | 75,000.00 | 17,830.00 | 12,717.50 | 13,187.50 | 5,112.50 | 4,642.50 | 470.00 | | 28.73 | 26.04 |
| | 76,000.00 | 18,260.00 | 12,977.50 | 13,517.50 | 5,282.50 | 4,742.50 | 540.00 | | 28.93 | 25.97 |
| | 77,000.00 | 18,700.00 | 13,247.50 | 13,857.50 | 5,452.50 | 4,842.50 | 610.00 | | 29.15 | 25.91 |
| | 78,000.00 | 19,140.00 | 13,517.50 | 14,197.50 | 5,622.50 | 4,942.50 | 680.00 | | 29.37 | 25.82 |
| | 79,000.00 | 19,590.00 | 13,787.50 | 14,537.50 | 5,802.50 | 5,052.50 | 750.00 | | 29.62 | 25.79 |
| | 80,000.00 | 20,040.00 | 14,057.50 | 14,877.50 | 5,982.50 | 5,162.50 | 820.00 | | 29.85 | 25.76 |
| | 81,000.00 | 20,500.00 | 14,327.50 | 15,227.50 | 6,172.50 | 5,272.50 | 900.00 | | 30.10 | 25.78 |
| | 82,000.00 | 20,960.00 | 14,597.50 | 15,577.50 | 6,362.50 | 5,382.50 | 980.00 | | 30.36 | 25.62 |
| | 83,000.00 | 21,430.00 | 14,877.50 | 15,937.50 | 6,552.50 | 5,492.50 | 1,060.00 | | 30.58 | 25.63 |
| | 84,000.00 | 21,900.00 | 15,157.50 | 16,297.50 | 6,742.50 | 5,602.50 | 1,140.00 | | 30.79 | 25.58 |
| 957 | 85,000.00 | 22,380.00 | 15,437.50 | 16,667.50 | 6,942.50 | 5,712.50 | 1,230.00 | | 31.02 | 25.53 |
| | 86,000.00 | 22,860.00 | 15,717.50 | 17,037.50 | 7,142.50 | 5,822.50 | 1,320.00 | | 31.24 | 25.47 |
| | 87,000.00 | 23,350.00 | 15,997.50 | 17,407.50 | 7,352.50 | 5,942.50 | 1,410.00 | | 31.48 | 25.45 |
| | 88,000.00 | 23,840.00 | 16,277.50 | 17,777.50 | 7,562.50 | 6,062.50 | 1,500.00 | | 31.72 | 25.43 |
| | 89,000.00 | 24,340.00 | 16,567.50 | 18,157.50 | 7,772.50 | 6,182.50 | 1,590.00 | | 31.93 | 25.40 |
| | 90,000.00 | 24,840.00 | 16,857.50 | 18,537.50 | 7,982.50 | 6,302.50 | 1,680.00 | | 32.14 | 25.37 |
| | 91,000.00 | 25,350.00 | 17,147.50 | 18,927.50 | 8,202.50 | 6,422.50 | 1,780.00 | | 32.36 | 25.34 |
| | 92,000.00 | 25,860.00 | 17,437.50 | 19,317.50 | 8,422.50 | 6,542.50 | 1,880.00 | | 32.57 | 25.30 |
| | 93,000.00 | 26,380.00 | 17,727.50 | 19,717.50 | 8,652.50 | 6,662.50 | 1,990.00 | | 32.79 | 25.26 |
| | 94,000.00 | 26,900.00 | 18,017.50 | 20,117.50 | 8,882.50 | 6,782.50 | 2,100.00 | | 33.02 | 25.21 |
| 666 | 95,000.00 | 27,430.00 | 18,317.50 | 20,527.50 | 9,112.50 | 6,902.50 | 2,210.00 | | 33.22 | 25.16 |
| | 96,000.00 | 27,960.00 | 18,617.50 | 20,937.50 | 9,342.50 | 7,022.50 | 2,320.00 | | 33.41 | 25.12 |
| | 97,000.00 | 28,500.00 | 18,917.50 | 21,357.50 | 9,582.50 | 7,142.50 | 2,440.00 | | 33.62 | 25.06 |
| | 98,000.00 | 29,040.00 | 19,217.50 | 21,777.50 | 9,822.50 | 7,262.50 | 2,560.00 | | 33.83 | 25.01 |
| | 99,000.00 | 29,590.00 | 19,517.50 | 22,197.50 | 10,072.50 | 7,392.50 | 2,680.00 | | 34.04 | 24.98 |
| | 100,000.00 | 30,140.00 | 19,817.50 | 22,617.50 | 10,322.50 | 7,522.50 | 2,800.00 | | 34.25 | 24.96 |
| 1,817 | 150,000.00 | 58,140.00 | 35,317.50 | 44,117.50 | 22,822.50 | 14,022.50 | 8,800.00 | | 39.25 | 24.12 |
| | 200,000.00 | 86,640.00 | 50,817.50 | 65,617.50 | 35,822.50 | 21,022.50 | 14,800.00 | | 41.35 | 24.25 |
| 451 | 250,000.00 | 115,640.00 | 66,317.50 | 87,617.50 | 49,322.50 | 28,022.50 | 21,300.00 | | 42.65 | 24.23 |
| | 300,000.00 | 144,640.00 | 81,817.50 | 109,617.50 | 62,822.50 | 35,022.50 | 27,800.00 | | 43.50 | 24.21 |
| | 500,000.00 | 260,640.00 | 143,817.50 | 199,617.50 | 116,822.50 | 61,022.50 | 55,800.00 | | 44.82 | 23.41 |
| 63 | 1,000,000.00 | 550,640.00 | 298,817.50 | 429,617.50 | 251,822.50 | 121,022.50 | 130,800.00 | | 45.73 | 21.96 |

COST OF CONSTRUCTING 30-FOOT DEPTH OF SHIP CANAL, HUDSON RIVER TO LAKE ONTARIO

Mr. SWEET. Mr. Speaker, the resolution which I introduced provides for the bringing down to date the estimates and surveys previously made by the Board of Army Engineers for the construction of a 30-foot waterway from the Hudson River to Lake Ontario. A very thorough survey was made in 1900 by the Board of Army Engineers representing an estimate of cost of about $100,000,000. Computing that prices have almost doubled since that date, it is my opinion that the present figure would be in the neighborhood of $200,000,000.

Water transportation as a means of carrying heavy traffic and thus relieving railroad business is, to-day, a permanent necessity and has been in the past one of the chief factors in the commercial development of the country. The railroads should mostly carry freight which requires speedy delivery. The water traffic on Lake Ontario, the Mississippi and Ohio Rivers, and around our coast has proven the possibilities of this transportation, and New York has been the pioneer in it and should continue to be.

Cheaper freight rates for farm and all other products from the Middle West to the seaboard must be provided. The New York State route provides the shortest and most feasible way for such relief. In view of the benefits to be gained for the commerce of the country by such a route, I do not think it would be too much to expect the national and New York State governments, acting in conjunction, to expend the money. The State has just bonded itself for $50,000,000 for the building of hospitals and for $45,000,000 more for the payment of a bonus to the veterans of the war. I do not see why it should not further bond itself to assist in an improvement which would greatly affect commercial development everywhere within its borders. And I do not see why the Federal Government should not provide an easy water outlet to tidewater and the sea to New York City and Europe for the products of all the Middle and Middle Western States.

The suggestion first made by Gouverneur Morris for the construction of the Erie Canal was regarded as the effusion of an eccentric mind. But men like Morris, DeWitt Clinton, and Robert Livingston had the vision to make the effusion a reality. Grumblers declared that the suggestion was impracticable; but the next generation found the canal inadequate for growing commerce. Finally, a ship canal was urged by those who again seemed visionary and a compromise was made on a barge canal. It is now found that this will not meet the needs of heavy-draft vessels which might easily proceed through a 30-foot channel to and from the Lakes to the port of New York.

Against the St. Lawrence route it seems to me there lie objections which must prevail. For five or six months of the year the channel would be difficult of navigation because of climatic conditions. Ice and fog would discourage mariners. Harbor facilities are wanting. Much time would be consumed by ocean vessels in proceeding 1,500 to 2,000 miles to the north through such a canal. This additional time and the other factors I have mentioned would militate against the success of the undertaking by keeping the great ocean freight carriers away and limiting the size of the vessels used.

Vessels would find it difficult to obtain cargoes in both directions. Nor should they proceed out of the established lanes of travel from the center of the continent through New York City. Insurance rates from New York to Liverpool the year round are 25 cents. From Montreal to Liverpool through the St. Lawrence they are forbiddingly high. Thus they are 27½ cents from the opening of navigation to the middle of October, 32½ cents to the 1st of November, 42½ cents to the 16th of November, and 55 cents from that date to the absolute close of the season. Furthermore, the canal would be built and operated in conjunction with the Canadian Government. I regard the St. Lawrence project as out of the question.

On the other hand, the reasons for a 30-foot channel from the Hudson to Oswego seem unassailable. The Hudson is impassable for a very short period, and could be made navigable continually. The Army engineers have already recommended a project for deepening the Hudson to Troy. The Mohawk and barge improvements provide a basis for adequate deepening. Insurance rates would be low. Time would be saved, and great vessels would use the route. Harbor facilities would be of the best. Profit on cargoes would be made both going and coming. American territory and enterprises would be developed. New York City would be enhanced as a port and continue as the financial center of the world. That city and other points in New York would find easier shipment to and from the Middle West, particularly in the reduction of rail rates which would inevitably result. If the United States would continue as the commercial leader of the globe it must develop its commercial routes primarily for the benefit of its own people and not in conjunction with and primarily for another land and people. A ship canal from the Lakes to the Atlantic is inevitable. The Oswego-Hudson route is logical. It ought to be adopted.

AMENDING THE NATIONAL BANK AND FEDERAL RESERVE ACTS

Mr. McFADDEN. Mr. Speaker, the House Banking and Currency Committee, after careful deliberation and the holding of extensive hearings, on April 20, 1924, ordered the chairman of the committee to report the bill H. R. 8887 with a favorable recommendation, and instructions to procure a rule for immediate consideration of the bill. The bill was immediately reported and the chairman immediately presented the request of the committee for a rule, which was refused by the chairman of the Rules Committee, and not until the most persistent efforts were put forth did the Rules Committee finally present a rule for the consideration of this measure on June 3, 1924.

Notwithstanding the fact that we had repeated assurances of the passage of this bill at the present session of Congress by the leaders, the consideration of the bill, because of their attitude, has been postponed until the December session of the present Congress. This action on the part of the leaders in not permitting the action on this bill at this time precipitates a most crucial situation. The national banking system is facing a crisis because of the competition of State banks and trust companies which has grown up recently, and many of the most important national banks are awaiting the decision on this bill as to whether they will remain in the national system.

The branch banking situation is developing so rapidly throughout the several States that the refusal on the part of Congress to consider this restrictive measure at this time is simply an invitation for the extension of branch banking in the United States which will be more troublesome to deal with next December than at the present time. The importance of this measure to the Federal reserve system can not be overestimated. We are facing the development of a banking system in this country operating under the different laws of 48 States, which will be presided over by a Federal board pretending to supervise a banking system operating under State banking laws, which laws are largely administered through political influence and expediency. The practical operation of such a system will be entirely under the control of the departments of the States and the influence of a Federal board over such a system would be practically negative.

This bill has been approved and its passage at the present session of Congress urged by the Federal Reserve Board, the national banking section of the American Bankers' Association, the executive council of the American Bankers' Association, the Federal Advisory Council of the Federal Reserve Board, the Reserve City Bankers' Association, and the State bankers' associations of such States as New York, Illinois, Missouri, Kansas, Texas, and so forth, boards of trade, associations of credit men, the National Association of Credit Men, by the Comptroller of the Currency and the Secretary of the Treasury.

This bill, in my opinion, is the most important banking bill which has come before the House since the passage of the Federal reserve act, and its enactment into law is necessary to preserve and more firmly establish the benefits and advantages of that act. The business of banking is a competitive commercial enterprise like any other business which makes a profit through the rendition of service to the public. Under our financial system where in each State of the Union there are two systems of banking—National and State—each in natural competition with the other for business, it is necessary for their mutual existence that their charter powers be substantially equal. It is especially important that the national banks be not left in a position in the Federal reserve system, being compulsory members of that system, where they are unable to meet the competition from the State member banks.

You will recall that in 1917 the Federal reserve act was amended, largely as a war measure, whereby State banks were permitted to come into the Federal reserve system with the privilege of withdrawing therefrom at will and at the same time were permitted to exercise all of the charter powers given them under the respective State banking laws. Many of these State laws grant more liberal charter powers than is permitted national banks under the national bank act.

The effect of this amendment has been to permit the development within the Federal reserve system of several forms of competition between the State and National banks with the advantage in favor of the State banks. National banks can exercise no powers except those granted by Congress, and the main purpose of this bill is to restore as nearly as possible the equilibrium between the State and National banks within the Federal reserve system. The bill will not place any dis-

advantage upon the State banks, but is in many respects favorable to them, as will be later pointed out.

The unfavorable position in which the national banks have found themselves within the last few years has resulted in a large number of withdrawals from the national system, either through the absorption by State banks or direct conversion of national banks into State banks. Since January 1, 1918, 173 national banks, each with a capital of more than $100,000, gave up their national and took out State charters and carried with them total assets of nearly $2,000,000,000. This is about 10 per cent of the total assets of the entire national banking system. At this rate of defection from the national system it would not be many years before the system itself would be destroyed and the Federal reserve system thereby left with only State member banks, which could withdraw at will.

These national banks entered the State banking systems in order to place themselves upon an equal competitive basis with the State banks in their respective localities. Among those who thus left the national system are some of the great banking institutions of the country. I betray no confidence, since it is a matter of public record, when I mention such names as the Wells-Fargo, of San Francisco, the First National Bank of Cleveland, the Lowry National of Atlanta, the National Bank of Commerce, Kansas City, the Union National of Newark, the Liberty National of New York, the Irving National of New York, and the Bank of North America, of Philadelphia, as being among those now under State charters.

The Bank of North America was the first bank in the United States, and was started by Robert Morris. There is not the least shadow of a doubt that to-day the board of directors of many of our great national banks are seriously considering giving up their national charters in order to enter State systems and thereby returning to the Federal reserve system as State member banks with wider charter powers.

This is not a threat or gesture on the part of these national banks to force legislation from Congress. Many of them would prefer to be State member banks of the Federal reserve system than compulsory national bank members in it. The big banks of the country are not pressing for this legislation. They no doubt feel that they can take care of themselves. The concern should be upon the part of Congress, for the national banking system and the Federal reserve system are the creatures of Congress. Their maintenance in their fullest strength and efficiency are of vital importance to the American people in order to insure the orderly coordination of credit machinery by the National Government. It is not the life of these particular banking institutions which is at stake. It is the life of a great financial system, without which the country will fall back into the chaotic complexities of 48 different banking systems under the supervision of 48 independent and uncoordinated banking officials.

The effect on the national banking system of competition engendered by recent State legislation is not disastrous alone to the large national banks but is gradually squeezing out the national banks in the small towns and agricultural communities. These little national banks are the only arteries through which the Federal reserve system reaches the rural communities, since the small State banks have seen fit not to become members. They are compelled by law to bear the burdens of the Federal reserve system, and they deserve the most watchful care of Congress. Their loss to the national system is a total loss to the Federal reserve system, since when they are absorbed into a State system they do not later, as do the large city banks, become member banks. It is more profitable for them to remain on the outside.

This bill contains many provisions designed to aid these little national banks in the efficient conduct of their banking business.

First, let me touch upon branch banking.

The outstanding feature of banking operations on the part of State banks, which is making the greatest inroads into the national system, is that of branch banking.

State-wide branch banking is permitted in 9 States, county-wide branch banking in 2 States, and city-wide branch banking only in 9 States. (Hearings, p. 46.)

The annual report of the comptroller shows that in California 82 State banks are operating 475 branches, and 184 of these branches are beyond the limits of the city in which the parent bank is located. I understand that there has been an increase in the number of these branches since the report of the comptroller. One of these State banks is operating branches in 50 different cities and towns in California. In the various parts of the city of Detroit 14 down-town banks are operating over 200 branches. Two hundred and fifty-one State banks in the State of New York are operating branches, and in the United States as a whole it is reported that about 500 State banking institutions have in operation 1,700 branches.

This bill proceeds, therefore, upon the principle that branch banking under State laws has already gained a foothold in various parts of the United States; that in so far as it is carried on outside of the city in which the parent bank is located it involves the fact of absentee control over the finances of a community, is an unsound and un-American form of banking, and should be stopped at its present stage of development to the extent that it lies within the power of Congress to do so. The bill does not regard branch banking within the limits of a single city by the banks therein located in the same light as state-wide branch banking. This distinction between intracity and state-wide branch banking was clearly made by the Comptroller of the Currency, Mr. Henry M. Dawes, in his statement before our committee. He said:

> At the outset it should be stated that while the question of extending outside facilities in the form of offices or branches beyond the limits of the parent institution but confined to municipal limits is one that might be properly controversial, it does not, to my mind, involve the fundamental principle of branch banking. So long as such an operation is confined strictly to municipal limits, it remains in its essence a community operation conducted for the benefit of residents by residents.
>
> I will not discuss the necessity or develop the arguments which have induced State legislatures to permit this form of operation. It seems to me it is sufficient to say that these intracity activities do not run parallel at all to the operations which are involved in the extension of banking influence by direct control in the form of branches covering a whole State or limits beyond the municipality. If the principle of local control over banking facilities within city limits is recognized and such an operation is forbidden in one and permitted in another State, it would not be a real concession to any branch banking principle, since intracity banking is, after all, community banking as distinguished from State, district, or national branch banking.
>
> The city is the natural unit under which all concentrated districts of population naturally operate.
>
> Where branch banks become state-wide in their operation the problem assumes an entirely different aspect. They cease then to be institutions operated by residents for the benefit of residents. The principle of absentee control of finance and of the monopolistic aggregation of capital into huge units is involved. The balance of the Federal reserve system is materially affected. I have dilated upon the results of such developments, and nothing would seem to me to be more undesirable than to attempt to protect the national banking system by an unnecessary surrender to an unsound principle. This, in my opinion, would be the effect of granting state-wide branch banking privileges to the national banks. (Hearings, pp. 14, 15, and 16.)

This distinction was confirmed before the committee by both the governor and the vice governor of the Federal Reserve Board.

The bill, however, recognizes the right of State member banks to engage in intracity branch banking in the large cities where the State legislature has as a matter of public policy granted them this right.

The most complete information on branch banking was before the committee not only through hearings which it held but also through extensive hearings and investigations by the Joint Committee of the House and Senate, which visited the various banking centers of the country recently.

I do not feel that it is necessary for me to consume any time here in going into the arguments for and against branch banking. The strongest and clearest presentation of this whole subject may be found in the committee hearings. In reporting out this bill the committee reflected what I believe to be the overwhelming sentiment of the country against branch banking. This is an antibranch banking bill. This is clearly shown by the provisions which I shall now point out.

ANTIBRANCH BANKING FEATURES

In dealing with the consolidation of a State with a national bank, section 1 of the bill prohibits any such consolidated bank from retaining in operation any branch which the State bank might have had beyond city limits. Such a State bank can only be absorbed into the national system upon condition that it first abolish such outside branches.

Section 7, in relation to the conversion of a State bank into a national bank, prohibits such a bank from electing to retain in operation any branch which it may have had before conversion on the outside of city limits.

Section 9 prohibits any State bank having in operation branches outside of city limits to become a member of the Federal reserve system without first divesting itself of such branches. This prevents state-wide branch banking on the part of new member banks in the Federal reserve system. As to

the State banks already members of the Federal reserve system which are engaged in state-wide branch banking, this section prohibits them or any other member bank from establishing any additional branches beyond the city limits. State-wide branch banking, therefore, in the Federal reserve system will be stopped at its present stage of development.

The committee found no feasible plan to force the State member banks to divest themselves of branches which they now have outside of the city limits. This section further prohibits a State member bank from establishing any branches at all in cities with a population less than 25,000; it prohibits the establishment of more than one branch in cities from 25,000 to 50,000 population; and prohibits the establishment of more than two branches in cities of 50,000 to 100,000 population. This section, therefore, regardless of the scope of the State laws, would limit within the Federal reserve system the future establishment of branches by State banks to cities having a population of less than 100,000.

Section 8 of the bill prohibits a national bank from establishing any branches beyond the limits of the city in which the bank is located. It prohibits also the establishment by a national bank of a branch anywhere in any State which does not permit the State banks to establish branches. This provision would prevent the national banks from entering into unfair competition with the State banks. In those States which permit State banks to engage in branch banking this section authorizes the Comptroller of the Currency in his discretion, as a necessary measure of protection to the national banking system and the Federal reserve system, to permit national banks within the limits of the city in which the bank is located to establish branches. The same limitation as to numbers as is imposed with reference to population less than 100,000 by section 9 upon State member banks is also imposed by this section upon national banks.

I may say here that this permission for national banks to meet the competition of State banks engaged in branch banking in certain large cities is absolutely vital to the maintenance of the national banking system. It is an economic fact easily demonstrated by reference to recent banking history that the national banks in those cities where the State banks are engaged in branch banking will gradually die out for want of the power to meet their competitors on equal terms unless this provision of the bill is enacted into law. I need only point to cities like New Orleans and Rochester, each with only one national bank left; Cleveland and Detroit, with only three national banks left; and to San Francisco, Los Angeles, and Cincinnati, where the national banks are gradually diminishing in numbers and prestige.

In each of these cities a little over a decade ago the national banks were flourishing in numbers sufficient to maintain the strength and dignity of the national banking system. It is a well-known fact that in the great city of New York competition from the State branch banking institutions is so severe that many of the long-established national banks there are finding it impossible to function under the national laws.

The end of the national banking system would not be far distant if Congress continued to allow the hands of the national banks to be tied in those cities of the United States where under State laws the State banks are engaged in branch banking. The ultimate logical result would be that the stockholders of the Federal reserve banks in several districts would be predominantly, if not altogether, volunteer members of the Federal reserve system. Such a situation would be no less than a national calamity. It would destroy the only instrumentality through which the Federal Government can authoritatively supervise the credit machinery of the country. Compulsory membership in the Federal reserve system is necessary to its existence as a Federal instrumentality. The national banking system is, therefore, basic and the emergency condition which has now arisen in a number of large cities by reason of branch banking is necessary to be met in a spirit of justice and fairness to the national banks themselves and, what is of equal if not greater importance, to maintain the permanence of national coordination of credit instrumentalities.

It may be said that many of the national banks in New York and in certain other cities are already engaged in branch banking. This is true only where State laws have permitted branch banking. The national bank act for the past 60 years has authorized a State bank upon converting into a national bank to elect to retain its branches. Later on some of these converted State banks consolidated with other national banks, the branches being retained. Wherever national banks are operating branches within city limits we will find that these branches were originally established under State laws as branches of State banks and that these branches have been carried over into the national system under the provisions of section 5155 of the Revised Statutes of the United States. This form of branch banking has not met the need of the national banks for facilities to meet the competition of State banks in branch banking but has only served to continue this competition.

Under a ruling issued by ex-Comptroller of the Currency Crissinger, and supported by an opinion from the then Attorney General, national banks in cities where State banks were engaged in branch banking were permitted to establish what has been called "additional offices" or "tellers' windows" for the receipt of deposits and cashing checks. The theory of this ruling was based upon the doctrine that a national bank possessed the incidental power to perform this character of service because competition from State banks had created a condition which made it necessary. A limited number of these additional offices have been established, but their status is not legally certain in view of the implications in the decision of the Supreme Court in the St. Louis case, and they are otherwise not adequate to meet the situation. They were designed to meet what was regarded as a dangerous emergency in the national banking system. This bill will clear up the uncertainties which may be involved in this situation.

Now a few words in respect of the other provisions of the bill.

I shall not attempt to analyze in detail all of the sections of this bill, since many of them are obvious upon their face. I may say that the committee, first through a subcommittee, gave these sections the most careful consideration, and later the full committee considered each of them in detail. I may say also that the office of the Comptroller of the Currency has gone over the bill section by section, and both the comptroller and your chairman have held numerous conferences with bankers and their counsel from every section of the country and from every character of community. These sections of the bill were also submitted to the chief national-bank examiners in each Federal reserve district, who, in contact and consultation with the leading bankers in their districts, went over them in detail. Let me emphasize that these provisions have the approval of the Comptroller of the Currency, the Federal Reserve Board, the Federal Advisory Council, the Reserve City Bankers' Association, and the national-bank division of the American Bankers' Association.

Three or four of these sections are of great importance in themselves, and the others, taken in connection with the bill as a whole, will go a long way to restoring the equilibrium in the Federal reserve system between the National and the State banks.

CLARIFICATION OF SECTION 5200

Section 10 of the bill is a reenactment and clarification of section 5200 of the Revised Statutes, which imposes a general limitation of 10 per cent of the bank's capital and surplus upon loans to any one person. The general limitation of 10 per cent and the exceptions thereto as written in the bill remain practically the same as under existing law. The difficulty in the interpretation of section 5200 as it is now carried on the statute books is due largely to the complexity of its language, several amendments having been added from time to time to the original provision. It was considered advisable, therefore, to rewrite the whole section in precise legal terminology so that each exception to the 10 per cent limitation would stand as a complete statement capable of being interpreted with reference to any other part of the law. The language of the bill is still necessarily technical, because it is dealing with the intricate processes involved in financing commercial transactions. No section of this bill has had more careful consideration by your committee than has this section. It is the outgrowth of consultations with Government officials and with numerous bankers and their counsel from every part of the country. The language as it now stands will remove many difficulties confronting national-bank examiners and the bankers in the matter of determining the legality of loans.

REDISCOUNT BY FEDERAL RESERVE BANKS

Section 14 has a very important bearing on the rediscount of paper by the Federal reserve banks for member banks, both National and State. Under the existing law the only exception which a Federal reserve bank can make to this 10 per cent limitation is the rediscount of bills of exchange drawn against existing values. In other words, the only paper which a member bank can now present for rediscount in excess of the 10 per cent limitation is a bill of exchange. This section of the bill broadens the exception to include every class of paper exempted from the 10 per cent loan limit under section 5200. That is to say, if the paper is sufficiently sound and so secured as to permit a person to become liable to a national

bank thereon in excess of the 10 per cent limitation of the capital and surplus of the national bank, this bill provides that such paper will also be eligible for rediscount at the Federal reserve banks in excess of the 10 per cent of the capital and surplus of the bank for whom the rediscount is made. If, therefore, a State bank held paper in conformity with the exceptions enumerated in section 5200 of the Revised Statutes, such State bank might rediscount such paper at a Federal reserve bank.

The practical effect of this provision would be that the Federal reserve banks would be empowered to rediscount not only bills of exchange but also commercial paper in the form of notes and in the form of commodity paper secured by readily marketable nonperishable staples or by livestock or Government bonds. Section 14 would thus broaden the scope of eligible paper and would, therefore, have the effect of facilitating the marketing of agricultural and manufacturing products.

REAL-ESTATE LOANS

Section 18 is a reenactment of section 24 of the Federal reserve act under the provisions of which a national bank is permitted to make loans upon improved real estate. The only substantial change made from the existing law is the increase of the period for which a loan may be made upon improved city property from a period of one year to a period of five years. The demand for this change in the law has been made with great insistency and it meets with practically the unanimous approval of the national banks in the small towns and cities. The large city banks are not particularly interested in lending money upon city property, but in the case of the bank in the small communities the situation is different. First mortgages upon improved city property is the best security which the customers of the banks in the small communities can offer. The present time limit of one year is too short to meet the situation. Such real-estate loans are ordinarily made by State banks for periods from three to five years. A five-year mortgage note upon improved city property is more liquid and has a greater marketability than a one-year mortgage note.

Next to branch banking the competition which these smaller national banks feel most from the State banks is in this matter of real-estate loans. If a national bank can not accommodate its customer by lending him money upon the security of his city property for a period longer than one year, such a customer naturally goes across the street to one of the State banks or trust companies where he obtains a loan upon the security of his real estate for the period he desires. The commercial account of such a customer in many cases will gravitate toward the bank which makes him such a loan. In this manner State banks and trust companies in the smaller cities and towns have been able to make steady inroads upon the business of the national banks to such an extent as seriously to impair their progress. This section as redrafted will have the effect of lifting to a considerable extent this handicap upon the smaller national banks.

INDETERMINATE CHARTER

Section 2 changes the term of the succession of national banks from 99 years, which is the present law, to an indeterminate succession. It provides that a national bank shall continue in operation until its shareholders see fit to dissolve it; or until by reason of violation of law its franchise shall become forfeited; or until its affairs are placed in the hands of a receiver; or until Congress shall by a general or special act terminate its existence. This extension of the succession is, therefore, in no sense a perpetual charter. The life of the corporation is subject to dissolution at the will of the shareholders; at the will of the comptroller if the banking laws are violated, or if the bank becomes insolvent; and at any time by an act of Congress directed either toward a particular national bank or by general legislation affecting all national banks. In other words, Congress could at any time after the passage of this bill restore the succession to the 99-year term or to a lesser term. Personally, while I have no objection to this reservation in behalf of Congress being put in the bill, I am of the opinion that it is entirely unnecessary. This was unquestionably the feeling in this House last Congress as it passed unanimously this committee's so-called perpetual charter bill. The charter powers of a national bank are the national bank act and amendments thereto made from time to time by Congress. Congress is free at all times to amend the national banking laws or to repeal them entirely. It may abolish the national banking system by the repeal of the national bank act. When Congress compelled the national banks to become members of the Federal reserve system a very serious change was made in the charter powers of the national banks.

This provision of the bill does not involve a radical departure in banking practice. The State banks and trust companies in the great financial centers of the country have for years been operating under indeterminate charters. The report of the Comptroller of the Currency for 1921 shows this to be the situation in the following 21 States: Arkansas, Connecticut, Florida, Illinois, Kentucky, Maine, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia. These States include the important cities of New York, Buffalo, Boston, Chicago, St. Paul, Minneapolis, Cleveland, Cincinnati, and a number of lesser financial centers.

A few years ago Congress conferred upon national banks the right to exercise trust powers, and the trust business of national banks has developed with great rapidity since that grant. A charter limited to a term of years is, however, a considerable handicap to a bank exercising trust powers. Some legal doubt has been expressed as to its authority to administer a perpetual trust such as is often made for the purpose of establishing foundations for scientific, educational, and charitable purposes. If the national banks are to act as trustees, they should not be discriminated against by law, so as to embarrass them in handling these foundation funds for schools, hospitals, scientific societies, libraries, art galleries, museums, churches, and the like.

In the matter of long-term trusts, not perpetual, it is certainly a considerable handicap to a national bank to lose the administration of such a trust, for the reason that the trust ran for a longer term than the charter powers of the bank. As a matter of fact, a customer desiring to make a long-term trust will naturally select a State bank or trust company with an indeterminate charter. The national banks are losing trust business of this character.

It is recognized that the trust business has become a part of a well-rounded banking service. The administration of trusts is very profitable business for a bank. The trust companies operating under State laws are not only doing a regular commercial banking business but the trust business serves to increase the commercial business of the bank, and vice versa. The conduct of a large trust business by the State banks and trust companies has certainly not proven a detriment to the efficiency or to the soundness of their commercial business. There may have been a time in the history of banking in the United States when a banking service could be rendered by purely commercial banks. That day has passed. The development in the large cities is toward great banking houses doing all forms of banking under a single charter. We will never go back to the time when the receipt of savings deposits, the exercise of trust powers, and the conduct of a commercial banking business were totally divorced and conducted as separate institutions. Congress has already recognized this fact by enlarging the charter powers of the national banks to permit them to do both a savings and a trust business. This section is designed simply to permit them to do this trust business without embarrassment.

MISCELLANEOUS PROVISIONS

I shall not attempt to discuss in detail the remaining sections of the bill but will merely give a brief outline.

Section 1 permits the direct consolidation of a State with a national bank. The purpose is to eliminate the cumbersome step of first requiring a State bank to convert into a national bank before such a consolidation may take place.

Section 4 permits the organization of national banks in outlying sections of a city with a capital of not less than $100,000.

Section 6 legalizes the position of chairman of the board of directors.

Section 12 eliminates the criminal penalty for certifying a check before the deposit has been regularly entered upon the books of the bank. The penalty remains for certifying a check if funds are not in the bank at the time of certification.

Section 13 permits the board of directors of a national bank to designate an assistant cashier or vice president to sign reports to the comptroller in the absence of the president and cashier. This situation sometimes arises in case of sickness or other unavoidable absence.

Section 15 permits national banks to own stock in a safe deposit company located in or adjacent to the bank, and section 5 permits national banks to pay dividends in stock. Stock dividends are now permitted national banks under a ruling of the office of the comptroller.

Section 16 and section 17 provide certain criminal penalties for the protection of both national and State member banks of the Federal reserve system.

I am absolutely convinced that the enactment of this bill into law will put a stop to the desire of national banks to leave the national system in favor of operating under State laws. This bill is conservative and safe. It makes no concessions to unsound principles of banking. Through the cumulative effect of all of its provisions it will give new life to the national banking system and unquestionable permanence to the Federal reserve system.

DUTY OF AMERICAN CITIZENS

Mr. BIXLER. Mr. Speaker, I have listened here day after day to many splendid oratorical discourses, some commending, others assailing, this administration and the "do nothing" Congress, and I rise in self-defense. Since taking my seat I have worked quietly but enthusiastically, energetically, and untiringly in an effort to do my duty as a representative of a part of this great Nation. Much of this work is done in committee in order to get first-hand and detailed information on various subjects. To be brief, if nothing else were accomplished, the small reduction of 25 per cent for 1923 taxes is one item. As everyone knows, as a war necessity taxes higher than ever dreamed of had been placed upon our people, a tax burden so heavy that it was strangling industry and suppressing initiative and enterprise. Coincident with the Republican policy of economy came tax reduction. Under the Harding administration a revenue law was passed making substantial reduction in the high Federal taxes. Due to increased business and industry and to the economies of the administration, a very substantial surplus was created in the Federal Treasury.

This enabled our honorable Secretary of the Treasury, Andrew W. Mellon, to prepare and offer for consideration a systematic and workable plan of tax reduction, which met the approval of all citizens, and so a new revenue measure coming out of this plan has been enacted by a Republican Congress and approved by President Coolidge, who promises broader reductions and reforms in the next session of Congress. This new law relieves those of small incomes of all income taxes, those with an income of less than $10,000 per year secure about a 50 per cent reduction, and those up to $22,000 receive practically a 50 per cent reduction. Those whose income exceeds the latter amount will get a reduction less in percentage but nevertheless a substantial reduction. Practically all the excise taxes have been repealed. The national debt has been reduced in a greater sum under the Republican administration since the close of the war than our debt was reduced for the entire period from the close of the Civil War to the time of our participation in the World War.

Under the wise leadership of the late President Harding a sane program was outlined and followed. His successor, our Chief Executive, Calvin Coolidge, admirably fitted and qualified for the task thrust upon him, took up the work. He has carried on, and under his sane and statesmanlike leadership, his pronounced policy of economy, the Republican Party will continue to "Keep cool with Coolidge" and thereby continue the work so well begun. Economy: Keeping expenditures within our revenues. Result: A sound Treasury, and with it faith and confidence in our Government. Speaking of the Treasury, which contains the people's money, it should be guarded and the doors should not be left ajar for every call made upon it. There should be a reserve for a rainy day. Many times after bills are passed in good faith and after the President consults with his advisers and the Secretary of the Treasury and the Treasurer of these United States, and it is found impracticable to pay out such vast sums as are sometimes involved, and the President, in his good judgment, believes it would be a drain on the Treasury to such extent that he vetoes such measure, it is my opinion he should be sustained by his Congress.

American citizens are responsible for the character of their government—whether it be Federal, State, or local. Our public officials are nominated and elected by the people. It should be kept in mind that the work of getting good public officials is not all done on election day. It begins in the party primaries and conventions. This preliminary work for the coming presidential election is now well under way. In many States the dates of primaries and conventions for selection of candidates are past, in others they are scheduled. It is the duty of every good citizen who wishes good government to belong to a party and to participate in his party elections. It is his duty to see that the candidates nominated are party men who represent the party principles and who are pledged to support its policies and cooperate with its organization. Only in this manner can we have responsible party government, which is the most successful form of representative government yet devised. During the last few years there has been a great deal of propaganda decrying party activity. There has been an attempt to make virtue of so-called nonpartisanship. Instead of nonpartisanship being a virtue, it is a menace. It tends to break down representative government. The need of the hour is not for less partisan activity but for more of it.

The underlying cause of most political evils of to-day is the indifference of our citizens to their right of suffrage. Even the briefest study of nomination and election figures shows that the majority of the legal voters are taking no part in either their party primaries or the general elections. Less than half the citizens of the United States voted in the presidential election of 1920. The percentage taking part in the congressional elections of 1922 was even less. Such conditions make possible a government by the minority.

Representative government is not automatic. It is not self-supporting. It draws not only its authority from the people, but it draws its strength and vitality from them. Unless they participate in public affairs in an active and intelligent manner their government must of necessity cease to be representative.

I implore both men and women to take active interest in public affairs; to study and read and to glean the good from the bad, the truth from the scandal and hearsay; and to go to the polls well equipped to cast their vote on the right side. This is the duty and privilege of every American citizen.

We must educate our children and ourselves to know the laws, both written and unwritten, and to obey them, and not because others break the law be inclined to believe the world is all wrong and there is not need in making or obeying the law.

The Republican Party has always stood for protective tariff, and the result has always been prosperity. Here you have an important difference between Republican and Democratic fiscal policies and results. The Democrats always get less revenue from their legislation than they expect; the Republicans get more. The Democrats get less because their laws discourage business; the Republicans get more because their legislation encourages business. Which do you want?

Among other accomplishments of the Republican Congress, the much-needed immigration law with protection to our native and adopted sons is another move in the right direction.

Although it has not yet received its full measure of prosperity, agriculture has gone forward a long distance from the depression of 1921, and conditions justify the belief that this improvement will continue. I would suggest that a commission be appointed of men well versed in this line to make a complete investigation of agriculture and to determine the best method of relief. Agricultural relief can not be temporary, as prices are fixed by supply and demand. Action is promised in the December session.

Business is optimistic and preparing for a record-breaking year. Government securities are selling at par and better, while interest rates are normal, encouraging legitimate industrial and business expansion. Let us keep looking upward, with our eyes on the stars and our feet on the ground.

FEDERAL RESERVE BANKS

Mr. FULMER. Mr. Speaker and gentlemen of the House, during the last Congress a joint congressional committee was appointed with Mr. MCFADDEN, of Pennsylvania, as its chairman, to hold sessions between the Sixty-seventh and Sixty-eighth Congresses for the specific purpose of ascertaining what could be done to bring about a better feeling on the part of member banks toward the Federal reserve banks and to induce nonmember banks to join the Federal reserve system. Although this committee was to report to the Sixty-eighth Congress six months ago, up to this time we have not yet had this report. I have asked for it repeatedly and have in each instance been informed that it had not yet been printed.

Now, Mr. Speaker, the refusal of this commission to make this report so that some intelligent information could be had in connection with the reason for the passage of this McFadden bill should be, I am sure, a very just reason on the part of the House not to pass this bill at this session of the Congress, in order that Members may have a chance to know the real situation.

I have received around 2,000 letters from national banks from every State in the Union in the interest of my bill, H. R. 3206. Although these letters recite their grievances and suggest what should be done to relieve the situation, not one of them mentions branch banking.

I wish to warn State banks and independent National banks that if they sit idly by now and permit the passage of the McFadden bill during this Congress or the next they will very soon have the displeasure of seeing branch banking all over this country, and that their days of usefulness to agriculture, to individuals, and to small business communities will come to

an end. I also wish to take this opportunity to warn Members here who are interested in equal rights to all and special privileges to none, and those of you who do not want to see the small, independent banks pushed out or forced to sell to these money barons who seem hell bent on controlling the financial system of this country, you had better go slow in lending your aid toward the passage of this bill. No doubt many of you have received letters from your banks at home telling you how they are being sidetracked, penalized, and left by the roadside, helpless because of the burdensome regulations and manner of administration of the Federal reserve system; yet none of them have said we want a bill passed to allow branch banking either in the large cities or anywhere else.

You should read my speech on the Federal reserve system in the CONGRESSIONAL RECORD of June 5, and you will find why national banks are leaving the system—not for branch banking, as some folks would have you believe. I have received fifty-odd letters from national banks or bankers from the State of California relating their trials and tribulations as members of the system, but not one of them states that they want branch banking.

I have 100 letters from Mr. MCFADDEN's State, Pennsylvania, also backing my statements as related in my speech of June 5, but not one of them mentions branch banking. I wish that I could be allowed to print in the RECORD these 2,000 letters from every State in the Union so that Members of Congress might be enlightened on this subject. I hope that you will get in touch with your banker while at home this summer and acquaint yourself with the facts straight from your banker. They tell you about indorsements from bankers' conventions. Who is it that runs these conventions and puts through these indorsements? If you have had anything to do with politics, political conventions, or any other kind of conventions, you know that just a few schemers usually run things. While you are at home this summer drop in and talk these matters over with your bankers and come back next December and let us put through some legislation that will dig down to the root of the matter regardless of what those who represent special interests will have to say about it.

I am going to take the liberty to insert in the RECORD just three letters from Representative MCFADDEN'S State that you might be able to know how his bankers feel on the subject discussed by me on the 5th of June.

Now, let us see who appeared before the Banking and Currency Committee asking for the establishment of branch banking because of the necessity to compete with certain State banks now engaged in branch banking. First, Mr. E. H. Cruse, assistant legislative representative, Brotherhood of Locomotive Engineers, Washington, D. C. If you will read his one-page testimony in the hearings, you will readily see that the reason he gives for branch banking plainly shows what he knows about any kind of banking. Next, Arthur J. Lovel, president of the same organization. I want you to read his one-half page statement on page 48 of the hearings and see what he knows about banking and why he is making an appeal for the passage of the McFadden bill. Listen to this statement of his:

> I just want to second what Mr. Cruse has said. Our brotherhood has no bank, but we have between twelve and thirteen millions of dollars on deposit with these banks throughout the various States, and we do not see any good reason why there should be any difference between the privileges of the State banks and the National banks. We do not know why there should be flesh of one and fowl of the other.

Why should these two men who live here in Washington and represent certain unions and who say, "We have no banks, but we can't see why," and so forth, be listed? Because when Mr. MCFADDEN appears before you he will be in a position to tell you that those representing labor unions appeared and indorsed the measure.

Next comes Mr. Edward Elliott, vice president Security Trust & Savings Bank, Los Angeles, Calif., who states:

> We have 33 branch banks with capital and surplus and undivided profits amounting to $14,000,000 and deposits of $185,000,000. You may go to it with wide-open branch banking, provided you allow us to continue to remain members of the Federal reserve system so that we may enjoy all of the privileges now enjoyed by national banks.

I want you to read in his testimony a letter from the Federal Reserve Bank of San Francisco, Calif., signed by the chairman of its board, in which it is stated that it will be satisfactory to remain in the system and establish branch banks, provided they do not impair the general strength and safety of the institution. I fail to find anywhere in the Federal reserve act any power granted to the system to encourage branch banking by taking on State banks with branches and saying to them, "You can continue to reach out, buy up, or force out independent banks and come right on in the system, for it will take care of you." Now, to cure this ill it is proposed to extend branch banking to national banks. You will be told that this will apply only to cities of certain population and States where the State laws permit branch banking, and so forth. You know what this means.

If you are going to allow it in cities of 25,000 inhabitants, then in cities of 5,000 or 10,000, why not the State as a whole? Next, we have before the committee Mr. John S. Drum, president Mercantile Trust Co., San Francisco, Calif., who states that 88 State banks in California have 480 branches. He also states that his bank has 46 branches, whose capital, surplus, and undivided profits aggregate $12,500,000 and whose deposits amount to $128,000,000. He still further states that he and Mr. Elliott represent the four largest banks in California, namely, Bank of Italy, with 75 branches; Mercantile Trust Co., with 46 branches; Pacific Southwest, with 75 branches; Security Trust & Savings Bank, with 28 branches. The combined capital of these four banks amounts to $1,000,000,000. Just think of two men representing four banks controlling 264 branches in 264 communities removed from the four mother banks! Yet these communities are under the control of these two men, or perhaps four men, at the mother banks that are far removed from the personal touch of the people comprising them. With the backing of a billion dollars, these two or four men can by a stroke of the pen either take care of any of these communities or special interests represented there or destroy them. This is not right, and you should demand more time on this McFadden bill, so that you may acquaint yourself with the facts and do the right thing in this kind of legislation. Mr. Drum states:

> We have about 45 to 47 per cent of the entire deposits of all the banks in California.

Thus the whole scheme, when finally worked out, will place the United States in line with England. In 1842 she had 429 banks; in 1922 only 20 banks. Of these 20 banks, 5 controlled practically all of the banking of the nation. About 7,900 branches are in operation. There are only about 9 banks with 1,400 branches in Scotland. Ireland has about 9 banks with 800 branches. In 1885 there were 41 independent banks in Canada; in 1905 only 35; while to-day 14 banks with 5,000 branches are operating there. In other words, Montreal and Toronto control the finances of Canada. You will find these statements in the Bulletin of American Institute of Banking for July, 1923. Mr. Dawes, Comptroller of the Currency, recognizes that branch banking will ruin the country, yet, I suppose, in carrying out a policy settled upon by some of the members of the Federal reserve system, he joins with them in recommending the passage of the McFadden bill. Listen to Mr. Dawes's statements:

> In branch banking character loans are impossible. By character loans is meant loans to people whose collateral is perhaps faulty from a technical standpoint but who are entitled to credit on account of their constructive influence in the community and intiative, enterprise, and character. This applies with particular force to the young, aggressive type of man, who has built up the western and pioneering sections of the country. Jim Hill, for example, at the beginning of his career did not have the kind of collateral which would pass the scrutiny of a branch banker. The development of America is dependent on nothing more than on the independent unit bankers of vision, courage, and independence, whose first interest in the creditor is his character.
>
> The coercive power of a branch banker bent on expansion is very great. He is able to temporarily reduce interest rates until he gets banking control, and the cost of this can easily be reimbursed after he has secured a monopoly. The branch banker can secure the services of the employees of the unit banks by higher salaries. They can have the patrons of their own institutions influence and compel their customers and people who depend upon them for business accommodations to transfer their accounts from unit banks into the branch banks.
>
> The third point, which is frequently of very great importance, is the ability to take care of emergency situations. When an acute emergency arises in a community it is impossible to get prompt and effective assistance where the local representative is compelled to refer back to the head office in another city. Even if the control of the institution were disposed to go to extreme lengths to relieve an emergency, by the time the necessary red tape was unrolled the assistance would be too late.

Mr. Platt, a member of the Federal Reserve Board, originally from New York, let the cat out of the bag when he made the following statement before the committee. Quoting Mr. Platt:

> I think I may fairly say that the members of the Federal Reserve Board regret that this liberalizing feature of the bill does not go to the full limit of permitting the establishment of branches in all cities

large enough to have need for outlying banking facilities as a matter of right and without regard to the limitations of State laws. It would seem that the national banks might sometimes be permitted to take the lead in a matter of branch banking, which every competent banker and every economist approves.

Now, gentlemen, what more do you want than this statement coming from the Federal Reserve Board to satisfy your minds as to who wants branch banking and for what purpose. I want to say to Mr. Platt, who seems to represent the feelings of New York in this branch-banking liberalization, that under the original Federal reserve act we had very little kick coming from member banks—national banks—and to-day they are not, as he would have the Banking and Currency Committee believe, wanting liberalization by allowing branch banking, and neither will that keep them from continuing to give up their national charters and go into the State system. Mr. Platt stated that since 1918, 173 national banks have gone into the State system. They did not leave the national system to engage in branch banking, but did so because they have been paralyzed by the regulations and the administration of the Federal Reserve Board.

Listen to this statement of the Comptroller of the Currency, Mr. Dawes, and see if he does not back up my statement to the limit when he states in his 1923 report, pages 17 and 18. I now quote Mr. Dawes:

The national banks of the United States have a record of service and accomplishment without a parallel in the history of finance. No group of institutions operating under a single law has ever marshaled the resources and mobilized the wealth that they have done. In this achievement the operations of all of the component banks have been made to conform as closely as is humanly possible to a single standard. This has been accomplished without developing the rigidity of practice which would interfere with the independent action necessary to meet the requirements of communities which vary in our country all the way from the fully crystallized and finished state of older settlements to the new pioneering and developing sections. It is not possible that an organization with such a proud record of accomplishment should overnight complacently surrender its independence or could without a wrench adjust itself to either a subordinate or coordinate relationship with any new system, however well conceived and wisely administered the new instrumentality might be.

The Federal reserve system, on the other hand, is a new conception, controlled by men of imagination and independence and possessing the virile and aggressive characteristics of youth. The national banking system, which has behind it the traditions of 60 years of successful operation, is required to compromise and conform its policies and operations to those of this new organization. It is a situation which must contain the elements of conflict, and the ultimate adjustments can only be made by experimentation, mutual understanding, and a devotion to a common cause.

The Comptroller of the Currency knows what he is talking about. What stronger statement could have been made that would back up my contentions?

Did you get that statement? The system is controlled by men of imagination and independence. Yet these men have the power of the President of the United States when it comes to the management of the finance of America.

A further statement from Mr. Dawes in the hearings on page 27. In answering questions of Mr. GOLDSBOROUGH, he says:

I do not think any bank can operate a branch bank on an extensive scale to be a real menace and do it outside of the Federal reserve system.

Now, gentlemen, this statement from the comptroller is the milk in the coconut. Listen to this question of Mr. GOLDSBOROUGH:

Would not it be better to restrict the opportunities of the State banks who do branch banking than to increase the opportunity of the national banks to do it?

Now, I contend that this is the sensible thing to do and can be done.

They call this McFadden bill an antibranch banking bill, and this statement has gone out to banks of the country and to banking associations. A great many banks, as well as banking associations, have indorsed the bill, believing that it means the stopping of branch banking. This bill, or section 9 thereof, is purely a proviso to enable national banks to engage in branch banking, and if enacted into law will soon be amended so as to extend the privilege to every nook and corner in this country.

They had a convention some time ago at Boston, Mass., and to show you how these conventions are worked we will take a little time here to relate what happened. A select committee was selected to go down to Washington and wait upon Mr. MCFADDEN's committee that held hearings last summer, and these are the folks who are interested in country banks and who usually tell the Federal reserve system, as well as Mr. MCFADDEN's committee, where to get off. The following gentlemen composed the committee:

The Hon. Henry Cushman, Bangor, Me., representing the First National Bank with resources of $7,300,000; Arthur M. Heard, Manchester, N. H., president of a bank with resources of $5,018,000; C. L. Stickney, Brattleboro, Vt., representing resources of $5,400,000; I. W. Cook, New Bedford, Mass., president of a bank with resources of $12,222,000; F. A. Onthank, Fitchburg, Mass., representing a bank with resources of $5,705,000; Thos. A. West, jr., Providence, R. I., coming from a city with seven banks whose resources range from four to sixteen millions; and, lastly, H. T. Holt, Hartford, Conn., representing three banks whose resources amount to eleven, seventeen, and twenty-two millions, respectively.

The reports of the meeting further show that this commission, which, I am sure, is deeply interested in the Northwest, where banks have been going broke almost daily for the last year, made a request as follows—quoting their own statement:

We desire the distinguished Boston banker, Mr. Alford M. Aiken, be added to us as a temporary member to pilot us through the "mazes" of the meeting at Washington.

May the Lord bless and save us.

Who is this distinguished banker from Boston? He is president of the Shawmut National Bank of Boston, with resources of $166,125,000.

Following up this special bankers' convention, a convention was called at the Boston Federal Reserve Bank to be attended by member banks of the Boston district. At this convention the opening address was made by W. P. G. Harding, who also acted as chairman of the convention. Mr. Harding stated in the convention, as shown by the record:

Your committee—

Referring to the above seven bankers—

has done excellent work and evidently has made an impression on the joint congressional committee—

McFadden investigating committee—

and you will be asked to back up your committee, uphold its hands, and adopt the same resolutions that were presented by it to the joint committee of Congress. You may not get what you want, but there is no use in adopting a compromise to start with. Compromise when you have to, but don't compromise in the beginning.

Mr. Harding further stated:

The movement which you gentlemen have started here in the first Federal reserve district (Boston) is being followed with the greatest interest not only by the Federal Reserve Board but by the officials of the other Federal reserve banks. In fact, there are present here to-day representatives of the Federal Reserve Board and of several other reserve banks and therefore it would appear there is strong probability that if the organization in this district proves to be a success, as I feel it will, the stockholders of the reserve banks in other districts will follow the lead that you have set.

Under the leadership of this same W. P. G. Harding, who is still scheming, the system in 1921 extracted from the pockets of member banks the huge net earnings, after all expenses were charged off, of $82,000,000. This very large net increase in profits was brought about because of high rediscount rates put into effect in carrying out that most ruinous deflation policy that was planned and originated behind closed doors on the 18th day of May, 1920, which will go down in history and if not in history in the minds of thousands and thousands of innocent victims as the most outrageous, uncalled for policy that has ever been put on our people. Thousands of banks went down under it, lots of others are so maimed that they will never be able to work out, and others will take five years to be able to charge off bad debts that they got caught with.

After the war the press, the Government agents, and folks generally, called upon everybody to do their bit. The world was naked and hungry. We needed large crops and large supplies of manufactured goods and everybody set about to carry out this program. Country banks with $25,000 capital rediscounted with the system from $50,000 to $100,000. Many of them made as many as three or four loans to individual farmers to buy fertilizers, pay labor, and to carry on their extensive farm work prior to the putting on of this deflation policy.

In the year 1920 the millstones began to grind. It is useless for me to paint the next picture for you know all about it and have felt it too, no doubt.

We are told that the first proof of a murder is the corpse and here are the corpses of murdered values just as they were

struck down by the Federal reserve bludgeon. Let us look them over.

| | Corn, Chicago | New Orleans, middling cotton | No. 2 wheat, Chicago | Ohio wool |
|---|---|---|---|---|
| 1920 | | | | |
| January | $1.47 | $0.40 | $2.63 | $1.23 |
| May | 1.98 | .40 | 2.97 | 1.16 |
| June | 1.83 | .40 | 2.89 | 1.00 |
| July | 1.53 | .39 | 2.80 | .90 |
| August | 1.53 | .33 | 2.47 | .87 |
| September | 1.29 | .27 | 2.40 | .83 |
| October | .87 | .20 | 2.20 | .72 |
| November | .80 | .17 | 2.05 | .69 |
| December | .73 | .14 | 2.01 | .54 |
| 1921 | | | | |
| January | .65 | .14 | 1.96 | .54 |
| February | .63 | .13 | 1.91 | .54 |
| March | .61 | .11 | 1.67 | .52 |
| April | .55 | .11 | 1.38 | .52 |
| May | .60 | .11 | 1.56 | .50 |
| June | .60 | .11 | 1.43 | .49 |
| July | .60 | .11 | 1.22 | .49 |
| August | .55 | .12 | 1.23 | .49 |

Here we have a drop in corn from January, 1920, to August, 1921, of 92 cents per bushel, and on the same dates a drop in cotton of 28 cents per pound and a drop in wheat of $1.40 per bushel. Just think of the millions that were made by those who were on the inside by selling short, knowing that such a policy was being put on. Let us look at some other figures sliding the wrong way for the cattleman.

*Steers at Chicago, 1920*

| | |
|---|---|
| January | $15.93 |
| June | 15.03 |
| October | 14.68 |
| December | 12.09 |

*Steers at Chicago, 1921*

| | |
|---|---|
| January | $9.84 |
| June | 8.09 |
| August | 8.77 |

But, did they restrict credits? The total loans and discounts including bought paper in all of the 12 reserve districts stood as follows:

*1920*

| | |
|---|---|
| October | $3,099,672,000 |
| November | 2,983,103,000 |
| December | 2,974,836,000 |

*1921*

| | |
|---|---|
| January | $2,622,174,000 |
| February | 2,500,013,000 |
| March | 2,356,160,000 |
| April | 2,180,178,000 |
| May | 1,995,051,000 |
| June | 1,782,951,000 |
| July | 1,661,036,000 |
| August | 1,527,255,000 |

In 1921 there were 19,625 business failures as compared with 6,541 in 1919, or an increase of 13,174—more than three for one. The liabilities of these failures aggregated $627,401,000, an increase over 1919 of $514,000,000—more than five to one. In the so-called panic year of 1907, the high tide of business failures, liabilities amounted to only $197,000,000.

In the first six months of 1921 there were 4,527 suicides, against 1,810 for the same period of 1920. Here is what this tragedy of drastic deflation did to the farmer as measured for the years 1919, 1920, and 1921:

| | |
|---|---|
| 1919—Value of farm products | $13,500,000,000 |
| 1920—Value of farm products | 9,000,000,000 |
| 1921—Value of farm products | 5,675,000,000 |

Now, let us see what this Federal reserve deflation policy did for the banker. In 1921 there were 404 bank failures, involving liabilities of $173,027,776. In 1922 the failures numbered 227, with liabilities of $77,735,551. During the 12 months of 1923 there were 504 failures, representing liabilities of $196,790,000. The reports show that in the last calendar year there were failures of 77 national banks, member banks of the Federal reserve system. More national banks failed in this country during 1923 than did from 1914 up to the time of the putting on of the deflation policy.

While this destruction has been arrested somewhat in some sections of the country by tariff legislation, the South, West, and Northwest still have banks breaking almost every day, and farmers in such dire distress until even the President of the United States has gone out begging for them. I merely mention these facts to show you what a few men having control of the great financial system of this country can do.

We have more than 9,000 country member banks of the system, besides twice as many banks outside of the system; and I am sure that when they have had a chance to speak on the matter and when the facts have been put squarely up to them, they will take advantage of the opportunity this summer of putting you wise so that you will be prepared to head off the propaganda that you will be flooded with next December, and you will thereby pass some legislation in the interest of the great masses of banks instead of a special interest, which proposes to run the financial system of this country as well as Congress.

FIRST NATIONAL BANK,
*Ulster, Pa., January 25, 1924.*

Hon. H. P. FULMER, M. C.,
*Washington, D. C.*

DEAR SIR: Yours of the 12th is received. Our people are heartily in favor of your bill, H. R. 3206. Practically all the shareholders of this bank are farmers, and they can not see why 80 people here should furnish the Government funds at no rate of interest while it is paying other people in our midst 4½ per cent.

You may count on our support. Of course, our Mr. MCFADDEN, of this district, is already for the bill.

Yours truly,

R. B. ALLEN, *Cashier.*

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THE CURWENSVILLE NATIONAL BANK,
*Curwensville, Pa., January 25, 1924.*

Hon. H. P. FULMER,
*House Office Building, Washington, D. C.*

DEAR SIR: We have yours of the 12th advising us of the proposed amendment to the Federal reserve act.

We are mighty glad that somebody has had the courage to make this kind of a proposition.

The present law as it stands is decidedly unfair to the member banks. The member banks are furnishing the capital for the reserve banks to play with, and the fact that we are not getting any small rate of interest on daily balances, and the further fact of their system of acting as clearing house for all checks, is depriving the member banks of a considerable income.

Our contribution or penalty, or whatever it may be called, for being a member of the reserve system is costing us about $200 a month. The only comfort we get out of it is to regard it as cyclone insurance.

My recollection is that in a recent year the 12 reserve banks showed a profit of about $60,000,000. The dividends to the member banks came to about $6,000,000, the difference, under the law, going into the United States Treasury, after the member banks had been liberal to themselves in salaries and expenses. The salary of the governor of the Philadelphia bank some time ago was $30,000 a year; it may be more at this time. That would be equal to about the salaries of 10 ordinary bank presidents and beats playing Congressman about 3 to 1. We have never felt as warm toward the system because of the facts related above, but would feel more enthusiastic if we, with the others, were not being made the goat.

Wishing you all success in your efforts to have this bill passed, we are,

Respectfully yours,

ANTHONY HILE, *Cashier.*

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THE DUBOIS NATIONAL BANK,
*DuBois, Pa., January 25, 1924.*

Hon. H. P. FULMER,
*Member of Congress, Washington, D. C.*

DEAR SIR: Referring to your House bill 3206, we agree with you that interest should be paid on our reserve account with the Federal reserve bank, or reduced reserve requirements.

The capital of the DuBois National Bank is $100,000, and we are required to maintain a reserve balance in excess of $90,000, without interest. In addition our cash in bank of $50,000 or $60,000 is not considered as part of our reserve. Does this look like justice?

The total earnings of the Federal reserve banks from January 1, 1914, to January 1, 1924, exceeds $425,000,000. The Federal reserve banks, with a capital of $110,000,000, have paid a franchise tax of $130,000,000 to the Government. Our capital in the Federal Reserve Bank of Philadelphia has averaged over $9,000, and we have paid indirectly a franchise tax in excess of $11,000 to the Government. This is in addition to all the corporation taxes, State and national, which we pay as corporations. Does this look like justice?

From about 29,000 banks in the country eligible for membership in the Federal reserve system there are only a little over 9,000 banks which are identified with the Federal reserve as members.

We think the country needs the Federal reserve system, but the minority of banks should not be compelled to carry the entire financial burden of the country.

The Federal reserve system now indicates that it is a reserve city bankers' bank, in which the big banks in the city benefit by the credit they can obtain across the street from the Federal reserve, and loan it to the country banks. The city banks therefore retain the country banks' deposits. As one writer has said on the subject, "The country bank obtains bootleg credit."

I hope to see that this session of Congress will give some relief to the members of the Federal reserve system. I have already taken this matter up with our Congressman, Mr. SWOOPE.

Appreciating your interest, very truly yours,

W. G. BROWN, *Cashier.*

THE ANTILYNCHING BILL

Mr. TILLMAN. Mr. Speaker, in the RECORD of two days ago the author of the antilynching bill, H. R. No. 1, deplored the fact that his favorite measure had no chance of passage during this session. That is as it should be, and yet the black shadow of this vicious proposition still hovers over the Congress and the country. It is time for plain talk about this most unjust and mischievous bill. Taxes are now too heavy to be borne with any degree of patience, and yet this bill seeks to impose upon communities guilty of no wrong heavy penalties for the act or acts of people living in another county, State, or jurisdiction.

This antilynching bill is being used to keep within the Republican ranks the black voters of the Northern States. It will never pass. If it should pass, it will be declared unconstitutional; and therefore the negro vote is being herded in line by Republican false pretense, as usual. The South condemns the lynching evil, although the baleful shadow of the dusky rape fiend hangs over every southern home like the blight of death. The knee-crooking politician in quest of the colored vote views with silent unconcern the cause of many lynchings. They do not seem to realize that in this land of Christ in countless communities, no mother is safe for an hour unless guarded by watchful husband or son. Let us put an end to horrible mob murder; there is no excuse for it; but a measure like the antilynching bill now pending is infamous, and there is no constitutional warrant for its enactment.

FARM LEGISLATION

Mr. ASWELL. Mr. Speaker, under general leave to print on farm legislation, I submit the following telegram from Mr. B. F. Yoakum to the President of the United States:

JUNE 5, 1924.

The PRESIDENT,

*Washington, D. C.:*

Newspaper reports state that you have declined to approve a last-minute farm bill which contemplated establishment of a farm-product marketing scheme under the War Finance Board. Those engaged in and suffering from destructive conditions of agriculture will indorse your stand in refusing to be a party to small, insignificant scheme designed for political effect which would not in any way benefit farmers but tend to lower the standard of the biggest and by far the most important economic problem affecting the Nation's welfare. There is no political paternalistic plan that will overcome self-evident fact that 34,000,000 farm population can not recover their tremendous loss and extricate themselves from bankruptcy so long as existing system of marketing compels them to support 19,000,000 food-dealer population and pay toll through six different channels, each exacting their profits and commissions between farmer and his final customer. After exhausting all unsound and temporary theories you will reach the conclusion that the only plan that will overcome the fundamental difficulties destroying farm industry can be accomplished through national cooperative farm marketing organization, controlled and managed by farmers in same manner that every other business of the country is operated by those who own their plants and raw materials. There is no use for Members of Congress being deceived by designing interest or Government department heads. Agriculture can not restore itself to profitable basis until those who grow and own the products control the sale of them.

B. F. YOAKUM.

SALARIES OF POSTAL EMPLOYEES

Mr. O'CONNOR of New York. Mr. Speaker, early in this session of Congress, when hearings were being held before the Committees on Post Offices and Post Roads of the Senate and the House of Representatives, I prepared and caused to be issued to the press a statement signed by the entire Democratic delegation in the House of Representatives from the State of New York, as follows:

We believe the importance and necessity of adequate postal service is so great that unless the salaries paid to the employees in that service are increased to meet the present cost of living the service must necessarily suffer by losing many of its trained employees and failing to attract the proper types of men and women willing to enter the Government service.

They are among the most efficient and hardest working of our Government employees, and at the same time among the poorest paid.

In 1920 the salaries of clerks and carriers, for instance, were fixed at from $1,400 to $1,800 a year. At that time it was represented to these employees that the cost of living would gradually recede in the following years. Everybody knows this prediction has not come true. To meet the present cost of living an immediate increase substantially to the maximum of $2,400 requested is imperative.

It is absolutely essential to the well-being of the entire country, urban and suburban, that we have the most efficient Postal Service possible. We can not have such a service without trained and efficient employees, and we can not have efficient postal employees unless we pay them a wage commensurate with the present standards of living.

Trained employees are leaving the Postal Service and entering other occupations where they receive higher salaries, and consequently our Postal Service is losing in its efficiency.

There is no public servant upon whom business or other public convenience is more dependent than the postal employee, and we believe every effort possible should be made to adjust conditions that will retain in and attract competent men and women to the service.

The joint committee in charge of this legislation proposes to hold hearings during the first week in March, at which time the Democratic Members of Congress from New York will record their approval and support of this legislation.

America now leads the world in the efficiency of its postal facilities. To maintain that leadership this legislation is indispensable.

The members of our delegation also personally appeared before the committees and advocated relief of these underpaid Government employees. After these committees had reported bills to their respective Houses, application was made to the Rules Committee of the House of Representatives, of which I am a member, for a special rule bringing the subject before the House for immediate action. In that committee I, in conjunction with the three other minority members, constantly urged action on the measure.

We expressed it as our opinion that the Members of Congress were overwhelmingly in favor of readjusting the salaries of postal employees and that no other legislation pending before this Congress was of more vital importance.

The recent overwhelming action of the Senate on the bill pending before that body justified our prediction. This question now comes before us, gentlemen, under a motion to suspend the rules and pass the Senate bill by substituting the provisions of the House bill for those in the Senate bill. This substitution is asked for for the reason that it is the general belief of those Members of the House of Representatives who have studied the question that the provisions of the House bill are more equitable to the postal employees.

While it was hoped when this subject was first being considered that an increase running as high as $600 a year for the city carriers might be obtained, it has been necessary to compromise so that the proposal entails an increase of $300 for those employees.

The postal employees are the direct servants of the Government, numbering about 300,000 individuals located in every community of the United States and its Territories. Their wages have not been advanced to meet the increased cost of living as in other lines of employment. When the readjustment of their salaries was made in 1920 it was contemplated there would be a reduction in the cost of living. You gentlemen all know this anticipated reduction has not materialized. So it is only fair the Government should carry out the arrangement tentatively agreed upon in the 1920 adjustment.

No one who appeared before the committee opposed an increase of salaries of these employees. There was among the advocates, however, a difference of opinion as to the amounts of increases and certain business interests feared that the adjustment of salaries would entail an increase in postal rates. The Post Office Department advocated the postponement of any increase until the sources of revenue by increases in postal rates could be ascertained.

It was apparent to the committee that this latter method was not the correct one to pursue. The Post Office Department should first make up its budget including adequate salaries for its employees, and thereafter postal rates should be fixed so that they would yield sufficient revenue to meet the expenses of the department.

Few persons outside the Postal Service itself realize the magnitude of the operations of this department carried on by its employees. It is a highly specialized line of work requiring years of experience and not fitting those engaged in it for any other line of work. While being trained for this service these men lose all adaptability for other lines of work, so it is only fair and just that they be adequately compensated while devoting their services to their Government.

It is estimated that this bill which we are about to pass involves an increased expenditure on the part of the Government of about $64,000,000, an average increase of about $200 per year for the 300,000 employees. Surely no one can begrudge this small amount to these servants of the Government when it is the first increase they have received in four years,

while other employers have been periodically increasing the salaries of their employees. This Government, above all other employers, can not afford to be niggardly with its employees, and those persons who use the facilities of the Postal Service must unselfishly contribute their mite toward the increased cost entailed by this adjustment through increased salaries.

The business man of New York who mails, at a cost of only 2 cents, an important letter to San Francisco, involving probably thousands of dollars in its safe delivery, does not often realize the service rendered to him by these servants of the Government. I commend to him the inscription over the portals of the New York post office:

Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds.

THE REVENUE ACT OF 1924

Mr. AYRES. Mr. Speaker, in the last Congress Mr. Mellon, Secretary of the Treasury, convinced one branch of Congress that it was necessary to reduce the income tax of the millionaire income-tax payers from 65 per cent to 32 per cent. In other words, a majority of the House of Representatives allowed themselves to be dictated to in a matter which under the Constitution is exclusively within the jurisdiction of the House—that is, revenue legislation. He succeeded so well in the Sixty-seventh Congress he began early to try the same tactics in the Sixty-eighth Congress. I must say he had plenty of help. Not only the President, Mr. Coolidge, but the greatest organized machinery of propaganda and publicity controlled by great wealth and special interests, ably financed and directed, ever known in the history of this country.

It is estimated one periodical alone spent in postage over $300,000 to put through the Mellon plan. It looked for a while as though the interests had succeeded in getting practically all the magazines and big newspapers fighting for the Mellon plan. Each and all congressional districts were organized. I received thousands of letters from my district, hundreds of them from people who are not income-tax payers but were persuaded to write me. The most glaring misstatements were made in presenting the Mellon plan. People were told it was the only chance to get a reduction of taxes, and notwithstanding the fact the special interests lost in their fight, they are such poor losers they are still fighting by continuing their misstatements about the measure passed as a substitute for the Mellon plan, villifying Congressmen and Senators who had the courage to stand out and pass a measure in the interest of the masses and against the classes. Nothing is too mean or degrading for them to say in the press about individual Representatives or Congress as a whole, both by word and insulting cartoons.

The question is, Are the people going to permit this to influence them to vote in a Congress which will do the bidding of the special interests or support those who have, in the face of all that has been done to drive them, stood steadfast for the interests of the masses?

The measure just passed took into consideration such facts as the ability of the taxpayer to pay. I think it a fair presumption that a tax of $100 to a taxpayer whose income is from $5,000 to $6,000 is even a heavier burden than a tax of a much greater amount to a taxpayer whose income may be from $50,000 to $100,000. Then if this theory or principle is correct, it ought to be equally correct in reducing these taxes. But Mr. Mellon, whose income is millions of dollars, can not reason it that way, and because he and his adherents can not agree to this principle they are keeping up the misrepresentation of the so-called Simmons bill or the present tax measure. Only a day or so ago I saw an insulting cartoon representing Congress refusing to consent to any tax reduction, and also representing that it had tied the taxpayer to heavier burdens. This has a greater influence on the minds of a great many than a deliberate falsehood set forth in plain language, because thousands who do not bother to read are sure to look at and study a cartoon.

Let us see what the present law does in the way of a reduction of taxes. It reduces taxes for the fiscal year ending June 30, 1925, $361,000,000, and will reduce taxes for the fiscal year ending June 30, 1926, over $400,000,000. These estimates are made, not by some one interested in the passage of this bill but by the Actuary of the Treasury. It reduces taxes for the fiscal year 1925, $22,000,000 more than the Mellon plan, and for the year 1926 over $100,000,000 more than the Mellon plan. Of course, the reduction is not on the class exclusively, at least, as Mr. Mellon wanted and directed. It has already reduced individual income taxes for the year 1923 and payable this year $232,000,000 more than the Mellon plan, which carried no provision whatever to reduce the taxes to be paid this year.

That is not all. In the reduction of taxes provided for in this measure is $136,000,000 reduction in excise taxes. Notwithstanding a reduction of a sum of about $480,000,000 in taxes, which is about $250,000,000 more than proposed by the Mellon plan, the Treasury will carry a very nice surplus even after meeting the payment of the adjusted compensation.

I might go on and show what was done regarding estate and gift taxes, and so on, but I am anxious to show by tables just what we have done for the greatest number of taxpayers, which sets forth the exact facts and which I feel will appeal to those who want to be fair and who believe in the theory that government should be administered for the good of the greatest number. The following table, which is correct as it is compiled from the official figures of the Treasury Department and contained in statistics of income for the year 1921, shows the total number of persons making income-tax returns in each State and how they are benefited more by the present law than they would have been by the Mellon plan.

| State | Total number making income-tax returns, 1921 | Number benefited more by Mellon plan | Number benefited more by Democratic (Simmons) plan |
|---|---|---|---|
| Alabama | 43,009 | 25 | 42,984 |
| Arizona | 18,477 | 1 | 18,476 |
| Arkansas | 33,830 | 8 | 33,822 |
| California | 386,082 | 237 | 385,845 |
| Colorado | 69,676 | 25 | 69,651 |
| Connecticut | 123,269 | 96 | 123,173 |
| Delaware | 15,889 | 12 | 15,877 |
| District of Columbia | 89,966 | 68 | 89,898 |
| Florida | 42,249 | 14 | 42,235 |
| Georgia | 67,719 | 24 | 67,695 |
| Hawaii | 11,481 | 22 | 11,459 |
| Idaho | 22,976 | 1 | 22,975 |
| Illinois | 611,558 | 537 | 611,021 |
| Indiana | 150,300 | 52 | 150,248 |
| Iowa | 111,483 | 24 | 111,459 |
| Kansas | 88,785 | 9 | 88,776 |
| Kentucky | 69,496 | 25 | 69,471 |
| Louisiana | 67,960 | 34 | 67,926 |
| Maine | 44,397 | 25 | 44,372 |
| Maryland | 112,963 | 109 | 112,854 |
| Massachusetts | 388,442 | 505 | 387,937 |
| Michigan | 250,147 | 174 | 249,973 |
| Minnesota | 124,501 | 81 | 124,420 |
| Mississippi | 25,614 | 5 | 25,609 |
| Missouri | 172,519 | 106 | 172,413 |
| Montana | 36,907 | 4 | 36,903 |
| Nebraska | 71,853 | 14 | 71,839 |
| Navada | 9,719 | 1 | 9,718 |
| New Hampshire | 32,410 | 17 | 32,393 |
| New Jersey | 269,096 | 274 | 268,822 |
| New Mexico | 11,780 | 1 | 11,779 |
| New York | 1,066,637 | 2,050 | 1,064,587 |
| North Carolina | 44,161 | 38 | 44,123 |
| North Dakota | 18,440 | 1 | 18,439 |
| Ohio | 367,096 | 270 | 366,826 |
| Oklahoma | 69,381 | 15 | 69,366 |
| Oregon | 62,804 | 18 | 62,786 |
| Pennsylvania | 621,103 | 833 | 620,270 |
| Rhode Island | 48,057 | 103 | 47,954 |
| South Carolina | 25,160 | 6 | 25,154 |
| South Dakota | 21,681 | 0 | 21,681 |
| Tennessee | 60,949 | 19 | 60,930 |
| Texas | 200,188 | 66 | 200,122 |
| Utah | 26,128 | 1 | 26,127 |
| Vermont | 17,746 | 8 | 17,738 |
| Virginia | 76,257 | 21 | 76,236 |
| Washington, including Alaska | 115,688 | 21 | 115,667 |
| West Virginia | 75,277 | 38 | 75,239 |
| Wisconsin | 148,457 | 67 | 148,390 |
| Wyoming | 22,413 | 4 | 22,409 |
| Total | 6,662,176 | 6,109 | 6,656,067 |

This, no doubt, will be of but little interest to anyone having already been sold the Mellon plan.

It is, however, barely possible when he sees a table which points out his income and his taxes showing exactly how much he had to pay under the law passed in 1921 and what he will be compelled to pay under the present law which takes its place, also what he would have paid under this so-called Mellon plan, he will be interested; and unless he is so afflicted with mellonitis that he is incurable, he may admit he was mistaken. I am going to insert a table which is absolutely correct, which shows in the first four columns the normal tax paid by a taxpayer under the old, or 1921, law; also what he would have paid under the Mellon plan and what he will pay under the present law. In the next three columns it shows the amounts of surtaxes paid under the 1921 act, what they would have had to pay under the Mellon plan, and what will have to be paid under the present law. The last two columns show the amount of surtax reduction under the Mellon plan and the law as passed.

*Comparison of the Mellon and Act of 1924 tax plans with the Act of 1921 (married persons without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned*

| Number of persons making returns in each class for 1921 | Income | Amount of normal tax under— | | | Amount of surtax under— | | | Amount of surtax reduction under— | |
|---|---|---|---|---|---|---|---|---|---|
| | | Act of 1921 | Mellon plan | Act of 1924 | Act of 1921 | Mellon plan | Act of 1924 | Mellon plan | Act of 1924 |
| 401,849 under | $1,000.00 | | | | | | | | |
| | 2,000.00 | | | | | | | | |
| | 3,000.00 | $20.00 | $11.25 | $7.50 | | | | | |
| | 4,000.00 | 60.00 | 33.75 | 22.50 | | | | | |
| | 5,000.00 | 100.00 | 56.25 | 37.50 | | | | | |
| 6,087,968 | 6,000.00 | 160.00 | 97.50 | 57.50 | | | | | |
| | 7,000.00 | 240.00 | 157.50 | 87.50 | $10.00 | | | $10.00 | $10.00 |
| | 8,000.00 | 320.00 | 217.50 | 127.50 | 20.00 | | | 20.00 | 20.00 |
| | 9,000.00 | 400.00 | 277.50 | 167.50 | 30.00 | | | 30.00 | 30.00 |
| | 10,000.00 | 480.00 | 337.50 | 207.50 | 40.00 | | | 40.00 | 40.00 |
| | 11,000.00 | 560.00 | 397.50 | 257.50 | 60.00 | $10.00 | $10.00 | 50.00 | 50.00 |
| | 12,000.00 | 640.00 | 457.50 | 317.50 | 80.00 | 20.00 | 20.00 | 60.00 | 60.00 |
| | 13,000.00 | 720.00 | 517.00 | 377.50 | 110.00 | 40.00 | 30.00 | 70.00 | 80.00 |
| | 14,000.00 | 800.00 | 577.50 | 437.50 | 140.00 | 60.00 | 40.00 | 80.00 | 100.00 |
| 114,244 | 15,000.00 | 880.00 | 637.50 | 497.50 | 180.00 | 90.00 | 60.00 | 90.00 | 120.00 |
| | 16,000.00 | 960.00 | 697.50 | 557.50 | 220.00 | 120.00 | 80.00 | 100.00 | 140.00 |
| | 17,000.00 | 1,040.00 | 757.50 | 617.50 | 270.00 | 160.00 | 110.00 | 110.00 | 160.00 |
| | 18,000.00 | 1,120.00 | 817.50 | 677.50 | 320.00 | 200.00 | 140.00 | 120.00 | 180.00 |
| | 19,000.00 | 1,200.00 | 877.50 | 737.50 | 380.00 | 250.00 | 180.00 | 130.00 | 200.00 |
| | 20,000.00 | 1,280.00 | 937.50 | 797.50 | 440.00 | 300.00 | 220.00 | 140.00 | 220.00 |
| | 21,000.00 | 1,360.00 | 997.50 | 857.50 | 520.00 | 360.00 | 270.00 | 160.00 | 250.00 |
| | 22,000.00 | 1,440.00 | 1,057.50 | 917.50 | 600.00 | 420.00 | 320.00 | 180.00 | 280.00 |
| | 23,000.00 | 1,520.00 | 1,117.50 | 977.50 | 690.00 | 490.00 | 380.00 | 200.00 | 310.00 |
| | 24,000.00 | 1,600.00 | 1,177.50 | 1,037.50 | 780.00 | 560.00 | 440.00 | 220.00 | 340.00 |
| 28,948 | 25,000.00 | 1,680.00 | 1,237.50 | 1,097.50 | 880.00 | 640.00 | 510.00 | 240.00 | 370.00 |
| | 26,000.00 | 1,760.00 | 1,297.50 | 1,157.50 | 980.00 | 720.00 | 580.00 | 260.00 | 400.00 |
| | 27,000.00 | 1,840.00 | 1,357.50 | 1,217.50 | 1,090.00 | 810.00 | 660.00 | 280.00 | 430.00 |
| | 28,000.00 | 1,920.00 | 1,417.50 | 1,277.50 | 1,200.00 | 900.00 | 740.00 | 300.00 | 460.00 |
| | 29,000.00 | 2,000.00 | 1,477.50 | 1,337.50 | 1,320.00 | 1,000.00 | 830.00 | 320.00 | 490.00 |
| | 30,000.00 | 2,080.00 | 1,537.50 | 1,397.50 | 1,440.00 | 1,100.00 | 920.00 | 340.00 | 520.00 |
| | 31,000.00 | 2,160.00 | 1,597.50 | 1,457.50 | 1,570.00 | 1,210.00 | 1,020.00 | 360.00 | 550.00 |
| | 32,000.00 | 2,240.00 | 1,657.50 | 1,517.50 | 1,700.00 | 1,320.00 | 1,120.00 | 380.00 | 580.00 |
| | 33,000.00 | 2,320.00 | 1,717.50 | 1,577.50 | 1,850.00 | 1,440.00 | 1,220.00 | 410.00 | 630.00 |
| | 34,000.00 | 2,400.00 | 1,777.50 | 1,637.50 | 2,000.00 | 1,560.00 | 1,320.00 | 440.00 | 680.00 |
| 12,047 | 35,000.00 | 2,480.00 | 1,837.50 | 1,697.50 | 2,150.00 | 1,690.00 | 1,430.00 | 460.00 | 720.00 |
| | 36,000.00 | 2,560.00 | 1,897.50 | 1,757.50 | 2,300.00 | 1,820.00 | 1,540.00 | 480.00 | 760.00 |
| | 37,000.00 | 2,640.00 | 1,957.50 | 1,817.50 | 2,460.00 | 1,960.00 | 1,660.00 | 500.00 | 800.00 |
| | 38,000.00 | 2,720.00 | 2,017.50 | 1,877.50 | 2,620.00 | 2,100.00 | 1,780.00 | 520.00 | 840.00 |
| | 39,000.00 | 2,800.00 | 2,077.50 | 1,937.50 | 2,790.00 | 2,240.00 | 1,910.00 | 550.00 | 880.00 |
| | 40,000.00 | 2,880.00 | 2,137.50 | 1,997.50 | 2,960.00 | 2,380.00 | 2,040.00 | 580.00 | 920.00 |
| | 41,000.00 | 2,960.00 | 2,197.50 | 2,057.50 | 3,140.00 | 2,530.00 | 2,170.00 | 610.00 | 970.00 |
| | 42,000.00 | 3,040.00 | 2,257.50 | 2,117.50 | 3,320.00 | 2,680.00 | 2,300.00 | 640.00 | 1,020.00 |
| | 43,000.00 | 3,120.00 | 2,317.50 | 2,177.50 | 3,510.00 | 2,830.00 | 2,440.00 | 680.00 | 1,070.00 |
| | 44,000.00 | 3,200.00 | 2,377.50 | 2,237.50 | 3,700.00 | 2,980.00 | 2,580.00 | 720.00 | 1,120.00 |
| 6,051 | 45,000.00 | 3,280.00 | 2,437.50 | 2,297.50 | 3,900.00 | 3,130.00 | 2,730.00 | 770.00 | 1,170.00 |
| | 46,000.00 | 3,360.00 | 2,497.50 | 2,357.50 | 4,100.00 | 3,280.00 | 2,880.00 | 820.00 | 1,220.00 |
| | 47,000.00 | 3,440.00 | 2,557.50 | 2,417.50 | 4,310.00 | 3,440.00 | 3,040.00 | 870.00 | 1,270.00 |
| | 48,000.00 | 3,520.00 | 2,617.50 | 2,477.50 | 4,520.00 | 3,600.00 | 3,200.00 | 920.00 | 1,320.00 |
| | 49,000.00 | 3,600.00 | 2,677.50 | 2,537.50 | 4,740.00 | 3,760.00 | 3,370.00 | 980.00 | 1,370.00 |
| | 50,000.00 | 3,680.00 | 2,737.50 | 2,597.50 | 4,960.00 | 3,920.00 | 3,540.00 | 1,040.00 | 1,420.00 |
| | 51,000.00 | 3,760.00 | 2,797.50 | 2,657.50 | 5,190.00 | 4,080.00 | 3,720.00 | 1,110.00 | 1,470.00 |
| | 52,000.00 | 3,840.00 | 2,857.50 | 2,717.50 | 5,420.00 | 4,240.00 | 3,900.00 | 1,180.00 | 1,520.00 |
| | 53,000.00 | 3,920.00 | 2,917.50 | 2,777.50 | 5,660.00 | 4,410.00 | 4,090.00 | 1,250.00 | 1,570.00 |
| | 54,000.00 | 4,000.00 | 2,977.50 | 2,837.50 | 5,900.00 | 4,580.00 | 4,280.00 | 1,320.00 | 1,620.00 |
| 3,431 | 55,000.00 | 4,080.00 | 3,037.50 | 2,897.50 | 6,150.00 | 4,750.00 | 4,470.00 | 1,400.00 | 1,680.00 |
| | 56,000.00 | 4,160.00 | 3,097.50 | 2,957.50 | 6,400.00 | 4,920.00 | 4,660.00 | 1,480.00 | 1,740.00 |
| | 57,000.00 | 4,240.00 | 3,157.50 | 3,017.50 | 6,660.00 | 5,090.00 | 4,860.00 | 1,570.00 | 1,800.00 |
| | 58,000.00 | 4,320.00 | 3,217.50 | 3,077.50 | 6,920.00 | 5,260.00 | 5,060.00 | 1,660.00 | 1,860.00 |
| | 59,000.00 | 4,400.00 | 3,277.50 | 3,137.50 | 7,190.00 | 5,440.00 | 5,270.00 | 1,750.00 | 1,920.00 |
| | 60,000.00 | 4,480.00 | 3,337.50 | 3,197.50 | 7,460.00 | 5,620.00 | 5,480.00 | 1,840.00 | 1,980.00 |
| | 61,000.00 | 4,560.00 | 3,397.50 | 3,257.50 | 7,740.00 | 5,800.00 | 5,690.00 | 1,940.00 | 2,050.00 |
| | 62,000.00 | 4,640.00 | 3,457.50 | 3,317.50 | 8,020.00 | 5,980.00 | 5,900.00 | 2,040.00 | 2,120.00 |
| | 63,000.00 | 4,720.00 | 3,517.50 | 3,377.50 | 8,310.00 | 6,160.00 | 6,120.00 | 2,150.00 | 2,190.00 |
| 2,240 | 64,000.00 | 4,800.00 | 3,577.50 | 2,437.50 | 8,600.00 | 6,340.00 | 6,340.00 | 2,260.00 | 2,260.00 |
| | 65,000.00 | 4,880.00 | 3,637.50 | 3,497.50 | 8,900.00 | 6,530.00 | 6,570.00 | 2,370.00 | 2,330.00 |
| | 66,000.00 | 4,960.00 | 3,697.50 | 3,557.50 | 9,200.00 | 6,720.00 | 6,800.00 | 2,480.00 | 2,400.00 |
| | 67,000.00 | 5,040.00 | 3,757.50 | 3,617.50 | 9,510.00 | 6,910.00 | 7,040.00 | 2,600.00 | 2,470.00 |
| | 68,000.00 | 5,120.00 | 3,817.50 | 3,677.50 | 9,820.00 | 7,100.00 | 7,280.00 | 2,720.00 | 2,540.00 |
| | 69,000.00 | 5,200.00 | 3,877.50 | 3,737.50 | 10,140.00 | 7,290.00 | 7,530.00 | 2,850.00 | 2,610.00 |
| | 70,000.00 | 5,280.00 | 3,937.50 | 3,797.50 | 10,460.00 | 7,480.00 | 7,780.00 | 2,980.00 | 2,680.00 |
| | 71,000.00 | 5,360.00 | 3,997.50 | 3,857.50 | 10,790.00 | 7,680.00 | 8,040.00 | 3,110.00 | 2,750.00 |
| | 72,000.00 | 5,440.00 | 4,057.50 | 3,917.50 | 11,120.00 | 7,880.00 | 8,300.00 | 3,240.00 | 2,820.00 |
| | 73,000.00 | 5,520.00 | 4,117.50 | 3,977.50 | 11,460.00 | 8,080.00 | 8,560.00 | 3,380.00 | 2,900.00 |
| | 74,000.00 | 5,600.00 | 4,177.50 | 4,037.50 | 11,800.00 | 8,280.00 | 8,820.00 | 3,520.00 | 2,980.00 |
| 1,423 | 75,000.00 | 5,680.00 | 4,237.50 | 4,097.50 | 12,150.00 | 8,480.00 | 9,090.00 | 3,670.00 | 3,060.00 |
| | 76,000.00 | 5,760.00 | 4,297.50 | 4,157.50 | 12,500.00 | 8,680.00 | 9,360.00 | 3,820.00 | 3,140.00 |
| | 77,000.00 | 5,840.00 | 4,357.50 | 4,217.50 | 12,860.00 | 8,890.00 | 9,640.00 | 3,970.00 | 3,220.00 |
| | 78,000.00 | 5,920.00 | 4,417.50 | 4,277.50 | 13,220.00 | 9,100.00 | 9,920.00 | 4,120.00 | 3,300.00 |
| | 79,000.00 | 6,000.00 | 4,477.50 | 4,337.50 | 13,590.00 | 9,310.00 | 10,200.00 | 4,280.00 | 3,390.00 |
| | 80,000.00 | 6,080.00 | 4,537.50 | 4,397.50 | 13,960.00 | 9,520.00 | 10,480.00 | 4,440.00 | 3,480.00 |
| | 81,000.00 | 6,160.00 | 4,597.50 | 4,457.50 | 14,340.00 | 9,730.00 | 10,770.00 | 4,610.00 | 3,570.00 |
| | 82,000.00 | 6,240.00 | 4,657.50 | 4,517.50 | 14,720.00 | 9,940.00 | 11,060.00 | 4,780.00 | 3,660.00 |
| | 83,000.00 | 6,320.00 | 4,717.50 | 4,577.50 | 15,110.00 | 10,160.00 | 11,360.00 | 4,950.00 | 3,750.00 |
| | 84,000.00 | 6,400.00 | 4,777.50 | 4,637.50 | 15,500.00 | 10,380.00 | 11,660.00 | 5,120.00 | 3,840.00 |
| 957 | 85,000.00 | 6,480.00 | 4,837.50 | 4,697.50 | 15,900.00 | 10,600.00 | 11,970.00 | 5,300.00 | 3,930.00 |
| | 86,000.00 | 6,560.00 | 4,897.50 | 4,757.50 | 16,300.00 | 10,820.00 | 12,280.00 | 5,480.00 | 4,020.00 |
| | 87,000.00 | 6,640.00 | 4,957.50 | 4,817.50 | 16,710.00 | 11,040.00 | 12,590.00 | 5,670.00 | 4,120.00 |
| | 88,000.00 | 6,720.00 | 5,017.50 | 4,877.50 | 17,120.00 | 11,260.00 | 12,900.00 | 5,860.00 | 4,220.00 |
| | 89,000.00 | 6,800.00 | 5,077.50 | 4,937.50 | 17,540.00 | 11,490.00 | 13,220.00 | 6,050.00 | 4,320.00 |
| | 90,000.00 | 6,880.00 | 5,137.50 | 4,997.50 | 17,960.00 | 11,720.00 | 13,540.00 | 6,240.00 | 4,420.00 |
| | 91,000.00 | 6,960.00 | 5,197.50 | 5,057.50 | 18,390.00 | 11,950.00 | 13,870.00 | 6,440.00 | 4,520.00 |
| | 92,000.00 | 7,040.00 | 5,257.50 | 5,117.50 | 18,820.00 | 12,180.00 | 14,200.00 | 6,640.00 | 4,620.00 |
| | 93,000.00 | 7,120.00 | 5,317.50 | 5,177.50 | 19,260.00 | 12,410.00 | 14,540.00 | 6,850.00 | 4,720.00 |
| | 94,000.00 | 7,200.00 | 5,377.50 | 5,237.50 | 19,700.00 | 12,640.00 | 14,880.00 | 7,060.00 | 4,820.00 |
| 666 | 95,000.00 | 7,280.00 | 5,437.50 | 5,297.50 | 20,150.00 | 12,880.00 | 15,230.00 | 7,270.00 | 4,920.00 |
| | 96,000.00 | 7,360.00 | 5,497.50 | 5,357.50 | 20,600.00 | 13,120.00 | 15,580.00 | 7,480.00 | 5,020.00 |
| | 97,000.00 | 7,440.00 | 5,557.50 | 5,417.50 | 21,060.00 | 13,360.00 | 15,940.00 | 7,700.00 | 5,120.00 |
| | 98,000.00 | 7,520.00 | 5,617.50 | 5,477.50 | 21,520.00 | 13,600.00 | 16,300.00 | 7,920.00 | 5,220.00 |
| | 99,000.00 | 7,600.00 | 5,677.50 | 5,537.50 | 21,990.00 | 13,840.00 | 16,660.00 | 8,150.00 | 5,330.00 |
| | 100,000.00 | 7,680.00 | 5,737.50 | 5,597.50 | 22,460.00 | 14,080.00 | 17,020.00 | 8,380.00 | 5,440.00 |
| 1,817 | 150,000.00 | 11,680.00 | 8,737.50 | 8,597.50 | 46,460.00 | 26,580.00 | 35,520.00 | 19,880.00 | 10,940.00 |
| | 200,000.00 | 15,680.00 | 11,737.50 | 11,597.50 | 70,960.00 | 39,080.00 | 54,020.00 | 31,880.00 | 16,940.00 |
| 451 | 250,000.00 | 19,680.00 | 14,737.50 | 14,597.50 | 95,960.00 | 51,580.00 | 73,020.00 | 44,380.00 | 22,940.00 |
| | 300,000.00 | 23,680.00 | 17,737.50 | 17,597.50 | 120,960.00 | 64,080.00 | 92,020.00 | 56,880.00 | 28,940.00 |
| 63 | 500,000.00 | 39,680.00 | 29,737.50 | 29,597.50 | 220,960.00 | 114,080.00 | 170,020.00 | 106,880.00 | 50,940.00 |
| | 1,000,000.00 | 79,680.00 | 59,737.50 | 59,597.50 | 470,960.00 | 239,080.00 | 370,020.00 | 231,880.00 | 100,940.00 |

It is argued that it is unfair to compel the rich man to pay 40 per cent of his income while taxing the ordinary or small income-tax payer 1 per cent. That might be true if it were a fact. If one will study the above table, he will find that the rich man pays the same taxes on incomes as the poor man up to an income of $10,000—that is to say, Mr. Mellon or Mr. Morgan or Mr. Rockefeller each pays the same tax as any other taxpayer receiving an income of $10,000 annually. True, when the rich man gets an income over $10,000, then he begins to pay a graduated surtax. The theory is, those who profit out of the economic condition of the country should be willing to give up a part of that profit to maintain the Government which protects them and permits them to make such profits. There is one way they can avoid paying these high surtaxes, and that is cease making such excess profits. An examination of the last table will show that on an income of, we will say, $25,000 annually under the law of 1921 the taxpayer paid $1,680; under the Mellon plan he would have paid $1,237.50, or $442.50 less than under the old law. Under the present law he will pay $1,097.50, or $582.50 less than under the 1921 act and $140 less than Mellon proposed. We will jump now to an income of $50,000. The 1921 act compelled the taxpayer to pay a normal tax of $3,680, while under the Mellon plan he would have paid $2,737.50, being $942.50 less than the 1921 law, while the present law compels him to pay $2,597.50, or $1,082.50 less than the 1921 act or $140 less than the Mellon plan. We will now jump to a $100,000 income, on which under the law of 1921 the taxpayer had to pay a normal tax of $7,680, while the Mellon plan provided for $5,737.50, or $1,942.50 less than that of 1921. The present law provides for a payment of $5,597.50, or $2,082.50 less than the 1921 law or $140 less than the Mellon plan.

It is not the normal tax, however, that tells the story of why Mr. Mellon and others of the same class were so anxious. If you will examine the surtax column, you can easily reach a conclusion as to why the intense interest of the millionaire taxpayer in the Mellon plan. For instance, it will be seen under the 1921 act the surtax on $10,000 was $40, while under the Mellon plan and the present law there is no surtax. Take the case of an income of $25,000; under the 1921 act the surtax was $880. The Mellon plan provided for $640, or $240 less than the 1921 act, while the present law provides for $510, or $370 less than the 1921 act. Take an income of $35,000. Under the old law of 1921 the surtax was $2,150, while the Mellon plan carried a tax of $1,690, or $460 less than the old law. The present law provides $1,430, or $720 less than the old law. A $50,000 income under the old law carried a surtax of $4,960. The Mellon plan provided $3,920, or $1,040 less than the old law, while the present law provides $3,540, or $1,420 less than the old law. You will observe from the table the amount saved by the present law and that proposed by the Mellon plan was all in favor of the present law as against the Mellon plan until you reach an income of $64,000, when it is exactly the same. That is to say the proposed Mellon plan saved the taxpayer in surtaxes on an income of $64,000, $2,260, and so does the present law. I hope all will make a close examination of the table from that on. For instance, take an income of $75,000. The Mellon plan proposed a saving of $3,670, while the present law saves $3,060; while on an income of $100,000 the Mellon plan proposed a saving of $8,380, and the present law saves $5,440. On a $200,000 income the Mellon plan proposed a saving of $31,880, while the present law saves $16,940. Take a $500,000 income; the Mellon plan would have saved the taxpayer $106,880, while the present law saves him $50,940. On an income of $1,000,000 the Mellon plan made a difference in surtax from the old law of $231,880, while the present law makes a difference of $100,940, or a difference between the Mellon plan and the present law of $130,840.

I think these figures explain much. I am inclined to think, however, when a man receives an income of from $50,000 to $64,000 annually he should be satisfied with the reduction he is receiving; and certainly the income-tax payer who gets more than that will be able to keep the wolf away from the door after paying his tax under the new law.

PROPOSED POSTAL LEGISLATION

Mr. BOYLAN. Mr. Speaker and gentlemen of the House, this legislation will not be a charge upon the Treasury because a subcommittee of the Post Office committee has gathered much data to enable them to formulate proposed legislation revising the postal rates on all classes of mail matter. Congressman KELLY, chairman of the subcommittee in charge of the revision of rates program, has advised the Congress that his subcommittee had gone as far as it could go, pending the report of the Cost Ascertainment Commission, and that he expected such report would be in possession of the subcommittee in ample time for the introduction of rate-revision legislation at the opening of the short session next December.

In addition to the above facts I contend that the increased efficiency, productivity, and enthusiasm of the employees and the normal increase in postal receipts will more than absorb any additional appropriation and would enable the department to administer this law and at the same time effect substantial economies in the service.

The following are some of the provisions of the bill:

$300 SALARY INCREASE—OTHER PROVISIONS

A flat increase of $300 for all clerks and special clerks and city letter carriers in first and second class post offices.

The existing legislation granting progression in the automatic grades and credit for substitute service is continued.

Provision is made for the automatic progression of clerks and employees in the automatic grades to the corresponding grade under the new law without interference with the automatic promotion earned by such employees.

Overtime or time in excess of eight hours per day will be compensated for on an hourly computation based on the division of the annual compensation by 306, which would be again divided by 8.

Compensatory time for Sunday service shall be granted on one of the six days following the Sunday of service and for holidays on one of the 30 days following the holiday of service except for the last three Sundays in the calendar year. Compensatory time for the last three Sundays of the calendar year may be granted on one of the 30 days following such Sunday of service, or, if the exigencies of the service require it, the Postmaster General may authorize the payment of overtime for the last three Sundays in the calendar year and for Christmas Day.

Ten days' sick leave with pay in each fiscal year, exclusive of Sundays and holidays, is provided. Such sick leave to be cumulative, but not more than 30 days' sick leave shall be granted in any one fiscal year.

Substitute clerks and carriers will receive 65 cents per hour.

MOTOR-VEHICLE EMPLOYEES

Motor-vehicle employees are classified into grades with automatic promotion and varying salary increases, none of which exceed $300.

SECOND AND THIRD CLASS POSTMASTERS

Second and third class postmasters receive an average increase of $100. Third-class postmasters also receive specific allowances for clerk hire not to be decreased by more than 25 per cent. Fourth-class postmasters receive an average increase of 15 per cent on cancellations.

RURAL CARRIERS

Rural carriers are allowed 4 cents per mile per day for the upkeep of their equipment. This provides an average increase of $300 for such employees.

Laborers, messengers, and so forth, will receive a flat increase of $150.

In view of these facts, Mr. Speaker and gentlemen of the House, I sincerely trust that you will adopt this conference report and give to the faithful employees in the Postal Service a well-deserved and well-merited, though tardy, recognition of their splendid work.

IMMIGRATION ACT

Mr. SABATH. Mr. Speaker, the statements made on the floor of the House yesterday by the gentleman from Kansas [Mr. TINCHER], the gentleman from California [Mr. RAKER], and the gentleman from Texas [Mr. BOX], and which were again stated to-day as to the number of those immigrants to whom my resolution would apply and relieve, have been made without any justification and with willful disregard of facts. The only excuse I can find for their wild and irrational statements is their fierce and unfounded prejudice against the foreign born, as whenever the question of immigration or prohibition is being considered they become hysterical, and their conduct and speech borders on insanity and fanaticism. But, gentlemen of the House, this is not a question of immigration, as was so properly stated by the gentleman from North Carolina [Mr. POU]. This is a question of deportation.

And as has been stated by the gentleman from Georgia [Mr. UPSHAW], it is a humane question—a question whether we should let the wives and children, the fathers and mothers, of American citizens and, in some instances, orphans, and a few hundred others already admitted, to remain in the United States, or whether, in view of the ruling of the Supreme Court, they should be deported.

My original resolution would not have permitted, as has been stated by the gentleman from California [Mr. RAKER], the entry of hundreds of thousands who are on the seas and in

foreign ports. It was carefully prepared to legalize the admission of those who are now in the United States and of those who embarked prior to or on May 26, the date the Supreme Court rendered its decision reversing the ruling of the Federal district and circuit courts of New York.

During my 17 years of service I pride myself that I have never deliberately made misstatements to the House, and I resent any imputation that I have endeavored to mislead the House by the wording of this resolution. For the information of the House I read the text of the resolution:

*Resolved, etc.,* That aliens who embarked for the United States on or before May 26, 1924, arriving in excess of quotas fixed under authority of the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921, as amended and extended, may, if otherwise admissible and if not subject to deportation for other causes, be permitted to enter and to remain in the United States without regard to the provisions of such act of May 19, 1921, as amended and extended.

The resolution comes back from the Senate in amended form, and as the gentleman from California [Mr. RAKER] and the gentleman from Texas [Mr. BOX] have taken it upon themselves to inform some members of the Senate Committee on Immigration that my resolution as originally passed by the House would authorize and permit to remain those designated in the resolution, but would also allow the coming of hundreds of thousands of others and serve as a loophole to defeat our present restrictive immigration laws, I take the liberty of including in my remarks the Senate amendments, which authorize to remain in the United States the following:

(1) Aliens heretofore admitted in excess quota and charged to the quota for a later month;

(2) Aliens heretofore admitted under a construction of such act of May 19, 1921, required by court decision;

(3) Aliens arriving in the United States after May 26 and before July 1, 1924, who departed for the United States on or before May 26, 1924, believing in good faith that they would be admitted pursuant to a construction of such act of May 19, 1921, required by court decision; and

(4) Aliens heretofore temporarily admitted under bond to relieve cases of extreme hardship.

The statements made to some of the members of the Senate committee were unwarranted and unjustified, as the wording of the resolution clearly showed the intent of affording relief solely to the unfortunate immigrants who were already here or who had embarked prior to or on May 26. In no sense of the word would it have permitted the coming of the number charged by the gentlemen who are suffering with immigration hysteria. To disprove the assertion of these gentlemen that I intended to permit the coming of any other, I desire to state that I acquiesced to the Senate amendments which specifically enumerate the classes to be relieved, and this the gentlemen were well aware of at the time of the meeting of the House Committee on Immigration, because the classes named in the Senate amendments were those, and only those, that would be covered by my original resolution. It were they alone that I sought to save and spare from the horrors of deportation and the misery which would follow. I believe that if I to-day called upon this House to disagree to the Senate amendments, a majority would be with me, because they are convinced that my original resolution was not misleading but clear in its scope, meritorious, and entitled to the vote and support of every man who is not blinded by prejudice and uncontrolled by the un-American organization which is responsible for nearly all, if not all, the irrational attacks and activities on the immigration question. Right here I take the privilege of inserting an editorial of a great newspaper—the New York World. It expresses the view of the duty of Congress as to the action that should be taken on this resolution:

IT SHOULD NOT FAIL TO PASS

The Sabath resolution for the relief of immigrants facing deportation as a result of the United States Supreme Court's decision in the Gottlieb case has passed the House. It is inconceivable that it should fail in the Senate.

Many thousands of persons, through no fault of their own, are affected by the Supreme Court's decision. Most of them are women and children—the wives and offspring of immigrants belonging to the excepted classes under the restrictions of the immigration law. They have followed their husbands and fathers in good faith and on the strength of lower Federal court interpretations of the law which the Supreme Court has recently overruled. To tear them away now and send them back homeless and helpless is business little becoming the American Republic.

It must not be. It would shame us unspeakably in the eyes of the civilized world. Congress should not adjourn until the Sabath resolution has been put through.

PUEBLO INDIAN BILL

Mr. MORROW. Mr. Speaker, the passage of Senate bill 2932, which is intended for a quieting of the title to lands within the Pueblo land grants of New Mexico, meets a situation in the State of New Mexico that has needed this legislation for a period of half a century. The history of Pueblo Indians and legislation for them dates back as early as 1551, when they were under the control of Spain.

It was at this period when the Spanish Emperor Charles attempted to have these Pueblos taught the Roman Catholic faith. At this early date these Pueblo Indians were practicing agriculture before any other European settlement had been attempted on the shores of America. The Spanish priests did a great work in bringing to the Indians a certain amount of Christian belief; while most of these Indians practice the Christian religion, they still cling to many of their forms of pagan worship. It ought to be called to the attention of our American lawmakers that these Indians when found here nearly four centuries ago had reached perhaps in some respects as high a degree of civilization as they now possess. In the construction of buildings and in many ways their method of living was, indeed, similar, except that some of the Pueblos resorted to cliff dwellings and cavite habitations. It would appear that this form of habitation was for the purpose of protection to themselves against other warlike or marauding bands.

These real American people led a simple life of hunting and to some extent tilling the soil, and raising corn for food, working the same up into meal by means of stone implements.

To show how complicated much of the titles to this real estate has become it is only necessary to refer to some of the old laws or decrees under the Spanish Government which permitted them to sell at public auction their real estate. This dates back to May 24, 1571. Much of this data that I am stating here I am indebted for to the speech of Hon A. B. Renehan, delivered at the conference of the League of the Southwest at Santa Barbara, Calif., June 9, 1923. In the speech is embodied a very clear history of the Pueblo life from the time that the Government of Spain took charge down to this date.

LAW OF JUNE 18, 1513

(a) So that our vassals may promote discovery and settlement in the Indies and live in the comfort and advantage which we desire for them, it is our will that houses, lands, lots, and caballerias (a piece of land 100 feet wide and 200 feet long) and peonias (a piece of land 50 feet wide and 100 feet long) be set off to all those who went forth to populate new territory in towns and places, which by the governor of the new settlement, shall be marked out to them maintaining the distinction between gentlemen and laborers, and those of higher rank and merit, and in order that they increase and better them, considering the quality of their services, and that they may practice husbandry and stock raising; and having established upon them their homes and farms, and resided in those towns four years, we grant them the power thenceforward to sell them and do with them as they wish, freely, as their own property; and likewise according to their character, the governor or whoever may have our faculty, shall look out for the Indians in the partition which he may make so that they may enjoy their benefits and the stays comformable to the rates and that which may be ordained, etc.

LAW 12 OF THE EMPEROR CHARLES OF MARCH 14 AND MAY 2, 1550

Whereas the grazing of cattle, horses, hogs, and other large and small stock does great damage to the cornfields of the Indians, and particularly where they go at large and without herders.

We command that there be no such pasturing in districts and places where injury may result, therefore let them be aloof from the pueblos of the Indians and their planted ground, without fail, since there are lands and herbage afar off for herding and grazing without doing damage, and let the justices see that the owners of flocks and those interested in the public welfare employ as many herders and guards as may suffice to prevent damage, and if any damage happens take steps for satisfying the same.

Another decree of Charles V, of the year 1533 (which is the 7th law, title 17, book 4, of the Recopilacion de las Indias), commanded that the forests contained within the grants, which may have been made or may be made in the Indies, should be common alike to the Spaniards and to the Indians, "and so we direct the viceroys and courts to cause it to be kept and fulfilled."

And as some persons without authority from his Majesty have occupied a very large portion of the limits and lands without lawful consent for making corrals, building shacks and cabins, and bringing

their flocks there, without their being common to all the residents, any ordinance or regulation to the contrary notwithstanding; and finally by the royal decree of October 20, 1598 (which is law 14, title 3, book 6 of the R. I.), Don Felipe also commanded:

"That if the viceroys, presidents, and governors have provided and taken measures for the fulfillment and accomplishment of the reductions, conversions (required to be made according to the Emperor's will), and if any person should be aggrieved and should interpose as appeal, let it be heard by the council of the Indies and no other tribunal. * * * And as there were to be marked off and given lands, waters, and forests to the Indians if they should be taken away from them by the Spaniards, just compensation therefor shall be made to them somewhere else, and in such case there shall be created a commission of three members of the audiencia (law court) so that if any persons be aggrieved they may hear them on appeal and cause reparation of the injury, as to that which is prohibited to the audiencias."

LAW OF MAY 24, 1571

When the Indians would sell their real estate or personal estate, let them be brought to public auction upon publication of notice by the common crier, real property for the period of 30 days and personal property for the period of 9 days, and let whatever may be struck off in any other way be of no value or effect; but if it seem right to the judge, for any reason, to abridge the time as to personal property he may do so.

And as the properties which Indians usually sell are of little price, and if in all sales they would have to proceed according to these regulations, it would be to cause such costs as the principal would amount to.

We ordain that this law shall be kept and enforced where the principal exceeds $30 in common gold, and not where less, and therefore in such case it will be sufficient for the Indian vendor to appear before the ordinary judge to ask leave to make the sale, and it appearing upon investigation that what he wants to sell is his, and that it will not be injurious to him to alienate it, he may give leave, setting forth his authority in writing which the purchaser shall execute, as being sufficient for the purpose.

LAW OF MARCH 16, 1642

We ordain that the sale, culture, and adjustment of lands be made with such regard for the Indians that all thereof which belongs to them will remain theirs, and even more, as well in private ownership as in community ownership, also the waters and the irrigation; and the lands on which they may have made ditches or other improvements whereby, through their personal industry, they may have been made productive, shall, in the first place, be reserved, and on no account may they be sold or alienated; and the judges who, for this purpose, are sent shall list the Indians whom they find on the lands, and the lands which they leave to each one of the tributaries, old men, reserves, caciques, governors, absentees, and communities.

LAW 17 OF DON FELIPE IV OF JUNE 30, 1646

The more to favor and protect the Indians and so that they may not suffer injury:

We command that the allotments of lands be not of these which Spaniards may have acquired from the Indians contrary to our royal decrees and ordinances or possess by vicious title, for, in respect to these lands, it is our will that the protector attorneys and the attorneys for the audiencias, if there are no protector attorneys, follow equity and the law which empowers them by decrees and ordinances for the purpose of seeking the nullification of such contracts. And we charge viceroys, presidents, and audiencias to give every assistance for its complete accomplishment.

DECREE OF JUNE 4, 1687

Whereas in my royal council of the Indies there is knowledge that the Marquis de Falces, count of Santisteban, while Viceroy of the Provinces of New Spain, promulgated an ordinance on the 26th of May, 1567, whereby he commanded that in the pueblos of the Indians, which might need lands to live upon and to plant, there should be given 500 varas, or so much more as might be necessary, and that therefore there should not be made to any person any grant of any tract of land which might not be at a distance of 1,000 varas, cloth or silk measurement, and away from the settlement and houses of the Indians and lands separated 500 varas from said settlement, as has been shown by the copy of the said ordinance which has come to the council, and that against this proceeding, order, and practice the owners of ranches and lands continue to go upon the lands of the Indians, ousting them or driving them off, sometimes by force and sometimes by fraud, on which account the unfortunate Indians leave their lands and their pueblos, just what the Spanish hunger for and want, intending and attaining that these 1,000 varas, which are to be separate from the pueblos, shall be measured from the Church of Hermitage, which the settlements usually have in the center of the place, and that it should happen that the whole body of the pueblos will be included in the settlements, whereby they will come to be without anything to give them, understanding that from the last 500 varas to all the four winds is meant that which is declared and commanded in laws 12 and 18, title 12, book 9, of the Nueva Recopilacion de las Indias (new compilation of the laws of the Indies), and because of the many impediments, damages, and diminutions which from this conduct would result to these natives (naturales) it has been considered proper to command that to the Indian pueblos which need lands to live upon and to plant there be given not only the 500 varas as provided by the said ordinance but also what varas they may need, to be measured outward from the last boundaries and houses of the place to all the four winds, as, for instance, 500 varas or more to the east, and a like manner to the west, north, and south, the rim of the pueblo always remaining vacant (de hueco el casco), these 500 varas to be given not only to the pueblo which may be a seat (or capital) but to all the others which may ask for them, and need them, as well those already inhabited as those which may hereafter be founded and settled, since in this way all would have lands to plant, and by which they may have something to eat, and upon which to graze their flocks, it being right and very much in accord with my royal kindness for me to look out for the Indians, who, I notice, suffer many injustices and molestations in view of the fact that they are those who sustain, benefit, and fructify my royal crown and all my vassals.

THE AMENDMENT OF THE DECREE OF JUNE 4, 1687

Royal Cedula, of July 12, 1695, asked by the farmers of New Spain to vacate the manner and form to be followed in making the measurement of the 600 varas of land which are to be given to the pueblos of the Indians and assigned to them by the royal decree of the 26th of May, 1567.

The KING, President and civil judges of my royal audiencia of Mexico:

In behalf of the farmers of this New Spain it has been represented to me that many are the vexations and molestations which they undergo and suffer because of the suits which the Indians are continually instituting, from which results the diminution not alone of the public revenues but of my own; and for the remedy whereof they beg that I will be pleased to order that the privileges may be maintained which were granted to them by the lords, kings, my predecessors, to be observed literally and without interpretation, and that there may be given to them an advocate to appear in their causes who should be a minister of the audiencia, and they say that the Indians, with the idea of depriving them of their farms and flocks, find it worth while to build huts of sod and stone and mud and thereupon with this idea run to the audiencia, so that in conformity with the ordinance of Marques de Galves, count of Santistevan of May 26, 1567, there might be caused to be measured the 500 varas which should intervene between their ranches and those of the Indians, and in this manner the Indians bring it to pass that the lands of these farmers conflict with their own, and that although this injury is of great gravity, yet greater is that which results from the cedula issued June 4, 1687, whereby there was granted to the pueblos of Indians another 100 varas over and above the 500 commanded to be measured to them to all the four winds, from the last house, the rim of the pueblo remaining free, and this being of so much detriment to the farmers they ask that it be not followed, and that the requirement of the ordinance have force only in those pueblos which were settled before the grants were made and before the establishment of their ranches, and that the measurements be understood as starting, not from the last house of the pueblo but from the center and the church, which is in the middle, and this should only be effective in those pueblos which are seats, whither the people necessarily repair for the administration of the holy sacraments, and so that the other varas may be measured off to the Indians—which they ask—from the church, sufficient reason is to be found in the fact that the Indians do not have their houses in regular form, for they are distant one from the other 30 or 40 varas, and some of them as much as a quarter of a league from where their farms are injured; and they further ask that the Indians be not permitted to build their huts or brotherhood houses on their farming lands, for thereby they make the pretense of a town for themselves upon false basis, and thence take the measurement of the lands, and the farmers are despoiled of their farms and their places by means of the sales which the Indians make of them and other properties, and besides the quantity of money which the farmers pay to Indian workmen and what more is collected in the woods, and the costs of the visits which the governor and alcaldes mayores—chief local judges—make to their farms and ranches for their own particular ends and objects involve an ever-increasing fee bill, and the matter having been considered in my council of the Indies, with the close attention which it requires, and having considered what you have reported concerning it in the letter of January 7 of this year, and also that which in this regard the attorney general has stated I have resolved that the Cedula, issued June 4 of the year past—1687—already mentioned, shall be kept, fulfilled, and enforced precisely, and of which you acknowledged receipt, but that it shall be understood that the distance of 600 varas which are to lie in between the land and planted places of the Indians

of this jurisdiction and those of the farmers shall be measured from the center of the pueblos, understanding by this from the church of the pueblos, and not from the last house; and that the same practice shall be followed in respect to the distance of the 1,100 varas which there are to be from the pueblo to the livestock ranches which are to be counted in the right way. And if from this method injury be experienced, whether to the partition land of the Indians or to those of the farmers, it shall be compensated to one and the other by lengthening out their line in such places as may be considered just and least prejudicial to one party and the other; and if there are no lands either from the partition of the Indians or the compositions and adjustments with the laborers from which to compensate the injury let it be done from the lands which belong to me, and you will take great care that this be done with so much equality and fairness that no reason for complaint shall be given either to the Indians or to the farmers, and in such manner that among them no lawsuits shall arise, and, particularly, that all show so much equity that each one be encouraged to hold himself within the limits belonging to him, and you will more particularly attend to the welfare and advantage of the Indians as I have commanded.

Wherefore, in order that they may be benefited, for such is my will, and upon receipt of this dispatch, and in order that my direction may remain in observance, you will advise me at the first opportunity.

Decreed at Madrid, July 12, 1695.

(Signed) I, the KING.

By order of the king, our lord.

(Signed) BERNARDO ANTONIO DE PARDINAS,
*Villa de Franco.*

From the time of the early Spanish settlements, extending back nearly 400 years ago, these Indians and Spaniards lived together, trading back and forth, and in many cases intermarried, so that in many instances the lands of the Indians became the Spaniards' and have remained to their descendants. This is especially true of the more fertile lands that could be irrigated when there was a water supply for that purpose. That these Indians practiced this method of agriculture is evidenced upon every hand in New Mexico and Arizona; that they had dams and ditches and utilized water for the growing of crops, presumed to have been mostly corn, and since the date of the Spanish Government into New Mexico they have cultivated other grains and vegetables.

That the water supply, so as to afford irrigation of land to all of these different pueblos for their support, is in many cases insufficient. In fact, the area of cultivatable land to furnish food for the Indians to remain at home and cultivate the same is in some of the pueblos insufficient, and a problem is presented for solution that after the finding by the "pueblo land board," as is provided in the bill, has been made and when the real needs of these Indians has been determined as to land and water in order to live and develop, steps should be taken to provide for the same before our public land is exhausted.

The joint commission appointed under Senate bill 2932 should act promptly in dealing with this situation of the title to these Indian lands, so that the title of the settlers can be finally and firmly fixed and that the lands of the Indians likewise may be safeguarded.

This law, in my opinion, if carried out to its real finality, should settle for all time the disputes now existing between the settlers, who claim certain title to land which has been in their possession, and the descendants of many settlers for generations. The speedy clearing up of these titles should be brought about by this act; the Pueblo Indians now remaining, I herein set forth according to pueblos and population:

| Northern pueblos: | Population |
|---|---|
| Nambe | 117 |
| Picuris | 108 |
| Pojoaque | 8 |
| San Ildefonso | 100 |
| San Juan | 445 |
| Santa Clara | 334 |
| Taos | 607 |
| Tesuque | 114 |
| Total | 1,833 |

| Southern pueblos: | |
|---|---|
| Acomita | 592 |
| McCartys | 182 |
| Paraje Laguna | 182 |
| Old Laguna | 409 |
| Seama | 280 |
| Mesita | 177 |
| Paguate | 545 |
| Encinalanca | 157 |
| Casa Blanca | 93 |
| Santo Domingo | 977 |
| Santa Ana | 225 |
| Sandia | 93 |
| Isleta | 999 |
| Cochiti | 251 |
| Jemes | 561 |
| Sia | 145 |
| San Felipe | 523 |
| Total | 6,511 |
| Navaho Indians under southern pueblos | 300 |
| Grand total | 8,644 |

This population of quasi citizens of New Mexico should receive the attention of the State, and the State should give them the right of full citizenship as intended in the recently enacted legislation. The authorities of the Government to whom is detailed the working out of the problem of this land controversy between the settler and the Pueblo people should make the settlement quickly and in complete conformity with the legislation enacted. Then the State should proceed to bring these people as closely under the jurisdiction of State laws as other citizens, with a view of encouraging individual effort for development among the Indians.

In concluding my remarks upon the discussion I have made I want to add the following as the views of a new Member of Congress. In my short experience in Congress I want to say that I really believe that the Members of this body are hard-working, conscientious men who desire to legislate in the interests of their constituents. And when I say that I also want to add that I am a great believer in environment; that a Member's position upon a public question is frequently swayed by the peculiar conditions of his locality. I have an editorial from the New Mexico State Tribune, of Albuquerque, N. Mex., whose editor is a fearless writer, and I believe in this article, which I here insert and take responsibility for. The article gives a different light concerning Congress than that which the press has been giving the public for some time. The article is of June 1, 1924, and I embody it and extend it as a part of my own views, in perfect agreement with the same, and in contrast with the subsidized press that has so recently abused this Congress.

The article is as follows:

A year ago it was the fashion to speak lightly of Congress. We among others did it. We proposed saving the expense of heating the Capitol by utilizing the oratory, and made other pert remarks. We take all that back.

Congress is the representative body of the country. It is the fundamental thing in government. It should not, could not, be abolished. If Congress could not be made an effective body, worthy of respect, then there is no hope for a government in which the people rule, as we wish ours to be. To treat it as a joke is to invite the only alternative—dictatorship.

But there has been a great change. The growth of the progressive movement, breaking down party lines, old prejudices, and self-interest, has dignified Congress. In the session now closing we find Congress on the whole intelligently acting to pass laws in the interest of the people, killing attempts to put through raw deals, and going even further to show the people just how the administrative officers have betrayed them. Congress to-day is greater and nobler than the Executive. It is worthy of the American people.

Let us never make the mistake again of treating Congress as a joke. As an institution let us give it the dignity it deserves. Let us establish the custom that the greatest honor that can come to any man is to sit in the lawmaking body of his country. Then we shall have all our great public men in Congress, and we can safely give to Congress responsibility for the whole Government by making Cabinet officers report to it.

"WHAT IS THE MATTER WITH CONGRESS?"

Mr. BLACK of New York. Mr. Speaker, this is my answer to the Literary Digest on "What is the matter with Congress?"

Mr. WILLIAM SEAVER WOODS,
*Editor Literary Digest,*
*354–360 Fourth Avenue, New York, N. Y.*

MY DEAR MR. WOODS: Congress errs in forbearing. We should have ordered some magnates before a firing squad. The people would approve. Then we could stand before the same squad, for the reasons for us would be dead before us. We fail, for the people enact the laws but interests administer them. Our laws are silent while money talks. Rifle shots can silence money.

Fault is found with blocs. Gary prefers one bloc—the big-business bloc with a Mark Hanna as contact.

Legislation is on sale, but only for votes. Voting is vulgar and golf refined. Election day sees the people at the polls and the best minds at the links.

He men call us reds because of us they can not squeeze the red blood out of infants in the mills.

Gary has one vote. For it he would own the United States. King Steel dislikes Congress. Charles I, George III, and Louis XVI were antipathetic to their master's voice.

Business prefers the Executive. Congress operates openly with a spry stenographer on hand. Executive records are in posthumous and charitable memoirs. Business whispers to the Executive that So-and-So should administer that "fool law" affecting "us."

Abolish Congress; its Members have no social hopes but the respect of constituencies. Hang, draw, and quarter Congressmen, for they bawl not "Aye, me lord," when Grand Duke Andy proclaymes his planne to benefit ye riche and further to harrasse ye miserable poore.

Let the chambers of commerce hand us a czar through an ex parte Literary Digest poll.

Waste of time in muckraking, etc; dear brothers of the Senate will meet this count in the indictment of the Self-Sufficients *v.* Congress. Time was wasted by Calvin and his senatorial satellites trying to cover up instead of to clean up the mess.

We fail to enact needed measures—for we pass a bonus which the veterans do not want—see pictures of veterans refusing the bonus in New York. We pass a fair tax reduction bill framed by Congressmen who were drawing revenue bills when Mellon was in the licit whisky business. We send to the White House ax a pension bill to let aging veterans live less a la Mills Hotel but far from a la Ritz, where the knockers put up. We would pay more to the postal employees, but the Great Heart in the White House is icebound. A decent retirement bill for Federal workers is needed—but retirement has a harsh sound this year in quarters where $75,000 is the prevailing rate of wage.

We are jealous of the Executive—seeing fight pictures at McLean's. What other pictures were shown and who had the hard luck to sit behind Hughes? The Elephant went to a stag.

We are cowards. We fear the voters. We pussy-foot—Calvin is a roaring lion.

How un-American—the local voice is heard in the general government. Washington, poor dullard, wanted more Congressmen, more local voices. We ought to have a Senate made up of Elbert Gary, Inc., and a House of Nicholas Murray Butler (St. Nicholas since he slipped from the vehicle). With Mellon as President, Hughes as the Supreme Court, and Hanihara Secretary of the Navy, Caution could take his cat under his arm and carefully deliberate as to which cow he would confer with on father's farm.

We usurp State rights. We would not let the Pittsburgh prodigy tax State bonds. Tax-exempt bonds will give the people means to recapture their utilities from the exploiters who deify him.

We lack ideals—we will not follow like sick sheep America's bellwethers for since they have made the most money they have the highest ideals.

Subordination of business interests of the country to politics is the conservative expression for conforming business methods to the popular will.

Gary says Congress is the worst thing we have. That is his trouble—he has not Congress. Independent, it draws its judgments from the rule of reason and not from the rule of money or party. We would satisfy better some if we jumped when their whip cracks.

Vote for the "Mellon plan" was a crushing slogan, but the product does not analyze up to democratic standards.

Our judgments are compromises of contending opinions and so approximate fairness. No matter what his mirror reports, to us Gary is not "We, the people."

Very truly yours,

LORING M. BLACK, Jr.

### THE PROTECTIVE TARIFF BRINGS PROSPERITY

Mr. SMITH. Mr. Speaker, when addressing the House on March 2, 1923, I discussed at some length the benefits accruing to our country as a result of the operation of the Fordney tariff law, which had been then in force nearly six months. I said in closing:

And now, Mr. Speaker, I will conclude my remarks by declaring that, all things considered, having in mind the innumerable problems with which Congress had to wrestle, this Fordney tariff law, as a protective measure, a revenue raiser, and a stimulus to industry and agriculture is a splendid piece of work. The Republican Party can go to the country with it in the presidential campaign of 1924 in perfect confidence that it represents a duty well performed. It presents a defense which is impregnable to Democratic assault so long as the great majority of the people hold steadfast to the principles which they have supported for generations.

I am still of that opinion and believe that anyone who is unprejudiced must be convinced, in view of the actual proofs which are so evident that the protective policy represented by the Fordney law not only gives steady employment to labor but enriches our country by keeping our money within our own borders and at the same time brings ample revenues to the Government, thus resulting in the reduction of Federal taxes.

Through the protective tariff policy we discriminate in favor of our own people. Free trade really means giving preference to those not our own, those not of our own house, but to aliens and strangers in foreign lands. By refusing to protect our own we in fact protect our rivals. We create by our neglect a preference for the goods of the people of other nations; we in effect invite them to occupy our market and to supply our needs to the exclusion of the products of our own people. This causes the closing down of industrial plants. Thus our own are thrown out of employment. The more general the free trade, the more widespread our neglect of our own, the greater the distress and want due to unemployment. In the end free trade defeats itself, because the diminished purchasing power of the people, many of whom are unemployed, and others who are limited in their work only to part time, prevents them from making purchases with their usual liberality, and the demand for the foreign products finally becomes less than it would be under adequate protection and with employment general and at good wages.

#### HOW A FREE TRADE IMPORTER BECAME A PROTECTIONIST

In proof of this, I am told of a large importer who called upon a high official of our Government some months after the existing prosperity tariff went into effect to tell him that he had ceased to be a free trader and was now an avowed and ardent protectionist. This importer said that he had given both of his time and money to help defeat the Fordney tariff bill in the belief that it was a menace to the people and convinced that it would greatly restrict his own business. In both of these views this importer found he was mistaken. The enactment of the Fordney tariff not only proved to be a blessing to the people in that quickly it first stabilized, then stiffened, wages and in a number of cases led to increases. It led to the employment of four or five million idle Americans; it greatly stimulated home trade; it established general prosperity; and it enormously enhanced the purchasing power of the people. The result of these changed conditions, this importer said, actually had substantially and profitably increased his own business. With an abundance of money with which to buy, he found that the American market was better for his imports, the consumption of which increased, greatly to his profit and his prosperity.

The proof of this is to be found in our increased imports during the year and a half the prosperity tariff has been in effect when the latest statistics of the Government were issued in the Monthly Summary of Foreign Commerce, from which the following facts are tabulated:

*Imports during 18 months preceding October, 1922, and the 18 months ending with March, 1924, in millions of dollars*

| | Free of duty | Dutiable | Total |
|---|---|---|---|
| 1921—April | 150 | 104 | 254 |
| May | 120 | 85 | 205 |
| June | 118 | 67 | 186 |
| July | 114 | 64 | 178 |
| August | 121 | 74 | 195 |
| September | 113 | 66 | 179 |
| October | 112 | 76 | 188 |
| November | 133 | 78 | 211 |
| December | 158 | 79 | 237 |
| 1922—January | 136 | 81 | 217 |
| February | 133 | 83 | 216 |
| March | 145 | 112 | 256 |
| April | 125 | 92 | 217 |
| May | 149 | 104 | 253 |
| June | 160 | 101 | 260 |
| July | 151 | 101 | 252 |
| August | 169 | 112 | 281 |
| September [1] | 141 | 89 | 229 |
| | 2,448 | 1,568 | 4,014 |

[1] Figures of imports of merchandise cover period Sept. 21.

*Imports during 18 months preceding October, 1922, and the 18 months ending with March, 1924, in millions of dollars*—Continued

| | Free of duty | Dutiable | Total |
|---|---|---|---|
| 1922—October [1] | 213 | 132 | 345 |
| November | 172 | 119 | 292 |
| December | 178 | 115 | 294 |
| 1923—January | 193 | 136 | 329 |
| February | 170 | 133 | 303 |
| March | 211 | 187 | 398 |
| April | 190 | 174 | 364 |
| May | 201 | 172 | 373 |
| June | 178 | 142 | 320 |
| July | 168 | 120 | 287 |
| August | 163 | 112 | 275 |
| September | 143 | 111 | 254 |
| October | 172 | 136 | 308 |
| November | 169 | 122 | 291 |
| December | 176 | 112 | 288 |
| 1924—January | 176 | 119 | 296 |
| February | 186 | 149 | 333 |
| March | 164 | 157 | 321 |
| | 3,220 | 2,448 | 5,671 |

[1] Figures of imports of merchandise cover period from Sept. 22 to Oct. 31.

From this it will be seen that the imports during the 18 months ending with March this year, during all of which the prosperity tariff has been in effect, had a value in round numbers of $5,671,000,000, as compared with $4,014,000,000 during the 18 months preceding the enactment of the Fordney tariff, the increase totaling $1,657,000,000, or 41 per cent.

VAST INCREASE INSTEAD OF DECREASE IN IMPORTS

Our imports, therefore, under the prosperity tariff, instead of greatly decreasing as was so generally and so positively predicted by our free-trade Democratic friends, actually increased no less than 41 per cent. That is something for our Democratic friends to reflect upon. We would be unable to buy foreign goods, these same free-trade Democratic friends told us, because of their greatly increased price due to the increased duty; therefore we could not expect to sell our surpluses to people of other countries, and we would suffer a reduction in our exports, with all of the evil consequences that follow an accumulation of production, preceding a diminution of production, and a final abandonment of it. Of that I shall speak presently. But I am not ready to abandon as yet my study of the tremendous and utterly demoralizing increase in our imports—demoralizing from a free-trade Democratic point of view.

At this point I wish to digress for a moment to state that I have come into possession of a symposium of terse, clear-cut, more or less epigrammatic expressions on the tariff, gathered by the American Protective Tariff League, of New York, which for nearly 50 years has been unceasing in the distribution of tariff arguments and facts, all showing the necessity of maintaining at all times an adequately protective tariff; and it is my plan to interpolate from time to time, in what I have to say at this time on the prosperity tariff, quotations and excerpts culled from that symposium. I quote Senator McLEAN, of Connecticut, as follows:

I heartily approve of the effective work accomplished by the American Protective Tariff League, and if the American people are wise they will continue to give it their hearty support.

And Senator PHIPPS, of Colorado, says:

The protective tariff principle is one which stands at the base of our business and agricultural prosperity.

Of our imports free of duty the total during the 18 months preceding the enactment of the prosperity tariff, in round numbers, totaled $2,448,000,000, but during the 18 months of the present tariff our imports free of duty totaled in value no less than $3,220,000,000, an increase in imports free of duty of $772,000,000 or no less than 31 per cent.

Of our dutiable imports the increase, it will be noted, was from $1,568,000,000 in the 18 months preceding the enactment of the protective tariff to $2,448,000,000 during the 18 months that elapsed after the enactment of that instrument, an increase of $880,000,000, or 56 per cent more than during the 18 months of semifree trade. Notwithstanding the protective duty, therefore, the dutiable imports increased far more than did imports free of duty. I should like to have some of my free-trade Democratic friends explain what to them must be a most amazing protective-tariff phenomenon. It may help them to do so if they will accept as a basic fact a short statement from Senator SHORTRIDGE, of California, who has said:

It is no longer a matter of theory; experience proves that a tariff framed on protective principles is absolutely necessary to national and individual prosperity.

PURCHASING POWER OF THE PEOPLE

Democrats are wise enough to know that there is but one explanation for this phenomenon, and that is that the increased and very general employment of the people at higher wages than they have ever before known in peace times gives to them a purchasing power that in the aggregate pushes aside all barriers to purchases of the things they desire, be they dutiable imports or home products. The protective tariff substituted employment for unemployment, high wages for no earnings, prosperity for poverty, comfort and contentment for misery and deprivation—that is the reason!

Right here we get to the very essence of the difference between protection and free trade in the United States. The increased prosperity, that increased purchasing power of the money in the hands of the great majority of the people—110,000,000 of them, remember—was more favorable to imports than the hard times they endured previous to the enactment of the prosperity tariff.

I pause to quote my friend Representative FENN, of Connecticut, who says:

Despite the assertions of those who opposed its passage I believe the country is convinced now that the Fordney-McCumber tariff bill is the best tariff, taking the world conditions into consideration, ever passed by any Congress.

What a wonderful country this would become if such tariff truths were only acceptable to our Democratic friends.

WHY DO DEMOCRATS FAVOR FOREIGN PRODUCTS

Free traders themselves, therefore, must see, even if unwilling to admit, that conditions are infinitely more favorable to imports under a reasonably protective tariff than they are under a semifree-trade tariff. How are our free-trade Democratic friends to find a way out of their dilemma? If this purpose is to encourage the purchase of foreign goods, protection, not free trade, is the road to it. But if they desire to diminish American purchases of foreign goods, they must put free trade, or semifree trade, conditions in operation. When the great bulk of the people are prosperous they buy more freely, regardless of the cost of purchases, than they do when free-trade conditions make times hard, with employment uncertain and money hard to get.

It has seemed to me that our rates of duty on a great many competing foreign articles are too low; that they could be increased beneficially to everybody in the United States, producers and consumers alike. Which causes me to insert here a remark of my Illinois friend, Representative SPROUL, who said:

I believe that the past year has proven, if proof was necessary, the great good that has come to the country through our present tariff law. If I was to change it in any way, it would be to increase the rates of the various schedules.

Democrats are not likely to approve of that unless they happen to produce sugar, or wool, or rice, or even peanuts. But there is food for thought in the statement.

MINIMUM WAGE IS FREE TRADER'S CHIEF AIM

Of course, the real object of free traders is to force our workers to accept wages that are on a parity with those in less-favored countries, because it will always be found that under free-trade conditions the tendency is constantly to reduce wages, and it is easier to effect reductions in wages when there are more men seeking employment than there is employment offering. The effects of free trade in the United States or semifree trade have been, of course, to diminish the average wages paid to workers, but this diminution has not been anything like as great as free traders have wished; nothing like, for example, as great as would bring wages in this country to a parity with wages in countries whose goods seek to compete with our own in the home market. Instead of being willing to accept reductions that would establish such a parity of wages between American and foreign workers many American workers prefer to quit work until a return of the time when they shall be able to obtain what they regard as proper wages; that is to say, the American standard of wages.

AMERICAN FEDERATION OF LABOR'S VIEW

In my speech of March 2, 1923, on the tariff I quoted from a resolution adopted by the American Federation of Labor in convention at Buffalo in 1917, just as appropriate now as when that great body of workingmen adopted it. Listen to it.

*Resolved*, That this convention go on record in favor of a policy of industrial preparedness and the enactment of laws by Congress that will adequately protect all wage earners of our country against loss of employment through any invasion of the products of any other nation.

Democrats like to beguile themselves with the thought that theirs is the party of the people, the common people, but the

meaning of that resolution, adopted only after the most extended and careful consideration, should clarify such illusive Democratic pipe dreams. The party of protection is the people's party, which stands for the American standard of living with wages adequate to the maintenance of that standard.

DANGER OF FREE TRADE OR SEMIFREE TRADE

If free trade or semifree trade periods were longer in this country than they have been under tariffs for revenue only, such as have obtained during Democratic administrations, possibly the object of free traders in time might be attained; that is to say, workers might be forced, by their very necessities, to save themselves from actual starvation, to accept wages on a parity with those in effect in foreign countries. But the lower our standard of wages the smaller our purchasing power, and real free-trade wage standards would not yield revenue for purchases of foreign products to any considerable extent. As has been so well said by Representative GARBER, of Oklahoma:

The theories of free trade taught in a great many of our universities and the advantage taken by monopolistic corporations constantly require a watchman on the tower to safeguard our national defense of a protective tariff. During the last 60 years we have had but 12 years of free trade or a tariff for revenue only. Select the periods of greatest depression, when manufacturing plants and factories were idle, when laboring men were reduced to want and standing in line for jobs and bread—then you have the periods referred to.

The whole question resolves into whom should be given the employment—the American farmer and the American workingman, or the foreigners with cheap labor and cheap modes of living, who are able to successfully compete and capture our home markets unless prevented from doing so by a tariff high enough at least to more than equalize the difference in such conditions.

FREE TRADERS HIDE THEIR ULTIMATE AIM

Free traders do not like to admit frankly and bluntly that their ultimate object is to force workers to accept minimum wages or wages on a parity with the wages of their competitors in foreign countries. But that is, nevertheless, their prime object. The free trader seeks to establish world-wide conditions where the cheapest product in a given line should be left to the production of people who can produce it most cheaply—usually these are the people least paid. This would establish world conditions in which the great body of workers the world over would be working for starvation wages—barely enough to keep body and soul together—as was the case in Great Britain for so long after the repeal of the corn laws, in 1846. Protection of agriculturists at that time was definitely abandoned with the sole object of obtaining foodstuffs and raw materials from abroad at lower prices than they could be produced for at home. Acquiring these foodstuffs and raw materials at the minimum of cost and forcing labor employed in manufacturing to accept minimum wages, Great Britain was able to continue to be the world's workshop, so to speak. But it will be perceived that it was at the expense of the workers—workers in agriculture as well as in manufactures. The result was that the British home market was of but little value to foreigners, except such as sold Briton's foodstuffs and raw materials. Being the cheapest market in the world for manufactures, of course foreign manufactures had no opportunity to invade the British market. The gradual decline of home production of food products in Great Britain following the repeal of the British corn laws was greatly marked, many agriculturists abandoning agriculture rather than attempt to compete with food producers the world over, perhaps the least-paid laborers in the world.

Naturally, inevitably these workers drifted into manufacturing, practically the only line of general employment open to them. This had a tendency to keep wages in manufacturing always at the minimum—the level of starvation conditions. British propagandists preached free trade to the world in order to secure free access to the foreign markets, and naturally they and their abettors and dupes always were and still are radically opposed to protective measures of any kind.

The great and valuable home market of the United States, the market that all foreigners are so eager to enter, would cease to exist under general and prolonged free-trade conditions—something that we should always strive to prevent.

Representative FAIRCHILD, of New York, a sterling protectionist, clearly sees and thus warns his countrymen against this danger:

Protectionists should be ever on guard against an insidious foe. That is my watchword for everyone who believes in the American policy of protecting home industries. A protectionist should unceasingly and aggressively work to maintain the policy of protection. Free traders, importers, and also whitewashed foreigners among American citizens are constantly and aggressively at work to undermine the protective policy, and protectionists should never for one moment be weary in well-doing.

If American workers really desire to know what would happen to them under prolonged free-trade conditions, let them study the progress of events in Great Britain after the repeal of the corn laws nearly 80 years ago. The more such conditions are studied by American workmen the less inclined they will be to participate in bringing about free trade or semifree trade conditions in this country. Such evils as may arise through long-continued protection can be remedied from within far better than from without; and there are no evils possible under protection that are not infinitely more tolerable than such evils as exist under free trade. This brings me to a statement by Senator MOSES, of New Hampshire, that is most applicable:

While there are some features of the administrative portion of the act which provoke just criticism, the underlying principle of the measure, through which runs the constant forceful thread of maintaining an American scale of wages and American standard of living for American workingmen, is so apparent that even the critics of the bill are shamed into silence.

We have seen what the prosperity tariff has done during 18 months for imports—so much more than the Underwood "tariff for revenue only" accomplished. Let us glance for a moment at what this prosperity tariff has done for our home producers in the way of finding foreign markets for their surplus products.

Democratic prognostications regarding the effects of our protective tariff law at the time of its enactment have proven to be wholly wrong—absolutely and totally wrong. If Democrats believed what they then said, it is manifest now how ill-informed they were; and if, as in many instances was the case, their sole purpose was to mislead, what claim have they to serious consideration? They said our prosperity tariff would cut down imports, whereas they have increased 41 per cent; they said that this "robber tariff" would also curtail our exports—they were positive of that—some of them are positive of it yet.

Let us see therefore, what has happened to our exports during 18 months of this "unspeakable tariff," as compared with what happened to them during the 18 months that preceded the enactment of what is really a prosperity tariff. The following table is prepared from the monthly summary of foreign commerce issued by the Department of Commerce:

*Exports during the 18 months preceding October, 1922, and the 18 months ending with March, 1924, in millions of dollars*

| | Value of exports |
|---|---|
| 1921: | |
| April | 340 |
| May | 330 |
| June | 337 |
| July | 325 |
| August | 367 |
| September | 325 |
| October | 343 |
| November | 294 |
| December | 296 |
| 1922: | |
| January | 279 |
| February | 251 |
| March | 330 |
| April | 318 |
| May | 308 |
| June | 335 |
| July | 301 |
| August | 302 |
| September | 313 |
| | 5,694 |
| October | 371 |
| November | 380 |
| December | 344 |
| 1923: | |
| January | 335 |
| February | 307 |
| March | 341 |
| April | 325 |
| May | 316 |
| June | 320 |
| July | 302 |
| August | 311 |
| September | 381 |
| October | 399 |
| November | 401 |
| December | 427 |
| 1924: | |
| January | 395 |
| February | 366 |
| March | 340 |
| | 6,361 |

Here we find that Democratic forebodings and predictions went for naught. Even our exports have increased during the period of the operation of prosperity tariff, increased in the sum of $667,000,000, in round numbers, or 12 per cent. Democrats can not idly pass this off, any more than they can escape distrust because of their utterly wrong predictions that our prosperity tariff would greatly curtail imports. If they did not know, how dependable are they? If they did know, then, like Bret Hart's Ah Sin, they spoke with "intent to deceive." Which makes me think of what former Senator, now Postmaster General New, so well said:

Campaigns may come and go and new issues be from time to time injected into our politics, but the one principle that must not be and can not be forgotten, and upon which the two great parties are divided, is that of protection to American industry.

WILL FREE-TRADE DEMOCRATS ADMIT THEY WERE WRONG

Democrats may talk loudly and tell about the "issue" they propose making of the protective tariff, but theirs is the spirit in that matter which causes a timid youngster to whistle as he passes a graveyard at night. They will be glad when they get by. They do not want to be pinned down to specific questions, least of all to be asked to give specific data of the really objectionable features of this "robber tariff." They will generalize, but they are not apt to particularize. How can they and tell the truth? But dare they longer attempt to mislead? Note a remark by Representative FLEETWOOD, of Vermont:

The national distribution of Document No. 33, "Comparison of tariff acts of 1909, 1913, and 1922," published by the Ways and Means Committee, has been of much value, I think, in informing the public in regard to the benefit of the protective policy. I think the American Protective Tariff League in the distribution of this document has been of much value.

This document has been placed in public libraries, where whoever chooses may consult it and thus get first-hand official information regarding varying tariff schedules. And it has been sent to practically every newspaper editor in the country, close to whose elbow, if he is on his job, you will find it, well thumbed, its owner ready to "nail" tariff misstatements and at the same time furnish the truth. So anyone thinking of "getting away" with a campaign of untruths on the tariff would better watch out.

Really there is nothing for honest Democrats to say about the prosperity tariff except that it worked out very differently than their party leaders said it would, and that it did just the contrary to what Democratic leaders and newspapers said it would do. But we do not expect Democrats to admit such truths, not during a presidential campaign year; and all of this leads me to believe that Democrats, instead of making an issue of the tariff, will be found dodging such an issue; and they will be wise if they do dodge it, if they can dodge it.

DEPRESSION AMONG WHEAT GROWERS

Unquestionably Democrats and free traders—those who work so strenuously to substitute foreign for American products in the American market—will try to make the most of the depressed condition that affects our wheat growers of the Northwest. Already these producers have been told that they are the dupes, the victims of the tariff; they have been told that the tariff is of no benefit to them; that, on the contrary, it is a thing that increases the cost of everything they buy and has no power to help them. Everything they buy they must pay "high tariff rates" for, they are told, while what they sell must all be sold at world prices. These are deliberate falsehoods, and known to be such by those who utter them. But they are uttered in the belief—at least the hope—that the "ordinary man" does not know the truth and is unlikely to seek it, in respect to a tariff matter.

There is abundant proof that many wheat producers, and others within the area of large wheat production, who are in a state of financial and mental depression, are being told that it is all due to the "robber tariff." They are urged to do all they can to have the tariff repealed, to wipe protection off the American political slate. There is good reason to believe that these statements are all too readily believed by farmers who think they are "up against it," because it happened that the thing they produced in great abundance was in greater abundance the world over than it has been before the World War began. The protective tariff can not alter the law of supply and demand. It can, and it does, prevent competing foreign products from entering the American market without paying a good round duty on the product. The things the farmers have to sell never were so well protected as they are now; but the protection applies in the home market, it protects the farmers against foreign competition at home; it has never been pretended that it would prevent the producer who sells his product abroad from being obliged to accept the world's price for what he sells abroad.

On everything farmers are compelled to buy, especially such things as are peculiar to the needs and the uses of the farmers, there is no duty at all—all of them are on the free list, and tariff does not affect them. But Democrats will never tell you this. If you ask them they will either say this is not true, or they will hedge and evade the point. They think the lie helps them, and perhaps it does—for a time.

MISSTATEMENTS IN NEW YORK TIMES

The New York Times is a great American newspaper, perhaps one of the most prosperous and powerful newspapers in the world. But being a consistent free-trade newspaper, it is difficult for it to state accurately the facts respecting a protective tariff. Even such a newspaper as the New York Times does not hesitate to misstate and distort facts in order to malign and cast distrust upon the prosperity tariff. A case in point is before me in its issue of June 5, 1924, which contains an editorial captioned "Opening the eyes of farmers." It would, indeed, cause well-informed farmers to open their eyes very wide and to rub them, too, if they read it. "Farmers," declares this article, "have found out that the duties levied on agricultural products are wholly illusory." Farmers, in truth, have found no such thing. They have found that duties on agricultural products serve to keep competing foreign agricultural products out of the American market; that such duties preserve the American markets for American farmers. There is at present a duty of 42 cents a bushel on wheat, and every bushel of foreign wheat that seeks to enter the American market must first pay 42 cents to get in. With wheat selling at a little above a dollar this is a serious handicap to place upon foreign wheat that seeks to compete in the American market with American wheat, too serious a handicap for foreign wheat growers to care to try and overcome. Perhaps the worst misstatement in the New York Times article is this:

The tariff can not help the farmer, but hurts him by compelling him to pay high prices for all that he has to buy.

Politicians have not fooled farmers any more than the New York Times seeks to do. Such a statement as I have quoted from the New York Times is unworthy of the high position it occupies in the journalistic field.

The New York Times states that "one Representative proposes gravely to continue the process by asking the Tariff Commission to reduce the duties on farm implements." Every Representative in Congress knows, as the writer of the New York Times editorial under review does, that farm implements are all on the free list, and it convicts itself out of its own mouth when it admits that Canadians "import great quantities of implements used on the farms" and declares that "it is a fact that American manufacturers of farm implements dominate the industry and export to many foreign countries up to the value of $50,000,000 a year." Manifestly American makers of farm implements need no protection from the tariff and enjoy none.

Here the New York Times discloses its purpose in indulging in such wild and purposely misleading statements as are contained in the article quoted:

There is no hope that the American farmer can find a shelter behind a protective tariff. He ought to insist with might and main that others be deprived of it, especially when they enjoy it at his expense.

The New York Times taunts the farmers with their alleged desire to obtain subsidies, but it does not say that it and other newspapers like it enjoy the largest subsidies to-day paid by the United States Government; subsidies that run into tens of millions of dollars each year—aye, perhaps as high as a hundred million dollars—in the rates at which the Government transports their periodicals all over the country. It ill becomes any American newspaper that enjoys second-class mail privileges to inveigh against subsidies, because the general taxpayers of the country are obliged to contribute the great bulk of the money that the Government spends to carry and distribute American newspapers. Let the New York Times tell the farmers of the country how much it would have to pay to the Government if it merely paid the actual cost of having its journal carried and distributed by the Government. Subsidies, forsooth! The New York Times presents a pitiable picture in declaiming against special privileges and subsidies while it is a conspicuous beneficiary of them.

What can be expected of ordinary newspapers when they are set such an example by an American newspaper with the

prestige of the New York Times? The campaign of misrepresentation is on! The great, free-trade New York Times leads! It seems to hate the prosperity tariff even more than it hates the truth.

Farmers know that the tariff protection enjoyed by our manufactures, our mines, and our forests enable them to produce when profitable production would be impossible if competing foreign products were permitted freely to enter our markets. All of those so protected are consumers of American farm products, and they consume far more than they would if unemployed and with no money with which to buy, such as so often obtains when a Democratic revenue tariff is the law of the land.

Speaking on this floor on February 1, 1894, that brilliant American, the late Thomas B. Reed, discussed the tariff interestingly, illuminatingly, eloquently.

In the course of that speech he quoted at length from a published statement of a British editor who had but recently visited this country and who was amazed at the prosperity he found in the United States. Said Mr. Reed:

I have given you already the glowing testimony of the Englishmen who have seen us with their own eyes. "Amazing prosperity," "Greatest market in the world," "Paradise of the workingman." These are strong words, but let us see if cold mathematics do not put to shame the fervor of adjectives.

We are nominally 70,000,000 people. That is what we are in mere numbers. But as a market for manufactures and choice foods we are potentially 175,000,000 as compared with the next best nation on the globe.

Again, former Speaker Reed said:

Mulhall gives certain statistics which will serve to make the comparison clear. On page 365 of his Dictionary of Statistics he says the total yearly product of the manufactures of the world are £4,474,000,000, of which the United States produces £1,443,000,000.

I do not vouch, nor can anybody vouch, for these figures, but the proportion of one-third to two-thirds nobody can fairly dispute. We produce one-third and the rest of the world, England included, two-thirds.

The population of the world is 1,500,000,000, of which we have 70,000,000, which leaves 1,430,000,000 for the rest of mankind. We use all our manufactures or the equivalent of them. Hence we are equal to one-half the whole globe outside of ourselves, England included, and compared as a market with the rest of the world our population is equal to 700,000,000. [Applause on the Republican side.]

I repeat, as compared with England herself as a market, our people are equivalent to 175,000,000. As compared with the rest of the world, England included, we are equal as a market to 700,000,000. These figures more than justify the adjectives of the Englishman, and the cold facts of mathematics surpass the spasms of rhetoric.

And this is the market that free traders would turn over to the free competition of all the world! No wonder it is so eagerly sought by the rest of the world, considering what a wonderful consumer we are.

Said the beloved "Tom" Reed further:

Who have these markets of the world now? There is hardly a spot on the globe where three generations of Englishmen, Frenchmen, or Germans have not been camped in possession of every avenue of trade. Do you suppose that machinery nearly as good as ours and wages at one-half these men are going to surrender to us the markets of the world? Why, the very duties you keep on show that you do not believe it. If we can not without duties hold our own markets, how shall we pay freight, the expense of introducing goods, and meet the foreigner where he lives?

And yet free traders would have us abandon to the foreigner the wonderful home market that we are at perfect liberty to enjoy for ourselves if we but protect ourselves against foreign competition and go roaming the world for other markets to exploit! Let us make the most of that which is ours and that lies all around us.

Our producers of wheat know that at home they possess a market equal to none to be found elsewhere in the world; they know that if tariff protection is withdrawn, if industries close down, factories and mills cease to operate, or operate only on part time, as was the case before the prosperity tariff came into effect, that the diminution of wheat consumption right here in our own market will be the very worst thing that can happen to them.

In the American Economist of June 6, 1924, on page 188, appears an illuminating editorial on "How the tariff favors the farmer." It is an article that the editorial writers on the New York Times and other free-trade newspapers should read and digest. It discusses a great variety of pertinent matters showing how the tariff benefits the farmer, and it shows how uninformed one Representative in Congress was in stating that articles were on the dutiable list of the tariff that are free of duty, proof of which the editor is able to furnish out of the mouth of a well-informed and honest Democratic Representative, Mr. RAINEY, of Illinois, who is quoted as saying that the protection given our farmers—

is proportionately as large when reduced to equivalent ad valorems as is given to any other articles in the entire tariff schedules, including textiles. * * * In addition, the farmer was given protection on everything else he produces. * * * The protection he has received in terms does not differ in the least from the protection given anyone else, and it is just as high, perhaps higher.

Then the editorial in the American Economist, which, as no doubt you all know, is published by the American Protective Tariff League, discusses the freedom from duties of articles used by farmers. It says:

As to the cost of farm machinery, it is probably due to the fact that there is no tariff on it that has increased the farmer's cost. Not a single farm implement is on the dutiable list of the Fordney-McCumber Act. And one would gain the impression from reading Mr. Wilson's statement that the farmer buys new machinery every year to harvest his crops. Nothing could be further from the truth. To say that the tariff is reflected in hats and shoes, so far as the farmer is concerned, is likewise somewhat at variance with the facts.

There is a tariff on straw hats, the kind of harvest hats that the farmers use, and it is 25 per cent ad valorem if the hats are valued at $3 per dozen or less—that is, 25 cents each. When sewed straw hats of the type that the city chap wears are imported at 20 cents each to sell for $1.69 each, it can easily be seen that the farmer is rather the victim of the middleman than the tariff.

As to shoes, where in the whole tariff law can Mr. Wilson find the shoes that the farmer wears paying a tariff duty? And where can he find a duty on the leather from which the shoes are made? There is none on either the shoes or the leather, and Mr. Wilson knows it.

The farmer buys fence posts to keep his cattle in. Fence posts are on the free list. The farmer buys barbed wire to make the fence. Barbed wire is also free.

The farmer buys plows, tooth or disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horse rakes, cultivators, threshing machines, wagons, carts, "and all other agricultural implements of any kind and description, not specially provided for in whole or in part, including repair parts," but both Mr. Wilson and Mr. Oliver apparently are unaware of the fact that they are on the free list. Binding twine is also free.

The farmer also is a great bread eater. That is on the free list. He uses common brick and cement—that is, if he is modern—but he pays no duty on them if he brings them in from a foreign country. He must burn coal, wood, or crude oil. These are all on the free list.

He uses cyanide and other chemicals for spraying his crops. These are on the free list. He uses hones and whetstones; he uses all kinds of fertilizers, natural or chemically made; oil cake and oil-cake meal as feed; pads for his horses; plaster rock or gypsum for building walls in his houses; and tea and coffee; but all of these are on the free list.

The only necessities he buys that are taxed, therefore, must be certain cotton and wool clothing that he wears, and he asked for the duties on these things himself.

The farmer knows that his prosperity and industrial prosperity in general are interdependent, because 90 per cent of his products are sold in the home market.

This phHosophy was ably set forth by Stuart W. Cramer, of North Carolina, recently at the convention of the American Cotton Manufacturers' Association. In part he said:

> "The interdependence of industry and commerce, of factory and farm, and of all the various activities of life should be so obvious as not to require comment; yet so many think only in terms of agriculture, so many from industrial districts think only in terms of industry, and so many from commercial centers think only in terms of commerce and trade. Is it not true that agriculture prospers only when those engaged in industry and commerce prosper and have full buying power; is it not true that industry prospers only when the farmer and merchant prosper and their buying power is unimpaired; and can the merchant prosper unless the farmers prosper and those engaged in industry are employed and all have money with which to purchase his goods? Strike at one of these institutions and you hit all three. America is happy, contented, and prosperous only as a whole—no North, no South, no East, and no West; no farmer, no manufacturer, and no merchant—all American, pulling together."

The farmer knows that the Republican Party kept its pledge to him with respect to the tariff. He knows that what Mr. Cramer says is

the truth. And the farmer will not be misled by any plain, unadulterated bunk about the tariff and its effect on him, because it has benefited him in no small measure.

It is but fair to state that it never has been claimed by protectionists that the tariff would protect exports. To be sure, free traders and Democrats like to say, mistakenly, or untruthfully, that protectionists claim to be able to protect our farmers in the prices they obtain for the products they export. Protection applies only within the United States and against the importation of competing foreign products. When the products of our farms are so large as to create a surplus not within the ability of our own people to consume, and the surplus has to be exported, manifestly such surplus can not command more than the world price—free-trade price, if you will. How, then, can a protective tariff—applicable only to imports—help protect our exports or the producers of them? How foolish protectionists would be to claim that tariff protection can affect the price paid in the distant markets of the world for our surplus exports.

Again, if producers of wheat will limit its production to what is easily and naturally consumable in the United States, with our present protective duty of 42 cents a bushel on imported wheat, owners of foreign wheat would be obliged to suffer a loss equal to the amount of that protective wheat duty before such foreign wheat could compete in our own market with our own home-grown wheat. Say that the American price of wheat is $1 a bushel. With a duty of 42 cents a bushel on imported wheat—the present rate, recently increased from 30 cents a bushel by President Coolidge—the imported wheat would net the seller but 58 cents sold in our market. The value of foreign wheat, in short, would have to equal the value of our own wheat less the amount of our customs duty on wheat in order to enter our market. That is all that protectionists claim protection through the tariff can do. But if we have a surplus of wheat that must be sold abroad, how can tariff protection help the American seller of exported wheat to obtain the home price for what he sells abroad?

Then, how can the farmer's plight in respect to wheat be blamed against the tariff?

WHEAT EXPORTS DURING PAST SEVEN YEARS

From 1918 there was a tremendous rise in exports of wheat and prices received therefor in foreign markets, while since 1921 the decline has been abrupt, the prices received having so very greatly diminished. Here are the official figures:

*Exports of American wheat*

| Year | Bushels | Value |
|---|---|---|
| 1918 | 34,118,853 | $80,802,542 |
| 1919 | 178,582,673 | 424,543,010 |
| 1920 | 122,430,724 | 306,163,023 |
| 1921 | 293,267,637 | 689,813,094 |
| 1922 | 208,321,091 | 279,656,478 |
| 1923 | 154,950,971 | 192,015,328 |
| 1924 [1] | 67,260,473 | 74,808,474 |

[1] Nine months ending Mar. 31.

There is the record of foreign taking of our wheat. Our exports in 1922 dropped 30 per cent in quantity and 43 per cent in value as compared with the previous (peak) year. But it conveyed a warning that should have been heeded. The war was ended. Inevitably nations that had suspended wheat production would begin to produce wheat for themselves anew, so that the outlook for wheat markets and profitable wheat prices was forbidding. In short, our wheat producers had reason for curtailing production, and on a large scale, as compared with war and post-war production. But they continued to produce abnormal quantities and now they are suffering the consequences. The country sympathizes with them and Congress has sought to help them, if possible, to meet the temporary embarrassment confronting them, but the permanent remedy can only be found in decreased production.

In his report of November 30, 1923, to the President on the wheat situation, Secretary of Agriculture Wallace clearly shows how the demand for vast quantities of wheat began with the outbreak of the World War, how quickly production overtook demand, the drop in 1915–16, the renewed demand and again increased production, with price regulation in 1917, 1918, and 1919 crops. Mr. Wallace says:

Under continuous appeals for production of food the production of wheat rose from an average of 690,000,000 bushels in the period of 1909–1913 to 968,000,000 in 1919, an increase of 40 per cent, and the wheat area expanded from an average of 47,000,000 acres to 75,000,000 in 1919. * * *

When general deflation of prices began in the summer of 1920 wheat prices broke sharply and have continued to decline into the present season. As a result substantial reductions have taken place in both acreage and production of wheat. Nevertheless, the crop for 1923 is 781,000,000 bushels, or 13 per cent, greater than the average before the war, and the acreage is about 24 per cent larger. The corn acreage which was replaced by wheat has now recovered most of this loss, but still slightly under the pre-war average. While there has been some reduction in cultivated crops the total crop area of the country is still between 30,000,000 and 40,000,000 acres larger than before the war.

Secretary Wallace's recommendation to remedy the situation is, in part, as follows:

The increasing foreign competition in wheat production points to a relatively low level of prices for wheat and to the advisability of materially reducing the acreage. Our wheat production should be placed gradually on a domestic basis and then should keep pace with our growth in population and domestic demand. In those regions where wheat displaced other crops in response to war-time prices the acreage of wheat should be reduced as fast as profitable alternatives can be found.

Secretary Wallace says that the wheat surplus may be reduced materially by increased domestic consumption. "The per capita consumption of wheat flour and bread," he says, "has been lessened by the war-time campaign to save food coupled with the high prices for bread which have since been maintained." Statistics show that during the past two years the total wheat retained for consumption in the United States has aggregated about 550,000,000 bushels, which was the average retained for consumption in 1911, 1912, and 1913—in fact, the amount retained for consumption between 1906 and 1910 averaged no less than 560,577,241 bushels. As bearing on whether or not our tariff protects our wheat growers within the United States, note the margin of American No. 1 dark northern wheat prices over Canadian—Winnipeg No. 2 northern—prices during the first 10 months of 1923:

*American margins over Canadian prices, 1923*

| | Duluth | Minneapolis |
|---|---|---|
| | *Cents* | *Cents* |
| January | 16 | 18 |
| February | 15 | 18 |
| March | 14 | 16 |
| April | 11 | 12 |
| May | 12 | 12 |
| June | 3 | 4 |
| July | 5 | 6 |
| August | 10 | 10 |
| September | 24 | 19 |
| October | 30 | 32 |

This is a good place to interpolate a statement made by my friend Representative BEGG, of Ohio, in January, this year:

Our Democratic friends attack the tariff in general terms as it applies to the farmers, but on checking statistics for 1923 you will find that the farmers of the United States sold more than 711,000,000 bushels of wheat, and the average price in the United States as compared with the average price in Canada was near 30 cents a bushel to our advantage, or something like $210,000,000 in the pockets of American farmers.

A further study of statistics will show that under the Underwood tariff the differential in the wheat crop, comparing the United States with Canada, was as high as 7 cents per bushel. In other words, on 711,000,000 bushels of wheat the average sale over a period of five years showed a direct loss to the American farmer as compared with the Canadian farmer. If the tariff is no good, what is the explanation for this difference?

Again, if the tariff is no good, why is it that the 4,000,000 men who were out of work when the Harding administration took control are to-day all employed and there is a shortage of labor and the wages are the best ever known in peace times? If the protective tariff did not put those men to work, who did?

Representative SUMMERS of Washington made the following contribution on the subject of wheat in January last:

Please be advised that the Western wheat growers, all parties, are agreed for the first time in history that there should be a high tariff on wheat, not less than 50 cents a bushel and preferably 75 cents per bushel.

If all western wheat growers are agreed that there should be such a high duty on imported wheat, surely they all must agree that the protective tariff is helpful to American wheat growers. That being so, why imperil wheat growers by putting

in power the party that took the duty off of wheat and other cereal products during the period of the Underwood tariff?

The real, lasting, and effective remedy for the depression of the wheat producers is to curtail its production and keep it within the domestic requirements of the country, where it can be adequately protected against foreign competition.

In order graphically to contrast conditions affecting our imports and exports since the new tariff came into existence with a similar period preceding its enactment I have adopted the method of grouping our imports and exports in the same manner that they are expressed in the monthly summary of foreign commerce. The figures presented are in millions of dollars, as was done in the earlier part of my remarks.

*Value of imports and exports of the United States in 18-month periods preceding and following enactment of the Fordney tariff*

[The tariff went into effect on September 22, 1922]

| | For the 18 months ending with— | |
|---|---|---|
| | September, 1922 | March, 1924 |
| IMPORTS | | |
| Free of duty: | | |
| Crude materials for use in manufacturing | $1,196 | $1,647 |
| Foodstuffs in crude condition, and food animals | 363 | 427 |
| Foodstuffs partly or wholly manufactured | 74 | 72 |
| Manufactures for further use in manufacturing | 422 | 713 |
| Manufactures ready for consumption | 378 | 358 |
| Miscellaneous | 15 | 6 |
| Total | 2,448 | 3,223 |
| Dutiable: | | |
| Crude materials for use in manufacturing | 214 | 441 |
| Foodstuffs in crude condition, and food animals | 88 | 135 |
| Foodstuffs partly or wholly manufactured | 472 | 710 |
| Manufactures for further use in manufacturing | 206 | 367 |
| Manufactures ready for consumption | 575 | 769 |
| Miscellaneous | 13 | 26 |
| Total | 1,568 | 2,449 |
| Free and dutiable: | | |
| Crude materials for use in manufacturing | 1,410 | 2,088 |
| Foodstuffs in crude condition, and food animals | 451 | 562 |
| Foodstuffs partly or wholly manufactured | 546 | 781 |
| Manufactures for further use in manufacturing | 627 | 1,080 |
| Manufactures ready for consumption | 953 | 1,128 |
| Miscellaneous | 28 | 33 |
| Total | 4,016 | 5,672 |
| EXPORTS | | |
| Domestic: | | |
| Crude materials for use in manufacturing | 1,306 | 1,926 |
| Foodstuffs in crude condition, and food animals | 843 | 400 |
| Foodstuffs partly or wholly manufactured | 914 | 894 |
| Manufactures for further use in manufacturing | 623 | 822 |
| Manufactures ready for consumption | 1,879 | 2,198 |
| Miscellaneous | 10 | 11 |
| Total | 5,574 | 6,250 |
| Foreign | 112 | 92 |
| Grand total of exports | 5,686 | 6,342 |
| Duties collected from customs | 562 | 859 |
| Increase during protective tariff period | | 297 |

Percentage of increase, 52.8 per cent.

This presentation verifies the figures I presented earlier in my remarks in the tables, giving free and dutiable imports separately by months, and free and dutiable imports combined, as well as exports, also by months. But it goes much further and shows the character of our imports, free and dutiable, separately and combined, and the character of our exports. A study of this table will give students of the subject opportunity to satisfy themselves as to whether or not the country is better off because of the variations in the character of our imports and exports.

In the increase of imports free of duty, which increase amounts to $775,000,000, more than one-half represents crude materials for use in manufacturing, which should be pleasing both to protectionists and free traders. The other big increase was in manufactures for further use in manufacturing, which should also be pleasing to all shades of economists. Protectionists will be pleased to note a slight reduction during the period of the prosperity tariff in manufactures ready for consumption, as compared with the preceding period. Altogether the figures revealed of nondutiable imports should be satisfactory to protectionists.

As to the dutiable, substantially smaller in the aggregate, the doubling of crude materials for use in manufacturing is pleasing, as, in fact, are all of the increases, with the exception of manufactures ready for consumption, being nearly $200,000,000 more under protection than semifree trade. This proves, or should prove, that the duties are not burdensome. It will doubtless please free traders to note such a substantial increase in manufactures ready for consumption, since their interest is always keen in that particular feature of our import business.

It is noted, again, that the percentage of increase in nondutiable imports is 31 per cent and in our dutiable imports 56 per cent. This, again, should be most reassuring to free traders and should lead them to feel that a protective tariff that produces such pleasing results can not be the monstrous and unspeakable thing that they are wont to characterize it as being.

No wonder that Senator SMOOT of Utah is moved to remark:

> No American citizen who has any desire whatever to be honest can help but admit that the present tariff bill is accomplishing more than was ever promised for it. In my opinion it is the best tariff bill ever enacted into law. The longer it is in operation the greater will be the benefits to the people of the United States.

And Senator GREENE of Vermont:

> It does seem to me, however, that the United States has had experience enough with tariffs by now to recognize beyond all doubt not merely the wisdom but the economic necessity for maintaining the protective principle.

It should be equally gratifying to free traders that our total imports should increase no less than 41 per cent, whether the increase be due to a protective or a semifree trade tariff. The more we buy abroad the happier they are, and the mere detail that it is under a protective tariff that such increase should occur should not greatly displease them. Of course, it will not altogether delight them to find that a protective tariff is more conducive to large importations than is a semifree trade tariff for revenue only. Doubtless it will somewhat jar their sensibilities to be advised, as I can not refrain from advising them, that this really prodigious increase in imports is due to the tremendously increased purchasing power of the people, millions more of whom are employed in the United States because of the existence of the prosperity tariff than could find employment under the semifree trade tariff for revenue only. When four or five million idle people are able to find steady employment at an average of $5 a day—because wages have decreased but little since the war—of course the aggregate sum of money available for purchases of all kinds, including nondutiable as well as dutiable imports, becomes tremendous. And then, again, the quick employment of such a large army of unemployed Americans had a marked tendency both to stiffen wages paid to those who had been fortunate enough to find employment during the dull period of the semifree-trade tariff for revenue only and in many cases to increase them quite substantially.

Your out-and-out free trader never takes any real pleasure in learning that there has been an increase in wages; to such, increases seem abnormal, something to be corrected.

Protectionists are pleased that the prosperity tariff so completely refuted the predictions of the free traders, made in the heat of anger at the time of the enactment of the protective tariff. They see, but they do not like to dwell upon the fact, that instead of their vehemently predicted decrease in imports there has been a really phenomenal increase instead. If the astonishing, to them, fact should but lead them to study the economic situation with less bias and greater fairness, in time they might be reconciled if not won over to a protective tariff, since it accomplishes so amazingly what they so strenuously contend for—an increase in the consumption of imported articles rather than in the consumption of similar home productions.

But, of course, it is the dutiable feature of the imports that free traders regard as so outrageous, and to think that, once prosperity returned with the new tariff, the people should actually prefer to buy more dutiable than nondutiable articles, surely must seriously arouse them. It only goes to show, they will be apt to remark, how very much larger the consumption by Americans of foreign-made articles would have been had there been no duties at all. Perhaps, like in dear old England, they would have preferred to see the duties piled high on noncompetitive imports, and our desire for increased revenue satisfied in that way.

But then they would be forced back to the conclusion that it was only because these duties were imposed that employment became so general throughout the United States as to furnish the money for these tremendously increased foreign articles. In short, it is a case of not being able to have one's cake and eat it, too.

Protectionists can not study the vast increase in dutiable imports without becoming convinced that the rates of duty are too low; that they could be increased substantially in a manner that would not impair the revenue-producing qualities so much desired and at the same time give greater opportunity for home producers to meet the market demands for competing articles now so largely imported. The purpose of protectionists is to increase home production, not home consumption of competing foreign products; and it should be manifest to all that the new prosperity tariff does not give the full opportunity to our own home producers that protectionists would like to see them enjoy.

It will be noted, however, that, in the items of crude materials for use in manufacturing, foodstuffs in crude condition, and food animals, foodstuffs partly or wholly manufactured, and manufactures for further use in manufacturing, are to be found four-fifths of our imports, and that, after all, only one-fifth actually constitutes manufactures ready for consumption. Four-fifths of our imports contribute to further uses, at least part employment by our own people, before they become manufactures ready for consumption, and only one-fifth imports all ready for consumption. The more one analyzes the prosperity tariff the more one admires it.

As a matter of real fact, the existing prosperity tariff is one that should carry joy to both protectionists and free traders, because it has accomplished what each so strongly desires; that is to say, it has been the active cause of putting the idle in the United States to work at steady and high wages, with all of the material blessings that flow from such a condition; and it has so greatly increased our imports, even of competing foreign products, as to mollify all but the most rabid of free traders—but there are so many free traders who are rabid!

Senator JONES of Washington truly says:

The need of protection is greater now than ever before.

And Representative FREE, of California, with equal truth declares:

The recent tariff act, in my judgment, has been a great blessing to the country.

Representative LINEBERGER, also of California, thus epitomizes the situation:

In order that the necessity of adequate tariff legislation may be kept before us as a people, a continuous and consistent educational campaign must be waged. The effect of the tariff of 1922 speaks for itself more eloquently than I or anyone else could speak for it. Prosperity reigns, and the American workman and the American producer and manufacturer, both equally codependent, are enjoying widespread employment and prosperity, both fundamental requirements for the social and economic well-being of the United States.

EXPORTS INCREASE UNDER PROTECTION

The important fact must not be overlooked that our exports increased 12 per cent during the 18 months as compared with the preceding 18 months of nonprotection. This, too, is an accomplishment that our free-trade Democratic friends predicted was an impossibility. Our protective tariff, they declared, was tantamount to an announcement to the world that we desired isolation; that we were enough unto ourselves; that our tariff duties would hereafter be too high to enable our people to buy abroad; and, as a consequence, we should find that we could not sell abroad if we did not buy. But, having increased our imports 41 per cent—having shown our free-trade Democratic friends how wrong they were in respect to imports—they are prepared, of course, for proof that they were wrong, too, in respect to our exports. Instead of these shrinking, as was predicted, they have expanded instead. What a sorry lot, to be sure, free-trade and semifree-trade Democrats are as forecasters of the consequences of the adoption of what has proved to be our prosperity tariff.

Democrats should sit in sackcloth and ashes in order to expiate the errors they committed in discussing the "robber tariff." But, blithely, notwithstanding they purpose, so it is said, to "make an issue of the tariff"! If that be so, I can only say that their hardihood is only equaled by their assurance. Plenty of Republicans will be around with the figures to refute their misstatements, besides which a splendid opportunity will thus be given to Republican protectionists to refute free-trade Democratic misstatements and to let the people know just how they have benefited, are now benefiting, and are sure to continue to benefit under our splendid prosperity tariff.

CUSTOMS REVENUE GAINS UNDER PROTECTIVE TARIFF

Even though I may be charged with repetition, I can not conclude my remarks on the prosperity tariff without again adverting to, with a view to emphasizing, the extremely important increase in customs duties during the first 18 months of the prosperity tariff as compared with the last 18 months of the semifree trade-blighting tariff of our Democratic friends. The study of these customs returns is something that people of all shades of economic thought should rejoice in, free traders as well as protectionists, because revenue is so badly needed just now in order to keep down taxes. So I ask our friends again to note that during the 18 months preceding the enactment of the tariff under which prosperity is so general, so widespread, and so deep-rooted we collected in round figures the tidy sum of $562,000,000 from customs duties while during the 18 months the prosperity tariff has been in effect we have collected no less than $859,000,000, an increase of 52.8 per cent. That is the crown, the capstone of the prosperity tariff. What on earth can our free-trade Democratic friends say about that? Can they, will they, dare they attack a measure that has yielded more than 50 per cent increase in needed revenue while at the same time prosperity has taken the place of adversity, and especially with employment offering for everyone who wishes to work, and at wages that outrank, individually and collectively, anything this country—or, for that matter, any country—has ever known?

I wholly agree with my friend Representative HICKEY, of Indiana, who says:

I know of no organization or agency that has had more to do in stimulating interest in the protective system than your organization—the American Protective Tariff League. You should have the support of everyone interested in a protective tariff.

And my other friend, Representative FAIRFIELD, of Indiana, who says:

No better evidence of the value of an adequate protective tariff could be given to the country than the prosperity which developed almost immediately all over the country upon the passage of the tariff act.

Never in the history of American tariffs—free-trade or protective—has there been such customs collections as have been known under the Fordney prosperity tariff of 1922. Put a pin in there. We all know how greatly revenue is needed in order to moderate the rigor of our war taxes. The people are to enjoy a cut of 25 per cent in their income taxes. What enabled the Government to make that reduction? The receipts—the increased receipts—from the new prosperity tariff.

So we have a prosperity-engendering, an employment-begetting, a revenue-producing, a tax-reducing Republican protective tariff to be thankful for and to hold fast to if we have good sense and proper appreciation of the benefits we enjoy.

Representative VESTAL, of Indiana, says it this way:

To understand the tariff means to be in favor of the protective policy.

And Representative GREEN, of Iowa, says it like this:

We begin the year 1924 with renewed assurances of the value of the new tariff. Under its influence the wheels of every factory are turning, there is employment for everybody at higher wages than ever before in peace times, the railroads never carried so much freight, our exports and imports are about double what they were before the war, and the revenue received from our customs duties are twice as much as any Democratic tariff bill ever produced in normal times. All this has been done notwithstanding the free list has been greatly increased over that of any tariff bill, as the average rate of the Fordney bill on all goods imported is only a little over 15 per cent, while under the Payne bill they were 20.61 per cent and under the Dingley bill 25.45 per cent. The new tariff is a phenomenal success.

Representative FROTHINGHAM, of Massachusetts, says:

If there was ever a time when a tariff act was necessary for this country it was after the World War, when without such a measure this country would have been flooded with cheap goods. The revenues received from this measure exceed the predictions of its fondest admirers.

Former Representative Fordney, of Michigan, author of the prosperity tariff, says:

The need of an adequate tariff is imperative. Its operation has proved its necessity. Upon its maintenance depends the success of the farm, the factory, and labor employed therein.

Representative PAIGE, of Massachusetts, makes this timely remark:

The textile industries in Massachusetts are suffering to-day from the high price of cotton, which makes it impossible for manufacturers to produce goods at the price they are being sold. This is not the result of the tariff, but is the result of a short crop of cotton and one of those things that occur frequently. Generally speaking, the

industrial conditions of the country are highly prosperous. The price of cotton and the mild season we have had has prevented a free movement of merchandise, which the enemies of protection will claim is the result of a protective tariff. This is all nonsense. Without the protective tariff our industries would be stagnant, and with the present tariff foreign goods are coming into this country in vast quantities, and I think in many instances the rates should be raised instead of lowered, if we desire to protect the industries all over the country.

Things are not all they should be in the cotton-manufacturing business, especially in Massachusetts, but I am convinced that the tariff is not to blame, as so many of our free-trade Democratic friends, looking around for bricks to throw at the prosperity tariff, would be too ready to say. For example, during the 18 months preceding the adoption of the present protective tariff we imported cotton manufactures totaling $179,652,879, and during the 18 months the prosperity tariff has been in effect our imports of cotton manufactures totaled in value $202,835,045, an increase under the protective tariff of $23,182,166, or not quite 13 per cent, and it should be remembered that the increase in all dutiable imports, of which manufactures of cotton are a part, was 56 per cent. Again, during the 18 months that immediately preceded the enactment of the prosperity tariff we exported cotton manufactures valued at $133,525,843, while during the 18 months immediately succeeding the enactment of the protective tariff our exports of cotton manufactures totaled in value $184,810,500, an increase of $51,284,657, or more than 36 per cent, although, it should be remembered, our total exports increased but 12 per cent during the same period last named.

Representative BACHARACH, of New Jersey, sees it in this way:

The splendid results in our foreign commerce, our increased customs receipts, and in general prosperity of American industry clearly justify all that was claimed for the Fordney-McCumber tariff law, and demonstrates the wisdom of the Republican Party in its policy of an adequate protective law.

And Representative LEHLBACH, from the same State, gives this well-deserved testimonial to an organization that constantly works for an adequate protective tariff:

The American Protective Tariff League is performing a splendid service in disseminating information regarding the workings of the present tariff law, and in correcting the distortions and misrepresentations of its opponents. In so doing it is not only strengthening the Republican Party, the champion of protection, but it is to this extent insuring the prosperity and well-being of the country.

Representative MACGREGOR, of Buffalo, N. Y., also pays this tribute:

There never was a time in the history of the country when a protective tariff was more necessary than at the present time, and I congratulate the league on its willing patriotism and efficient work in bringing tariff truths to the attention of the voters.

If I have not already given convincing proof of the great contribution to the national welfare in the enactment of the prosperity tariff, then I have failed completely in what I have undertaken. But how can that be possible, when the effect of that tariff during the first 18 months of its operation—the whole period of which we have record of its operation—has been to increase our nondutiable imports 31 per cent, our dutiable imports 56 per cent, and our combined free and dutiable imports 41 per cent; and during the same period this same prosperity tariff has increased our exports 12 per cent, and the collections from customs duties more than 52 per cent, as compared with the 18 months immediately preceding the enactment of this prosperity tariff.

Perhaps what I have said will not change free traders into protectionists, but it should stay the hand of any protectionist when he comes to vote next November from helping by his vote to return to power the party that would restore a semifree-trade tariff, such as was in partial effect during the 18 months preceding the enactment of the existing prosperity tariff. No protectionist who claims a valid right to the title will be justified in voting against any representative of the party of protection at the coming election. And this I feel sure of: Whoever does, by his vote, help to restore to control of the Government those who stand for free trade, or as near to free trade as they dare make a tariff for revenue only, will bitterly regret their action, if the total result thereof actually does restore to power the party of free trade, because they and the country as a whole will suffer as a consequence of such restoration.

The Lone Star State does not send a great many protectionist Representatives to Congress, but it does so occasionally, and when it does it generally sends one who is a credit to his State, to his party, and to himself. Such a Representative is in this body now from the Lone-Star State, who has sound views on a protective tariff, a sample of which it is my pleasure to present from the lone protectionist (Republican), Mr. WURZBACH, of Texas:

I have the very strong impression that during recent years protective-tariff advocates, and the Republican Party in particular, are not making an appeal to the wage earners on the merits of the protective policy and who are the greatest beneficiaries of that policy. This was not so in the days of President McKinley. It seems to me that we are losing touch with that great class of American producers. The "full dinner pail" argument could be made just as effective now as it was not so many years ago.

The wage earners of the country are strong for a restrictive immigration policy, and the same arguments they make against immigration on economic grounds and as affecting their wage scale and standard of living can be effectively made against the nonprotective policy of the Democratic Party.

Representative COLTON, of Utah, has this to say:

More than any other factor, in my opinion, the tariff has been the means of restoring the West to normalcy. Our stockmen were nearly all broke and our farmers thoroughly discouraged. While there is still a bad situation in agricultural lines, yet matters are improving every day. The sheep industry has been saved, the alfalfa seed has become one of our great products, and the mines are nearly all running at full capacity. This condition in a large measure can be traced directly to the enactment of the tariff law.

Representative WINTER, of Wyoming, contributes the following:

There is great necessity of special continuous effort from this moment on in order to prevent a reaction to Democratic low tariff or free trade in the next election. There will be a vicious attack made on the party of the protective tariff in the coming campaign. We must remind and reeducate and instruct the people and the new voters from this time on.

I wish to close what I have to say just now on the subject of the existing prosperity tariff with a quotation from a statement made by John T. Adams, of Iowa, the retiring chairman of the Republican National Committee, a splendid protectionist and a Republican to be proud of. He said:

The Fordney-McCumber tariff act in its first year's operation demonstrated that it protected American production and at the same time brought more revenue into the Treasury than was ever before realized from customs taxation. The report of the Secretary of the Treasury shows that the customs receipts for the fiscal year 1923 were $562,189,039, exceeding the receipts of the previous year by $204,644,327, under the Democratic policy of "a tariff for revenue only."

The import and export figures presented in the Secretary's report show that while giving protection to our own producers the new tariff law did not restrict our foreign trade. The imports during the fiscal year 1923 were valued at a billion and a quarter more than those of the preceding year and the exports at nearly $4,000,000,000, and an increase of $185,896,336 over the fiscal year of 1922. The balance of trade in favor of the United States was reduced from $1,163,172,589 in 1922 to $175,818,789 in 1923.

All lines of business and industry in this country have grown under the operation of the new law with a steady increase of employment at the highest wage ever known, and the revival of manufactures with the great volume of earnings has increased the home market for the products of agriculture so as to spread prosperity over the whole country.

The friends of the principle of protection should be vigilant during the next year with the demonstration of the great effect of that principle brought vividly and effectively to the minds of all the people.

Former protective tariffs have been repealed not because they failed to do that which was promised but because after exerting themselves to put it on the statute books the friends of protection ceased their activity. This is the time when all believers in protection should redouble their efforts to sustain the party that has always stood for that principle, so retaining the present tariff laws and maintaining the present prosperity in industry, agriculture, and business.

## THE REVENUE ACT OF 1924

Mr. GREENWOOD. Mr. Speaker, the revenue act is probably the most important legislation that has been passed by the Sixty-eighth Congress, because it reduces the tax burdens of almost 4,000,000 citizens who pay income taxes and many more who pay excise taxes. When Congress assembled in December, 1923, we found a cash surplus in the Treasury of the United States of about $360,000,000, and knowing the people needed relief from the tax burden that had prevailed since the World War, practically all Members of Congress wanted sweeping reductions, and the only question in their

minds was the adjustment of the rates and where the substantial cuts should be made.

The Federal Constitution confers on the House of Representatives the authority to propose revenue measures, but much to the surprise of the Congress when they assembled it was found that the Secretary of the Treasury had proposed a bill commonly called the Mellon plan, and with the help of the metropolitan newspapers and the moving picture shows had proceeded to sell this plan to the country as the only model plan under which the people could have substantial tax reductions. Many people not understanding the details of a tax law fell for this selfish propaganda, but Congress was courageous enough to stand between Mr. Mellon, his cohorts, and the people and have proceeded to give the people a better tax reduction law than the Mellon plan. The metropolitan newspapers, like Mr. Mellon, pay incomes in the higher brackets, and Mr. Mellon with fine political strategy proposed the elimination of the excise tax on admissions to the movies and thereby received their educational influence, but forgot many classes who had equal claims for reductions of excise taxes.

The boldest and most unjust suggestion of Mr. Mellon was that the surtaxes in the higher brackets should be reduced one-half, viz, from 50 per cent down to 25 per cent, and this proved the bone of contention against which many of the Republicans entered their protests the same as the progressives and Democrats, so that at no time could the Mellon plan muster in its support more than one-fourth of the total vote of the House, and upon final passage of the present law only 9 votes in the House and 6 in the Senate were the total that could be found against the present bill. Mr. Mellon had the support of President Coolidge until after passage of the present law, and by a veto the President could have tested the strength of the Mellon plan, but decided not to stand pat on the Mellon plan.

While Mr. Mellon proposed to reduce surtaxes 50 per cent, at the same time he advocated a reduction of only 25 per cent on the normal taxes of the large numbers of the smaller taxpayers. Taking the total taxpayers under the former law for the year 1921, which was 6,662,176, there would have been benefited under the Mellon plan a total of 6,109 more compared to the old law, while under the present Simmons law there will be greater benefits accruing to 6,656,067. Should a Congressman represent the 6,000 or the 6,000,000? In Indiana on the same basis of 1921 taxpayers, totaling 150,300, 52 would have been benefited more by the Mellon plan, while 150,248 will be benefited more by the law that Congress passed. As an Indiana Congressman I preferred to vote for the law that would benefit the 150,248 rather than the 52, none of whom, so far as I know, live in my district. Lincoln once said:

> God must have loved the common people the most, as he made so many more of them.

Congress has withstood the severe denunciation of the large newspapers, the ridicule and characterization of the cartoonist, and the misguided criticism of chambers of commerce and others pulling for the classes, and has stood by the masses and enacted into law a revenue bill constructive in character and much superior to the Mellon plan. Although this bill was framed by men like WILLIAM GREEN, of Iowa, JOHN N. GARNER, of Texas, JAMES A. FREAR, of Wisconsin, and others who have served on the Ways and Means Committee of the House for 20 years and more, even before Mr. Mellon and Mr. Coolidge were known in American politics, yet the newspapers have continued to picture the executive department as the council of wise men and Congress as an aggregation of dishonest politicians. The credit for this legislation should be credited to courageous individuals in both Houses of Congress and not to a political party. Party lines broke down and the best law was enacted, and I propose now to analyze some of the merits of the new revenue law.

They say the present bill is not scientific, yet the administrative features of the law desired by the Treasury Department have been incorporated into the new law, thereby making many improvements. The plan proposed by Mr. Mellon did not give the 25 per cent reduction on the current taxes for 1923 payable this year. Mr. Taxpayer, when you receive this rebate this year you can thank Congress for that, as Mr. Mellon was thinking about surtaxes. The exemption for each dependent in the new law still remains at $400 per capita, and if your income runs over $5,000 you will not be held down to a married person's exemption of $2,000, but will be allowed the same as the person with income under $5,000, namely, $2,500. Is not this scientific, to place both upon an equality? And you can thank Congress for that equality of treatment. Instead of your normal taxes being 3 per cent on net income under $4,000, as proposed by Mr. Mellon, your rate will be 2 per cent; and instead of it being 6 per cent on net incomes between $4,000 and $8,000, as proposed by the Mellon plan, it will be 4 per cent under the present law, and Congress, instead of Mellon and Coolidge, should be thanked for this reduction.

In appraising the present tax law keep in mind the reductions in excise taxes, as follows: That all tax is removed on telegraph and telephone messages, admission to the moving-picture shows up to 50 cents, on soft drinks, candy, theater, and circus tickets, hunting and sporting goods, jewelry in value under $30, watches under $60, ordinary priced carpets, rugs, and traveling luggage, license fees of produce brokers, stamps on notes and bills; and the tax on automobiles, trucks, and wagons under $1,000 entirely exempt, and a cut of 50 per cent on auto parts; likewise all gifts and estates under $50,000 are entirely exempt. The cuts and exemptions are all just and accrue to a great number of people upon whom the tax burden was keenly felt.

The present bill provides for publicity of returns, for examination of returns by committees of Congress and taxing officers of the States, and this feature was strongly opposed by the Treasury Department. Congress believed that since the taxpayer in the States had to list and make oath to his assessment, and the same was made a part of the public records, that a similar provision was equally just as to Federal taxation.

The Secretary of the Treasury, supported by those who possess large estates, opposed the gift and inheritance provisions of the present law. These estates arose from monopoly, exploitation of natural resources, increased value of vested holdings in property created by the growth of communities, with organization and centralization of business, all under the beneficent protection of a stable government; and it seems most just that when death comes to the possessors of these vast fortunes the Government should be entitled to its toll to perpetuate its peace, progress, and safety of the whole society. This policy dissipates these large holdings and estates and takes them back to society without taking the taxes from the current year's operating expenses of the particular business and thereby crippling the business. The death of the possessor becomes the adjusting and distributing period, and carries a portion of these vast estates and wealth back to the people. These taxes begin at $50,000 and are graduated upward.

Now, Mr. Taxpayer, as to some of the details of this new revenue law. Under the old law your surtaxes began at $6,000, whereas under the present law surtaxes begin at $10,000 with 1 per cent and are graduated upward to a maximum of 40 per cent on incomes over $500,000. Here was the bone of contention, and if Mr. Mellon and his colleagues could have dictated this particular schedule all would have been well, as they wanted a flat reduction of 50 per cent from the present rate of 50 per cent down to 25 per cent as the maximum rate on incomes of $500,000 and upward.

In addition to the other advantages of the present law in favor of the small taxpayer, there is allowed a deduction of 25 per cent on earned net incomes up to $10,000, being on items of compensation for personal services, such as wages, salary, fees, and earnings from the store, shop, and farm, and all net incomes under $5,000 are defined by the law as earned incomes. This favors incomes from personal services actually earned as distinguished from interest, rents, dividends, and similar items, allowing an advantage of 25 per cent on the normal tax to the business man, professional man, farmer, storekeeper, and others whose earned incomes are under $10,000. Let the smaller taxpayer study this little table for a comparison of income taxes calculated upon earned incomes of a married person without other dependents than wife or husband and observe the relative taxes to be paid under the old law, the Mellon plan, and the present law, to wit:

| Net income | Tax under the old law | Tax under the Mellon plan | Tax under law of 1924 |
|---|---|---|---|
| $3,000 | $20.00 | $15.00 | $7.50 |
| $4,000 | 60.00 | 45.00 | 22.50 |
| $5,000 | 100.00 | 75.00 | 37.50 |
| $6,000 | 160.00 | 120.00 | 57.50 |
| $7,000 | 240.00 | 180.00 | 87.50 |
| $8,000 | 320.00 | 240.00 | 127.50 |
| $9,000 | 400.00 | 300.00 | 167.50 |
| $10,000 | 480.00 | 360.00 | 207.50 |

Will you in conclusion bear in mind that there are 3,417,626 taxpayers, according to the 1922 returns, whose incomes are under the $10,000, while there are incomes of only 172,359 taxpayers whose incomes exceed $10,000.

Some honestly, no doubt, contend that lower surtaxes will bring money invested in nontaxable securities out into the channels of active business. I ask, who will buy these securities? The money of other American taxpayers; and this is taking out of one pocket and placing it in another. Have you ever considered that the large savings of taxes under the new law, which affects so many, leaves these earnings among the people in the local communities, where it will be used to promote local prosperity? There is but one just conclusion, and Congress should be given the benefit of that conclusion—that the revenue law of 1924 is a great piece of constructive legislation, made in the interest of all, while favoring the smaller taxpayer, while the plan proposed by Mr. Mellow was intended to specially favor the rich. The final observation concerning this legislation is that Congress did not surrender its authority and constitutional duty to propose and enact a revenue law and did not succumb to a gigantic false propaganda, but gave the whole people a superior law to the one proposed by the Secretary of the Treasury, and the actuaries of the Treasury Department have made calculations and reported that the new law will raise the revenue necessary to operate the activities of our Government, will pay the soldiers' compensation, and leave a surplus in the Treasury. Congress has kept the faith with the people.

### FLAG DAY

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

FLAG DAY ADDRESS BY THOMAS W. PHILLIPS, JR., JUNE 14, 1924, BEFORE THE RICHARD BUTLER CHAPTER, D. A. R., OF BUTLER, PA.

On July 2, 1776, the Continental Congress "resolved that these United Colonies are, and of a right ought to be, free and independent States."

On July 4, 1776, the Declaration of Independence was adopted by the Congress.

On June 14, 1777, 147 years ago to-day, Congress resolved "that the flag of the thirteen United States be 13 stripes, alternate red and white; that the Union be 13 stars, white in a blue field, representing a new constellation."

In 1791 Vermont was admitted to the Union and in 1792 Kentucky became a State, and in 1794 Congress ordered "that from and after the 1st day of May, 1795, the flag of the United States be 15 stripes, alternate red and white, and that the Union be 15 stars, white in a blue field."

From 1796 to 1818 five additional States were admitted, but no official change was made in the flag. It became evident that each new State could not be represented by a stripe so the final act to establish the flag of the United States was approved April 4, 1818, as follows:

"SECTION 1. *Be it enacted, etc.*, That from and after the 4th of July next, the flag of the United States be 13 horizontal stripes, alternate red and white; that the Union have 20 stars, white in a blue field.

"SEC. 2. *And be it further enacted*, That on the admission of every new State into the Union one star be added to the union of the flag, and that such addition shall take effect on the 4th of July next succeeding such admission."

In these few paragraphs is contained the skeleton, the outline, the chronology of our flag. But our flag is more than an inanimate or inarticulate skeleton; for, as a symbol of unity, liberty, equality, fraternity, it speaks to us as one having flesh and blood and mind and heart and soul. It is the embodiment of valor and virtue, of hope and happiness, of justice and judgment. It is the fulfillment of the visions of the patriarchs and prophets of the ancient world. It is the outgrowth of ethical teaching proclaimed in Palestine long centuries ago. It is the consummation of principles for which the patriots in all ages have fought.

That for which Old Glory stands can not be appraised or appreciated; it can not be painted by word or portrayed by brush; neither can it be woven of threads of wool and silk or of silver and gold, for it is an ideal, an emotion, an inspiration.

We revere it because it wintered with Washington at Valley Forge. We honor it because it protects our homes. We cherish it with loving devotion, because it is our hope for future years.

As Daughters of the American Revolution you are familiar with the trials and triumphs of our ancestors. You know the American flag is to-day flying over a united country, a country which can best be described as a land of opportunity because a noble race counted not the cost but paid the price. Bleeding men, weeping women, and crying children paid that price through sacrifice, sorrow, and suffering. Theirs was the glory, ours the gain; but duty did not die, disintegrate, and disappear with their dust. If liberty is to live, each succeeding generation must give the spirit of liberty a new birth, a new baptism—if need be, a baptism of blood.

"Eternal vigilance is the price of liberty," for liberty may be lost in time of peace as well as in time of war and must be defended by brain as well as by blood. Our Government has drifted into troubled waters and toward uncharted seas. Our flag, with its stars and stripes, signifies a union of sovereign States; but sovereign State to-day has little more than historical significance. Ours was a government of laws, which bureaucracy is turning into a government of men. Our fathers detested tyranny, but we are placing irritating restrictions on private business and private affairs. Our ancestors fought to be free from unjust taxation, but no enlightened nation has ever subjected its citizens to the unnecessary, unjust, and inequitable taxation which is imposed upon us. Formerly we followed the precept that "the best-governed people are the least governed." Our present policy is to enact laws so numerous and nonsensical that soon all, not through choice but of necessity, must become lawbreakers, thereby merging into a new, a common democracy, a single class, a criminal class. By condoning these innovations or conniving at further alterations in the basic principles of our Government we encourage those who seek to stamp out the tricolor and replace it with one color, the red of riot, revolution, and ruin.

It requires initiative, ingenuity, energy, and industry to construct, but only indifference to corrupt. Popular rule, upon which our principles of Government rest, implies popular interest and intelligent participation, but not so much for the purpose of expanding the activities and increasing the burdens of the State as to restrain those who would use the people to serve the State rather than utilize the State to serve and protect the people. Laws should serve to mark out the pathway to a life broad and abundant, rich, and replete in good will and in all good works rather than seek to restrict, restrain, and repress the God-given desire for individual independent expression and development. Paul spoke in the light of history and with a marvelously intimate understanding of human nature when he said "The letter killeth, but the spirit giveth life."

It is right, it is fitting for the Daughters of the American Revolution and other patriotic organizations to erect historic monuments, to keep alive the traditions of the past, to elevate the standard of citizenship by commemorating the praiseworthy deeds of former generations, and to keep green their memory by song and story, but the best tribute that can be paid to our worthy ancestors is to preserve the form of government which their flag and our flag typifies and to perpetuate their noble qualities through a lineal upright posterity. The Colonial and Revolutionary stock is disappearing because unworthy descendants will not pay the price necessary for its preservation. If our respect for ancestry exceeds our love for posterity, the future belongs to others.

You are to be congratulated, not because your accidental or providential birth has made you eligible to become a member of this honorable body, but you and I and all those now living and all those who are to come after us are to be congratulated because you have been willing to assume and discharge a most sacred obligation. In a word, it is your duty and your obligation to teach the children, who will soon take up the tools with which we work and the tasks which we must now perform that all we hold most dear, all that makes life worth while, all our civil and religious liberties were blood bought, were purchased for a great price, and that even as it is our duty now it will in time be their duty to not only love our institutions, not only cherish our institutions, but to preserve our institutions in their perfect symmetry.

"As he thinketh in his heart, so is he." The coming generations must be taught to think right if they are to do right. Doctrine must precede duty; but instruction is imparted by demonstrations, not by declarations; by performances, not by professions; by results, not by resolutions.

The flag typifies American patriotism, American performance, American progress. Flag Day lends itself most appropriately to the teaching of those traditions and the implanting of those ideals of which you Daughters of the American Revolution, are natural guardians—foster mothers.

### SIX MONTHS AND THREE DAYS IN CONGRESS

Mr. WATKINS. Mr. Speaker, there is an unwritten rule of Congress to the effect that new Members "should be seen and not heard." From the manner in which Congressmen absent themselves one would conclude that another rule obtains to the effect that old Members "should be neither seen nor heard." Both are wrong, and that Member who subscribes to them is false to his constituency and unfit to be a Congressman.

During my campaign for Congress my enemies stated that I would not be able to accomplish anything, that I would be unknown and unheard of in Congress, and that I would not get a single committee assignment of any value; whereas I promised results and advocated, among other things, selective and restrictive immigration, adjusted compensation, tax reduction, child-labor prohibition, hospitalization for all veterans, increase

and readjustment of pay for postal employees, and adequate pensions for veterans of the Civil War, Indian wars, and the Spanish-American War.

On taking my seat six months ago, after a strenuous fight a place on the Immigration Committee was won, destined to be the most important committee in Congress and at that time the most sought for in the House of Representatives. By virtue of that assignment the opportunity was afforded me to help write and pass the very measure urged in my campaign, namely, a selective and restrictive immigration law, which for its constructiveness and comprehensiveness is unequaled. In the fight for this legislation I made several speeches and also took a leading part in guiding the measure through the committee and the House, incurring by my aggressiveness the hatred of every enemy of America and those alien to our institutions.

Pending before this same committee are several bills introduced by me which, when enacted into law, will solve our naturalization difficulties as well as cause the deportation of every criminal alien within our borders. I shall battle for these measures until they are enacted into law.

My second accomplishment is rooted in soldiers' legislation. I introduced the first adjusted compensation measure in this Congress; appeared before the committee in support of this legislation; made speeches on the floor of the House; voted for its passage and finally helped to pass it over the veto of the President. Furthermore, my bill for general hospitalization for veterans of all wars and for the decentralization of the Veterans' Bureau became and is a part of the omnibus bill passed by Congress this very week.

In pension matters for Spanish-American War and Civil War veterans and increased compensation and better hospitalization for World War veterans much time and effort have been given to the general satisfaction of claimants.

My third campaign pledge was fulfilled when with the help of the progressives of both parties the resolution to amend the Constitution so as to prohibit child labor was reported out. In support of this measure I made a speech and actively assisted in its passage.

Everything within my power was done toward relieving Oregon taxpayers. I actively and substantially helped in securing repeal of the nuisance taxes on telephone messages, telegrams, and candy, and farmers selling their own produce in public markets; total elimination of excise taxes on all surgical instruments, eyeglasses, musical instruments, silver-plated flat tableware, and watches under $60; a partial reduction of excise taxes on automobiles, automobile parts, tires, tubes, and accessories, and admissions to theaters.

I believe that further reduction of income taxes is possible and that all excise taxes should be repealed. These things can be accomplished by rigid economy in governmental expenditures, which I shall continue to advocate.

The Howell-Barkley bill was taken from the Interstate and Foreign Commerce Committee by the petition of 150 progressive Republicans and Democrats. I was the only Member from Oregon on the petition and thereafter the only one from my State favoring and voting for this measure. This is the bill the late President Harding advocated and favored.

A veterans' hospital for Portland is practically assured. General Hines stated that if the general hospitalization bill passed—and it did—there would be a need in Portland for a hospital. Hon. MARTIN MADDEN, chairman of the Appropriations Committee, and the most powerful and influential man in Congress, has promised me to look into the matter and do what he could for Portland. Knowing that a hospital is justified, with the assurances already given, I am certain that the next Congress will authorize a hospital in Portland.

In addition to the accomplishments delineated heretofore, I have actively participated in the general debates on the floor of the House on matters in general, and the following in particular: Alaskan fisheries bill; Crater Lake appropriation, securing $293,000 therefor; securing a $25,000 appropriation for widening and deepening the channel in the Columbia River from the mouth of the Willamette to Vancouver; fixing auctioneers' fees in sale of Army goods not to exceed $100 a day, thereby preventing huge graft heretofore prevailing; secured promise of Major Putnam, of the Lighthouse Service, to include in the next budget the sum of $100,000 for improving the aids to navigation in the Columbia River; made speech condemning excessive and exorbitant profits; aided in adopting measure to create prohibition bureau, thereby insuring better law enforcement; testified in favor of and urged the passage of the Dill bill in the interest of radio broadcasting and musical concerts; aided in passage of Clarke reforestation bill and the Federal aid road bill; active in support of McNary-Haugen bill and much time spent in departmental matters on private claims, pensions, and the like; helped to secure increased appropriation for proper enforcement of immigration laws; and actively aided in passing war minerals relief act.

Finally, I voted against adjournment until relief for agriculture and other equally important legislation had been placed on the statute book.

I now have pending in Congress the following bills: The Columbia River power act, which provides for the development of water power, irrigation, and reclamation and fixation of nitrogen, with dams to be constructed at Celilo Falls and at Umatilla Rapids; a bill to create a department of education along the lines of the Sterling-Reed bill, but without its objectionable features; a bill for the deportation of all criminal aliens; a bill for the convening of Congress immediately after election; a bill to erect a 12-story Federal building in Portland; and a bill for a veterans' hospital in Portland. If Oregon will get behind these measures, their enactment into law is assured.

I have labored night and day in the interests of the people of my district, my State, and my country and without question have fulfilled my promises and kept the trust given me. I challenge anyone to show wherein I voted contrary to the interests of the people of my district; not only that, but I challenge anyone to show wherein I voted wrong.

I came to Congress dedicated to the proposition of voting and working not as a party man but as an American; I shall continue this course as long as I am in public office.

### EVERYBODY PROSPERS BUT THE FARMER—WHY?

Mr. THOMAS of Oklahoma. Mr. Speaker, we are now in the closing hours of this the first session of the Sixty-eighth Congress. We have been in continuous session for over six months; and now that the adjournment hour is approaching it may be of interest to make a brief survey of the conditions confronting the country, of what has been accomplished by this Congress, and what, if anything, can be done to bring relief to agriculture, the one great basic industry now suffering as never before in the history of the country. We have in the United States some six major or basic industries, as follows: Finance, manufacturing, transportation, commerce, labor, and agriculture.

A survey, based upon official and authentic reports, shows that a number of these great industries have and are enjoying unprecedented prosperity, while agriculture languishes and bankruptcy and ruin, like a hideous monster, stares millions of our citizens in the face.

Industries which are organized, without exception, are prosperous. Finance, represented by the big banks of the larger cities; manufacturing, represented by the great industrial combinations; and transportation, represented by the great railway systems, have no cause for complaint and are demanding that "well enough" should be let alone.

Without elaboration, let me call attention to the present condition of organized industry as reported by the Wall Street Journal, a New York City publication, reflecting the condition of the Nation's business. The following headlines tell in brief the story:

February 2, 1924: New Haven shows its earning ability—Reduces operating ratio to 75 per cent—Best net in 63 months—Repaid management's efforts.

February 2, 1924: Southern had its best year in 1923.

January 25, 1924: Shareholders had a profitable year.

August 6, 1922: Rail income high first half year—Nearly all carriers indicate better results for 1923 than obtained in 1922.

January 15, 1924: North American does well in 1923—Gross increase $19,000,000—New properties acquired 77 per cent of net derived from electric sales—North American has just completed one of the most successful years in its history. * * *

August 1, 1923: Big increase in Steel's earnings—Net profit reported for second quarter is $47,858,181, against $34,780,069 in previous quarter.

August 2, 1924: Prosperity shown by big earnings—Many concerns reporting show full year's dividend earned in six months, some in quarter.

On April 21, 1924, the Associated Press carried a story under the following headlines:

Railway lines show increase in net profits—Santa Fe, Rock Island, both realize bigger earnings in 1923 over 1922.

Wall Street Journal, March 14, 1924: Why George Baker's bank pays 60 per cent—First National Bank, New York, has many hidden assets—Big investor in securities—Stock scarce.

"Well, I see George Baker has gone and done it again." This was the comment in financial circles when it was made known on Tuesday that First National had declared a quarterly dividend of $15, placing the stock on a 60 per cent annual basis.

During the past few years the larger banks have prospered as never before. Since 1914 the number of banks has increased from 26,800 to more than 30,100, and their combined deposits have increased from some $19,000,000,000 to more than $40,000,000,000.

The larger banks are the ones prospering most in proportion. The 25 larger banks in 1914 had combined deposits of $2,620,100,000, and now their combined deposits are $6,785,400,000.

The following table shows the growth and prosperity of a few of the great banks of the United States during the past 10 years:

| | Deposits | |
|---|---|---|
| | 1914 | 1923 |
| National City Bank, New York | $260,700,000 | $756,700,000 |
| Guaranty Trust Co., New York | 211,100,000 | 491,900,000 |
| Continental and Commercial National Bank, Chicago | 155,700,000 | 379,800,000 |
| Bankers' Trust Co., New York | 140,400,000 | 312,100,000 |
| National Bank of Commerce, New York | 134,100,000 | 426,600,000 |
| Chase National Bank of New York | 126,200,000 | 466,300,000 |
| First National Bank, New York | 108,800,000 | 325,200,000 |
| National Park Bank, New York | 102,700,000 | 167,800,000 |
| Hanover National Bank, New York | 98,400,000 | 170,100,000 |
| Mechanics and Metals National Bank, New York | 89,200,000 | 252,200,000 |
| National Shawmut Bank, Boston | 86,900,000 | 137,400,000 |
| Corn Exchange Bank, New York | 82,200,000 | 214,100,000 |
| Equitable Trust Co., New York | 75,500,000 | 270,500,000 |
| First National Bank, Boston | 75,500,000 | 175,500,000 |
| American Exchange National Bank, New York | 63,400,000 | 153,600,000 |

On February 27, 1924, the Wall Street Journal gave some reasons for this great prosperity; and among others set forth the following:

Easy money with Federal reserve banks showing ratios of 81.4 per cent against 75.8 per cent a year ago, and New York Federal Reserve Bank 87.8 per cent against 79 per cent a year ago.

Record gold holdings which could be employed when the right time comes for placing European countries on a sounder business and financial foundation.

Steel corporation operating ingot mills at 94 per cent of capacity.

Railroads prosperous and taking 30 per cent of all the steel produced.

Unusually large cash holdings of the important industrial corporations.

Generally, mills, factories, and furnaces are active.

This prosperity that has been so widely advertised and which we have heard so much about is the prosperity of the larger banks, the prosperity of the railways, and the prosperity of the organized and protected manufacturing concerns.

Now, permit me to call your attention to another picture; the picture of agriculture; the picture of the American farm and its proprietor, the American farmer.

The Congress has just adopted a resolution declaring agriculture a basic industry, thinking, or perhaps hoping, that this recognition of the great industry would satisfy the millions of our citizens who live and have their being upon the farms of the Nation.

Among all our great industries farming or agriculture, judged from any standpoint, should be the "biggest business" in America.

Agriculture embraces some 6,500,000 farms and practically the total area of our country; claims 33,500,000 of our population as residents of the farm; and values its possessions at over $85,000,000,000, or almost one-third of our national wealth.

Railway managers claim that their business is the "big business" of the country, but railway valuations are less than 25 per cent of the valuation of the farms.

Bankers point with pride to their industry, and claim for it first rank and importance. There are some 30,170 banks, State and National, in the United States, having aggregate resources in the sum of $54,034,911,000, yet agriculture can and does claim almost double aggregate resources.

In 1920 we had 130,344 farmers making income-tax returns and reporting a total net income of $229,193,235. In that year agriculture stood among the first of the major industries in the number of returns submitted and in the amount of income reported.

But what of the conditions to-day? Recently Roger Babson, the business analyst and statistical expert, reported the farm outlook to be critical. To-day reports show that hundreds of thousands of farmers have lost their land through foreclosure, and that other thousands are under suspended sentences through leniency of their creditors. Reports show that farmers are forced to leave their homes and seek work elsewhere at the rate of a million per year. Agriculture in 15 States is reported bankrupt. In South Dakota the Secretary of Agriculture reports 40 per cent of the farmers virtually bankrupt; Colorado, 42 per cent; North Dakota, 50 per cent; Wyoming, 51 per cent; and Montana, 62 per cent.

The failure of agriculture has carried death and destruction in its path. Both banks and business patronized by farmers have been swept away. Since 1920 over 1,600 banks, both State and National, have failed, causing additional losses of over $800,000,000.

Within the past year more than 1,000 banks have failed, and banks are now failing at a constantly increasing ratio.

Agriculture, in failing, has not only carried down many of the smaller banks but has also left its mark on the retail and wholesale trade of the country. On April 2, 1924, the Wall Street Journal printed the following story:

FIRST QUARTER'S FAILURES

R. G. Dun & Co. report 5,655 commercial failures in United States in first quarter of current year, with $184,865,571 liabilities, compared with 5,316 defaults involving $138,231,574 in the 1923 period. The heavy total of liabilities in March of $97,651,026 has never been exceeded in any previous month, and the aggregate for the first quarter of $184,865,571 has only twice been equaled in any quarterly period—by the $218,000,000 of the first quarter of 1922 and the $194,000,000 of the fourth quarter of 1921.

This storm, starting in the producing sections of the West, is moving eastward, is gathering momentum as it approaches, and already the threatening clouds are hanging low over the heretofore prosperous East. Unless the clouds recede and the storm soon spends its force, this cyclone of depression, bankruptcy, and ruin will reach the East; and if it does, the devastated areas of the West will be duplicated in an intensified degree among a people in no sense prepared for such a storm.

How long can this condition last?

How is it possible that at the same time some groups of our people may enjoy unprecedented prosperity while others equally energetic and deserving suffer depression, hardships, and bankruptcy?

What is the cause?

What is the remedy?

What did Congress do to appease the storm and to check its course? After six months of daily sessions and in the closing hours the Congress, dominated by the representatives of the prosperous groups, discovered that agriculture is in a depressed condition and, as a remedy, passed a resolution declaring agriculture to be one of the basic industries.

Why are other industries prosperous? Take the big financial institutions, for example. Is their prosperity due to the fact that they have the Federal reserve system managed by a friendly Federal Reserve Board to serve their special interests?

At the meeting of the American Bankers' Association held at Atlantic City recently Mr. Craig B. Hazlewood, vice president of the Union Trust Co., of Chicago, in addressing the association, said:

I doubt that even as bankers we fully realize what a magnificent financial structure we have in the Federal reserve system. No central banking system now or in the history of the world compares with this in point of resources, in currency-issuing power, or in ability to control business activity that needs restraint, or inactivity that needs stimulation.

Why are the railroads prosperous? Can their prosperity be due to the fact that they have the Esch-Cummins transportation law, with a guaranty of earnings provision, and have a friendly Interstate Commerce Commission to protect their interests as to both rates and competition?

Why are the organized manufacturing concerns prosperous? Can their prosperity be due to the fact that they have the Fordney-McCumber Tariff Act, giving them a high wall of protection, and the further fact that they also have a friendly Tariff Commission to protect their schedules and to serve their interests?

Finance, transportation, and industry are organized. They know exactly what they want and evidently have been extremely successful in getting just what they applied for. Each of the former groups has and is using the powers of government, administered by a friendly Federal board, for its own special and private interest. Federal laws have been passed which, administered by a bankers' board, have given the financial group control of both circulation and credit. Other laws have been passed and are now being administered in the interest of transportation and industry, and this condition—favorable to the big interests and detrimental to the masses—

is due in whole to the fact that such interests are organized and are thereby able to exercise monopolistic control of the businesses in which they are engaged.

Agriculture is not organized. Agriculture neither knows what it needs nor how to get results through legislation. During the past three years demands for relief have been made, and instead of granting aid Congress has passed laws making it easier for the farmers to get deeper into debt. Farmers do not need credit so much as they need conditions whereunder they can sell their products for a price which will cover overhead, cost of production, plus a reasonable profit. To-day they are not getting costs for their products, and until they can get a profit they are and will be helpless.

Agriculture in its unorganized state has just made a feeble effort to have Congress pass a law giving it a privileged status, similar to finance, transportation, and manufacturing. During this Congress there has been presented and briefly considered a bill having for its purpose relief of the farmer, the measure being known as the McNary-Haugen bill. The report submitted by the committee recommending favorable action on this bill set forth the following:

1. That half as many banks had failed between 1920 and 1923 as during the whole period from 1902 to 1923.

2. That four-sevenths of the total farm income is taken to pay taxes and interest on mortgages and debts.

3. That farm labor has become so costly the average farmer can not afford to hire.

4. That more than 1,120,000 farmers and hired men deserted the farm in 1922 to seek industrial employment.

5. That one-quarter of the farm owners in the corn and wheat States are bankrupt.

6. Above all, that the purchasing value of farm products is less than half what it was before the war.

The report advised the House that the McNary-Haugen bill was scientifically devised to cope with this situation.

As described in the report, the bill would—

1. Declare a general emergency exists in agriculture.

2. Create a $200,000,000 corporation, the capital to be furnished by the Government, with a board of directors consisting of the Secretary of Agriculture and four members appointed by the President.

3. Empower the corporation to buy and sell wheat, flour, rice, corn, wool, cattle, sheep, swine, and food products of cattle, sheep, and swine whenever a special emergency is declared.

When the market price falls below the ratio price the corporation will buy sufficient of the commodity for export to restore the domestic price. The ratio price is one which shall bear the same relation to the pre-war price that current average price of all commodities bears to the average pre-war price of all commodities.

To protect the ratio price from foreign competition the Secretary of Agriculture may declare prohibitive or embargo tariff rates.

To maintain the capital of the corporation an equalization fee is withheld from the producer on every purchase made by any buyer, and this fee is deposited with the corporation. If, after selling the surplus abroad, anything remains, this will be restored proportionately to every producer.

In order to operate, the corporation is given broad administrative powers and may, if necessary, construct elevators or any other necessary facilities. The committee's report asserted that once in operation the plan would bring up the price of farm products to levels comparative to other commodities.

The one stock argument used against this legislation was that it would raise the price of the farmer's products and force the public to pay tribute to the farmer. Answering this argument, it is sufficient to say that the farmer is only proposing to do for his business the same things which other groups are doing for their business.

The Government under law makes the people's credit in the form of note issues available to the larger banks, and these banks in turn use this credit for private gain, and in order to make these banks prosperous the borrowing public pays the bills.

The Government permits the railroads to lay such rates and tariffs as will guarantee the cost of overhead, cost of operation, and in addition a reasonable dividend, and in order to make the railways prosperous the passenger and freight paying public pays the bills.

The Government protects our manufacturing institutions by imposing tariff duties on competitive imports and the public is forced to pay the increased price, and in order to make these manufacturing trusts prosperous the buying public pays the bills.

If the other great industries, organized as they are, can not live and thrive without favorable legislation and the use of the powers of Government administered by friendly agencies, how can we expect agriculture, disorganized as it is, to live and exist without the assistance of similar favorable legislation?

If it is for the best interest of the country that the other great interests have special legislation for their private benefit, why not legislate for agriculture, giving it a similar favorable status?

As compared to agriculture—the production of food and clothing—finance, transportation, and manufacturing are luxuries; and if luxuries are entitled to enjoy privileges, why not show the same favor to the one great and necessary industry, that of agriculture?

So long as the Government farms out its money and credit to private interests; so long as transportation is guaranteed prosperity; and so long as manufacturing concerns are protected by tariff walls, just that long will agriculture demand and soon will receive some recognition at the hands of the Government.

While at present agriculture is not organized, and by the very nature of the business can never be successfully organized, yet we do have a number of farm organizations interested in class production, such as wheat, cotton, and livestock, which could be benefited by governmental assistance. These organizations, already in existence, could and should get together in an agricultural conference. The conference should follow the example of the other great groups of industry, employ the best brains obtainable, and such conference with its experts, agents, and assistants, should remain in session long enough to make a complete survey of the economic conditions influencing and controlling each of the other great groups or industries, and then, with this information in hand, such conference should proceed to frame a measure for the benefit of the farmer and for presentation to the Congress which meets in December, and then the conference should remain "on the job" and see that this measure is speedily enacted into law.

If law can make finance, transportation, industry, and commerce prosperous, surely law can help agriculture, and the suggestion made is the one practical way for agriculture to secure early relief at the hands of our National Government.

It is conceded and agreed that we can not have a prosperous Nation unless agriculture is likewise prosperous.

It is conceded and agreed that a number of our major industries have been and are now enjoying unprecedented prosperity.

It is likewise conceded and agreed that at this time agriculture is in an unprosperous, depressed, if not a bankrupt condition.

Therefore it must be conceded that the present prosperity is not evenly prorated and distributed over the country.

The problem, then, confronting those in authority is to so adjust our economic system as to secure a more even distribution of the prosperity now enjoyed by some and denied to others.

Agriculture, through its importance as the supplier of the Nation's daily food and through its dominance in numbers, has the latent power to completely dominate the action of this Congress as well as the administration of the Government If an agricultural conference made up of delegates of agriculture's own selection could be assembled, and if such conference, after making a complete survey of the economic conditions of the country, should find that some of the major groups or industries are enjoying unwarranted governmental subsidies and privileges, it would be in order for such conference to recommend and demand the repeal or modification of such special privilege granting laws.

As I analyze the situation, three courses of action are open to agriculture, as follows:

1. Action looking to the withdrawal of special privileges to the favored, prosperous groups or industries.

2. Action looking toward giving agriculture a privileged status—a status on a par with the other favored basic industries.

3. Action looking toward modification of the unwarranted privileges being accorded the prosperous groups and at the same time a reasonable recognition of agriculture to the end that all our people shall prosper alike in prosperous times, and all suffer alike in times of depression.

The United States Constitution was prepared and adopted in order to "establish justice * * * promote the general welfare, and to secure the blessings of liberty to ourselves and our posterity."

These great ideals of government have been lost sight of during the present administration at Washington. The Govern-

ment as now organized and administered is of the privileged few, by the privileged few, and for the privileged few.

I hold that laws should be passed, interpreted, and administered on the principle of helping all the most and injuring the fewest the least.

The purposes of our Constitution and the teachings of Thomas Jefferson should be the guiding influences in the impending political conflict, and if those interested in agriculture will get together and apply these principles to their problems, relief will be secured and the forward march of our people will go forth over broad and safe roads mapped out by the fathers of the Republic.

LONGWORTH TAX PLAN JUST TO ALL

Mr. ROBSION of Kentucky. Mr. Speaker, under permission granted to me by the House, I am submitting some tables and facts relative to the revenue measure recently passed by Congress and signed by the President. Until the Republican Party came into power in 1921 we still had the oppressive war taxes. The Republican administration promptly passed a revenue bill which lifted the tax burden of the people of the Nation about $1,000,000,000 annually. The national debt has been reduced from $27,000,000,000 to less than $22,000,000,000, and yet we had a surplus in the Treasury which enabled us to again reduce Federal taxes. It is most remarkable we had two great tax reductions during the present administration. The new revenue act of 1924 reduces the income taxes for the present year 25 per cent and reduces or cuts out many other taxes amounting to hundreds of millions of dollars. Secretary Mellon submitted a revenue plan to Congress. It is known as the Mellon plan. It covered about 260 printed pages. There was not much controversy about any part of it except the question of income taxes, inheritance taxes, and gift taxes. Congressman GARNER of Texas also submitted a plan. The plan that was finally adopted with few minor changes was that of Congressman LONGWORTH, of Ohio, who is the Republican leader of the House. The House adopted the bill with the Longworth plan by a vote of 408 to 8. The bill received almost as impressive vote in the Senate. The Senate made some slight changes and it was necessary to send the bill to conference. This was made up of five Members of the House and five Members of the Senate—four Democrats and six Republicans. These conferees agreed on the revenue measure as it now is. There was a unanimous report. These conferees' report was adopted by the House by a vote of 376 to 9 and by the Senate by a vote of 60 to 6. Some of the nine in the House who voted against the bill were Democrats and some were Republicans. The six persons voting against the bill in the Senate were all Republicans; two of them were what are known as the "stand-pat" or regular Republicans and the other four were what are known as the progressive Republicans. I shall briefly undertake to show why the House and the Senate almost unanimously adopted the Longworth plan. I desire to first call your attention to some tables and statistics. The following table gives the number of income-tax payers and the amount of income in the 15 counties of the eleventh congressional district of Kentucky:

| Counties | Total number | Under $5,000 | $5,000 to $10,000 | $10,000 and over |
|---|---|---|---|---|
| Bell | 976 | 910 | 50 | 16 |
| Clay | 12 | 12 | | |
| Clinton | 3 | 3 | | |
| Cumberland | 17 | 17 | | |
| Harlan | 1,228 | 1,159 | 43 | 26 |
| Knox | 134 | 123 | 8 | 3 |
| Laurel | 62 | 55 | 6 | 1 |
| Leslie | 3 | 2 | 1 | |
| McCreary | 117 | 109 | 4 | 4 |
| Monroe | 23 | 23 | | |
| Pulaski | 391 | 379 | 9 | 3 |
| Rockcastle | 87 | 86 | | 1 |
| Russell | 4 | 3 | 1 | |
| Wayne | 58 | 56 | 2 | |
| Whitley | 653 | 634 | 7 | 12 |
| Total | 3,768 | 3,571 | 131 | 66 |

You will observe there is a total of 3,768 income-tax payers in the eleventh congressional district. The incomes of 3,571 of these are less than $5,000 each. The incomes of 131 others are between $5,000 and $10,000, and there are only 66 persons in this district whose incomes are $10,000 or over. No persons in this district for that year had a taxable income for as much as $50,000, and I doubt if as many as two persons had a taxable income for as much as $25,000.

69,540 INCOME-TAX PAYERS IN KENTUCKY

The records show that there were in the year 1922 69,540 income-tax payers in the State of Kentucky. The income of 64,289 of these was $5,000 or less, the income of 3,732 was between $5,000 and $10,000, only 152 persons had an income between $20,000 and $25,000, 78 persons had an income between $30,000 and $40,000. According to the records only 54 persons had an income of $50,000 or more, only 2 persons had an income of between $150,000 and $200,000. No person in Kentucky had an income of more than $200,000.

3,589,985 INCOME-TAX PAYERS IN THE NATION

The records show that there were 3,589,985 persons in the Nation who paid an income tax in the year 1922. The incomes of 3,417,626 were less than $5,000. There were only 114,244 persons whose incomes reached $15,000. There were less than 6,000 persons whose incomes reached $50,000. There were only 1,367 persons whose incomes reached $100,000. Sixty-four persons' incomes reached $500,000. Only 21 persons whose incomes were over $1,000,000. A study of these figures and facts will give you an idea as to why Congress by a vote of 408 to 8 passed the present tax bill, and why the conferees, made up of Democrats and Republicans, unanimously agreed upon it, and why this report was adopted by the House by a vote of 376 to 9 and by a vote of the Senate of 60 to 6.

MELLON, LONGWORTH, AND GARNER PLANS

The Mellon plan proposed to reduce the taxes of persons of very large incomes and wealth 50 per cent and reduce the income taxes of the persons of moderate incomes about 25 per cent. This was to take effect in the year 1925. It made no mention of the 25 per cent reduction in the present year. Under the act of 1921 the income taxes of persons of large incomes is 50 per cent. Mr. Mellon proposed to reduce this to 25 per cent. This made a cut of one-half in the big income taxes. He proposed a reduction of the income taxes of the smaller incomes of only one-fourth. The Garner (Democrat) plan was to reduce the surtax on the largest incomes from 50 to 44 per cent. Mr. LONGWORTH offered his compromise plan, which reduced the high incomes from 50 to 37½ per cent. This was later on raised to 40 per cent in the Senate. But this 40 per cent only applies to persons whose incomes are $500,000 or more. Comparing the Longworth plan with the 1921 law, Mr. LONGWORTH reduced the income taxes of the incomes of $5,000 and less nearly 64 per cent; on incomes of $6,000, 63 per cent; on incomes of $8,000, 62½ per cent; on incomes of $9,000, 61 per cent; on incomes of $10,000, 60 per cent; on incomes of $11,000, nearly 57 per cent; on incomes of $12,000, 53 per cent; on incomes of $13,000, 50 per cent; and even incomes as high as $25,000 were reduced 37½ per cent; incomes as high as $50,000 were reduced 28¾ per cent; incomes of $500,000 were reduced 23½ per cent. Incomes of more than $1,000,000 are reduced 21 per cent. It will be observed that the bill passed by Congress reduced the income tax one-half or more for all incomes up to and including $13,000, and this embraces 3,474,672 of the 3,589,985 income-tax payers of the Nation. The income of 3,578,816 income-tax payers of the Nation are less than $50,000. We have only 11,169 income-tax payers whose incomes are $50,000 or more. You will readily see that under the Mellon plan 11,169 of the very big taxpayers would get a much greater rate of reduction in their taxes than was given to the 3,578,816 income-tax payers whose incomes were less than $50,000. Under the Longworth plan the 3,578,816 taxpayers received a much greater rate of reduction than did the 11,169. The question is, Could any Member of Congress—unless he represented one of the congressional districts of great wealth, like Wall Street—justify his vote to favor the 11,169 against the 3,578,816? It is not a matter of politics; it is a matter of common justice. Taxes should be laid according to the ability of the person to pay.

LONGWORTH PLAN BEST FOR THE COUNTRY, KENTUCKY, AND THE ELEVENTH CONGRESSIONAL DISTRICT

We have pointed out that the Longworth plan is most reasonable and just to the people of the Nation generally. Now, let us come closer home, to the eleventh congressional district, and to my own State. There are 3,768 income-tax payers in my district. The income of no one of them reaches $50,000. The incomes of all of these 3,768 is less than $13,000, with the possible exception of a dozen persons, and perhaps not more than two of them go as high as $25,000. The incomes of 3,571 of them are less than $5,000 each. Under the Longworth plan their taxes will be reduced 64 per cent. The incomes of 131 of these are between $5,000 and $10,000, and under the Longworth plan their taxes would be reduced anywhere from 60 per cent to 63 per cent, and under the Longworth plan the in-

come taxes of every income-tax payer of my district would be reduced 50 per cent or more, with the exception of perhaps a dozen persons, and under the Longworth plan no income-tax payer in my district would receive a reduction of less than about 40 per cent over the revenue act of 1921. But under the Mellon plan the income taxes of each and all of the income-tax payers of my district would be reduced only 25 per cent, while the income taxes of Henry Ford, John D. Rockefeller, J. P. Morgan, and other men of like wealth would be reduced 50 per cent. While I have very great respect for Mr. Secretary Mellon, yet I could not see my way clear to make such a discrimination as this between the millionaires of the country and the moderate taxpayers of my own district and State.

LONGWORTH PLAN JUST FOR KENTUCKY

As we have pointed out before there are 69,540 income-tax payers in the State of Kentucky. The income of 64,289 of these was $5,000 or less; 68,021 of these had incomes of $10,000 or less. Under the Longworth plan these income taxes will be reduced 60 per cent or more. Under the Mellon plan they would be reduced only 25 per cent. There are only about 54 persons in the whole State of Kentucky who would be benefited more by the Mellon plan than the Longworth plan. How can anyone expect a Kentucky Congressman to vote to give the preference in tax reduction to 54 of the richest taxpayers in the State at the expense of 69,460 less fortunate taxpayers?

TAX-EXEMPT SECURITIES

I know that some claim that billions have been invested in tax-exempt securities. No law could relieve this situation now. If these tax-exempt securities were sold, as some claim would be done if we reduced the taxes of the very rich, I am sure the holders of these securities would have to sell them to somebody. It would merely change ownership of the securities and of the money. This would absorb other people's money. To relieve the situation we should require the holders of all bonds and securities to pay taxes. Congress attempted to submit a constitutional amendment to this effect, but most of the Democrats voted against it, and thereby defeated it. I voted to submit this constitutional amendment. For the further information of those who may be interested I submit a table showing the number of persons who paid income taxes in 1922 and the amount of taxes that a man who is married will pay. If he has one or more children under 18, his taxes will be less. These tables also show the amount of tax that he would pay under the act of 1921 and what he will pay under the new act of 1924.

COMBINED NORMAL TAX AND SURTAX, COMPARING THE REVENUE ACT OF 1924 WITH THE REVENUE ACT OF 1921, AND SHOWING THE AMOUNTS BY WHICH TAXES ARE REDUCED IN EACH BRACKET, WITH THE PER CENT OF REDUCTION

*Comparison of the revenue act of 1924 with the present law (married person without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned*

| Number of persons making returns in each class in 1922 who paid income tax | Net income | Amount of normal tax under— | | Amount of surtax under— | | Amount of total tax under— | | Amount of reduction of total tax under act of 1924 | Percentage of reduction of total tax |
|---|---|---|---|---|---|---|---|---|---|
| | | Act of 1921 | Act of 1924 | Act of 1921 | Act of 1924 | Act of 1921 | Act of 1924 | | |
| | $1,000.00 | | | | | | | | |
| | 2,000.00 | | | | | | | | |
| | 3,000.00 | $20.00 | $7.50 | | | $20.00 | $7.50 | $12.50 | 62.50 |
| | 4,000.00 | 60.00 | 22.50 | | | 60.00 | 22.50 | 37.50 | 62.50 |
| | 5,000.00 | 100.00 | 37.50 | | | 100.00 | 37.50 | 62.50 | 62.50 |
| 3,417,626 | 6,000.00 | 160.00 | 57.50 | | | 160.00 | 57.50 | 102.50 | 64.06 |
| | 7,000.00 | 240.00 | 87.50 | $10.00 | | 250.00 | 87.50 | 162.50 | 65.00 |
| | 8,000.00 | 320.00 | 127.50 | 20.00 | | 340.00 | 127.50 | 212.50 | 62.50 |
| | 9,000.00 | 400.00 | 167.50 | 30.00 | | 430.00 | 167.50 | 262.50 | 61.05 |
| | 10,000.00 | 480.00 | 207.50 | 40.00 | | 520.00 | 207.50 | 312.50 | 60.10 |
| | 11,000.00 | 560.00 | 257.50 | 60.00 | $10.00 | 620.00 | 267.50 | 352.50 | 56.85 |
| | 12,000.00 | 640.00 | 317.50 | 80.00 | 20.00 | 720.00 | 337.50 | 382.50 | 53.13 |
| | 13,000.00 | 720.00 | 377.50 | 110.00 | 30.00 | 830.00 | 407.50 | 422.50 | 50.90 |
| 114,244 | 14,000.00 | 800.00 | 437.50 | 140.00 | 40.00 | 940.00 | 477.50 | 462.50 | 49.20 |
| | 15,000.00 | 880.00 | 497.50 | 180.00 | 60.00 | 1,060.00 | 557.50 | 502.50 | 47.41 |
| | 16,000.00 | 960.00 | 557.50 | 220.00 | 80.00 | 1,180.00 | 637.50 | 542.50 | 45.97 |
| | 17,000.00 | 1,040.00 | 617.50 | 270.00 | 110.00 | 1,310.00 | 727.50 | 582.50 | 44.47 |
| | 18,000.00 | 1,120.00 | 677.50 | 320.00 | 140.00 | 1,440.00 | 817.50 | 622.50 | 43.22 |
| | 19,000.00 | 1,200.00 | 737.50 | 380.00 | 180.00 | 1,580.00 | 917.50 | 662.50 | 41.93 |
| | 20,000.00 | 1,280.00 | 797.50 | 440.00 | 220.00 | 1,720.00 | 1,017.50 | 702.50 | 40.84 |
| | 21,000.00 | 1,360.00 | 857.50 | 520.00 | 270.00 | 1,880.00 | 1,127.50 | 752.50 | 40.00 |
| | 22,000.00 | 1,440.00 | 917.50 | 600.00 | 320.00 | 2,040.00 | 1,237.50 | 802.50 | 39.34 |
| | 23,000.00 | 1,520.00 | 977.50 | 690.00 | 380.00 | 2,210.00 | 1,357.50 | 852.50 | 38.57 |
| | 24,000.00 | 1,600.00 | 1,037.50 | 780.00 | 440.00 | 2,380.00 | 1,477.50 | 902.50 | 37.92 |
| 28,948 | 25,000.00 | 1,680.00 | 1,097.50 | 880.00 | 510.00 | 2,560.00 | 1,607.50 | 952.50 | 37.21 |
| | 26,000.00 | 1,760.00 | 1,157.50 | 980.00 | 580.00 | 2,740.00 | 1,737.50 | 1,002.50 | 36.59 |
| | 27,000.00 | 1,840.00 | 1,217.50 | 1,090.00 | 660.00 | 2,930.00 | 1,877.50 | 1,052.50 | 35.92 |
| | 28,000.00 | 1,920.00 | 1,277.50 | 1,200.00 | 740.00 | 3,120.00 | 2,017.50 | 1,102.50 | 35.34 |
| | 29,000.00 | 2,000.00 | 1,337.50 | 1,320.00 | 830.00 | 3,320.00 | 2,167.50 | 1,152.50 | 34.71 |
| | 30,000.00 | 2,080.00 | 1,397.50 | 1,440.00 | 920.00 | 3,520.00 | 2,317.50 | 1,202.50 | 34.16 |
| | 31,000.00 | 2,160.00 | 1,457.50 | 1,570.00 | 1,020.00 | 3,730.00 | 2,477.50 | 1,252.50 | 33.58 |
| | 32,000.00 | 2,240.00 | 1,517.50 | 1,700.00 | 1,120.00 | 3,940.00 | 2,637.50 | 1,302.50 | 33.06 |
| | 33,000.00 | 2,320.00 | 1,577.50 | 1,850.00 | 1,220.00 | 4,170.00 | 2,797.50 | 1,372.50 | 32.91 |
| | 34,000.00 | 2,400.00 | 1,637.50 | 2,000.00 | 1,320.00 | 4,400.00 | 2,957.50 | 1,442.50 | 32.79 |
| | 35,000.00 | 2,480.00 | 1,697.50 | 2,150.00 | 1,430.00 | 4,630.00 | 3,127.50 | 1,502.50 | 32.45 |
| 12,047 | 36,000.00 | 2,560.00 | 1,757.50 | 2,300.00 | 1,540.00 | 4,860.00 | 3,297.50 | 1,562.50 | 32.15 |
| | 37,000.00 | 2,640.00 | 1,817.50 | 2,460.00 | 1,660.00 | 5,100.00 | 3,477.50 | 1,622.50 | 31.81 |
| | 38,000.00 | 2,720.00 | 1,877.50 | 2,620.00 | 1,780.00 | 5,340.00 | 3,657.50 | 1,682.50 | 31.51 |
| | 39,000.00 | 2,800.00 | 1,937.50 | 2,790.00 | 1,910.00 | 5,590.00 | 3,847.50 | 1,742.50 | 31.17 |
| | 40,000.00 | 2,880.00 | 1,997.50 | 2,960.00 | 2,040.00 | 5,840.00 | 4,037.50 | 1,802.50 | 30.86 |
| | 41,000.00 | 2,960.00 | 2,057.50 | 3,140.00 | 2,170.00 | 6,100.00 | 4,227.50 | 1,872.50 | 30.70 |
| | 42,000.00 | 3,040.00 | 2,117.50 | 3,320.00 | 2,300.00 | 6,360.00 | 4,417.50 | 1,942.50 | 30.54 |
| | 43,000.00 | 3,120.00 | 2,177.50 | 3,510.00 | 2,440.00 | 6,630.00 | 4,617.50 | 2,012.50 | 30.35 |
| | 44,000.00 | 3,200.00 | 2,237.50 | 3,700.00 | 2,580.00 | 6,900.00 | 4,817.50 | 2,082.50 | 30.18 |
| 6,051 | 45,000.00 | 3,280.00 | 2,297.50 | 3,900.00 | 2,730.00 | 7,180.00 | 5,027.50 | 2,152.50 | 29.98 |
| | 46,000.00 | 3,360.00 | 2,357.50 | 4,100.00 | 2,880.00 | 7,460.00 | 5,237.50 | 2,222.50 | 29.79 |
| | 47,000.00 | 3,440.00 | 2,417.50 | 4,310.00 | 3,040.00 | 7,750.00 | 5,457.50 | 2,192.50 | 29.58 |
| | 48,000.00 | 3,520.00 | 2,477.50 | 4,520.00 | 3,200.00 | 8,040.00 | 5,677.50 | 2,292.50 | 29.38 |
| | 49,000.00 | 3,600.00 | 2,537.50 | 4,740.00 | 3,370.00 | 8,340.00 | 5,907.50 | 2,432.50 | 29.13 |
| | 50,000.00 | 3,680.00 | 2,597.50 | 4,960.00 | 3,540.00 | 8,640.00 | 6,137.50 | 2,502.50 | 28.97 |
| | 51,000.00 | 3,760.00 | 2,657.50 | 5,190.00 | 3,720.00 | 8,950.00 | 6,377.50 | 2,572.50 | 28.74 |
| | 52,000.00 | 3,840.00 | 2,717.50 | 5,420.00 | 3,900.00 | 9,260.00 | 6,617.50 | 2,642.50 | 28.54 |
| | 53,000.00 | 3,920.00 | 2,777.50 | 5,660.00 | 4,090.00 | 9,580.00 | 6,867.50 | 2,712.50 | 28.31 |
| | 54,000.00 | 4,000.00 | 2,837.50 | 5,900.00 | 4,280.00 | 9,900.00 | 7,117.50 | 2,782.50 | 28.11 |
| 3,431 | 55,000.00 | 4,080.00 | 2,897.50 | 6,150.00 | 4,470.00 | 10,230.00 | 7,367.50 | 2,862.50 | 27.98 |
| | 56,000.00 | 4,160.00 | 2,957.50 | 6,400.00 | 4,660.00 | 10,560.00 | 7,617.50 | 2,942.50 | 27.86 |
| | 57,000.00 | 4,240.00 | 3,017.50 | 6,660.00 | 4,860.00 | 10,900.00 | 7,877.50 | 3,022.50 | 27.73 |
| | 58,000.00 | 4,320.00 | 3,077.50 | 6,920.00 | 5,060.00 | 11,240.00 | 8,137.50 | 3,102.50 | 27.60 |
| | 59,000.00 | 4,400.00 | 3,137.50 | 7,190.00 | 5,270.00 | 11,590.00 | 8,407.50 | 3,182.50 | 27.46 |
| | 60,000.00 | 4,480.00 | 3,197.50 | 7,460.00 | 5,480.00 | 11,940.00 | 8,677.50 | 3,262.50 | 27.32 |
| | 61,000.00 | 4,560.00 | 3,257.50 | 7,740.00 | 5,690.00 | 12,300.00 | 8,947.50 | 3,352.50 | 27.26 |
| | 62,000.00 | 4,640.00 | 3,317.50 | 8,020.00 | 5,900.00 | 12,660.00 | 9,217.50 | 3,442.50 | 27.19 |
| | 63,000.00 | 4,720.00 | 3,377.50 | 8,310.00 | 6,120.00 | 13,030.00 | 9,497.50 | 3,532.50 | 27.11 |
| | 64,000.00 | 4,800.00 | 2,437.50 | 8,600.00 | 6,340.00 | 13,400.00 | 9,777.50 | 3,622.50 | 27.04 |
| 2,240 | 65,000.00 | 4,880.00 | 3,497.50 | 8,900.00 | 6,570.00 | 13,780.00 | 10,067.50 | 3,712.50 | 26.94 |
| | 66,000.00 | 4,960.00 | 3,557.50 | 9,200.00 | 6,800.00 | 14,160.00 | 10,357.50 | 3,802.50 | 26.85 |
| | 67,000.00 | 5,040.00 | 3,617.50 | 9,510.00 | 7,040.00 | 14,550.00 | 10,657.50 | 3,892.50 | 26.75 |
| | 68,000.00 | 5,120.00 | 3,677.50 | 9,820.00 | 7,280.00 | 14,940.00 | 10,957.50 | 3,982.50 | 26.66 |
| | 69,000.00 | 5,200.00 | 3,737.50 | 10,140.00 | 7,530.00 | 15,340.00 | 11,267.50 | 4,072.50 | 26.55 |
| | 70,000.00 | 5,280.00 | 3,797.50 | 10,460.00 | 7,780.00 | 15,740.00 | 11,577.50 | 4,162.50 | 26.44 |

COMBINED NORMAL TAX AND SURTAX, COMPARING THE REVENUE ACT OF 1924 WITH THE REVENUE ACT OF 1921, ETC.—Continued

*Comparison of the revenue act of 1924 with the present law (married person without dependents), the first $5,000 of all income to be deemed to be earned; balance unearned*—Con.

| Number of persons making returns in each class in 1922 who paid income tax | Net income | Amount of normal tax under— | | Amount of surtax under— | | Amount of total tax under— | | Amount of reduction of total tax under act of 1924 | Percentage of reduction of total tax |
|---|---|---|---|---|---|---|---|---|---|
| | | Act of 1921 | Act of 1924 | Act of 1921 | Act of 1924 | Act of 1921 | Act of 1924 | | |
| | $71,000.00 | $5,360.00 | $3,857.50 | $10,790.00 | $8,040.00 | $16,150.00 | $11,897.50 | $4,252.50 | 26.33 |
| | 72,000.00 | 5,440.00 | 3,917.50 | 11,120.00 | 8,300.00 | 16,560.00 | 12,217.50 | 4,342.50 | 26.22 |
| | 73,000.00 | 5,520.00 | 3,977.50 | 11,460.00 | 8,560.00 | 16,980.00 | 12,537.50 | 4,442.50 | 26.16 |
| | 74,000.00 | 5,600.00 | 4,037.50 | 11,800.00 | 8,820.00 | 17,400.00 | 12,857.50 | 4,542.50 | 26.11 |
| 1,423 | 75,000.00 | 5,680.00 | 4,097.50 | 12,150.00 | 9,090.00 | 17,830.00 | 13,187.50 | 4,642.50 | 26.04 |
| | 76,000.00 | 5,760.00 | 4,157.50 | 12,500.00 | 9,360.00 | 18,260.00 | 13,517.50 | 4,742.50 | 25.97 |
| | 77,000.00 | 5,840.00 | 4,217.50 | 12,860.00 | 9,640.00 | 18,700.00 | 13,857.50 | 4,842.50 | 25.91 |
| | 78,000.00 | 5,920.00 | 4,277.50 | 13,220.00 | 9,920.00 | 19,140.00 | 14,197.50 | 4,942.50 | 25.82 |
| | 79,000.00 | 6,000.00 | 4,337.50 | 13,590.00 | 10,200.00 | 19,590.00 | 14,537.50 | 5,052.50 | 25.79 |
| | 80,000.00 | 6,080.00 | 4,397.50 | 13,960.00 | 10,480.00 | 20,040.00 | 14,877.50 | 5,162.50 | 25.76 |
| | 81,000.00 | 6,160.00 | 4,457.50 | 14,340.00 | 10,770.00 | 20,500.00 | 15,227.50 | 5,272.50 | 25.78 |
| | 82,000.00 | 6,240.00 | 4,517.50 | 14,720.00 | 11,060.00 | 20,960.00 | 15,577.50 | 5,382.50 | 25.62 |
| | 83,000.00 | 6,320.00 | 4,577.50 | 15,110.00 | 11,360.00 | 21,430.00 | 15,937.50 | 5,492.50 | 25.63 |
| | 84,000.00 | 6,400.00 | 4,637.50 | 15,500.00 | 11,660.00 | 21,900.00 | 16,297.50 | 5,602.50 | 25.58 |
| 957 | 85,000.00 | 6,480.00 | 4,697.50 | 15,900.00 | 11,970.00 | 22,380.00 | 16,667.50 | 5,712.50 | 25.53 |
| | 86,000.00 | 6,560.00 | 4,757.50 | 16,300.00 | 12,280.00 | 22,860.00 | 17,037.50 | 5,822.50 | 25.47 |
| | 87,000.00 | 6,640.00 | 4,817.50 | 16,710.00 | 12,590.00 | 23,350.00 | 17,407.50 | 5,942.50 | 25.45 |
| | 88,000.00 | 6,720.00 | 4,877.50 | 17,120.00 | 12,900.00 | 23,840.00 | 17,777.50 | 6,062.50 | 25.43 |
| | 89,000.00 | 6,800.00 | 4,937.50 | 17,540.00 | 13,220.00 | 24,340.00 | 18,157.50 | 6,182.50 | 25.40 |
| | 90,000.00 | 6,880.00 | 4,997.50 | 17,960.00 | 13,540.00 | 24,840.00 | 18,537.50 | 6,302.50 | 25.37 |
| | 91,000.00 | 6,960.00 | 5,057.50 | 18,390.00 | 13,870.00 | 25,350.00 | 18,927.50 | 6,422.50 | 25.34 |
| | 92,000.00 | 7,040.00 | 5,117.50 | 18,820.00 | 14,200.00 | 25,860.00 | 19,317.50 | 6,542.50 | 25.30 |
| | 93,000.00 | 7,120.00 | 5,177.50 | 19,260.00 | 14,540.00 | 26,380.00 | 19,717.50 | 6,662.50 | 25.26 |
| | 94,000.00 | 7,200.00 | 5,237.50 | 19,700.00 | 14,880.00 | 26,900.00 | 20,117.50 | 6,782.50 | 25.21 |
| 666 | 95,000.00 | 7,280.00 | 5,297.50 | 20,150.00 | 15,230.00 | 27,430.00 | 20,527.50 | 6,902.50 | 25.16 |
| | 96,000.00 | 7,360.00 | 5,357.50 | 20,600.00 | 15,580.00 | 27,960.00 | 20,937.50 | 7,022.50 | 25.12 |
| | 97,000.00 | 7,440.00 | 5,417.50 | 21,060.00 | 15,940.00 | 28,500.00 | 21,357.50 | 7,142.50 | 25.06 |
| | 98,000.00 | 7,520.00 | 5,477.50 | 21,520.00 | 16,300.00 | 29,040.00 | 21,777.50 | 7,262.50 | 25.01 |
| | 99,000.00 | 7,600.00 | 5,537.50 | 21,990.00 | 16,660.00 | 29,590.00 | 22,197.50 | 7,392.50 | 24.98 |
| | 100,000.00 | 7,680.00 | 5,597.50 | 22,460.00 | 17,020.00 | 30,140.00 | 22,617.50 | 7,522.50 | 24.96 |
| 1,817 | 150,000.00 | 11,680.00 | 8,597.50 | 46,460.00 | 35,520.00 | 58,140.00 | 44,117.50 | 14,022.50 | 24.12 |
| | 200,000.00 | 15,680.00 | 11,597.50 | 70,960.00 | 54,020.00 | 86,640.00 | 65,617.50 | 21,022.50 | 24.26 |
| 451 | 250,000.00 | 19,680.00 | 14,597.50 | 95,960.00 | 73,020.00 | 115,640.00 | 87,617.50 | 28,022.50 | 24.23 |
| | 300,000.00 | 23,680.00 | 17,597.50 | 120,960.00 | 92,020.00 | 144,640.00 | 109,617.50 | 35,022.50 | 24.21 |
| | 500,000.00 | 39,680.00 | 29,597.50 | 220,960.00 | 170,020.00 | 260,640.00 | 199,617.50 | 61,022.50 | 23.41 |
| 63 | 1,000,000.00 | 79,680.00 | 59,597.50 | 470,960.00 | 370,020.00 | 550,640.00 | 429,617.50 | 121,022.50 | 21.96 |
| | 2,000,000.00 | 159,680.00 | 119,597.50 | 970,960.00 | 770,020.00 | 1,130,640.00 | 889,617.50 | 241,022.50 | 21.32 |
| 21 | 3,000,000.00 | 239,680.00 | 179,597.50 | 1,470,960.00 | 1,170,020.00 | 1,710,640.00 | 1,349,617.50 | 361,022.50 | 21.11 |
| | 4,000,000.00 | 319,680.00 | 239,597.50 | 1,970,960.00 | 1,570,020.00 | 2,290,640.00 | 1,809,617.50 | 481,022.50 | 21.00 |
| | 5,000,000.00 | 399,680.00 | 299,597.50 | 2,470,960.00 | 1,970,020.00 | 2,870,640.00 | 2,269,617.50 | 601,022.50 | 20.94 |

*Number paying income taxes in 1922*

| | |
|---|---|
| The number of persons making returns in 1922 | 6,662,176 |
| Of these no tax was paid by | 3,072,191 |
| Taxes were paid by | 3,589,985 |
| Those paying on incomes of more than $10,000 | 172,359 |
| Those paying taxes on incomes of $10,000 or less | 3,417,626 |

The total number paying income taxes were divided according to income, as follows:

| Amount of income: | Number paying |
|---|---|
| $1,000 to $10,000 | 3,417,626 |
| $10,000 to $11,000 | 23,416 |
| $11,000 to $12,000 | 18,743 |
| $12,000 to $13,000 | 14,887 |
| $13,000 to $14,000 | 12,575 |
| $14,000 to $15,000 | 10,393 |
| $15,000 to $20,000 | 34,230 |
| $20,000 to $25,000 | 18,100 |
| $25,000 to $30,000 | 10,848 |
| $30,000 to $40,000 | 12,047 |
| $40,000 to $50,000 | 6,051 |
| $50,000 to $60,000 | 3,431 |
| $60,000 to $70,000 | 2,240 |
| $70,000 to $80,000 | 1,423 |
| $80,000 to $90,000 | 957 |
| $90,000 to $100,000 | 666 |
| $100,000 to $150,000 | 1,367 |
| $150,000 to $200,000 | 450 |
| $200,000 to $250,000 | 205 |
| $250,000 to $300,000 | 84 |
| $300,000 to $400,000 | 98 |
| $400,000 to $500,000 | 64 |
| $500,000 to $750,000 | 46 |
| $750,000 to $1,000,000 | 17 |
| Over $1,000,000 | 21 |

RECORD OF HON. CHARLES D. CARTER IN THE INTEREST OF LABOR

Mr. HUDDLESTON. Mr. Speaker, under general leave to extend my remarks, I call attention to letters from Frank Morrison, secretary American Federation of Labor, and from the national legislative and information bureau of the four railroad brotherhoods concerning the record of Hon. CHARLES D. CARTER, Representative in Congress from the third Oklahoma district, upon issues of particular interest to labor. The letters are as follows:

AMERICAN FEDERATION OF LABOR,
*Washington, D. C., June 5, 1924.*

Mr. R. O. JAGGERS,
*General Secretary Pittsburg County Central Labor Union,*
*McAlester, Okla.*

DEAR SIR AND BROTHER: Your letter of May 30 in reference to the legislative record of Representative CHARLES D. CARTER, of the third Oklahoma district, received.

Inclosed you will find several copies of the legislative record of Representative CARTER on measures of interest to labor. You will note that there are no votes unfavorable to labor. In fact, his labor record is 100 per cent.

With best wishes, I am,

Fraternally yours,

FRANK MORRISON,
*Secretary American Federation of Labor.*

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[National Legislative and Information Bureau, Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railroad Trainmen]

WASHINGTON, D. C., *June 12, 1924.*

Mr. R. O. JAGGERS,
*General Secretary, Pittsburg County Central Labor Union,*
*McAlester, Okla.*

DEAR SIR AND BROTHER: Supplementing our joint letter of June 6, 1924, in reply to yours of May 30 requesting the voting record on labor measures of Congressman CHARLES D. CARTER, of the third district of Oklahoma, we are inclosing to you herewith a copy of the voting record of Congressman CARTER as taken from the official CONGRESSIONAL RECORD and compiled in the office of the National Legislative and Information Bureau. You will note that during his long service of 17 years the record of Congressman CARTER'S votes on labor measures is 100 per cent favorable. The voters in the third district will make no mistake in returning him to the position which he has so ably and impartially filled for nine consecutive terms.

It is not the policy of our organizations to support for Congress new men of unknown ability or qualifications in opposition to men of proved ability and integrity and whose records in Congress have been four-

square in support of legislation beneficial to labor, the farmers, and the public in general.

Fraternally yours,

H. E. WILLS,
*Assistant Grand Chief, National Legislative Representative, Brotherhood of Locomotive Engineers.*

ARTHUR J. LOVELL
*Vice President, National Legislative Representative, Brotherhood of Locomotive Firemen and Enginemen.*

W. M. CLARK,
*Vice President, National Legislative Representative, Order of Railway Conductors.*

W. N. DOAK,
*Vice President, National Legislative Representative, Brotherhood of Railroad Trainmen.*

POSTAL SERVICE SALARIES

Mr. KELLY. Mr. Speaker, the postal pay bill, after six months of painstaking consideration by the Post Office Committees of the House and Senate, was passed by each body. The record vote in the Senate was 73 in favor of the measure to 3 opposed. The record vote in the House on the final conference report was 362 in favor of the bill and 6 opposed.

Only 9 out of 531 duly elected Representatives of the people voted against the bill, and not one of the opponents took the ground that increases in pay for postal employees were unjustified.

The postal pay bill was enacted by such overwhelming majorities and sent to the President for his action.

At the same time an appeal to the President, written by myself on behalf of the postal employees, was issued in order that the final argument for the postal pay bill in this session might be made.

This appeal was as follows:

DEAR MR. PRESIDENT: We stand before you 300,000 strong, relying on your sense of justice as we respectfully ask you to sign our postal increase bill. It has already been judged by the American people and the Congress of the United States and has received approval well-nigh unanimous. There is no denial anywhere that our cause is blest with our country's favor.

We are the American workers who man the world's greatest public service enterprise. We serve every family in our Nation. We traverse every city street and highway and byway every day. We travel on land and sea and in the air on the mission of intercommunication between Americans.

When we entered this service we laid aside all hope of making a fortune or of ever owning productive capital. But we are at our wit's end now to live. Our pay will not buy things which our physical needs demand. This measure which we bring to you only restores our real wages to the level of 1914. You do not desire us and our families to suffer unjust privations and hardships because of a compensation which is less in purchasing power than we received 10 years ago.

Your Post Office Department has been operated on the basis of service, not profit. It is to-day the cheapest in the world. Charges for the services rendered have been decreased during the past 10 years of universal rise in the cost of production. If postal charges had been increased one-half as much as the average of all other commodities and services there would this year be a surplus of $150,000,000 in the Postal Service.

You will not refuse us just compensation on the ground that it will entail a drain on the United States Treasury and thus force 300,000 of us to bear all the deficit of a service which admittedly sells its product for less than cost. The patrons of the Postal Service and the American public do not desire such injustice. They have urged in countless ways that we be granted just and fair schedules of pay and the expense be made a charge upon the users of the service or the public at large.

We have repeatedly recorded ourselves as individuals and as organizations in favor of postage rates which will maintain the service on a self-sustaining basis. We plead with you not to penalize us now because those rates have been fixed below cost as a governmental policy. Our faith is firm that you will not act on the principle that the postal system should be conducted on a service basis when postage rates are considered, and on the principle that it is an institution for profit when a living wage for its workers is involved.

If our respectful request to you is unjust or unreasonable, it should be rejected without apology. But you have publicly stated that "the postal pay bill is based on justice." We know that you believe that "righteousness exalteth a nation." We beg you to prove that America is great enough to do the just and the righteous thing and afford her a chance to prove that she is wise enough to find the proper means to pay its price.

We will help solve the problem of the cost. We will continue our efforts to adjust postage rates on an equitable basis, which can be determined from the report within a few months of the official results of the arduous and expensive efforts of the Congress and the department to learn the exact cost of carrying the different classes of mail. Grant us this act of justice and the removal of back-breaking burdens will send us to our tasks with an invincible zeal. We have absorbed every prior increase in wages and we will do our part in making additional revenues and efficiency far exceed this added cost.

We are in partnership with you and the American people for indispensable public service. We have kept faith in the past and we will keep it in the future in building and maintaining the best Postal Service for the best Government in the world.

Mr. President, please sign our bill.

Mr. Speaker, on June 7, the last day of the session, the bill was returned to the Senate with the veto message of the President.

It is to be regretted that the manifold duties of the President of the United States make it impossible for him to follow in detail the course of legislation. Had he been able to do so in the case of this measure he would have known that every point raised in his veto message was carefully considered by the committees of Congress and was overruled in the interest of justice and a square deal to the postal workers and the American people, who are served by this great governmental agency of communication.

Let us notice the grounds of the objection urged in the veto message.

I. THERE IS NO PROVISION FOR RAISING THE REVENUE TO MEET THE COST

This decision was taken by the Post Office Committees because the Post Office Department earnestly declared that the ascertainment of the cost of carrying the mails would be ready for action by December. That ascertainment has cost more than half a million dollars from tax funds. The bills to provide increases in postage rates were before the committees but they were not enacted because it was believed that the actual figures to be furnished by the cost ascertainment committee would be valuable in a just and scientific revision of rates.

We believe that the first essential in the Postal Service is to assure a living wage to postal workers. With that established we may easily decide upon the proper adjustments to be made in rates. To argue that wages of workers who make an essential service possible should be kept at an inadequate level because the Post Office Department does not know the cost of its own operation is unjust. The department has had 134 years to secure that essential information, and its neglect of business principles is no reason for refusing a square deal to faithful and efficient workers.

II. POSTAL SALARIES HAVE ALREADY BEEN ADJUSTED

Postal employees to-day are admittedly receiving less compensation in real wages than they did in 1912. Figures as to average pay for all employees for a certain year do not state the situation correctly. The fact is that the maximum pay for a regular letter carrier and postal clerk in 1912 was $1,200. To-day the maximum is $1,800, an increase of 50 per cent. The cost of living to-day is 70 per cent higher than in 1912. The postal employee who received $1,200 in 1912 is to-day receiving compensation of only $1,080 in purchasing power.

If an average is to be used it should be the average pay received by a postal employee during his actual service.

A clerk or letter carrier who has been in the service since 1912 has had, under ordinary procedure, an average annual income of less than $1,200.

Here is the actual income of a railway postal clerk living in Cincinnatti, Ohio, as given by himself:

I entered the service in December, 1913, as a substitute and served in that capacity until August, 1914. During these eight months I earned $337.37, or $42 per month. In August, 1914, I was made a regular clerk at $900 per year, or $75 per month.

Following is an account of the money I received since entering the service:

| | |
|---|---|
| December, 1913, to August, 1914 | $337.37 |
| For the year 1914–15 | 900.00 |
| For the year 1915–16 | 1,000.00 |
| For the year 1916–17 | 1,100.00 |
| For the year 1917–18 | 1,100.00 |
| For the year 1918–19 | 1,300.00 |
| For the year 1919–20 | 1,300.00 |
| For the year 1920–21 | 2,000.00 |
| For the year 1921–22 | 2,000.00 |
| For the year 1922–23 | 2,000.00 |
| For the year 1923–24 | 2,000.00 |
| Total | 15,037.37 |

The above indicates an average of $1,367 per year. Can anyone really think that postal employees who give 11 years of service for $15,037 are extracting too much from the people, who are all the while demanding the best service obtainable?

The $450,000,000 increase in expense referred to in the message means an advance in pay of $5.75 per week for 300,000 Americans to meet the skyrocketing costs of living in a time of World War and its aftermath.

That sum was paid not by the users of the mails or the taxpayers but in the main by the postal employees. Postage rates were not changed, but by speeding up their work and by increased efficiency and more arduous effort the added cost was absorbed by the very workers who received the advance in pay.

III. PRIVATE EMPLOYEES RECEIVE LOWER PAY

The postal clerk and letter carrier in the highest possible grade receive to-day $34.61 a week.

The United States Department of Labor gives the following scale for skilled workers in various lines:

| | Per week. |
|---|---|
| Newspaper compositors | $41–$51 |
| Men's clothing industry | 41– 55 |
| Plasterers' laborers | 48 |
| Bricklayers' helpers | 48 |
| Cement finishers' helpers | 45 |

Exhaustive tables were presented at the hearing, and the most casual survey is convincing evidence that the postal employees are underpaid skilled workers.

IV. THERE SHOULD BE WAGE DIFFERENTIAL FOR EMPLOYEES IN LARGE CITIES

Ninety per cent of all employees of the Railway Mail Service live in cities of more than 25,000 population. Seventy-five per cent of all letter carriers and postal clerks live in cities of over 25,000.

There are more clerks in the New York post office than in all the cities of less than 5,000 population. There are as many carriers in the Chicago post office as in all the cities of less than 5,000 population.

The work is exactly the same in town as in city, the hours are the same, and the compensation should be the same.

V. THERE ARE MANY ELIGIBLES ON THE CIVIL SERVICE LISTS AND APPLICANTS FOR THE EXAMINATIONS

The figures given simply prove the tremendous labor turnover in the Postal Service, with its attendant costs. Great numbers of substitutes refuse appointments, and about 8 per cent of all appointed resign each year. Inadequate pay is the primary reason for a situation which requires weekly examinations and a standing eligible list of thousands to fill vacancies which are recurring continually. The present turnover in the Postal Service involves an annual loss of $10,000,000, which can only be remedied by just compensation.

VI. THE FARMERS ARE THE LARGEST USERS OF PARCEL POST

In July, 1920, the Post Office Department counted each piece of mail on all the rural free delivery routes in the United States, the only time such an attempt has been made to accurately gauge the mail matter sent to and by the farmers of America.

That month there were 8,534,643 pieces of parcel-post matter delivered to patrons of rural routes, and 1,292,837 pieces collected from them, a total of 9,827,480. Extended for the year it would mean that 117,929,760 pieces of parcel-post mail matter were received and sent by the patrons of all these rural routes.

The Postmaster General's report for 1920 states that "the total number of pieces of parcel-post mail handled during the past fiscal year is estimated to have exceeded 2,250,000,000."

Based on these figures, the only ones available, the farmers of this country receive and send 5 per cent of the number of parcel-post packages handled in the United States mails.

In July, 1920, the total postage received by the Post Office Department from parcel-post mail delivered on rural free delivery routes was $905,110.62. The postage from parcels collected was $122,135.34, a total of $1,027,245.96. Extended for the year that would mean annual revenues from this source amounting to $12,326,951.52.

The Postmaster General's report for 1920 estimates the total postage from parcel post at $150,000,000.

Based on these figures, the only ones available, all the patrons of all the rural free delivery routes paid 8 per cent of the postage received from parcel-post matter.

The total postage received from all classes of mail collected and delivered on all rural free delivery routes in July, 1920, was $4,291,860.93, which makes for a year, $51,502,331.16. The appropriation by Congress for the rural free delivery routes alone for the fiscal year 1920 was $68,800,000. Crediting all the postage on all mail sent to these patrons as well as all postage on all mail sent by them and there remains a deficit of more than $17,000,000.

Mr. Speaker, the postal employees of America are loyal to their Government and their duty. They will faithfully carry out their tasks in the sure hope that justice will be done during the coming session and that just salary schedules and just postage rates will be established for the United States Postal Service, the greatest business enterprise on the face of the earth.

THE M'NARY-HAUGEN BILL

Mr. YATES. Mr. Speaker, I am casting my vote for this bill because otherwise the farmer will have no legislative relief—or legislation aimed to provide relief—from this Congress.

On page 10027 of volume 65 of the RECORD of May 31 is printed a question which I asked the distinguished Member from Oklahoma, the Hon. CHARLES D. CARTER. The RECORD reads:

Mr. YATES. The gentleman believes, all things considered, that this bill is the best thing for the farmer at the present time, does he not?

Mr. CARTER. I consider it the one, single, solitary piece of legislation that has been offered during this administration to relieve the condition of the farmers of the country, and we all know it is the only measure we will have an opportunity to vote on before adjournment, but this bill does not meet my ideas of the necessary steps for relief.

In fact, it is admitted on all sides that if we are going to try to do anything for the farmer the thing to do is to vote for this bill, whatever its shortcomings may be.

It is certainly not perfect. Like all legislation, it lacks perfection.

Mr. Speaker, I have been puzzled about this bill. I admit it. I have been at a loss how to vote, and I admit it. Some men—very good and very wise men—say, and indeed insist, that this bill will help agriculture, aid the farmer materially and satisfactorily; others, on the other hand, protest that it will not be a real solution for the ills of the farm.

Some men—very good and very wise men—assert that this bill if enacted into law will not, it is true, remedy the situation entirely but will do so in part—will not, confessedly, make whole the farmer and make him a 100 per cent success, but will "help some"—will at any rate do more good than harm—will, perhaps, reach 51 per cent; that is, give, say, 51 per cent of the relief desired.

Others, equally good and wise men, manifest impatience and disgust and demand to be shown one single, solitary advantage or benefit which the farmer would derive from this particular legislation, saying it does not contain 1 per cent of help.

Still others argue that on the one hand a mere temporary gain or benefit or advantage might come to the farmer, because he would, under this scheme, be helped materially for five years to get more for his farm products than he does now; but that, on the other hand, at the end of the five years the "prop"—that is, the artificial support—would be "knocked out"; and the "last end would be worse than the first."

One of the most confusing things that we have witnessed is the sharp difference of opinion among the practical farmers in this body. I can not claim, as so many do, to be a farmer, but I know something about a farm myself. My father owned a farm, owned three of them and cultivated one. My mother owned a farm—480 acres—from 1869 to 1889 and leased it to a tenant. My grandfather, Henry Yates, was a farmer for 35 years—1830 to 1865—owned 10 farms in Illinois—in Sangamon County, Illinois, the heart of the Corn Belt, when he died in 1865.

Of course the result is that I have myself "that mania for the broad acres" that Garfield said every Anglo-Saxon has. I want to own a farm myself some day. And it follows I want to own a real thing—a thing that is real.

And, of course, I am proud of what my forefathers owned, acquired, and did—proud and glad that they were real farmers—proud and glad that they were good and prosperous farmers. So proud and glad that I will, forever and always, honor the farmer and the farm, consider them precious, and vote to help both whenever I can. I have this special reason to boast and help the farmer in addition to the fact that all prosperity depends upon him.

But, whether I know much about methods to keep a market for farm products or not, is it not amazing that the farmers and farm champions of wide repute should be far from agreement?

In this disagreement party lines are forgotten and out of sight.

The gentleman from Minnesota, the Hon. KNUD WEFALD, says (RECORD, p. 11092), voicing the Northwest:

This measure I am quite confident will fail of passage. Mr. Speaker, the Republican majority will be held mainly responsible by the people for its defeat, yet the Democrats are equally guilty with them. In this matter, as so often in other matters, Democrats come to the assistance of the stand-pat element when

the interests of special and favored interests are at stake. In the matter of sectionalism, the South yields very little to New England. The race question shuts it off forever from understanding the West.

The gentleman from far South, Alabama [Mr. HUDDLESTON], finds a difficulty reflecting a sectional division when he says (see RECORD, p. 11246), concerning freight rates:

Is it proposed to give the products of the farmer an advantage over the products of the mine?

And again (see RECORD, p. 11246):

The farmers are asking for relief. They are entitled to relief, and I am willing to give them relief, but I am not willing to give them relief at the expense of other people.

And again:

I want to do everything that is possible and reasonable and honest for the farmers, but I would not consider it honest to the balance of the people of this country, nor would I consider it good public policy to prefer the agricultural interests at the expense of the other legitimate business.

FRIENDS OF THE BILL

The following organizations and citizens of Illinois have urged me to vote for this bill:

Joint Labor Legislative Board of Illinois; legislative representatives of Illinois State Federation of Labor; United Mine Workers of America; Brotherhood of Railroad Trainmen; Brotherhood of Locomotive Firemen and Enginemen; Order of Railway Conductors; Women's Trade Union League; Sangamon County Farm Bureau, of Springfield; Illinois Agricultural Association, of Chicago; American Farm Bureau Federation, of Washington, D. C.; the Macon County Farm Bureau, of Decatur; George R. Brown, First State Bank of Divernon, of Divernon, Sangamon County; C. R. Carpenter, of Buffalo; George W. Hall, of Alexander, Morgan County; Illinois Grain Dealers' Association, of Champaign; Farmers' Cooperative Seed Co., of Cambridge; the Chamber of Commerce of Lincoln; Tazewell County Farm Bureau; Peoria County Farm Bureau; Stark County Farm Bureau; Bureau County Farm Bureau; Marshall-Putnam Farm Bureau, of Henry, Ill.; Mr. B. P. Taylor, Canton; farm bureaus of Adams, Henry, Schuyler, Fulton, and Knox Counties, of Galesburg, Ill.; Piatt County Bankers' Federation, of Bement; Richland County Farm Bureau, of Olney; Kane County Farm Bureau, of Geneva; Peranwold Stock Farm, Farmingdale; Farmers' State Bank of Orion; First National Bank of Morrisonville; Citizens' State Bank of Milford; Sumners State Bank, of Stockland; Marshall County State Bank, of Varna; Iroquois County Farm Bank, of Watseka; Brown County Farm Bureau, of Mount Sterling; Savings Bank of Kewanee; the Commercial Club of Mount Sterling; Pulaski County Farm Bureau, of Mound City; Equitable Life Insurance Co. of Iowa, of Ottawa; Mr. C. J. Luther, president Will County Farmers' Institute, of Wilmington; Mrs. E. E. Stevenson, chairman of La Salle County League of Women Voters; Ottawa Banking & Trust Co., of Ottawa; Cambridge State Bank, of Cambridge the First National Bank of Pullman; the First National Bank of Leland; North Hampton Cooperative Shipping Association, of Chillicothe, Ill.; and the Walnut Grove Farm, of Cornell.

Mrs. J. F. Garrity, Chicago; W. D. Rishel, of Cambridge; Hon. Jacob A. Bohrer, of Fifer & Bohrer, of Bloomington; E. S. Gillham, of Edwardsville; F. A. Patton, of Tivoli; Hon. Norman G. Flagg, of Moro; John F. Regan, of Decatur; George H. Hall, of Alexander; J. H. Singleton, Mahomet; the Pioneer Creamery Co., by Louis Nielson, president, of Galesburg.

Among those from Illinois who have also urged me to vote for this law are the following: Knox County Farm Bureau, of Galesburg; Piatt County Farm Bureau, of Monticello; Perkins & Perkins, of Springfield; Cass County Farm Bureau, of Virginia; farmers of Island Grove, of New Berlin, Sangamon County; Pike County Farm Bureau, of Pittsfield; Pana National Bank, of Pana; W. F. Engelman and Mrs. W. F. Engelman, of Nokomis; Farmers' National Union of America, of Kankakee; Graymont Cooperative Association, of Graymont; Milford Grain Co., of Milford; Stronghurst Grain Co., of Stronghurst; James D. Smith and Benjamin Brown, of New Berlin, Sangamon County; Clinton County Farm Bureau, of Breese; H. P. Joy, stock and grain farmer, Chapin, Morgan County; Galva Grange, No. 1591, of Galva; Chicago Producers' Commission Association, of Chicago; Commercial Club of Princeton, of Princeton; Carpera Stock Farm, of Buffalo; Maplehurst Stock Farm, of Chatham; J. W. Whisenand, of Cambridge; G. A. Slater, Polo; Clarence Stell, Cuba; Clay Lawler, of Paloma; Flanagan Stock Farms, of Flanagan; Savings Bank of Kewanee, of Kewanee; John T. Creen, Pontiac; J. B. Roissell, Mattoon; Rev. H. M. Blout, Cornell; Fred I. Talleu, Edwardsville; Fred L. Walker, of Kendall; Harvey N. Ames, Mattoon; T. W. Esmond, of Ottawa; J. P. Lyons, Pontiac; William G. Rushton, of Minooka; Marion County Farm Bureau, Odin; H. T. Marshall, of Serena; E. C. Coulter, of New Berlin, Sangamon County; L. C. Rinker, of Grand Ridge; J. P. Conrad, Monee; Maple Lawn Stock Farm, of Lostant; E. E. Boyer, Ashmore; D. C. Shepper, Lincoln; Ruth Kerns, of Big Rock; J. V. Bogner, Henry; A. J. Gahn, Ransom; Albert G. Weber, Nauvoo; Helmer Hanson, Newark; Alfred Windett, of Bristol; Albert Peterson, of Millbrook; Miss Grace Buxton Brown, of Divernon, Sangamon County; J. M. Weaver, of Oakford; Ernest R. Davis, Pawnee; L. J. Kerns, Big Rock; Clifford V. Gregory, of Chicago; Mrs. Peter J. Schlapp, of Oswego; Walter H. Miles, Plano; R. F. Constant, of Buffalo Hart; James Hamilton, Polo; Streator Drain Tile Co., of Streator; R. T. Gustus, of Ophiem; H. E. Vogelsinger, of Pontiac; Progressive Grain & Feed Co., of Edwardsville; Robert Gibbons, Piper City; J. C. Beekman, Petersburg; E. E. Stevenson, president La Salle County Farm Bureau, of Ottawa; Harry C. Gehring, president Knox County Farm Bureau, of Galesburg; Peter Nelson, of Kendall County Farm Bureau, of Plano; Christian County Farm Bureau, of Taylorville; Logan County Farm Bureau, of Chestnut; farmers of Marshall County, of Yarna; Marion County Livestock Shipping Association, of Iuka; Whiteside County Farm Bureau, of Morrison; Farmers' Grain Co., of Dalton City; Harry C. Dixon, of Covell; Coles County Farm Bureau, of Charleston; Winnebago County Farm Bureau, of Rockford; Pike County Farm Bureau, of Pittsfield; Fulton County Farm Bureau, of Canton; Franklin County Farm Bureau, of Benton; Watseka Farmers' Grain Co. (cooperative), of Watseka; C. R. Carpenter, of Buffalo, Sangamon County; Woodford County Farm Bureau, of Eureka; Ford County Bureau, of Gibson City; Cass County Farm Bureau, of Virginia; Will County Farm Bureau, of Joliet; McLean County Farm Bureau, of Bloomington; Sunset Farms, of Bloomington; Mercer County Farm Bureau, of Aledo; Henry County Farm Bureau, of Cambridge; Jersey County Farm Bureau, of Jerseyville; Marion County Farm Bureau, of Salem.

PROTESTS

I have protests from the following: City Council of Chicago; Millikin National Bank; National Bank of Decatur; Farmers' State Bank & Trust Co.; Citizens' National Bank; A. E. Staley, R. C. Augur, C. W. Brewer, F. M. Robertson, C. P. Cline, J. A. Freemon, L. B. Kizer, C. L. Leiss, P. A. Hendricks, C. T. Moore, W. H. Barnes, S. J. Durbin, R. J. Steven, L. E. Duncan, B. H. Muthersbaugh, H. I. Baldwin, H. J. Kappl, and J. E. Quigley, all of Decatur; B. F. Waters, of Rochester; George W. Cole Grain Co., of Peoria; Illinois Grain Dealers' Association, of Champaign; the Chicago Association of Commerce, of Chicago; Mrs. George Neafus, of Tuesday Art Travel Club, of Chicago; Farmers' National Council, of Washington, D. C.; Illinois Drain Tile Manufacturers' Association, of Streator; Purina Mills, of St. Louis, Mo.; J. C. Shaffer Grain Co., of Peoria; Peoria Board of Trade, of Peoria; Albert Dickinson Co., of Chicago; Frank P. O'Brien, Springfield; the Corn Exchange National Bank, of Chicago; the W. T. Rawleigh Co., of Freeport; Mrs. James Hartley, of Henry; John W. Scott, of Chicago; Nash-Wright Grain Co., of Chicago; James E. Bennett & Co., of Chicago; John S. Lunt, of Chicago; Emory Niles, of Chicago; Miller & Hart, of Chicago; Alden, Latham & Young, of Chicago; Cross, Roy & Saunders, of Chicago; Madison Park Apartment Hotel, Chicago; Sherer-Gillett Co., of Chicago; the Windermere Co., Chicago; John E. Brennan & Co., of Chicago; J. A. Edwards & Co., of Chicago; W. P. Anderson & Co., of Chicago; William A. Neubauer, of Chicago; F. J. Young, of Chicago; James P. Ryan, of Chicago; Pope & Eckhardt Co., of Chicago; F. M. Foster, of Chicago; Cornland Grain Co., Mount Pulaski; T. F. Molyneau, of Chicago; Cross, Roy, Eberhart & Harris, Chicago.

It is to be noticed that the total protests coming from Illinois have numbered only 39, all but 8 from Chicago.

OTHER REMEDIES

Decrease of production is the remedy most commonly suggested for curing the agricultural depression. This, it is pointed out, is the sound and economic way to raise prices to a pre-war level. This theory contemplates that anything you do to make such action unnecessary is unnatural, artificial, unsound, uneconomic. Those who recommend this course either do not regard tariffs, immigration laws, transportation acts, protective labor laws, and similar legislative enactments, that fill the statute books of both Nation and State, as being in exactly the same class as the proposed legislation or else they are willing to contemplate the degradation of agriculture and its perversion from the position that it has occupied in American history from the beginning of the Republic.

Nature, through the operation of the boll weevil and unfavorable weather conditions, reduced the cotton crop of 1923 to but little more than 10,000,000 bales. As a result of diminished supply the price of cotton has been above 37 cents during the past 12 months and is now around 28 cents. This is at least twice the pre-war average money price. Has this been a benefit to American consumers and to consumers of American cotton throughout the world? It has not. Neither has it been a benefit to the cotton grower, except in the fortunate areas where an average yield was obtained, together with the benefit of high prices. Thirty cents a pound for cotton is little help to those cotton growers who produced only 30 to 80 pounds per acre, when the cost of production per acre alone averaged over 27 cents a pound and the average yield was about 128 pounds per acre.

Farming is an industry which in its nature requires a period of years to adjust itself to changed economic conditions by reason of the slow turnover rate. Only once a year does a farmer have a chance to make readjustments in the annual crops, and in most livestock the average period of opportunity is from one to four years. In the case of dairy cattle adjustment is even slower, as a good cow does not come into her maximum production until she is about eight years of age.

Farmers have striven for many years to diversify their crops. This is quite as true of the sections that are suffering at present as of any other in the United States. Cows, hogs, and chickens are synonymous with diversification. The great majority of all farmers, even in the one-crop wheat areas, produce their own milk, their own pork, their own poultry and eggs. The present difficulty is not confined to one-crop areas. Some of our best diversified farm regions are suffering almost as severely from the deflation as are the one-crop farm areas. In fact, the hog producer is even harder hit than the wheat grower. In the more settled, older, and better equipped farming sections farmers were somewhat less in debt and had more capital and credit. Hence the effect of the vicious relation between prices of farm products and other commodity prices was obscured there until a later date. Now the capital and credit are being exhausted with no present hope of replenishment unless and until more normal farm-price relations are restored.

Price fixing with respect to farm products has generally meant, to the lay mind, a guaranteed fixed price. This was the principle upon which the wheat guaranty act of March 4, 1919, was enforced, though such enforcement was not necessarily in accordance with the will of the legislative body. The food control act, under which guaranteed prices were fixed, merely provided that the prices should be not less than $2 a bushel. As a matter of fact, prices very close to $2 a bushel were enforced as the maximum prices. Guaranteed fixed prices have not operated to the satisfaction of the wheat grower in the past. Ratio prices are fluctuating prices moving in unison with the all-commodities index. Some members of the grain trade and of the milling industry, as well as some farmers, desire guaranteed prices. The majority do not.

This bill proposes to equalize domestic supply of export farm products to domestic demand at a fair exchange value in terms of all commodities; in other words, in terms of the general price level. This end is to be attained by diverting the surplus, which is small in relation to the whole annual production, to the world market at the world price. Existing private agencies and existing facilities of processing and distribution are to be used to the fullest possible extent according to their adequacy and availability for this purpose. Import duties on particular products in distress are to be raised to keep out foreign competition, or, if necessary, such products may even be excluded. The loss sustained in selling at the world price, the fraction of the crop exported, after buying it on a higher domestic level, and the expenses of operation are to be borne by the farmer through the operation of a so-called equalization fund.

The export corporation, furthermore, affords a means to remove the abuses reported by the Federal Trade Commission as to the operations of grain exporters and packers in foreign trade. The character of these abuses is partly disclosed on pages 688 to 690 of the hearings on the bill, and on pages 694 to 698, relating chiefly to wheat and its products. Similar information as to the export trade in meat products will be found in part 10 of the hearings.

This bill in effect says that any quantity of a basic agricultural commodity that must be removed from the domestic market in order to maintain the domestic price at a level in keeping with the domestic price of all commodities, is export surplus. The price at which the corporation may purchase this export surplus is called the "ratio price." The act lays down a rule for determining this price and the corporation can not vary from it as to its purchase of the fraction to be exported. It should be borne in mind that the whole crop will not be handled by the corporation—only the amount necessary to maintain the ratio price. In the case of wheat, for instance, our normal average crop is about 750,000,000 bushels. The average amount of export may be taken at approximately 150,000,000 bushels. The whole domestic consumption of 600,000,000 bushels, less the quantity used for seed and fed on farms, would be traded in without interference on the part of the corporation, except to the extent of collecting the equalization fee on each sale made by a farmer. The ratio price at which the corporation will buy the export surplus only may be defined briefly as that money price of a given basic agricultural commodity that will give a unit of it the same purchasing power now, in terms of all commodities, that it had on the average in the 10 years 1905 to 1914. To maintain this price the corporation goes into the domestic market and buys the commodity at the ratio price, thus maintaining the domestic price of the commodity at the level of the ratio price. This is equivalent to saying that the effective domestic supply is reduced to the level of the effective domestic demand at the ratio price, thus lifting the basic agricultural commodities up to a reasonable parity with all commodities.

Opponents who believe that the bill, if enacted, will increase the cost of living fail to take into consideration the fact that, if the situation is allowed to "cure itself," the inevitable method of cure will be reduced production. This reduced production in itself is one of the surest means of sending up prices for farm products, increasing costs to consumers, or increasing the cost of living.

Inasmuch as the purpose of this bill is to raise the price of the certain basic agricultural commodities whose prices are disastrously below pre-war purchasing power, it is probable that there will result some increase in the cost of living. The amount of this increase is, of course, not exactly determinable. Students have generally concluded that a rise of 20 points in the price of wheat would result in an elevation of the wholesale price index of all commodities by one point. This assumes wheat to represent 5 per cent of the total exchange value of all commodities. As a matter of fact its relative importance is about 6 per cent, but for convenience of calculation and as the difference will not be great, it seems best to apply the commonly accepted conclusion that a 20-point increase in the price of wheat will lift the general index one point. Speaking approximately again, the present price of wheat is $1. The ratio price under the bill would be about $1.50. In other words, 20 points divided into 50 points gives 2½ per cent increase, the percentage effect, on the total exchange value of all commodities that would be produced by a 50-cent increase in the price of wheat.

GENERAL OBJECTIONS

The statement is frequently made by those opposed to this legislation that the law, if passed, will be unworkable. Such statements have been made in regard to practically all important legislation in our history. A few instances may be cited as illustrations. As to each of the following in their time it was seriously asserted:

1. That the Federal reserve act would destroy the banking system.
2. That the Federal farm loan act would dry up the sources of the farmers' credit.
3. That the income-tax laws would ruin the country.
4. That the meat inspection act would drive the packing industry into bankruptcy.
5. That the cotton futures act would rob the cotton producers of millions of dollars.
6. That the food control act would produce a revolution.
7. That the grain futures act would destroy the grain exchanges, and with them the country elevator.
8. That the immigration laws would invite instant and serious retaliation from numerous foreign nations, and could not be administered.
9. That the tariff laws enacted from time to time during our history would be unworkable, invidious, ruinous, and likely to involve countervailing action by other countries.

Under analysis what is the great fact that underlies most statements of the kind mentioned? They arise because interests affected by proposed legislation foresee some degree of inconvenience or some loss of profit in their own particular business without considering the general welfare of all the country. It is almost an axiom that only a few of the far-seeing, progressive, and wise in any trade or industry willingly accept suggestions or directions looking toward changes in their existing methods and practices, even when they are clearly in the common interest.

The committee believes, and so do I, that there is infinitely greater danger to a self-governing country in failure to legislate when conditions require correction than there is in legislating, even though legislation at first may operate but imperfectly.

CONCLUSION

After reading and rereading the indorsements of this bill and the protests against it, I have come to the conclusion that it is the only bill that has a definite and specific method of lifting the markets in which farm produce is sold to an index ratio comparable with other commodities. For this reason I consider it the best of the several measures capable of being passed by this Congress, and I am voting for it on that theory.

I want it distinctly understood that I have only one object in voting for this bill, and that is to do the wisest thing for the farmer. The only way I could find out just what is the wisest thing was to study the bill as well as I could and to get the opinion of the farmers in all parts of Illinois. I am not voting for the bill now because I think it is the best bill that could be devised or because I think it gives entirely satisfactory relief. I am voting for it because I do not want to do anything to hurt the farmers any more than they are hurt at the present time.

THE RECLAMATION LAW

Mr. LEAVITT. Mr. Speaker and gentlemen of the House, it is impossible during the closing moments of a session of Congress to give the full consideration to some measures of vital importance which their effect for the good or ill of perhaps thousands of human beings demand. As a consequence, injustice may be done without definite intention, because there is not sufficient opportunity to clear up misunderstanding and replace it with understanding, wrong actions may be taken.

The House Committee on Irrigation and Reclamation, of which I am a member, had under consideration for some weeks a measure intended to put into effect the principles of legislation shown to be wise and advisable by the President's fact finding commission. We had held hearings and prepared a bill which our chairman was instructed to report when it was learned that most of its features incorporated in a Senate bill had been attached to the deficiency appropriation bill as a rider. Another rider had to do with appropriations for several irrigation projects, provision for whose construction had not been included in any House bill. The fight on these appropriations caused delay and conferences, which modified some and eliminated others. The report of the conferees was accepted by the House and we passed the bill, containing in principle the new reclamation law, so much needed for the success of many of the projects. In the closing hours it failed in the Senate.

But, Mr. Speaker, that is not the end of the struggle for the new law for reclamation projects. Much of the data showing its need has been gathered, but we will make the case even more conclusive this summer, and we will be here again in December with evidence which will convince you and the Members that we have worked out a plan, sound in principle and required by conditions. In my district in Montana I have more Government reclamation projects to represent, both as to number and as to area, than has any other Congressman. I shall visit them all this summer and fall and will come here again in December with new evidence and even stronger facts. Others of the Members from the West are planning in the same way.

During the debate to-day I had opportunity to touch only lightly on what is the heart of the proposed new law—the plan of repayment to the Government on the basis of earning capacity of the lands rather than by a fixed period of years. The RECORD shows, as follows:

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Montana [Mr. LEAVITT].

The SPEAKER. The gentleman from Montana is recognized for five minutes.

Mr. LEAVITT. Mr. Speaker and gentlemen of the House, one of the burdens of the western country having great irrigation projects is the lack of understanding—I might say the ignorance—of those who proceed on pure theory and as a result make it difficult for us to continue our development.

In the few minutes I have at my disposal I will speak particularly of the new provisions for payment contained in this bill. That is the heart of this matter, and I want to say that it is not hasty legislation. For several weeks the Irrigation and Reclamation Committee of this House has been holding hearings and investigations and preparing a bill. The committee of this House did not write this rider into the appropriation bill now under consideration. It was put there by the Senate, but it should be passed.

Regardless of the business that any man goes into, he will succeed if he is able to make enough to pay his debts and has the privilege of paying them in such a way that he can meet them out of his business. That is all there is in this proposed new principle of payment on these reclamation projects. It is that, instead of a fixed period of years being set for payment, regardless of the cost of the project or the earnings—and it costs just as much to construct in a State where a single crop is all that can be expected as it does where two or three crops are grown—payment shall be required on a basis of what can actually be raised. It proposes to charge 5 per cent of the gross return, year after year, estimated over a period of 10 years, if there is 10 years of experience; and if not, over a lesser period of time.

That is the only way we will be able to get back the money that has been invested on some of these irrigation projects, simply on the basis of what they can earn instead of the fixed plan that has forced failures in some instances.

Mr. EVANS of Montana. Mr. Speaker, will my colleague yield there?

Mr. LEAVITT. Yes; I yield.

Mr. EVANS of Montana. If this legislation is not passed, thousands of people will be dispossessed of their lands, will they not?

Mr. LEAVITT. Yes.

Mr. Speaker, I notice that on the ceiling of this Chamber of the House of Representatives the seal of my State of Montana is not represented with the rest, although we have been a State for 35 years. Nobody seems ever to have called attention to it before. I have taken steps so that this fall, when we meet again, it shall appear there among the seals of other States. [Applause.] It is in the same way, in urging this legislation for reclamation, that I am asking you, in the interest of development and our farming industry, to recognize my State among the States of the Union on an equal footing. Reclamation is required in a State like mine and in other similar States of the West, so that they will be enabled not only to produce things that can be sold in a market-gardening market but in order that we can produce sure forage crops, making possible the use of other lands for stock raising. We must be able out in that country to go on with this development, and, as has been said by my colleague, Mr. EVANS, unless this relief in the method of payment is afforded, which is not a quickly thought of thing which we are trying to ride through here, but the result of weeks of hearings and investigations by our committee—unless we can have that relief there will be many of my people dispossessed, who, under this fair method of payment, would be able to repay their obligations and put back into the Treasury the money that has been expended in the development of reclamation projects. [Applause.]

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

Mr. LEAVITT. Yes.

Mr. SNELL. Did we not recently extend the time on them all for three years?

Mr. LEAVITT. Yes; but that does not in any way satisfy the loan companies that are demanding that payments be made, but who will be satisfied if we put them upon a business basis so that they can pay out in time.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. Speaker, the need and wisdom of this business method of repayment was stressed by President Coolidge in the message of April 21, by which he transmitted the report of his fact-finding commission to Congress. He said in part:

*To the Congress of the United States:*

I would respectfully urge on Congress the immediate necessity of revising the present reclamation law.

The Secretary of the Interior appointed a special advisory committee of six members to study reclamation and make report to him. That committee has completed its work and has made its report to the Secretary of the Interior, and he has transmitted that report to me. I herewith transmit it to you.

Many occupants of our reclamation projects in the West are in financial distress. They are unable to pay the charges assessed against them. In some instances settlers are living on irrigated lands that will not return a livelihood for their families and at the same time pay the money due the Government as it falls due.

Temporary extensions of time and suspension of these charges serve only to increase their debts and add to their hardships. A definite policy is imperative and permanent relief should be applied where indicated. The heretofore adopted repayment plan is erroneous in principle and in many cases impossible of accomplishment. It fixes an annual arbitrary amount that the farmers must pay on the construction costs of projects regardless of their production.

In its place should be substituted a new policy providing that payments shall be assessed by the Government in accordance with the crop-producing quality of the soil.

* * * * * * *

Whatever legislation is necessary to the advancement of reclamation should be enacted without delay.

CALVIN COOLIDGE.

THE WHITE HOUSE,
*April 21, 1924.*

The same principle was stressed by the commission itself in these words:

It is idle to assume that lands of equal fertility can bear widely different annual construction payments or that all lands—good, indifferent, or poor—under a single project can bear the same annual construction payments, yet the existing plan of repayment was based upon that assumption. Neither time nor an arbitrarily fixed per cent of cost is a sound basis for determining annual payments. Whether the total construction cost be great or small, it can only be paid out of the produce of the lands; hence productivity is the only safe and fair basis for fixing annual payments. The expense of changing rough desert land into irrigated fields and of adding the new implements and improvements needed involves a large outlay of money, which must be won from the products of the farm. The acre income becomes the basis of any scientific method of repaying construction costs. The more fertile the soil is the higher may be the annual charge; and the more intelligently the farmer cultivates the soil the sooner will title to his water right pass to him. The present method of repayment can not and does not insure a steady return on the investment by the Government in irrigation structures and can not be met by the projects with lower productive capacity. It will be necessary to put into effect a new plan of repayment of construction costs of the Federal irrigation projects—in our opinion one based upon the inherent power of the soil, under intelligent cultivation, to produce crops.

In conformance with this sound policy, Mr. Speaker, we of the House Committee on Irrigation and Reclamation wrote into the bill presented here the following section:

SEC. 8. That hereafter all construction charges on existing reclamation projects upon application of the water users shall be made payable in annual installments based on the productive power of the land as provided in this section. The installment of the construction charge per irrigable acre payable each year shall be 5 per cent of the average gross annual acre income for the 10 calendar years first preceding, or for all years of record if fewer than 10 years are available, of the area in cultivation in the division or subdivision thereof of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. The annual payments shall continue until the construction charge against each farm unit is paid. The Secretary is authorized, upon application of the water user, to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this section: *Provided*, That whenever two-thirds of the irrigable area of any project, or division of a project, shall be covered by water-right contracts between the water users and the United States, said project shall be required, as a condition precedent to receiving the benefits of this act, to take over, through a legally organized water users' association or irrigation district, the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as the Secretary may prescribe, and thereafter the United States, in its relations to said project, shall deal with a water users' association or irrigation district, and when the water users assume control of a project the operation and maintenance charges for the year then current shall be covered into the construction account to be repaid as part of the construction repayments: *Provided further*, That the provisions of this section shall apply to existing reclamation projects, or divisions thereof, on Indian reservations at the request of the water users and with the approval of the Secretary.

There are many other provisions in this bill of mutual value to the Government and the water user, and what is to the benefit of one is likewise of benefit to the other, but this repayment policy is the heart of the matter, and I have confined my brief discussion to it. The opportunity to pay what is justly due in accordance with what can be reasonably earned is businesslike. It gives real opportunity to the farmer on the project and insures the return to the reclamation fund all which should justly be returned.

In closing let me say again, Mr. Speaker, that we will be here with even more complete data and argument in December. The House and Senate have both looked with favor on this principle, and I am certain that the measure will be written into law. The soundness of the proposal and the good judgment of the Congress will surely join to that end.

### POLITICAL TEAMWORK

Mr. JACOBSTEIN. Mr. Speaker, political apathy has been threatening to undermine our national institutions. In recent years there has been an alarming indifference of the masses to political action. One reason for this is that the average voter feels himself too far removed from his Government. He feels that his vote does not count; that his opinion is not effective. Oftener than not he is unaware of what his elected representative is doing. On the other hand, the elected representative is often unaware of the real public sentiment in his district on specific issues. The machinery of government has grown so large and complicated that the individual seems lost. Both the individual voter and the individual public official are submerged.

Unscrupulous public officials take advantage of this remoteness, apathy, and indifference. Secretary Fall undoubtedly felt himself secure in his Teapot Dome transactions. Who would be interested in looking up the legal transactions in transferring oil properties, making oil leases, and disposing of natural public resources?

But while unscrupulous men are encouraged into committing misdeeds, the honest public official misses the encouragement and inspiration which comes from the thought that his electorate is watching the political game intelligently.

We must establish contacts. We legislators and voters must get on speaking terms. We need teamwork. The voters are, in a true sense, stockholders in this greatest corporation—the United States Government.

With this in mind, I purpose to set forth, in a sort of annual report to the stockholders, some of the important happenings of this first session of the Sixty-eighth Congress, which has just closed.

Some 300 bills affecting the public welfare, known as public bills, were enacted into law. Manifestly it is impossible in a brief and sketchy survey, such as this, to deal with all of them, or even some of them, adequately. I shall pick out those of most significance.

### TAXATION

1. Tax reduction: The new revenue act, which the President signed, will cut taxes by about $400,000,000 a year, besides providing for a 25 per cent reduction in last year's income taxes payable this year. I voted for this tax-reduction bill. I opposed, however, that part of the Mellon plan which sought to give a larger reduction to the rich than it gave to those of low and moderate incomes. I voted in every instance to lighten the burdens of those least able to bear the tax. Under the new law the reduction in the income-tax rates ranges all the way from a 20 per cent reduction on the highest incomes to a 65 per cent reduction on the low incomes. I am in favor, however, of reducing still further the high surtax rates. There were many admirable administrative reforms recommended in Secretary Mellon's plan, for which I voted, but which are too technical to discuss here.

2. Excise taxes: The new revenue law repeals or reduces many of the excise taxes, including the theater admission tax, the movie admission tax, the taxes on telephone messages and telegrams, the tax on jewelry, candy, hunting garments and equipment, pleasure boats, automobile trucks and automobile accessories, carpets and rugs, the stamp tax, and other so-called business and nuisance taxes. I voted for the repeal or reduction of these taxes.

3. Estate and gift taxes: The liberals of both parties united in supporting the bill introduced by Republican Members providing for increased tax rates on estates. They are responsible also for writing into our revenue act a tax on gifts, which is a logical corollary to a high inheritance or estate tax. I voted for both of these measures.

4. Tax evasions: I voted in favor of the proposed amendment to the Constitution, the enactment of which would have given to the Federal Government and the State governments authority to abolish tax-exempt securities. These tax-free bonds offer one of the popular methods used by the very wealthy to escape paying the Federal income tax. The proposed constitutional amendment was introduced by the Republicans. I supported it in spite of the opposition of my Democratic friends. The outlawing of these tax-free bonds is the first step in tax reform; it plugs the hole of tax evasion.

5. Original suggestions: I offered two original propositions in the form of amendments to the revenue law. One was that health and education expenses should be exempt from taxation; and the second, that the corporation income tax ought to be graduated so that each corporation would pay according to the rate of profit it earns. Both were defeated, but the latter (the graduated corporation tax) was embodied in a Senate amendment, which was, however, finally stricken out in conference. I believe that both of these measures are sound and will ultimately become a part of our revenue law.

### IMMIGRATION

The present immigration law, passed in 1921, expires on June 30, 1924. New immigration legislation was necessary, therefore, to go into effect July 1. The Johnson bill was offered as a substitute for the present law. It was passed by

Congress and signed by the President. This bill restricts immigration more than the present law, but on the other hand it liberalizes the administration of the law. I favored and advocated restriction even further than the Johnson bill, but I could not vote for the Johnson bill because of its un-American and unjust discrimination against the people of certain nationalities. Furthermore, I voted in protest against the spirit which actuated Congress and the method used in handling the Japanese exclusion question.

MUSCLE SHOALS

I voted against the bill which provided that the United States Government should turn over this wonderful water power to a private corporation for 100 years. I have very great respect and admiration for the industrial genius of Henry Ford, but I could not bring myself to consent to the transferring of this public property, representing an investment of approximately $85,000,000, and with natural resources of untold value, for 100 years, for a paltry sum, even to Henry Ford's corporation. The House passed the bill. The Senate committee, after holding elaborate public hearings, rejected the Ford proposal and offered Government operation as a substitute. Though the Ford proposal was introduced by a Republican, its main support came from the Democrats. The Senate having failed to take action on the bill, it goes over until next December.

ADJUSTED COMPENSATION

I voted for the soldier bonus because I thought it was a just and honorable and decent thing to do. The President vetoed the bonus bill, but Congress passed it over his veto. I voted also to override the veto. I regard the soldier bonus not only as an act of justice, but as the payment of a debt of honor to those who served us in the Great War. To make sure that I was right in assuming that the ex-service men wanted adjusted compensation, I conducted a referendum by sending a ballot to each of the 19,500 ex-service men in Monroe County. The poll showed an almost unanimous vote in favor of adjusted compensation. The original vote in the House of Representatives on the bonus was 355 for and 54 against. The vote to override the veto was 313 for and 78 against.

I am also happy I had the privilege of voting for the veterans' hospitalization bill, by which more generous treatment and more liberal disability allowances will be granted to veterans suffering from diseases, especially tuberculosis.

RELIEF FOR THE DISTRESSED FARMER

Everybody recognizes the economic distress of the farmers in the wheat and cattle areas of the Middle West and the Northwest. As a means of relief the McNary-Haugen bill was considered in the House. It was voted down. It was a price-fixing bill with a Government corporation buying the surplus product and selling it in the foreign market in order to raise and maintain prices in the domestic market. I voted against this measure because I could not see that it would really give effective relief to the farmer and at the same time it would increase the cost of living for all consumers. Besides this, it would injure dairy and poultry farming by increasing the cost of cattle feed and poultry feed. It was not a party measure. I voted against the bill because I regarded it as an economically unsound measure.

THE CHILD LABOR AMENDMENT

Both the House and the Senate passed this constitutional amendment giving Congress the power to regulate child labor. Before it becomes a part of the Constitution it must be ratified by 36 States. The adoption of this amendment does not abolish child labor or even regulate it. That will have to be done by act of Congress after the amendment has been ratified by the States. A constitutional amendment is necessary because a number of States refuse to deal adequately with the child-labor situation. I voted for this amendment, and I trust that the State legislature of New York, as of other States, will quickly ratify the action of Congress. The vote in the House was 297 for and 69 against.

INCREASE IN CIVIL AND SPANISH-AMERICAN WAR PENSIONS

The House and the Senate passed the Bursum bill increasing the pensions of the survivors and widows of the Civil and the Spanish-American Wars. The President vetoed this bill, and as the Senate by a single vote sustained the veto, it did not come back to the House for a second vote. I voted in favor of the Bursum bill.

THE POSTAL SALARY INCREASE

No bill received such overwhelming support in both the House and the Senate as did this measure granting a moderate increase in the salaries of postal employees. It also had the almost unanimous approval of the business, commercial, and civic organizations, not only of my own district but of the country as a whole. I voted for it most gladly. In spite of this wide popular sentiment and overwhelming affirmative vote, the President vetoed it. The Rules Committee of the House delayed consideration of the bill in the first place by withholding the granting of a special rule for its earlier consideration. After the veto the bill was sent back to the Senate on the last day of the session and there was no time to reconsider it. The Senate having failed to take action on this vetoed bill, the House had no opportunity to vote again on it. It therefore goes over until next December. If the bill had come to a vote in the House, I would have voted to override the veto and help enact it into law. The vote in the House was 250 for and 14 against, and in the Senate 73 for and 3 against.

RAILROAD-LABOR LEGISLATION

Under the transportation act of 1920, now in effect, labor disputes are adjusted by machinery provided for under Title III of the act, which also sets up the Railroad Labor Board. A bill known as the Barkley bill was introduced in the House, providing for the abolishment of the Railroad Labor Board and the setting up of new arbitration and adjustment machinery. Because of a determined filibuster against it, which if continued would have successfully held up the work of Congress, this bill was voluntarily withdrawn by the author, Mr. BARKLEY, before it came to a vote in the House. In this instance the fight occurred not on the passage of the bill but on taking it out of the hands of the committee in order to give it consideration on the floor of the House. I voted to take it out of the hands of the committee in order to have it considered. Mr. HOWELL introduced an identical bill in the Senate, and the Senate Committee on Interstate Commerce, after holding public hearings, reported it favorably. The House committee stubbornly refused to grant public hearings, and therefore the House voted to take it out of their hands. The bill goes over until next December.

REORGANIZING OUR FOREIGN SERVICE

An important measure, known as the Rogers bill, which reorganizes and consolidates the Diplomatic and Consular Service of the United States, passed the Senate and the House and was approved by the President. I voted for this bill.

CREATION OF A FOREIGN SERVICE BUREAU IN THE DEPARTMENT OF COMMERCE

The Winslow bill, providing for the creation of a foreign service bureau in the Department of Commerce, was defeated. I voted for it.

PROHIBITION

There was no movement evident in Congress to repeal the eighteenth amendment.

Fifty-nine bills, however, were introduced to modify the Volstead Act by legalizing 2.75 per cent beer. The Judiciary Committee held hearings on these bills, but made no report to the House, so that no action was taken.

In the closing days of the session a bill was introduced and passed creating an independent prohibition unit and putting the force under civil service. While I was in favor of this aspect of the bill, and would have been glad to vote for it, I was forced because of the particular form in which it was presented to vote against it, since it seemed to me that the legitimate business interests using industrial alcohol would suffer unduly and unnecessarily by the reorganization. Believing as I do unqualifiedly in the enforcement of law, I regret I could not vote for this bill, the purpose of which is to strengthen the enforcement machinery.

APPROPRIATION BILLS

There was no special controversy over the 11 appropriation bills. The total of the sums appropriated by this Congress for the fiscal year ending June 30, 1925, amounted to approximately $3,500,000,000.

In 1923 the Government spent $4,000,000,000, in 1924, $3,900,000,000. The estimated expenditures for 1925 are about $3,500,000,000. This includes interest of about $900,000,000 on the public debt and the payment of about $500,000,000 to be applied in reducing the principal of the public debt.

I voted for all the appropriation bills, including the regular Army and Navy bills, except the special appropriation of $150,000,000 for the building of a bigger Navy, which passed the House, but was blocked in the Senate.

OUTLAWING WAR

Most wars are colossal blunders and ought to be outlawed. The avoiding and averting of war is the most important problem of our times. Believing as I do that most wars are neither necessary nor inevitable, and holding firmly to the belief that law should be substituted for brute force in the settlement of all disputes—domestic as well as between nations—I shall con-

tinue to exert my influence in favor of the President's world court.

I advocated, urged, and voted for the calling of another naval disarmament conference by the President.

LEGISLATION FOR THE DISTRICT OF COLUMBIA

1. The rent act: This act extended the Rents Commission for another year. This commission regulates rents in the District of Columbia. I voted for this rent-control bill. It was signed by the President and became a law.

2. Salary increases: This bill provided for salary increases for teachers, firemen, and policemen, readjusting these salaries to bring them more in line with the high cost of living, which is unusually high in Washington. This bill also was passed by Congress, signed by the President, and became a law. I voted for this salary increase bill.

Other measures were passed affecting the District of Columbia, but these were the two most worthy of note.

MISCELLANEOUS BILLS OF IMPORTANCE

1. The purchase of the Cape Cod Canal: I voted against this measure because I thought that the sum to be paid, $11,500,000, was excessive.

2. German relief: I voted in favor of the bill making an appropriation of $10,000,000 for the relief of the starving women and children of Germany. I was influenced in this largely by the testimony and recommendations of Secretary Hoover and General Allen, commander of the American Expeditionary Forces in Germany.

3. Procedure in the House of Representatives: I voted in favor of liberalizing the rules of procedure in the House of Representatives.

LEGISLATION OF SPECIAL INTEREST TO THE THIRTY-EIGHTH NEW YORK DISTRICT

1. Changing name of the harbor and port of Rochester: I introduced a bill changing the name of Charlotte Harbor and the Port of Charlotte to Rochester Harbor and Port of Rochester. The War Department has promised to cooperate in this matter. The purpose of this change is to call attention to the fact that Rochester is on the highway of the Great Lakes.

2. Creation of new judicial district: I also introduced a bill providing for the creation of a new judicial district in western New York, with Rochester as headquarters. The subcommittee of the Judiciary Committee of the House favored the Dempsey bill creating an additional judgeship rather than an additional judicial district. No action was taken on either bill by the Judiciary Committee or the House. My bill was indorsed by the Rochester Bar Association.

3. Unfinished business: There are a number of bills not specifically mentioned above, which the people of Rochester have expressed an interest in, which have been carried over to the December session. Among them are the following:

The McFadden amendment to the national bank act.
Regulation of the coal industry.
Readjustment of freight rates on agricultural products.
Anti-strike breakers bill.
Manufacturers' name branding bill.
Truth in fabric bill.
Regulation of the sale of nursery stock (compulsory labeling).
Protection of forest lands.
Regulating manufacture and traffic in adulterated foods and drugs.
Changing the name of Mount Rainier, Wash.
Conservation of helium gas.
Amendment to merchant marine act.
Protection of interstate and foreign commerce from corrupt practices.
Pensions for soldiers and sailors of Spanish-American War, the Philippine Insurrection, and China Relief Expedition.
For strengthening the Naval Reserve.
Judicial procedure in Federal courts.
District of Columbia Workmen's Accident Compensation.
And many others.

Whenever legislation was pending which I knew would be of interest to special groups of my constituents, I endeavored to get in touch with that group, either by direct communication or through the newspapers. Whenever a bill was pending of interest to the community as a whole I gave an abstract of the bill through a special newspaper article.

INVESTIGATIONS

The Teapot Dome and other major investigations, reports of which occupied the front pages of the newspapers for several months, were initiated in the Senate and were conducted almost exclusively by committees of the Senate. The House of Representatives spent practically no time on these investigations, and they certainly did not interfere with its work in any way. I mention this not by way of criticism of the Senate nor for the purpose of providing an alibi for the House but merely as a fact, because I feel that the public has an erroneous conception of the time that was spent by both the Senate and the House on these matters. These investigations have served a useful public purpose. The public is entitled to integrity on the part of its officials.

SUMMARY

With respect to all of this legislation, I am happy to record the fact that in not a single instance, so far as I was concerned, was there any pressure from any political boss or leader or organization to influence me for or against any particular measure. At all times I felt and acted as a free agent, and I voted according to conviction and my best judgment on each question on its own merits.

Blind party loyalty has been the curse of American politics. Petty partisanship has too frequently biased the judgment of the legislator. While political parties have played an important rôle and will continue to play an important rôle in our political history, the welfare of the country, and, indeed, the progress within the party, depends upon the independent nonpartisan action of the individual. I came to Congress with this political conviction, and this principle has guided me in every vote on every important piece of legislation in this, my first term in Congress.

In order to attend to his duties a Congressman has to be constantly at work, and I wish to state, with a great deal of satisfaction, that I was not absent from a single daily session, except in cases of illness, death in the family, or on special occasions when I had been invited to deliver addresses on public questions. An inspection of the official voting records will show my record of attendance to have been high. I am not saying this because I wish to claim any credit for it, but merely because I consider it to be one of the important duties of a Congressman.

On many important questions I was helped by the information, advice, and criticism given to me by my constituents regarding pending and contemplated legislation, which help I invited and which I am always happy to receive.

Few people realize the extent to which a Congressman is called upon to render personal service to his constituents by taking up matters for them with the Government departments in Washington. I have had literally hundreds upon hundreds of communications requesting assistance, from veterans of the late war seeking compensation or vocational training, from survivors of the Civil and Spanish-American Wars seeking increase in pensions, from friends of prospective immigrants, from business men seeking adjustment of claims against the Government, together with civil-service cases, and innumerable requests for specific information and for public documents of various sorts. It goes without saying that there were numerous other activities which can not be enumerated in this brief statement.

I trust that this meager recital of the bare facts of the session's work will be sufficient to stimulate interest in public affairs and help to establish the closer contact and teamwork so desirable between the voter and his elected representative.

"THE DEMOCRATIC PARTY—A NATIONAL LIABILITY"

Mr. SEARS of Nebraska. Mr. Speaker, this is June 7, 1924, and for the last of our purposes, the finis. This day's duties and privileges seem to be dedicated to "the state of the Union," as we severally see it, and the responsibility seems to be resting on each Member to inform each of the stockholders of our glorious national corporation as to its condition, so that they may severally know what their several shares of stock are really worth. It will not do for us to say that the stock is at par or better. For we would all say that. But we must say something relative to the activities and the duties and the responsibilities, and as to the functioning. Now, no one can consider those several subjects without taking notice of that great liability of our beloved country—the Democratic Party. It is fearfully and wonderfully made. While in its activities it is a national organization and covers the whole country in its endeavor, yet in the best sense it is not a national party at all. It is a conglomerate bringing together of its component parts without splendid national common purposes. Its parts are only held together by the settled belief, that is controlling, that the political fleshpots can not be attained and enjoyed without these strangely foreign elements sticking together for mutual political profit.

The strength of the Democratic Party is in the South and only maintained in its integrity by the color-line question. This is the better element of the Democratic Party and, if left to itself and normally, might be capable of national good, if it could work normally with the rest of the country. Of course it

can not work normally with the rest of the country by reason of its dominant reason for life in the southern section. Then there is another of its parts made up of the controllers of our great northern cities, the rest having very largely patterned after New York City, under the grip of Tammany Hall. And then there is the strong Bryan element, which might be truthfully described as the "mollycoddle" sentiment, crystallized and attached to any tangent shoot that Mr. Bryan may consider at any particular moment as of issue. Now Bryanism is the sire and dam of general "mollycoddlism" in the United States. Mr. Bryan has such great evangelistic influence in politics because of his grim and set purposes and his overweening ambition and the personal magnetism that flows out from a great actor that the other two component parts of Democracy, while they have nothing in common to either him or his sentiment, yet they are afraid of him. The other parts are trying to so act that he will not fly the track but still keep as far away from his purposes as possible. They know his powers of elimination, and whatever strange and peculiar things he is at any moment advocating they are compelled to accept them as from the Oracle of All Truth. Some years ago Brother Jarvis said, "The sun do move," and there was a general laugh. Mr. Bryan says the same thing in either the theological or political field, and the other two parts of Democracy dare not laugh, because they recall what happened to Parker, and what happened to Parker years ago may happen to Al Smith or McAdoo or RALSTON.

Many quotations might be used from Mr. Bryan's words that delegates to national conventions are bound to carry out the will of those sending them when pronounced. Nebraska instructed Mr. Bryan to vote for Champ Clark for President. The moment had come when by carrying out the instructions Mr. Bryan would have made Mr. Clark his party's nominee. But to Mr. Bryan's political mind he was absolved as an agent from carrying out his principals' instructions because a bad man—Mr. Tammany Hall—was supporting Mr. Clark. So he inserted the kibosh and gave the twist. If Mr. Tammany Hall had commenced voting for Mr. Bryan, of course virtue would have been rewarded. But the other two parts of Democracy dare not say a word, because they remembered what happened to Parker.

For many years I have been a believer in the thought that the legislative should be the strongest branch of the Government and that the House should be the dominant force of the legislative activities. But these discordant elements of Democracy have worked to throttle that thought in my own short time of service here. As an illustration: I have been present in the House when its Members had just known of what was apparently a great bribery of one holding a Cabinet place in a Republican administration.

As a matter of fact, this bribery, if it did take place, was by one who had at the last Democratic convention been a candidate for the exalted office of Vice President. Great overflowing glee was in the eyes and on the faces of practically every one of the Democratic Members of the House because of the hoped-for political profit that might accrue to Democracy in the ensuing campaign because of the heinous charge that could be laid at the door of Republican administration by reason of the bribery in question. This, regardless of the fact that every man in the House knew and still knows that guilt is personal, alone, and not chargeable to our Nation or our Government or any of our parties. A few days after the last-stated circumstance it developed that quite a number of Democratic Cabinet ministers resigned their posts to at once get larger fees and allowances, where their new activities were to clash with the Government's interests. The look of immediate and extreme horror that at once took the place occupied by the former high glee was wonderful to note. Now, this change referred to can not be charged to the quality of individual membership of the Democrats of the House, for a finer lot of men does not exist anywhere of the same number. Individually there are no better. Collectively they are incompetent, immaterial, and irrelevant when the baneful influence of the Democratic organization is resting upon them. No one will deny that the greatest crime known to our national life were the activities of the Federal regional bank during the dominancy of the Democratic Party. The currency was inflated and credits were invited to be asked for, and extended and until practically all of our people were blue-sky artists and were using credit as never before and with the expectation that that condition of easy discount was going to continue, and which they were invited by the authorities of the bank to expect. The small branch of the bank of my home district had so dealt in money and credits that in six months it amassed a profit from the producers of the district of $26,000,000 on $24,000,000 of capital. Without a note of warning, currency and credits were contracted, and the farming and producing classes, who were ordered to pay their notes, commenced to die financially. Ever since our courts have been clogged with foreclosures that previously were unknown for years. And every town saw men commencing over again who had been most prosperous and full of hope. Innumerable business houses closed and many banks followed suit. If the East does not know why orders are not coming to their looms and their shops, I can tell them that it is because the people of the great West are not buying normally. They are the greatest purchasers of the products of the looms and shops that the world has ever known.

Had those in authority of the Treasury Department of the United States and of its currency and of the great Federal bank and those acting in conjunction with them desired to bring ruin to this country and its people, they could not, with all their cunning and with all their knowledge of money and finance, have devised and carried out a scheme more fraught with evil to the American people. This is said at this time because on the floor of the House several times it has been charged that this great crime should be placed at the door of the Republican Party because in the platform of four years ago there was a suggestion that inflation had gone too far. These orators, forgetting that it was a new doctrine that a successful party is bound to carry out suggestions in any degree, of platforms of losing parties. And further and still more so, that the responsibility of carrying on this great trust was on the administration of the Treasury Department by the Democratic Party. If there is political responsibility, it is on those who had the immediate duty of execution and not on those who stood at the side lines with suggestions.

I voted against the adjournment. I wanted Congress to continue in session until farm relief was assured. My people were the greatest sufferers because of the contraction of the currency and the contraction of credits in 1920. There was one measure that might have afforded my people relief, and I thought that my Democratic friends should have kept Congress in session until the McNary-Haugen bill or other proper measures should be passed. During the last administration the blow was struck that wrought their ruin. I thought they had an especial reason to help undo that which had been done during their administration. But it was not to be, and the strong Democratic men of the South, in the main, turned against that proposed farm relief and then voted for the adjournment. Individually I will give those credit for believing, who voted against that bill, that it was not a good one, but when they adjourned I must conclude that they thought the question was of minor importance, or else that the adjournment was good politics. This being the 7th day of June in the year of grace 1924, I hope, Mr. Speaker, that I have not taxed too much the patience of the House.

As a national party force the Democratic Party is without that great national zeal for the common welfare and the great ability for the common welfare that should admit of its asking for a vote of confidence. This is because of its three discordant elements that are only held together for mercenary political purposes. There is only one great national party with a breadth of vision that takes in this Union, with a patriotic purpose that is ample for us all, and I intend to vote for that party in November.

### CHILD-LABOR CONSTITUTIONAL AMENDMENT

Mr. FOSTER. Mr. Speaker, in the last Congress I introduced a child-labor constitutional amendment. It was reported from the Judiciary Committee too late to secure action thereon. Soon after the convening of the present Congress I again introduced a child-labor amendment resolution. Twenty-three similar resolutions were introduced by various Members of the Congress. Between February 7 and March 8, 1924, elaborate and contested hearings were held before the Judiciary Committee. Such printed hearings, known as serial No. 16, constituted a volume of more than 300 pages. As a member of that committee I actively participated in such hearings. After a deliberation of two weeks the Judiciary Committee favorably reported the resolution introduced by me, known as House Joint Resolution 184.

The Judiciary Committee directed me to prepare a report thereon. That report of 21 pages is a public document and is available. It reviewed State, national, and international legislation and conditions relative to child labor. Strenuous efforts were made by employers of child labor and Congressmen from

Southern States to prevent a vote in the House of Representatives. The opposition of such employers was largely mercenary. The opposition of many southern Congressmen was born of a sincere fear of infringement on States' rights.

After a thorough, and at times, heated debate lasting two days the resolution was adopted on April 26 by a vote of 297 to 69. However, such vote was secured only after nine unsuccessful efforts had been made to amend the resolution. It passed the House without a single amendment. One of the most forceful opponents of the resolution was the Hon. A. J. MONTAGUE, of Virginia. He is a valuable member of the Judiciary Committee, a worthy Democrat, and a former governor of his Commonwealth. His opposition was both sincere and effective. During the debate Governor MONTAGUE was kind enough to say:

> But as the gentleman from Ohio has interrupted me, I take occasion to say that his work on this subject has been faithful and able. If this measure should unfortunately meet the approval of the people of the States, its advocates will owe the gentleman from Ohio [Mr. FOSTER] a debt of gratitude. [Applause.] He has worked in and out of season and with generosity to the members of the committee who differ with him upon this subject.

This compliment from such a gentleman was quite naturally appreciated.

The child-labor amendment then went to the Senate. There it was bitterly attacked. The Senate debates covered several days; 11 amendments were proposed and each was defeated. On June 2, 1924, it passed the Senate without amendment by a vote of 61 to 23. It is now submitted to the States for ratification.

Throughout the hearings and the progress in both the House and the Senate the amendment had many valiant supporters. Among them might be mentioned:

National Child Labor Committee.
American Federation of Labor.
American Federation of Teachers.
American Association of University Women.
American Home Economics Association.
Commission on the Church and Social Service, Federal Council of the Churches of Christ in America.
Democratic National Committee.
General Federation of Women's Clubs.
Girls' Friendly Society of America.
National Council of Catholic Women.
National Council of Jewish Women.
National Council of Mothers and Parent-Teacher Associations.
National Council of Women.
National Education Association.
National Federation of Business and Professional Women's Clubs.
National League of Women Voters.
National Woman's Christian Temperance Union.
National Women's Trade Union League.
Republican National Committee.
Service Star Legion.
Young Women's Christian Association.

However, over and above all these organizations stood President Coolidge. When its death was threatened it was he who secured prompt action; without his support the amendment could never have been submitted for ratification. He not only recommended it in his message to Congress but he on several other occasions urged the importance of its passage. Only to-day, on this closing day of this session of Congress, I was called to the White House, where the President felicitated me on my part in this legislation. He took enough time from his arduous duties to have our photographs taken at his desk. No such honor had ever been conferred on me. I shall ever prize it along with the timely efforts of the President in connection with this great piece of humane legislation. Without his help it would have failed. I now feel confident that the States will ratify it and it will become the twentieth constitutional amendment. Its ratification will bring some education, health, and happiness to millions of children both now and hereafter.

Much misinformation has been given out concerning this amendment. A correction is due the public. The States which are to consider ratifying the amendment should not be left in error. No law can be passed unless three-fourths of the 48 States, by action of their legislatures, ratify the amendment. Then, and only then, will it become part of our Constitution. Should it be ratified, then Congress would have the power which Congress thought it had when in 1916 and again in 1919 Congress passed child labor laws, both of which laws were by the Supreme Court declared unconstitutional. Congress may or may not then pass a child labor law. Should Congress pass such a law, that law would serve as a minimum standard beyond which the several States might go in their State child labor laws. A majority of our States now have child labor laws. Some have weak laws, some no laws, and in some States enforcement of their present laws is very ineffective. Several States—Ohio being one—now have State child labor laws of higher standards than any possible Federal standard. No employer in Ohio could be possibly injured by any Federal child labor law, for the reason that our present standard is above any possible Federal standard.

The ratification of this amendment does not mean that Congress will enact laws prohibiting boys and girls under 18 years from working on farms or in homes. This is a rather popular delusion. No advocate of this amendment ever conceived such an idea. Not a single State ever adopted such a law. Neither of the Federal laws—which were declared unconstitutional—contemplated such. There is absolutely no danger of any such law, and the public can be accordingly assured.

The need of granting such power to Congress will become apparent by an examination of present State child labor laws. Thirty-four States now prohibit certain forms of child labor by persons under 18 years of age, such as night messenger work by girls in our large cities, employment in factories manufacturing poisons, and hazardous employment in and about dangerous machinery. The justification for such laws becomes at once apparent. It might become necessary for Congress to legislate along similar lines in order to protect thousands of children in States which have no such legislation or which refuse to enforce such legislation.

Conditions exist that can not be remedied by State laws. For instance, many New York manufacturers send their piecework across the river to be done by thousands of children in New Jersey. Both States have good child labor laws, yet New Jersey can not punish the New York manufacturer; neither can New York remedy the conditions in New Jersey. Only a Federal law can operate effectively under such conditions. Again, one State with no child labor law adjoins another State with with good child labor laws. The employer in the State with good laws is at a disadvantage in marketing his product along with the product of his competitor in the State with no child labor laws. The latter can employ children at a greatly reduced wage. This unfairly handicaps the competitor in the State with good child labor laws. This condition exists in many places and can only be remedied by Federal laws.

The Federal child labor law will be inexpensive to operate. The enforcement of these laws is always secured through work permits, which are handled by representatives of the communities where the children reside. As long as these representatives work in sympathy with the law the Federal authorities never intervene. Because of this system, a small amount of money is required for the expense of its operation.

Nine European countries have a smaller percentage of illiteracy than has the United States. This may appear shocking to many persons; yet it is true. Most of our illiteracy would have been avoided had proper child labor laws been in effect 20 and 30 years ago. The purpose of these child labor laws is not to prevent children from working. Rather it is to see that their work is done under conditions where their health and education may at the same time be cared for. This is but common sense. Our statistics clearly establish the fact that delinquency and illiteracy go hand in hand. Records of our juvenile courts furnish conclusive proof. Without exception, where illiteracy is found among children there delinquency exists in a strikingly proportionate degree. When child labor laws are effectively enforced illiteracy is eliminated and delinquency at once vanishes. No American should hesitate to advocate child labor laws which, if properly enforced, will within the next quarter of a century move the United States up the ladder of literacy at least nearer the top then we now stand.

The 16 national women's organizations whose representatives were present in Washington during the entire contest over the child labor amendment deserve unstinted praise for their remarkable efforts in behalf of this legislation. Child labor was the only measure before Congress looking for social betterment which had the unanimous support of these 16 organizations. Their work was done in a way which could give offense to no one. At the same time their work was most effective and contributed greatly to the success of this legislation. Miss Grace Abbott, of the Children's Bureau, Department of Labor, was a most valuable witness in the hearings before the Judiciary

Committee. She possessed an unlimited fund of information regarding all phases of child labor.

I trust that these remarks may help clear up some of the misapprehensions regarding the proposed child labor constitutional amendment. In States like Ohio, where their State laws are higher than any Federal laws can possibly be made, no fear can be entertained as to the effects of this constitutional amendment. In those States where poor child labor laws exist the passage of this amendment will spur them on to greater efforts. In other States where no child labor laws exist efforts will be made to bring such State laws at least up to the Federal minimum, beyond which most of the States will undoubtedly go. With such a Federal minimum law and with the States cooperating up to and beyond such minimum law better protection will be given to millions of unfortunate children. None of us are favored with more than one childhood. Our laws should not permit any child to be robbed of a reasonable amount of sunshine and play as they pass through this period of their life. They will be better educated, more healthy, and will develop into better men and women if while they are working during their childhood they are given this reasonable degree of protection from the standpoint of health, education, and contentment. However long or short may be my services in Congress, I shall be content with the knowledge that I have been permitted to play my part in securing this constitutional amendment for the better protection of millions of youngsters, the future citizens of the United States.

### A STUDY OF THE POPULATION OF THE UNITED STATES

Mr. JOHNSON of Washington. Mr. Speaker, under general leave granted to Members, I beg to present herewith a study of the population of the United States prepared for the use of the House Immigration Committee by Capt. John B. Trevor, 11 East Ninety-first Street, New York.

Captain Trevor has made an intensive study of the subject, and his views, together with his tables showing the present stock in the make-up of the people of the United States, are of much interest:

Since the immigration committees of Congress caused to be printed a study of the population of the United States (see print for use of Immigration Committee, United States Senate, and House Report No. 350), the data therein presented has been reexamined and checked by a new analysis based on a method distinct in some respects from that previously adopted. A comparison of the allotments made under both systems of computing the numerical equivalent of the persons contributed to our population by the various nations of the world show an approximation sufficiently close to justify the conclusions based upon the preliminary study. The relative simplicity of the method which is about to be explained and the working out of the data to cover all elements of the population, indigenous, native, and foreign born, should make the new table determinative where any discrepancies in the results exist.

The population of the United States as enumerated in 1920 was 105,710,620. It is composed of a white population, native born of native parentage, amounting to 58,421,957; an element characterized by the Census Bureau as foreign stock—that is, foreign born, native born of foreign parentage, and native born of mixed parentage, one parent native and one parent foreign born—amounting to 36,398,958; and a balance of predominately native born of negro descent, some American Indians, and a relatively small proportion of Asiatics, amounting in all to 10,889,705.

The Census Bureau in a publication entitled "Increase of Population in the United States, 1910–1920, Census Monograph No. 1," has amplified the results of earlier researches published in "A Century of Population Growth," concerning the composition of our population in 1900. As reference to this latter publication has been made in the preliminary study of this question it is merely necessary to say now that as a result of a perfected formula (Increase of Population in the United States, 1910–1920, pp. 189 to 193) the Census Bureau estimate the numerical equivalent of the descendants from white persons enumerated in the first census taken by the Government in the year 1790 at 47,330,000 to 47,370,000. Owing to the fact that an adaptation has been made of the method by which the latter figure, 47,370,000, was arrived at, this figure has been selected as the basis for this study. Furthermore, the method itself used in reaching this basic figure has been applied to ascertain the numerical equivalent of the descendants of the 275,000 immigrants who entered the country between 1790 and 1820, which amounts to 1,716,402. It should be added that this figure of 275,000 (Increase of Population in the United States, 1910–1920, p. 195) is an estimate by the Census Bureau based on such data as were available prior to the regular collection of statistics on immigration which commenced in 1820. As the element which entered the country between 1790 and 1820 possessed the same racial characteristics—or national derivation, perhaps we had better say, since we are dealing with national origins—as those who were enumerated by the census of 1790, they should be added to the basic figure of 47,370,000, giving a total of 49,086,402. For the purpose of this study we may call this element the basic stock of the population which we can apportion on a basis of numerical equivalents contributed from foreign sources in such proportion as has been indicated in the census publication, "A Century of Population Growth" (p. 121), hereinbefore referred to.

Now, if to this group of basic stock we add the 36,398,958, characterized by the census as foreign stock to which reference has already been made, and also the composite colored element which has been classified by the census, a total is obtained amounting to 96,375,065, to which we can give national attributions, as will be later demonstrated on the basis of estimates already computed by the United States census authorities prior to the conception of the act of 1924. This sum of 96,375,065 subtracted from the total population of the United States gives a numerical equivalent amounting to 9,335,555, whose derivation is wholly undetermined. In apportioning these various groups for the purpose of this study the basic stock has been allotted to the national groups in the proportion that the nations from which their forebears sprang, contributed to the population as enumerated in 1790. (In order to be consistent, the descendants of the Irish population in the United States in 1790, amounting to 61,534, or 1.9 per cent of the total number of persons enumerated at that time, have been apportioned between the Free State and North Ireland, on the basis of the relation between the present estimated distribution of immigrants originating in those areas, although the evidence points to the fact that the Irish in the United States during the colonial period were predominately from the north of Ireland.)

In a previous paragraph allusion has been made to the element classified by the Census Bureau as foreign stock (Vol. II, United States Census, 1920, page 897). This large group amounting to approximately one-third of the population as enumerated on that date, was apportioned in accordance with their birth or parentage to the nations of the world, on the basis of a pre-war map, it having been found impossible in the case of the native-born of foreign parentage to ascertain the province or city from which the parents of many of these people originated, although their nationality in accordance with the map of the period of their immigration was ascertainable without peradventure of doubt. Owing to this fact, there are not only some inconsistencies in the figures between the census tables for country of birth (page 694), and country of origin of foreign white stock (page 897), but also, as has just been indicated, a redistribution of the whole group is necessary to conform with the present boundaries of Europe.

A reapportionment of the 36,398,958 foreign stock has been accomplished on the basis of distribution of the foreign born in the United States, in accordance with the postwar map; for example, the total number of persons born within the pre-war boundaries of the Austro-Hungarian Empire amounted to 2,021,926 (page 688, Vol. II, United States Census, 1920). The percentage which the foreign born assignable to each of the component parts has been applied to the total foreign white stock as it appears on page 897, Vol. II, United States Census, 1920. (4,240,703 plus 133,996, that proportion of those persons of mixed foreign parentage whose fathers were Austro-Hungarian, as given on page 900, Table 4, Vol. II, United States Census, 1920, that is to say, 4,374,699.) This figure is the total which may be regarded as the Austro-Hungarian strains in accordance with the census enumerations. It should be noted, of course, that in the case of countries such as Poland and Yugoslavia, which are composed of cessions of territory or accretions from various sources, due account has been taken of the fact.

In the case of Ireland a peculiar difficulty arises from the circumstance that no division of the population on the basis of the Free State and North Ireland is printed in Vol. II of the census of 1920. The number of foreign-born persons assigned, therefore, in the table appended to this study has been arrived at by taking the figure for the quota allotted to the Irish Free State on a 2 per cent basis of 1920—see page 17, House of Representatives, Sixty-eighth Congress, first session, Report No. 350—deducting 100, dividing by 2, and multiplying by 100. The result given by this calculation is obviously the Census Bureau's estimate of the number of foreign-born persons whose place of birth is attributable to the Irish Free State, viz, 723,800. This figure of 723,800 deducted from the total 1,037,233 enables us, by calculating the percentage, to arrive at the proportion of persons born within the Free State, which may be applied to the total Irish foreign stock—4,286,720—for the purpose of distributing that element between the Free State and North Ireland. Obviously the balance not assigned to the Free State is grouped for quota purposes under the heading "Great Britain and North Ireland."

Turning now to the third column of the table comprising a group amounting to 9,335,555, to whom reference has been made before as

the numerical equivalent of the native born of native parentage, the national origin of whose parents is wholly indefinite, the following method of apportionment has been adopted. Clearly, this element represents the contribution of eight decades, of which the last which may reasonably be considered as having added substantially to our total population, is that of 1890–1900. Owing to the fact that the proportion of the various nationalities contributed by immigration to our foreign-born population has varied with every decade, each of the eight decades has been treated as a separate group, and the natural rate of increase of the total population has been applied to the net immigration for each of the said decades. The total so arrived at, obviously, is not usable, because it comprises all the persons included in the 36,398,958, who have already been disposed of. The proportions which the descendants attributed to each of the eight decades bear to the total increase of the population by immigration between 1820 and 1900 having been ascertained, it is therefore applicable to the 9,335,555, to give the numerical equivalent of white persons of unidentified origins contributed by each of the eight decades.

These groups representing the descendants contributed by the net immigration of each of the decades has been apportioned on the basis of national contributions by immigration in accordance with the percentages of distribution given on page 695, Volume II, United States Census, 1920, except that the distribution of the first three decades has been assumed to be that as of 1850, the census of 1850 being the first from which we may derive authoritative data respecting the country of birth of our foreign-born population. (While it would be possible to distribute the descendants of immigrants arriving in the United States in the decades 1820–1850 on the basis of data relating to arrival of passengers in American ports from the various nations of the world, the absence of any emigration figures involve an assumption respecting the returns which make it preferable to adopt the definitely ascertained figures of distribution for the foreign born in the United States for the purpose of this study.) While it is true that there is a variable rate of fecundity applicable to the different races, the evidence points to the fact that the variation is balanced by the relatively lower marriage-rate and the high rate of infant mortality, but the natural rate of increase of our population having been applied to the composite groups of the respective decades, it is a fair assumption that the distribution given in this table is for all practical purposes substantially in accord with the facts.

In conclusion, it only remains to refer briefly to the method of arriving at the quotas to conform with the provisions of section 11, subsection (b), of the immigration act of 1924. Since the law provides that a minimum quota of 100 shall be assigned to any nationality whose proportion of the total would not reach that figure, it has been ascertained that 23 nationalities fall into this group, and the total, 2,300, has, therefore, been deducted from the 150,000, maximum number of immigrants admissible to the United States, leaving a balance of 147,700, to be distributed proportionately among those nations whose quotas run above the minimum of 100.

*An analysis of the population of the United States*

| Country of birth | Descendants of colonial stock enumerated in first census, 1790, and descendants of arrivals between 1790–1820 (numerical equivalent) | Foreign white stock (foreign born, native born of foreign parentage, and native born of mixed parentage) | Native born of native parentage contributed by arrivals between 1820–1900 (numerical equivalent) | Colored races | Total | Quota on basis of 150,000 (act of 1924, sec. 11, subsec. (b), effective July 1, 1927) |
|---|---|---|---|---|---|---|
| Albania | | 7,461 | | | 7,461 | 100 |
| Armenia | | 44,042 | 899 | | 44,941 | 100 |
| Austria | | 1,249,852 | 66,241 | | 1,316,093 | 2,171 |
| Belgium | | 132,195 | 17,498 | | 149,693 | 251 |
| Bulgaria | | 14,485 | | | 14,485 | 100 |
| Czechoslovakia | | 783,946 | 41,774 | | 825,720 | 1,359 |
| Danzig | | 15,066 | 2,679 | | 17,745 | 100 |
| Denmark | | 511,906 | 64,078 | | 575,984 | 945 |
| Esthonia | | 196,187 | 4,043 | | 200,230 | 325 |
| Finland | | 302,931 | 6,548 | | 309,479 | 517 |
| Fiume | | 875 | 51 | | 926 | 100 |
| France | 204,518 | 556,202 | 231,679 | | 1,082,399 | 1,772 |
| Germany | 2,768,473 | 6,779,598 | 2,625,303 | | 12,173,374 | 20,028 |
| Great Britain and North Ireland | 44,017,828 | 4,875,370 | 2,854,482 | | 51,747,680 | 85,135 |
| Irish Free State | 650,798 | 2,991,273 | 1,421,895 | | 5,063,966 | 8,330 |
| Greece | | 236,150 | 1,091 | | 237,241 | 384 |
| Hungary | | 854,816 | 45,917 | | 900,733 | 1,521 |
| Iceland | | 6,351 | | | 6,351 | 100 |
| Italy | | 3,365,261 | 107,196 | | 3,472,457 | 5,716 |
| Latvia | | 224,213 | 4,673 | | 228,886 | 384 |
| Lithuania | | 272,259 | 7,817 | | 280,076 | 458 |
| Luxemburg | | 49,600 | 3,601 | | 53,201 | 100 |
| Netherlands | 1,227,160 | 383,568 | 67,735 | | 1,678,463 | 2,762 |
| Norway | | 1,063,147 | 187,548 | | 1,250,695 | 2,053 |
| Poland | | 2,675,878 | 83,163 | | 2,759,041 | 4,535 |
| Portugal | | 137,399 | 13,216 | | 150,615 | 236 |
| Rumania | | 138,266 | 1,091 | | 139,357 | 222 |
| Russia | | 2,362,247 | 72,422 | | 2,434,669 | 4,002 |
| Spain | | 83,756 | 9,336 | | 93,092 | 148 |
| Sweden | 127,625 | 1,521,153 | 218,574 | | 1,867,352 | 3,072 |
| Switzerland | | 374,611 | 99,929 | | 474,540 | 783 |
| Yugoslavia | | 345,284 | 16,522 | | 361,806 | 591 |
| San Marino | | 1,010 | 32 | | 1,042 | 100 |
| Andorra | | | | | | 100 |
| Liechtenstein | | | | | | 100 |
| Monaco | | | | | | 100 |
| Palestine | | 5,382 | | | 5,382 | 100 |
| Syria | | 87,733 | | | 87,733 | 100 |
| Turkey | | 25,243 | 1,091 | | 26,334 | 100 |
| Hejaz | | 359 | | | 359 | 100 |
| Persia | | 1,974 | | | 1,974 | 100 |
| Egypt | | 2,241 | | | 2,241 | 100 |
| Liberia | | | | | | 100 |
| Abyssinia | | | | | | 100 |
| Morocco | | | | | | 100 |
| Union of South Africa | | 1,245 | | | 1,245 | 100 |
| Australia | | 28,020 | 5,241 | | 33,261 | 100 |
| New Zealand and Pacific Islands | | 9,714 | | | 9,714 | 100 |
| Canada | | 2,703,055 | 793,998 | | 3,497,053 | |
| Newfoundland | | 27,565 | 6,301 | | 33,866 | |
| West Indies | | 47,872 | 22,634 | | 70,506 | |
| Mexico | | 726,463 | 72,808 | | 799,271 | |
| Central and South America | | 21,833 | 12,183 | | 34,016 | |
| Black | | | | 8,802,577 | 8,802,577 | |
| Mulatto | | | | 1,660,554 | 1,660,554 | |
| Indians | | | | 244,437 | 244,437 | |
| Chinese | | | | 61,639 | 61,639 | |
| Japanese | | | | 111,010 | 111,010 | |
| All others | | 153,901 | 144,266 | 9,488 | 307,655 | |
| Total | 49,086,402 | 36,398,958 | 9,335,555 | 10,889,705 | 105,710,620 | 150,000 |

TARIFF ON COPPER

Mr. JAMES. Mr. Speaker, I have had many offers of help on this bill when the next tariff bill is before Congress. As I stated in my speech of several weeks ago, we know that there was no chance of a revision of the tariff bill in a presidential year. We hope to be able to get the facts and figures that will convince everyone that a tariff on copper is needed if the industry is not to be driven out of business by foreign competition.

In remarks made on May 29, I stated that the legion would not forget its friends. In further evidence of that fact, I quote letter sent me by Hon. John R. Quinn, national commander of the American Legion, which reads as follows:

THE AMERICAN LEGION,
OFFICE OF THE NATIONAL COMMANDER,
*Indianapolis, Ind.*

Hon. W. FRANK JAMES,
*House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN: I wish to take the opportunity to express to you as a Member of the Sixty-eighth Congress the sincere and everlasting appreciation felt by the ex-service men and women of the country for the splendid manner in which you supported the national legislation of such vital interest to them during the session just closed.

There was, through your efforts, enacted into law more legislation of vital importance to the returned ex-soldier than ever before in the history of Congress. I need only recall to your attention the Reed-Johnson bill, which will afford aid to more than 100,000 disabled veterans and their dependents, save thousands of lives, and which is in fact the greatest step forward yet made by our country in bringing justice to the disabled.

In the enactment of the hospital construction bills there was provided 2,850 beds in modern fireproof Government hospitals, and this also included an appropriation of $350,000 for a training school for the blind veterans at Evergreen, Md., which we hope will tend to solve the problem of the care of this class of disabled men.

The creation of the Special Veterans' Committee in the House and in the Senate resulted in sympathetic and careful consideration of the relief measures proposed by the American Legion and contributed in a great measure to their ultimate enactment into law.

In particular at this time I want to thank you for your continued and sincere support of the adjusted compensation bill which had been pending before Congress for close to five years. The ex-service men and women throughout the country understand very clearly the situation which existed in Congress, the tremendous amount of pressure which was being brought to bear by the big financial interests throughout the country to prevent its enactment into law, the great flood of vicious and pernicious propaganda which filled the opposition press throughout the country unjustly attacking the Members of the House and of the Senate who were the friends of the soldiers, and through this channel threatening their political future if they opposed the administration leaders and continued to support what they knew and believed would be necessary, honest, and just legislation.

The adjusted compensation is a law, and on account of your interest in it, your efforts and support of it, and so far as the American Legion is concerned, the principle has been established, and it is a closed issue. In spite of this, however, the interests who were opposed to the soldiers are still inclined to continue their vicious attacks on Members of the House and the Senate who, after voting to pass the bill, again voted with more than a two-thirds majority to sustain it over the presidential veto, and this notwithstanding the fact that all of the arguments raised against it and dire threats of great calamity to our country have been proved false by subsequent events and disappeared into the air.

We want you to know that the ex-service men and women throughout the country most heartily approve your support of this legislation, and that the American people approve of your course, for the Nation is always firmly behind measures of justice for its veterans.

As national commander of the American Legion, which is the great organized body of veterans throughout the country, I believe that we are in the best position to interpret their thoughts and their wishes.

The veterans throughout the country are grateful; they will never forget the service that you have rendered them, and through the American Legion extend to you their hearty thanks.

Very respectfully,

JOHN R. QUINN,
*The National Commander.*

ACCOMPLISHMENTS OF THE REPUBLICAN CONGRESS

Mr. WOOD. Mr. Speaker, four years ago the American people commissioned the Republican Party to take charge of the National Government and put into effect policies and practices which would restore constitutional methods, safeguard and strengthen American institutions, protect American interests, compel public economy, and readjust public administration to serve the needs of peace and promote the welfare of the people.

It was the greatest economic task that ever confronted any national administration since the establishment of our Government. Partly due to the World War and partly due to Democratic mismanagement, conditions were well-nigh chaotic. This was true both in the field of private endeavor and the realm of public affairs. Never in the history of this country had there been such a violent dislocation of industry, transportation, commerce, and agriculture as took place during the years immediately preceding the advent of the present Republican administration.

In the conduct of our Federal Government almost incredible extravagance had become the rule. Haphazard methods abounded. The administrative agencies of the Government lacked teamwork, morale, and initiative. The Government securities were below par. Deficits were being incurred in Federal financing. Federal taxes were onerous. An army of 5,000,000 wage earners were in enforced idleness. Agriculture was facing actual bankruptcy. Business was depressed, and all classes of citizens were pessimistic as to the future.

The Republican Party met these conditions with vigorous and constructive statesmanship. The record shows more constructive legislation and administration during the past three years than in any previous decade of American history. It has benefited business and labor, agriculture and industry, the wage earner, the investor, the taxpayer. By contrasting the discouraging conditions which existed in almost every line of activity three years ago with conditions to-day one may see the policies of the Republican Party since March, 1921, translated into results.

PUBLIC DEBT REDUCED $3,000,000,000

June 30 will mark the end of the third complete fiscal, or business, year of the Federal Government since the Republican administration came into power March 4, 1921. The Republican administration during these three years has given the United States the best business administration ever experienced since the beginning of the Government. The credit for this must be largely attributed to Secretary of the Treasury Mellon. The following is a summary of some of the most notable business accomplishments during the past three years:

| | |
|---|---|
| Interest-bearing public debt February 28, 1921 | $24,051,684,728 |
| Interest-bearing public debt May 31, 1924 | 21,286,607,318 |
| Decrease in interest-bearing public debt | 2,765,077,410 |

In addition to this actual decrease in the principal of the public debt, there has been a tremendous decrease in interest charges on the public debt. For every reduction of a billion dollars there is an annual interest saving of $45,000,000. So the reduction in the principal of the public debt under Secretary Mellon has reduced the interest charges $120,000,000 a year. In addition, Secretary Mellon has conducted a refunding of the domestic public debt at a lower rate of interest than it originally carried, and the savings due to this refunding process already amount to tens of millions of dollars.

COLLECTION OF FOREIGN LOANS

When the Republican administration came into power there were outstanding loans to foreign governments made during the war and immediately following the war something in excess of $11,000,000,000, which included accumulated and unpaid interest. There was no arrangement existing at that time whereby either the principal or the interest on any of these foreign loans should be paid. On the other hand, due to the attitude of the Democratic administration, there was a general impression throughout Europe and in certain circles in the United States that the payment of these foreign loans would never be demanded and ultimately they would be canceled. This impression had a very depressive effect upon the credit of the United States, for if this foreign debt is not repaid by the governments owing it, it means tremendous increase in Federal taxes in this country. One of the most, if not the most, important fiscal accomplishment of this administration was the creation of a commission suggested by President Harding and Secretary Mellon and created by the Congress to effect a settlement of foreign loans. Secretary of the Treasury Mellon is at the head of this commission.

Already Great Britain and Finland have reached an agreement with the United States through this commission for the payment of their loans and the accumulated interest, and have actually started the payments. Negotiations are well under way with Belgium, Hungary, and one or two other European nations. The loans to Great Britain and Finland constitute 35 per cent of the total foreign loans. The placing of these foreign loans on a business basis with fixed provisions for their pay-

ment means an acceleration in the reduction of our interest-bearing public debt, a decrease in our Federal taxes, and enhanced value of our Government bonds.

LIBERTY BONDS INCREASE IN VALUE

As a result of these two financial policies of the Treasury Department, taken in conjunction with the general program of economy practiced by every branch of this administration, the Government bonds have advanced under this administration from 85 to par or better. There are about $20,000,000,000 of these bonds outstanding, held by between 12,000,000 and 15,000,000 individuals. The 15 per cent gain in their value under this administration represents a gain of $3,000,000,000, enriching practically one-sixth of the population of the United States.

The reduction of the public debt and fixed interest charges, the constant application of strictest economy in the conduct of every executive branch of the Government reduced routine expenditures of the Government to such a point that it was possible to pass on to the public these savings in the form of reduced Federal taxes. This was done by the revenue bill passed by the Republican Congress late in 1921.

That Republican revenue measure increased exemption in income tax applying to heads of families with a salary or wage income of less than $5,000 a year. This benefited more than 4,000,000 heads of families, or, according to records of the United States Income Tax Bureau, over 90 per cent of the income-tax payers of the country. The exemption for heads of families was increased by $500 a year, with an additional increase of $200 a year for each child or dependent. This reduction, effected in the first year of this Republican administration by an act of a Congress Republican in both branches, saved the "average families" of the United States approximately $100,000,000 a year.

REPUBLICAN TAX LAW BENEFITS COMMON PEOPLE

Other outstanding features of this new Republican tax law was the repeal of all taxes levied on goods shipped by freight, express, and parcel post. This repeal of transportation taxes, which are always added to the price of the commodities which the consumer purchases, saved the American consumers more than $1,000,000 a day. In fact, this new tax law enacted by the Republican Congress benefited the average man and woman more than all other classes of taxpayers put together. It lifted a burden from their pocketbook which had been irritating them day by day since the Democratic war taxes had been enacted and had taken from them hundreds of millions of dollars annually. It repealed the so-called nuisance taxes, such as a tax of 10 per cent on soda drinks, candy, ice cream, medicines, toilet articles, and so forth. It repealed the so-called luxury taxes. The women of the country, at least, realize that they no longer pay 10 per cent tax when they buy millinery, underwear, stockings, kimonos, petticoats, parasols, waists, and other wearing apparel. That they do not is because of that Republican tax law. It repealed all taxes on musical instruments, sporting goods, and household furniture. It repealed all taxes on life, fire, accident, burglar, and other forms of insurance. It repealed all taxes on railroad tickets, which was costing the traveling public a quarter of a million dollars each day.

One of the forms of taxation imposed by the Democratic administration was that upon excess profits, even though they were legitimate profits. During a war almost any kind of taxation can be justified. In times of peace such a tax can not be justified. It penalizes initiative. It completely checks the development of enterprises already established. It prevents extension of industrial projects and thereby reacts to the injury of labor. It discourages investments in new enterprises. It acts as a barrier to pioneering in new fields. Men who are willing to take great risks and invest great sums must be permitted to reap the benefits of their vision and risk. It throttles all business because it renders valueless business foresight and enterprise. The excess-profits tax was one of the heaviest handicaps upon the resumption of normal conditions in the commercial and industrial world. Hence the Republican Congress in framing the revenue act of 1921 repealed that tax in toto.

The Sixty-eighth Congress made a supplementary tax reduction which wiped out all remaining nuisance taxes, such as those on telegraph and telephone messages, amusement tickets, the stamp tax, and the 5 per cent tax on jewelry. The greatest beneficial feature of the tax bill passed by the Sixty-eighth Congress was the 25 per cent flat reduction on all income taxes payable in the present calendar year on incomes for the year 1923. This proposal was in the original bill as advocated by President Coolidge and Secretary Mellon, and it was also urged by President Coolidge as a special piece of legislation early in March, 1924. This feature of the bill alone saves the American taxpayers this year the sum of $350,000,000. Other features of this bill which become operative on taxes paid in 1925 will make still further reductions.

1924 TAX BILL MADE POSSIBLE BY G. O. P. ECONOMY

Let those who desire to cavil debate as to which party should be given the major part of the credit for the enactment of this particular measure. But there is one underlying fact about which there can be no debate. Whatever reductions in taxes this bill of 1924 may make, it could not have been written at all had not the Republican administration since it came into power introduced and practiced economy in the conduct of public affairs. No tax reduction bill could have been written or enacted had not the executive agencies of the Government, which do the spending, and the legislative branch of the Government, which does the appropriating, effectively cooperated with the Budget Bureau—a distinctly Republican creation—in bringing about a radical reduction in public expenditures.

There could not have been written into the tax bill of 1924 by the leaders of either party such drastic reductions in income taxes had not the Fordney-McCumber Tariff Act been bringing into the Treasury more revenue by $225,000,000 a year than any tariff law ever put on the statute books. Every dollar of the $600,000,000 collected at our customhouses through the operation of a Republican tariff means just one dollar less to be collected from the people of the country by income tax. So the Republican Party and the Republican administration may waive the question as to who actually wrote the schedules of the new tax bill, because it is known of all men that the writing of them was made possible by the economy and tariff program of the Republican administration.

DOWNWARD MARCH OF EXPENSES

Proof of this is found in the downward march of public expenditures since the Republican Party grasped the reins of government in March, 1921. This story of the decrease of routine public expenditures—exclusive of public debt interest and sinking fund—is told in the following figures:

| | |
|---|---|
| Fiscal year ending June 30, 1921 (only three months of which were under the Republican administration) | $5,115,927,689 |
| Fiscal year ending June 30, 1922 | 3,372,607,899 |
| Fiscal year ending June 30, 1923 | 3,129,418,776 |
| Fiscal year ending June 30, 1924 | 3,053,000,000 |

In other words, the cost of operating the routine departments of the Government has been slashed over $2,000,000,000 a year since the Republican administration came into power March 4, 1921.

In this work of economy the legislative branch of the Government, both Houses of which have been in control of the Republicans, has heartily cooperated. The reduction in appropriations made by Republicans since they came into control of Congress in April, 1919, is as follows:

| | |
|---|---|
| Fiscal year ending June 30, 1920 | $6,454,596,649 |
| Fiscal year ending June 30, 1921 | 4,780,829,610 |
| Fiscal year ending June 30, 1922 | 4,066,316,366 |
| Fiscal year ending June 30, 1923 | 3,940,579,667 |
| Fiscal year ending June 30, 1924 | 3,706,777,163 |

Democratic politicians in an effort to befuddle the public mind and deprive the present administration of the Republican Party of the credit of the greatest debt reduction, expense reduction, and tax reduction ever made by any established government in the same length of time, draw a comparison between expenses of to-day and those of 1915, a year when the Democratic administration was in power. They point out that the number of public employees on the Federal pay roll is greater to-day than they were under Democratic administration in 1915, and that the routine expenditures of the Government are greater to-day than they were in 1915. This is true, and upon this truth they base the false charge that the Republican administration in times of peace is not managed as economically as the Wilson administration was in times of peace.

PRE-WAR BASIS OF EXPENSES IMPOSSIBLE

The manifest unfairness of this comparison is at once evident when we take into consideration that since 1915 there has come into existence as an aftermath of the war a great many Federal activities which did not exist in the early years of the Wilson régime and which would, even though the Democratic Party were restored to power, continue to exist under Democratic administration.

For example, there is the Veterans' Bureau, which employs in round numbers 30,000 and which expends in round numbers $400,000,000 annually for the aid and relief of the Nation's defenders. It did not exist in 1915 to add its employees to the Federal pay roll and its $400,000,000 to the Federal expenditures, a sum which is greater than any other expenditure of the Federal Government to-day than the single item of taxes on the public debt. Nor would the Democratic Party if re-

stored to power be able to abolish its work, discharge its employees, and eliminate its expenditures.

There was no restrictive immigration act in 1915, and no necessity of a large force to see to it that the provisions of this act, which stands as a safeguard not only to the integrity of American labor and the high level of American wages but a safeguard of American institutions and ideals, are enforced. To do this requires heavy expenses and a large force of employees.

There was no prohibition amendment to the Constitution in 1915 and no bureau was necessary for the enforcement of the laws enacted under that amendment.

There was no Women's Bureau and no Children's Bureau in connection with the Labor Department in 1915.

Our Postal Department, in order to keep pace with the growth of business since the return of prosperity under Republican régime, has been compelled to increase its expenses and its force in a very large degree. That could not be changed except by putting the Democratic Party in power and bringing about such a panic as would prostrate all business.

The Income Tax Bureau of the Treasury Department has been vastly increased since 1915 because of the tremendous increase in the amount of business which it must transact. Even with the enormous force on hand under the Wilson régime this bureau was four years behind in its audits and collections when the Republican administration came into power. Since that time the personnel of the bureau has been decreased, but the amount of current business done has increased and all back business has been brought up and back taxes are being collected. And so the list might be continued.

The argument that there are more employees in the Government to-day and that it is costing more to run the Government to-day than it did in 1915 proves nothing except the fact that the activities of our Government have become greater and therefore necessitate a larger staff to handle public affairs. The main point is that although expenses are greater than they were in 1915 under Wilson, and the number of employees is greater than they were in that year, both expenses and number of employees have been radically reduced since March, 1921, and what is still more to the point, the American taxpayer is getting more work per employee than he did under a Democratic administration, and infinitely more service per dollar from his Government.

REPUBLICAN PARTY SAVED AGRICULTURE FROM RUIN

Next to the record of the Republican Party in debt reduction, expense reduction, and tax reduction, is its record in behalf of agriculture. The Republican Party has always been known as the friend of the American farmer. Under Republican legislation and Republican administration, beginning immediately after the Civil War, the great agricultural section of our Nation was peopled, developed, and became the granary of the world, an inland empire of wealth, prosperity, intelligence, and contentment without a parallel anywhere in the four quarters of the globe.

Agriculture of the country has passed through two or three severe crises. At such times the Republican Party has been the party which has stood by the agricultural interests in the time of their adversity. At such times the Republican Party, generally in the face of popular clamor for hasty and ill-considered action, stood against fantastic and ill-considered proposals which would have been destructive had they been enacted into law. It stood against the greenback craze, against Populism, and against free silver. In each instance its courage and political judgment won the indorsement of the American people, and its application of sound economic theories rescued the agricultural sections from ruin.

The farmer to-day realizes the absurdity of the radical Democratic claims in 1896 that the price of wheat and the price of silver go hand in hand. He also realizes the irreparable injury that would have been done him had the greenback craze succeeded under Democratic guidance. In each economic crisis the adverse conditions affecting the farmer were straightened out not by the adoption of uneconomic theories but by the sound and conservative constructive policies of the Republican Party.

It is so to-day. When the present administration came into power it is no exaggeration to state that the agricultural and livestock interests were on the verge of bankruptcy. It is probably well within the facts to assert that at no previous time in the history of American agriculture had the conditions been so distressing and apparently so hopeless. Without going into the details, it may be stated that these conditions were due almost entirely to two policies of the outgoing Democratic administration.

During the war and immediately following, the Democratic administration urged the farmer to put forth every energy and use every resource to produce a maximum amount of food products. In response to this call of the Government the farmer made large investments, purchased an enormous amount of equipment, made every possible extension to his plant, and almost without exception incurred tremendous liabilities in doing so.

DEMOCRATIC POLICIES WRECK THE FARMER

Then, practically without any warning, the Democratic administration in the summer and fall of 1920, at the very time the harvests were getting into market, restricted credits. The immediate result of this was a deflation of agricultural prices all along the line and, at the same time, the demand by financial institutions upon the farmer for payment of his obligations. This, then, was the situation: He had produced a harvest of unequaled quality at the highest cost in the history of agriculture. He had produced it on high-priced land with expensive machinery and with farm labor receiving unprecedented wages. Just as he was to reap his reward he found his market destroyed and himself compelled to sell his products at whatever price he could obtain in order to meet the demands being made upon him by the financial institutions who had been ordered by the Federal Reserve Board to drastically curtail their loans.

These conditions all existed at the time the Republican Party came into power in March, 1921. They were brought about by policies of the Democratic administration. American agriculture has seldom experienced worse conditions than it faced in the spring and summer of 1921.

The first concern of the Republican administration was relief from those conditions. To supply the need for ready money and temporary credit the War Finance Corporation's powers were extended to make emergency loans, and it loaned to agricultural and livestock interests at the rate of over a million dollars a day for over a year.

To stop the importation of farm and dairy products and protect the home market of the American producer the farmers' emergency tariff was enacted. Relief due to this legislation was immediate.

UNPRECEDENTED LIST OF FARM LAWS

In the three years since March, 1921, the Republicans in Congress have enacted more fundamental, constructive legislation in behalf of the farming interests of the United States than was enacted during the entire half century preceding 1921. The outstanding farming legislation which has been enacted by Republicans in Congress since they were called in special session in April, 1921, by the late President Harding is as follows:

Farmers' emergency tariff.

Revision of act creating War Finance Corporation enabling it to make loans for agricultural and livestock purposes and provide it with a billion-dollar revolving fund for that purpose. The life of the War Finance Corporation as thus revised has been extended three times since the revision.

Revision of the Federal Reserve Board act providing for representation on the board of agricultural interests.

Revision of Federal farm loan bank act, which not only amended the law regarding the sale of Federal farm loan bank bonds so as to facilitate their marketing, but also increased the available funds of the Federal farm loan bank by $25,000,000.

Agricultural credit act, sometimes known as the intermediate credit act.

Revised United States warehousing act. The revision of this act should be bracketed with the agricultural credit act, as the two are complementary.

Cooperative marketing act, authorizing and legalizing the formation of cooperative marketing associations to sell farm products and to buy farm supplies.

Butter standard act.

Filled milk act.

Creation of dairy bureau in the Department of Agriculture.

Packers and stockyards act.

Grain futures act. The first act was declared unconstitutional, and the Sixty-seventh Congress enacted a second law eliminating the unconstitutional features of the first one.

Revised Federal highway act.

Two seed loan acts to relieve emergencies in the drought-stricken districts of the Northwest and Southwest.

A series of acts giving leeway on payments due from those agricultural producers on irrigated or reclamation projects, those who had purchased Indian lands, and those who were using Government lands for grazing purposes. These relief acts were necessary because of crop failures and the agricultural crisis which had brought the producers face to face with bankruptcy and with a loss of all of their land were their contracts with the Government enforced.

Appropriation of $10,000,000 for purchase of food products to be sent to Russia.

Fordney-McCumber Tariff Act which continued all of the protective schedules that were enacted in the farmers' emergency tariff.

In addition to this legislation there has been other extension of aid to the farming and livestock interests. Early in the Harding administration, before the War Finance Corporation had time to function, there was formed, under the direction of Secretary Mellon, a voluntary pool of $50,000,000 for the purpose of relieving the acute situation in the livestock industry. Between $19,000,000 and $20,000,000 of this pool was loaned and the livestock industry tided over until more permanent relief could be obtained.

PRESIDENT COOLIDGE LEADS IN RELIEF

On January 23 of this year, when the situation in the wheat-growing States in the Northwest became so critical as to involve the banks and threaten the entire financial and commercial structure of that section of our country, President Coolidge sent a special message to Congress urging the enactment of certain legislation. At the same time he called a conference of the leaders in agricultural, financial, and business circles of the Northwest and took counsel as to what steps were necessary and advisable to meet the crisis. As a result of this conference a voluntary organization, known as the Agricultural Credit Corporation, was formed under the direction of Secretary Mellon, financed by the banking and commercial interests of the country, with a paid-up capital of $10,000,000 and with the power to borrow from the War Finance Corporation in an amount equal to ten times its paid-up capital. Under this arrangement this corporation has a possible fund of $100,000,000.

Within 60 days from the time this corporation began to function over 200 banks had been so strengthened that they were saved from closing their doors and several of the larger banks in the Northwestern States which had closed their doors were enabled to reopen without loss to their depositors. Arrangements had also been made to redeem delinquent taxes of hundreds of farmers so that they might retain their land and continue operations. Arrangements had been made for financing farmers in the Dakotas for the purchase of spring seed wheat and for the purchase of dairy cows in order that they might be started along the road to diversified agriculture.

REPUBLICANS EXTEND OVER $1,000,000,000 IN ACTUAL AID TO FARMERS

The Republican administration found the agricultural and livestock interests of the country facing bankruptcy as a result of Democratic policies. The first thing needed was financial aid to tide them over until economic processes became normal. A review of the records shows that in the last three years the American farmer has received directly from governmental agencies financial assistance in a sum in excess of $1,314,782,876. The War Finance Corporation contributed $300,000,000 of this amount. Federal farm loans, which practically did not function under Democratic administration, contributed $757,000,000. The intermediate credit banks, establish in August, 1923, had within four months' operation contributed $35,000,000. Congress by direct appropriation contributed $3,500,000 for seed loans in drought-stricken districts. The voluntary pool of financial interests, under the direction of Secretary Mellon, early in 1921 contributed $20,000,000 in cattle loans; reduction of freight rates on strictly agricultural products and livestock contributed $200,000,000. This brings the sum well in excess of $1,314,000,000. In addition, the farmer obtained his share of the benefit of freight-rate reductions on building material, coal, and manufactured goods, which aggregated $500,000,000. The farmer and livestock grower on reclamation and irrigation projects had their payments to the Government and their rentals on Government land rebated or the time extended. So that, all told, the Republican administration, through governmental agencies, has extended directly in cash emergency aid to American agriculture in the last three years a sum conservatively estimated at $1,500,000,000.

POLITICAL DEMAGOGUES ATTEMPT TO "FARM THE FARMER"

Whenever the farmer is in distress he becomes the object of demagogic solicitude by political agitators who seek to cash in upon his adversity, using his misfortunes as stepping stones to place themselves in power. The present crisis has been no exception to this rule. During the campaign of 1922 a number of such demagogues succeeded in insinuating themselves into the confidence of agricultural communities and having themselves elected to Congress, some in one House and some in the other, upon the representation that the Republican Party was not doing its duty by American agriculture and that if elected they would see to it that remedial legislation and remedial measures were taken to bring the farmer out of his difficulty. In this campaign of deception they were aided by the Democratic Party.

These two forces joined hands at the beginning of the Sixty-eighth Congress to control the organization of both Houses. In the House of Representatives they succeeded in bringing about what they styled a "liberalization" of the rules for the purpose of enabling them to force action upon such legislation as they desired brought to the attention of the House. They held up the organization of the Senate for weeks through a fight to control the Committee on Interstate Commerce, which handles railroad legislation. In this fight they were successful, in that the coalition of so-called Progressives and Democrats elected as chairman of that committee Senator SMITH, of South Carolina. The events in connection with the organization of the House and the Senate demonstrated beyond the shadow of a doubt that the combination of the Democratic and so-called Progressive forces could control, if they desired, the action of both branches of Congress. The Republican majority on paper disappeared in point of fact. A number of men who used the good name and the label and the machinery of the Republican Party to get themselves elected to Congress deserted the party, repudiated their party pledges, and joined hands with the Democrats to control Congress, ostensibly in order to enact legislation helpful to the agricultural classes.

DEMOCRATIC-RADICAL COMBINATION FALL DOWN ON PROMISES TO FARMER

The exposure of their hypocrisy is found in the record of the first session of the Sixty-eighth Congress, and is magnified by a comparison of the record of that session with the record made by the Sixty-seventh Congress, which was reliably Republican in both branches. All of the farm legislation, both that of an emergency character and that of a fundamental and constructive nature, which I have enumerated was enacted by the Sixty-seventh Congress, in control of the Republican Party. No farm legislation of any kind, with the single exception of the creation of a dairy bureau, was enacted during the first session of the Sixty-eighth Congress, which was controlled by the combination of Democrats and deserters from the Republican Party.

No legislative proposal brought to the attention of the Sixty-seventh Congress by the organizations of agricultural producers, livestock associations, dairy interests, and other organizations representing the rank and file of the farmer was rejected by that Congress. The Republicans passed every bit of legislation requested of them by the reputable farm organizations of the country, and they did not enact any legislation which was objected to by those organizations. On the other hand, no agricultural legislation asked by agricultural organizations of the Sixty-eighth Congress, controlled by the combination of Democrats and so-called progressives, was enacted. This Congress turned a deaf ear to the petitions of the farm organizations of the United States.

None of the gentlemen who campaigned their districts and their States asking for the support of the farmer vote upon the plea that they were the friend of the agricultural producer exhibited any activity after they were elected in behalf of the farmer.

None of the bills which were introduced and came before the committees during the Sixty-eighth Congress bore the names of any of the agitators and demagogues who were elected upon the ground that they were going to rescue the farmer from the plight in which they alleged the Republican Party had plunged him.

The radical-Democratic combination in the House did not invoke any of the "liberal" rules which they had succeeded in obtaining to call from any committee any bill having for its purpose the relief of any farmer or livestock grower.

Notwithstanding the Democratic-radical combination controlled the Interstate Commerce Committee in the Senate, there was not reported from that committee any legislation looking to a reduction of freight rates for the relief of agricultural sections.

Only when Congress was about to adjourn did these false friends of the farmer begin to assert themselves by filling the newspaper columns with interviews demanding that Congress remain in session all summer in order that the farmer might be given needed legislative relief. But they were strangely silent as to why they had not done anything for the farmer during the six months Congress had been in session, notwithstanding the fact that they were in control of both branches

and had the power to call from any committee any bill upon which they desired to force a vote.

Briefly, it was the Sixty-seventh Congress, reliably Republican in both branches, that has given the agricultural and livestock interests all of the relief and all of the fundamental legislation for the future which they have obtained since the Democratic Party went out of power leaving them facing bankruptcy.

REPUBLICANS INHERITED ARMY OF 5,000,000 IDLE WAGE EARNERS

Not only has the Republican Congress aided the farmer and livestock interests in every possible way, but the Republican executives have left no stone unturned to bring about temporary relief and hasten permanent readjustment of conditions affecting the agricultural sections of our country. One of the most recent examples of this is the Executive order of President Coolidge increasing the duty on wheat 12 cents a bushel, the duty on wheat flour 26 cents per hundred pounds, and at the same time a decrease of 50 per cent in the ad valorem rate on mill feed. This action was taken under the power vested in the President by the flexible provisions of the Fordney-McCumber Tariff Act, which empowers the President, on the basis of recommendations by the United States Tariff Commission, to increase or decrease rates not to exceed 50 per cent, the power to increase being used to afford additional needed protection and the power to decrease being used to prevent abuse of protection. The Executive order in this case afforded needed protection to northwestern wheat growers and millers from Canadian competition and afforded relief to stock growers in the matter of cattle feed.

Great as has been the transformation in the agricultural world since March, 1921, it has been no greater than that in the industrial world. When the Republican Party came into power in March, 1921, the number of idle men and women who normally were wage earners was between 4,000,000 and 5,000,000. This was a direct legacy of the Democratic administration. The unemployment situation began to be serious in the summer of 1920, when the Democratic administration, under the Wilson régime, was in full bloom. So many hundreds of thousands of wage earners were turned into the streets that Mr. Gompers, president of the American Federation of Labor, called a special meeting of the executive committee of that federation in Washington in the fall of 1920 to consider the industrial crisis. In December, 1920, the United States Employment Service of the Department of Labor, then under Democratic control, estimated there were 2,000,000 wage earners then in enforced idleness. On January 6, 1921, the Plumb Plan League, composed of American Federation of Labor unions and railroad brotherhoods, gave out a statement to the effect that 2,350,000 workers ordinarily employed were at that time unemployed. On April 25, 1921, a little over a month after the Republican administration came into power, but before any of its policies could be put into effect, Samuel Gompers, in an address at a labor convention in Philadelphia, made the statement that the number of unemployed was 5,000,000.

The Republican administration immediately set about through legislative and administrative measures to relieve the situation. It did not attempt this by temporary makeshifts, by class legislation, or by appeals to prejudice. It brought about prosperity for the industrial wage earner by giving attention to underlying causes which produced unemployment. Agricultural interests normally consume about 40 per cent of the manufactured goods of the United States. When the Republican Party came into power the agricultural consumers were "out of the market" because agriculture was bankrupt. The relief afforded agriculture by the long list of measures enumerated put that great buying class of people on its feet, and by so doing reopened hundreds of factories and put hundreds of thousands of wage earners back on the pay rolls.

REPUBLICAN LEGISLATION FOR AMERICAN WAGE EARNERS

When the Republican Party came into power there was a Democratic tariff which permitted the flooding of this country by the cheaply made products of Europe. At that time all Europe was on a debased-currency basis. Men were being paid in money worth but a fraction of its normal value. Supplies were being bought on the same basis. Because of this European manufactured goods were being laid down in the United States for a mere pittance compared with normal values. Furthermore, Europe was in a mad race to turn out manufactured goods in an effort to regain the markets she had lost during the war. Industrial production is the one thing for which all Europe was equipped, because the war had turned that Continent into one vast workshop. The Republican Congress remedied this situation by the enactment of a protective tariff, which, while it did not stop the imports, at least did check them.

When the Republican Party came into power the tides of immigration were flowing to this country in a volume never before witnessed. Hundreds of thousands were fleeing devastated Europe and literally millions more were preparing to do so. Every immigrant became an active competitor with American citizens for industrial jobs. One of the first acts of the Republican Congress called in special session in April, 1921, was the enactment of the restrictive immigration law. Had this law not been enacted and put into effect immediately, the unemployment situation, critical though it was, would have been aggravated by the addition of hundreds of thousands of European immigrants. At that time the housing situation in our industrial centers was at its worst and rents were at a peak. The continued immigration would have intensified this situation. It is safe to state that no bit of legislation so operated to stabilize the industrial situation and reassure the American wage earners as this restrictive immigration law.

High interest rates discouraged the borrowing of money upon the part of industrial interests for the purposes of extensions and improvements. Under the policy of the Treasury Department these rates were reduced, and business of all kinds was thereby stimulated, building resumed, and industrial enterprises reopened.

Taxes, which in the last analysis are paid wage earners, were drastically reduced by the revenue act of 1921.

WAGES HIGHEST IN HISTORY OF AMERICA

The result of all this is common information. Within a year the army of unemployed had disappeared. To-day in the United States more wage earners are employed at a better average wage than ever before in the history of the country in times of peace. Proof of this is furnished in a report of the United States Bureau of Labor Statistics, issued in December, which stated that the average union wage in all trades in the United States was the highest ever known in the history of American industry. According to this report, compiled from the union scale of wages and hours of labor of all organized trades in 66 of the principal cities of the United States, wages in 1923 were 9 per cent higher than in 1922, 84 per cent higher than in 1917, 111 per cent higher than in 1913, 123 per cent higher than in 1910, and 135 per cent higher than in 1907.

Not only is American labor under Republican administration employed at better wages than ever before in the history of this country, but the standard of living is higher. Working conditions are better and hours are shorter. The prosperity of the wage-earning class is proved by the fact that they are buying more luxuries than ever before, buying more commodities than ever before, and at the same time are putting more money in the savings banks than ever before.

LABOR ALWAYS PROSPERS UNDER REPUBLICAN RULE

The improvement of the condition of labor under Republican administration since March, 1921, is only typical of what happens under every Republican administration. The workingman of every country turns to the United States as the model Nation for the wage earner. It is because of this fact that the tides of immigration from every quarter of the globe have flowed toward and into the United States. No matter how well off working people have been in their own country compared with their own countrymen, when they wished to improve their conditions they came to the United States. It is due to the policies of the Republican Party during the last 60 years that the standard of living, the standard of working conditions, and the level of wages in this country have been made the highest of any Nation in the world. Practically all laws which have been enacted during the past three-quarters of a century for the betterment of working conditions, particularly those of women and children in industry, are of Republican origin.

It was a Republican Congress which enacted the Federal employers' liability act, the child labor law for the District of Columbia, the Government compensation act, the law requiring the use of safety appliances on railroads. It has been Republican Congresses which have broadened the scope of the activities of the Bureau of Labor from time to time in order that it might best serve the interests and promote the welfare of wage earners. The Bureau of Mines was created by a Republican Congress, and the Children's Bureau and the Women's Bureau.

REPUBLICANS TAKE CARE OF WOMEN AND CHILDREN

It is interesting in this respect to note that the Women's Bureau of the Department of Labor has proved so valuable in safeguarding the interests of women engaged in industry that the Democratic Party has been trying to steal credit for it. Senator ROBINSON, of Arkansas, in his speech notifying Gover-

nor Cox of the Democratic nomination in 1920, endeavored to claim credit for this law, because it was enacted during the incumbency of a Democrat in the White House. The record is clear and unimpeachable. The bill to create this Women's Bureau was introduced in the House by Representative Campbell, Republican, of Kansas. It was introduced in the Senate by Senator Kenyon, Republican, of Iowa. It was passed by the House and Senate, both of which were Republican.

The duty of the Women's Bureau is to promote the welfare and protect the health and life of wage-earning women everywhere. Some of the details intrusted to this bureau are: Seats in industrial establishments where women work, so that they will not have to stand on their feet for hours at a stretch; rest rooms, drinking facilities with good water, proper ventilation and sanitation, separate toilets; guarding against dangerous machinery; proper fire protection and adequate escapes—in short, the supervision and regulation of all the environment surrounding women at work.

President Harding, in his first message to the Republican Congress at the opening of the special session in April, 1921, urged the enactment of a law extending Federal aid to the several States in connection with maternity and child welfare. This was in conformity with the pledges of the party in response to a nation-wide demand by women for such legislation. The Republican House and Senate acted promptly. Both passed the bill by an overwhelming majority and appropriated $1,240,000 to carry out the provisions of this great humane piece of legislation, pronounced by women to be the most forward bit of legislation since the suffrage amendment. Furthermore, that Republican Congress increased the appropriation of the Children's Bureau of the Labor Department $40,000 over the previous year and increased the appropriation of the Women's Bureau $25,000 over the previous year. Altogether the Sixty-seventh Congress during the two first years of this administration appropriated $1,560,000 for women's and children's welfare work in connection with the Labor Department during the current fiscal year, a record that has not been equaled by any previous Congress.

These are only typical of the attitude of the Republican Party.

COMPARATIVE RECORD OF STATES

Minimum wage for women engaged in industries is provided in 11 Republican States and in only one Democratic State.

Mothers' pensions are provided in all but eight States, of which seven are in the Democratic "solid South."

Women are not permitted to work in mines in 19 Republican States.

Thirty-seven Republican States have limited the number of hours per week women may work in factory to 10 or less, but only seven Democratic States have such limitation. Nine Republican States limit the hours to 8, and 12 others to not over 9.

Twelve Republican States prohibit women from working at night in certain industries, but no Democratic State has such a prohibition.

The Republican Party has led the fight to make America safe for children. The child can not protect itself; therefore it must be protected. This is Christianity, "for of such is the Kingdom of Heaven." It is civilization, for the home and fireside are the corner stones of civilization, and the child of to-day is the parent of to-morrow. It is democracy, for the children of to-day are the citizens of to-morrow, who will be largely determined in their attitude toward Government by the Government's attitude of to-day toward them. It is good political economy, because the child of to-day is the man power of industry to-morrow.

That is why no greater duty could be performed by our Government than the safeguarding of the health, lives, limbs, and morals of children. What is the record?

REPUBLICANS CREATED CHILDREN'S BUREAU

The first national conference on child welfare was called by President Roosevelt in 1909 and was known among child welfare workers as the White House Conference. The outcome of this conference was the recommendation of the establishment of a Federal agency connected with the Department of Labor which would devote its time exclusively to the problems of child welfare and child life. Acting upon the recommendations of this conference, the Republican Congress under President Taft's administration established the Children's Bureau in the Department of Labor. The Democrats of Congress opposed its creation. Later on, the Republicans in Congress saved the life of this bureau by making a fight for appropriations adequate to keep it alive. In the second session of the Sixty-fourth Congress (1915–16), under President Wilson, the Democratic-controlled House Committee on Appropriations deliberately omitted appropriating money to the Children's Bureau. It remained for Representative James Good, Republican, of Iowa, to wage a fight on the floor of the House for such an appropriation, which he proposed in the form of an amendment to the committee's report. Every vote against the amendment was Democratic. The Republicans contributed all their voting strength in support of the amendment and thereby saved the bureau.

REPUBLICANS LED IN CHILD-LABOR FIGHT

The Republican Party was the pioneer in the work for the enactment of child-labor legislation. The beginning in such legislation was made in the New England States, New Jersey, Pennsylvania, and Ohio, even before the Civil War. Agitation of Federal child-labor legislation began as early as 1880, because it became evident at that time that the great diversities in child labor laws of the States and the lack of any such legislation in many States penalized the industries of those States which were humane enough to attempt the protection of children by limiting or prohibiting their being employed to their own injury and exploitation and to injury of adult laborers.

The first fight in Congress to enact Federal child labor laws was inaugurated in December of 1906.

Senator Albert J. Beveridge, Republican, of Indiana, and Representative Herbert Parsons, Republican, of New York, introduced bills in that session of Congress "to prevent the employment of children in factories and mines"; and Senator LODGE, Republican, Massachusetts, introduced a bill "to prohibit the employment of children in the manufacture or production of articles intended for interstate commerce." The efforts during this Congress to enact a Federal child labor law were bitterly opposed by the solid southern Democracy, representing cotton fields, turpentine camps, textile mills, and other industries of that section of the country which fatten on child labor. The first Federal child labor law was passed by reason of Republican support. It was reported favorably out of the committee in the House by unanimous Republican backing, with a minority report filed by Democrats. It passed the House with 98 per cent of the Republicans voting for it. Three days before the act went into effect it was enjoined in the Federal courts in the State of North Carolina, and the United States Supreme Court in a 5-to-4 decision declared it unconstitutional. Following this decision a second Federal child labor law was passed as an amendment to a revenue bill, which provided for a tax of 10 per cent on the annual net profits of industries which employed children in violation of the age and other standards enumerated in the act. There was no roll call upon this bill in the House. In the Senate the Democratic Party opposed its passage, and one-third of their number, all from the South, voted against it, while every Republican in the Senate voted for it. This law, like the first law, was immediately attacked in the courts in the Southern States, and the United States Supreme Court again held that it was not within the power of Congress to enact such a law.

DEMOCRATIC STATES WILL NOT PROTECT CHILDREN

It was argued both times by the Democrats in Congress that there was no need for a Federal child labor law, because all necessary legislation regulating the employment of children could be, and would be, enacted by the several States. The contradiction of this argument is found in the fact that none of the Democratic States in the "solid South" whose representatives made this argument have enacted necessary child labor legislation.

The records show that only 13 States have child labor laws which measure up in every particular to the standards established by the two Federal laws that were declared unconstitutional. These States are: Alabama—the only "solid South" State in the list—Connecticut, Illinois, Indiana, Kansas, Kentucky, New York, Ohio, Oklahoma, Oregon, Tennessee, West Virginia, and Wisconsin. In addition, the following five States have child labor laws which measure up to the Federal standards except in regard to employment in mines or quarries: Massachusetts, Minnesota, Montana, New Jersey, and North Dakota; none of which States, with the exception of Montana, have any mines or quarries to such an extent as to make the absence of this provision injurious to the childhood of the State.

Notwithstanding the protest of the Democrats from the "solid South" that States could be depended upon to enact any needful child labor legislation, the records show that since the Federal child labor law has been declared unconstitutional only eight States have enacted legislation raising the standard of their child labor laws. These States are: Delaware, Maine, Michigan, Missouri, North Dakota, Rhode Island, South Dakota, and Wyoming.

"SOLID SOUTH" HOME OF CHILD-LABOR EVIL

It is in the "solid South," where the legislatures are solidly Democratic, that legislation stopping the exploitation of child labor is most needed. While child labor is not confined to any section of the country, it is at its worst in the solid Democratic Southern States. In Tennessee, according to United States census reports, 17 per cent of the total child population is employed contrary to standards fixed by the Government regulating child labor; in Arkansas, 19 per cent; in Georgia, 21 per cent; in Alabama and South Carolina, 24 per cent; and in Mississippi, 26 per cent. In Northern States the percentage is much lower, and in the Pacific Coast States only 3 per cent of the total child population is employed in what is classified as gainful labor. The refusal of the Democratic "solid South" to prohibit or regulate child labor, and its increasing output of manufactured goods produced by child labor at pitiful cost, began to seriously affect northern industries in Republican States which had humane laws prohibiting the employment of children in factories. This situation made it necessary for Congress to amend the Constitution so that it might have the power to regulate or to prohibit child labor.

Congress was petitioned by six Republican legislatures—Massachusetts, California, Nevada, North Dakota, Washington, and Wisconsin—and a long list of national organizations representing organized labor, churches, women, teachers, social and religious bodies, and the Republican National Committee, to propose such an amendment to the Constitution. In conformity with this request a joint resolution was introduced by Representative FOSTER, Republican, of Ohio, in the House, and Senator SHORTRIDGE, Republican, of California, in the Senate. The resolution proposing the amendment passed both Houses, and the amendment—the twentieth to the Constitution—giving Congress power to regulate or to prohibit child labor is now before the several States of the Union for their ratification.

GREATEST WELFARE MEASURE OF CENTURY

What the women of the country characterize as "the greatest welfare measure of the past decade" is the maternity and infancy act which the Sixty-seventh Congress, Republican, enacted in November, 1921. Compelling reasons for this were disclosed by the investigations of the Children's Bureau, established under President Taft's administration. These investigations showed an unnecessarily, and therefore disgracefully, high death rate among mothers and infants. Approximately 250,000 babies were dying annually during the first year of their life and 20,000 women were dying in childbirth. The United States had the highest maternal death rate of any civilized nation in the world, and its infant death rate was higher than that of nine foreign nations. In passing the maternity and infancy act the Republican administration merely recognized the importance of safeguarding the lives of mothers and children and of rendering cooperation with the States in promoting the health and hygiene of maternity and infancy. Forty States have accepted the provisions of this act. As a result of this act 33 of the States have increased their appropriations over the amount which they formerly expended for this purpose.

Turning for a moment to State legislation, we find that 27 Republican States have laws prohibiting children under certain ages from working in certain industries; only 13 Democratic States have such prohibition. Twenty-four Republican States prohibit such working in certain industries over eight hours a day; only 6 Democratic States have such prohibition. Thirty Republican States prohibit night work in industries by children; only 10 Democratic States make such prohibition.

REPUBLICAN PARTY SPONSOR OF EDUCATION

The child and the school are intimately associated. The child's future is largely determined by his schooling. A State's literacy is an index to its school system. Twenty-seven Republican States have compulsory school attendance during the entire school year; only seven Democratic States have such a law. Twenty-one Republican States provide for evening and continuation schools; one Democratic State makes such a provision.

Among all the States the least illiteracy is in the solid Republican State of Iowa. Among all the States the greatest illiteracy is in the solid Democratic State of Louisiana. Only six Democratic States have less than 12 per cent illiteracy. Only two Republican States have illiteracy as high as 12 per cent. Sixty-four per cent of the Republican States have less than 5 per cent illiteracy. Sixty-four per cent of the Democratic States have more than 12 per cent illiteracy.

The striking contrast between the records of northern Republican and Democratic "solid South" States relative to legislation protecting women and children in industry can be duplicated in practically every kind of industrial legislation. The northern Republican States are a generation ahead of the Southern States in legislation affecting the health and safety of employees—such as the prohibition of sweatshops, the necessity of having fire escapes on factories, the prohibition of insanitary rest rooms, minimum wage laws, workmen's compensation laws, mothers' pension laws, and so on through the long list of industrial legislation which has for its object the improvement of the working conditions and the protection of their life, limb, health, and morals.

DEMOCRATIC SOUTH REGARDS LABOR AS MENIAL

This is the logical and inevitable result of the two different viewpoints of the North and the South toward manual labor. Dating from the days of human slavery, when all labor in the South was regarded as menial and degrading, the Southern States have been reluctant to recognize the human rights of the working classes. This reluctance is accentuated because of the additional fact that the bulk of labor is done by the negro, whom the Democratic "solid South" does not regard as entitled to any rights. On the other hand, the North, from the days of the agitation against slavery, has been the citadel and the hope of free labor; labor that was given not only its right but was accorded honor.

The northern industrial States have been developed by free labor. For that reason the northern Republican States lead in the matter of all legislation looking to the upliftment of working conditions, the improvement of industrial standards, and the protection of those who earn their living in the sweat of their brow.

The Democratic Party offers no hope to the wage earners of America. Its traditional policy, that of free trade, has been proved over and over to be the worst economic enemy American wage earners have. In the "solid South," where the Democrats literally hold every office, where they constitute 100 per cent of the legislatures which write the laws, 100 per cent of the judiciary which interprets the laws, and 100 per cent of the executives who administer the laws, wages are low, hours of labor are long, vicious contract-labor systems amounting to peonage and human slavery exist, little children are exploited, women are worked like beasts of burden, conditions surrounding labor are deplorable, the school system is choked and stunted in order to extract from children every possible hour for work, and Federal laws prohibiting these conditions are challenged in the courts.

NO HOPE FOR LABOR IN SOUTH-RIDDEN DEMOCRACY

A stream can not rise higher than its source. What sort of Federal legislation could be expected in behalf of labor from a party which owes not only its strength but its majority to that section of the country? If the Democratic Party really believes in better working conditions for wage earners, if it really believes in better living and educational facilities for children, if it really believes in improvement in the industrial and social world, why have not the solid Democratic States written these reforms into their statute books and put them into effect in their own Commonwealths? The plain truth is that the "solid South" is against these reforms in the industrial world. Their laws prove it. The conditions within their States prove it. The attitude of their representatives in Congress who fought the Children's Bureau, the child labor law, the Women's Bureau, and other labor legislation proves it.

Yet the "solid South" is the heart, the bone, and sinew of National Democracy. The Democratic Party could not make a respectable showing were it not for the "solid South." Out of the 266 electoral votes necessary to elect a Democratic President 157 come from the "solid South." It starts with 157 electoral votes sure in every election. It has that much handicap over the Republican Party. It has this handicap because, primarily, it disfranchises the bulk of its laboring people, because it insists upon the perpetuation of the rule of the aristocrat who looks upon labor as degrading. Whenever the Democratic Party controls Congress the Democrats from the "solid South" control every committee and furnish a majority of the Democratic votes in both branches. So that no matter what pleasant promises are made in the Democratic national platform to catch the labor vote, it must be kept in mind that these promises can never be redeemed by a Democratic Congress, because the votes to redeem them must come from States which are inherently, traditionally, and constitutionally opposed to recognizing the fundamental rights of the working man.

PRESIDENT COOLIDGE POSSESSES UNEQUALED LABOR RECORD

On the contrary, the Republican Party is presenting to the wage earners of the United States as a candidate for the Presidency a man whose record in behalf of the wage earner equals, if not indeed surpasses, the record of any man who has ever offered himself for the consideration of the American electorate.

President Coolidge accepted his nomination for the Vice Presidency from the Governorship of Massachusetts. Massachusetts was the first industrial State in the United States to enact legislation which prevents the employment of women and children for more than 48 hours in any one week; Governor Coolidge was more responsible for this than any other man. After the act was passed by the legislature the associated industries of the State, which had fought the bill at every step, sent a committee of some 25 or 30 to the Governor and endeavored to have the bill vetoed or sent back to the legislature to have the work week lengthened. This he declined to do. Later, referring to his act in signing the bill, he stated that he would rather be known as the governor who signed the 48-hour bill for women and children than to be known as the governor during the police strike.

For more than 50 years the textile workers fought for the passage of a weavers' specification bill which would require textile mill owners to furnish a price list for specified work done by the weavers. Each year the bill would pass the house but would be defeated in the senate. Finally, through the assistance labor received from Governor Coolidge, this legislation was adopted and signed by him.

Significant also of his record for improving conditions of workingmen is a letter written to Governor Coolidge on July 30, 1919, by John Golden, general president of the United Textile Workers of America, in which he tendered the thanks of that organization for his influence upon the textile manufacturers of New England "which," John Golden said, "greatly assisted the bringing about of the successful termination of our request for a 15 per cent increase in wages."

BROTHERHOOD OF TRAINMEN PRAISE COOLIDGE

As another instance I quote the following resolutions unanimously adopted by the convention of the Brotherhood of Railway Trainmen:

Whereas the Hon. Calvin Coolidge, Governor of Massachusetts, has by his acts as a representative of the people of the great Commonwealth of Massachusetts demonstrated on all occasions his fairness and given his support to all legislation favorable to the laboring people of the State: Therefore be it

*Resolved by the second triennial convention of the Brotherhood of Railway Trainmen*, That the thanks of the brotherhood be extended Governor Coolidge for his stand in behalf of the railroad men in matters of legislation while in the house of representatives, the senate, and as chief executive of the State; and be it further

*Resolved*, That the president and the general secretary and treasurer be, and are hereby, instructed to communicate a copy of this resolution to Governor Coolidge, with the best wishes for future success.

As a member of the Massachusetts State Legislature, Calvin Coolidge identified himself as actively favoring a number of measures for the benefit of workingmen. He supported the full crew bill and voted to pass it over the veto of the governor. He urged the adoption of a law which would require street railways to equip their cars with lifting jacks sufficiently heavy to lift a car from the tracks in case of accident. He urged the adoption of legislation which would require first-aid equipment in steam and electric cars and around railway and railroad yards. This legislation was finally adopted while he was governor, and his signature made the law effective.

He urged the passage of the absentee voting bill, a very beneficial piece of legislation for labor, particularly the laboring men who, because of necessity, are away from their homes on election day. This bill met defeat several times, but was finally adopted during President Coolidge's administration as governor.

While Governor of Massachusetts, Coolidge also aided in having adopted, and he as governor approved, among other humane legislation, the following, at the request of the workers:

Bill providing for two-platoon system for firemen in such cities and towns as accepted the act. (This system, as a result of this act, exists in every city and almost every town in Massachusetts at present.)

Bill requiring posting of decrees of minimum wage commission by employers affected. (This bill helps to safeguard the interests of women and children in industry.) This bill was opposed by employers.

Bill empowering insurance commissioner to require insurance companies doing business under workmen's compensation act to deposit with the State treasurer sufficient cash to meet outstanding obligations, thus protecting the interests of the disabled and their dependents.

Bill providing all laborers, workmen, and mechanics in the employ of the State with an annual vacation of not less than two weeks. (Bill had been rejected several years.)

Bill increasing the maximum payment under workmen's compensation law from $14 to $16.

COOLIDGE'S MATCHLESS RECORD OF THINGS DONE FOR LABOR

The Illinois Labor News, a newspaper printed in the interests of organized labor in Chicago, thus epitomizes the activities of President Coolidge in behalf of labor and labor interests:

During his career as a member of the Massachusetts State government he supported the following bills:

Antimonopoly bill.
Injunction modification bill.
Antidiscrimination bill.
Direct senatorial election.
Woman's suffrage.
Honest small coal sales.
One day's rest in seven.
Improved working conditions, women and children.
Factory surgical equipment.
Pensions, widows and children of firemen.
Teachers' pensions.
Playgrounds.
Low fares, workingmen and children.
Full train crew bill.
Improved milk situation.
Forty-eight hour bill, women and children.
Eliminating profiteering in rents.
Preference to veterans.
Employment for veterans.
Revision of banking laws.
Barbers' license bill.
Eight-hour day for women.

Each and every one of these measures had the unqualified support of labor.

I also wish to quote from a letter written by the national legislative department of the Brotherhood of Railroad Trainmen December 18, last, to the chairman of the Illinois State legislative board of the same brotherhood:

COOLIDGE CLEAN AS HOUND'S TOOTH

In requesting your views concerning Mr. Coolidge, it is only proper that I state to you the results of investigations I have made in regard to his labor record while acting as State senator and Governor of the State of Massachusetts. In making this investigation I consulted a former representative of our brotherhood, whose judgment is splendid, and who is as free from bias as it is humanly possible to be, and quote herewith from him as follows:

"During 1912–13 Mr. Coolidge was a member of the Massachusetts Senate and a member of the committee on railroads. There was before the legislature this session some legislation of concern to railway wage earners. President Lee sent me to assist, and under the legislative regulations I was required to register as counselor for the brotherhood. When Mr. Coolidge was approached to state what his attitude would be in the senate on our legislation, he considered the matter for a day or two, and then gave his word that he would support our measures. I can assure you he kept his word, either on a 'yea' and 'nay' or a roll call. Later, when the activity of the railroad lobby was investigated, he was found as clean as a hound's tooth.

"There are two States in the United States which have a real statute for protecting women and children in their limited hours of service, which shall be given in specified periods of the 24-hour day—one is Massachusetts and the other is California. Mr. Coolidge is the first Governor of Massachusetts who approved such a law when it came before him for action, irrespective of the powerful influence of the textile interest, although some of his predecessors had similar opportunity."

TRUTH ABOUT POLICE STRIKE

This same representative of the brotherhood, after having investigated the police strike in Boston, which occurred when Mr. Coolidge was governor of the State, makes the following statement in regard to that matter:

"(1) The law specifically provides that the duties in general of the police commissioner of Boston rests solely upon him; therefore the position is that of a single-handed commissioner.

"(2) The police commissioner can not divide the responsibilities of his office with any other officer of the Commonwealth, not even the governor, and the latter, under the law, can not usurp any of these duties until such time as the emergency indicates a crisis at variance with the adequate protection of the public, as the results of the destruction of discipline, involving disorganization.

"(3) The crisis had developed prior to any action on the part of Governor Coolidge, as witness the acts of the lawless element at the time, and then the latter only sent in the State troops when it was evident that the local militia used by Mayor Peters

with what policemen remained on duty, failed to cope with the situation, with the sanctity of womanhood and the homes of citizens in evident peril.

"(4) The issue was not raised in the State campaign which followed by anybody except Mr. Richard H. Long, the opponent of Governor Coolidge, resulting in the reelection of the latter by an overwhelming majority."

This same member of the brotherhood in summing up his estimate of the action by Governor Coolidge said:

"If there was any particular section of the public which received a greater benefit than another in the action of Mr. Coolidge in the Boston police strike it was the legitimate and regular field of industrial labor unionism."

Other investigations disclose the fact that Mr. Coolidge stood squarely behind minimum wages for women in industry and other measures of importance and that he has been especially friendly to labor; in particular he has supported the railroad men in their endeavor at all times. While he has not had opportunity to demonstrate as yet fully what his attitude will be in a national way, his record in his State, both as a senator and governor, proves his attitude in favor of labor.

AMERICA'S FORTUNATE WORKINGMEN

If one were asked to define what distinguishes the United States from all other nations and sets her above all other nations, the answer would be the superior condition of our working people. The tides of immigration have brought millions of wage earners to our country, attracted by the higher standard of living and better wages than prevailed in their home country. This better living and higher wages which elevates American working people above the working people of any other and all other countries is largely due to the Republican policy of protective tariff.

America's industrial development has taken place during the last 60 years. With few exceptions of brief duration, the United States during those 60 years has been under a protective tariff. It is doubly significant that the years of those exceptions were marked by industrial depression, hard times, and loss of foreign trade. The inevitable aftermath of every Democratic tariff has been closed factories, workingmen walking the streets, the establishment of soup houses, the activity of charitable organizations, the disappearance of savings from the banks, increased sickness and death rate among the working classes due to lack of proper nutrition and proper shelter, prostrated commercial interests because there are no customers, and depressed agriculture because the idle workingman must cut down on his food and does do so.

On the other hand, there has never been a protective tariff that closed a factory or threw a workingman out of a job. There has never been a protective tariff that did not bring good times to all branches of industry and business, to all sections of the United States, and to all classes of citizens. There has never been a protective tariff that did not increase the foreign trade of the United States. There has never been a protective tariff that did not build up, improve, and prosper not only the workingman but all American people and the American Nation.

TARIFF NOT CLASS LEGISLATION

It is charged by those opposed to the principle of protective tariff that it is class legislation. Nothing is further from the truth. The benefits flowing from a protective tariff are enjoyed by capital and labor, by agriculture and industry, by business and finance. It stimulates industrial production and benefits every wage earner by giving him steady and profitable employment. It benefits every enterprise selling raw material or supplies to industrial concerns. It benefits every commercial interest which sells goods consumed by wage earners. It benefits agriculture, which produces foodstuffs for the wage earner.

The Fordney-McCumber tariff, enacted by the Republican Sixty-seventh Congress, going into effect September 21, 1922, has fulfilled all the promises made for it by its Republican supporters and failed to justify any of the direful predictions made by its Democratic opponents. One of the assertions made by the Democrats was that the Fordney-McCumber tariff would erect a "Chinese wall" around the United States which would prevent other nations selling us goods and would also prevent our selling other nations goods. The absurdity of this claim is clearly proved by the import and export figures issued by the United States Bureau of Foreign Commerce.

FOREIGN TRADE INCREASES UNDER TARIFF

The accompanying tabulations and comparisons show that since the Fordney-McCumber tariff went into effect other nations have sold us more goods and we, in turn, have sold them more goods than under the Underwood tariff for comparable periods. The tables compare imports and exports under the Fordney-McCumber tariff with the imports and exports for the same months under the Underwood tariff for two periods, the first period covering the months from the enactment of the Underwood tariff to the outbreak of the European war, the second period covering the operations of the Underwood tariff for 12 months immediately preceding the Fordney-McCumber tariff. The comparison is made all the easier for the reason that the Underwood Act and the Fordney-McCumber Act both went into effect at approximately the same time of the year—the Underwood Act became effective October 3, 1913, and the Fordney-McCumber Act became effective September 21, 1922.

*Comparison of imports under Fordney-McCumber Act with imports under Underwood Act for years and months indicated*

UNDERWOOD ACT

(October, 1913–June, 1914)

| | |
|---|---|
| 1913: | |
| October | $132,949,302 |
| November | 148,236,536 |
| December | 184,025,571 |
| 1914: | |
| January | 154,742,923 |
| February | 148,044,776 |
| March | 182,555,304 |
| April | 173,762,114 |
| May | 164,281,515 |
| June | 157,529,450 |
| Total | 1,446,127,491 |

(October, 1921–September, 1922)

| | |
|---|---|
| 1921: | |
| October | 188,007,629 |
| November | 210,948,036 |
| December | 237,495,505 |
| 1922: | |
| January | 217,185,396 |
| February | 215,743,282 |
| March | 256,177,796 |
| April | 217,023,142 |
| May | 252,817,254 |
| June | 260,460,888 |
| July | 251,771,881 |
| August | 281,376,403 |
| September | 298,493,403 |
| Total | 2,887,500,625 |

FORDNEY ACT

(October, 1922–September, 1923)

| | |
|---|---|
| 1922: | |
| October | 276,103,979 |
| November | 291,804,826 |
| December | 293,788,573 |
| 1923: | |
| January | 329,523,664 |
| February | 303,412,419 |
| March | 397,928,382 |
| April | 364,252,544 |
| May | 372,544,578 |
| June | 320,233,799 |
| July | 287,433,769 |
| August | 275,437,993 |
| September | 253,645,380 |
| Total | 3,766,109,906 |

NOTE: The total imports from October, 1922, to June, 1923, under the Fordney Act amounted to $2,949,592,764. For the corresponding months in 1913 and 1914 of the pre-war period of operation of the Underwood Act, our imports were $1,446,127,491.

*Comparison of exports under Fordney-McCumber Act with exports under Underwood Act for years and months indicated*

UNDERWOOD ACT

(October, 1913–June, 1914)

| | |
|---|---|
| 1913: | |
| October | $271,861,464 |
| November | 245,539,042 |
| December | 233,195,628 |
| 1914: | |
| January | 204,066,603 |
| February | 173,920,145 |
| March | 187,499,234 |
| April | 162,552,570 |
| May | 161,732,619 |
| June | 157,072,044 |
| Total | 1,797,439,349 |

(October, 1921–September, 1922)

| | |
|---|---|
| 1921: | |
| October | 343,330,813 |
| November | 294,092,219 |
| December | 296,198,373 |
| 1922: | |
| January | 278,848,469 |
| February | 250,619,841 |
| March | 329,979,817 |
| April | 318,469,578 |
| May | 307,568,828 |
| June | 335,116,750 |
| July | 301,157,335 |
| August | 301,774,517 |
| September | 313,196,557 |
| Total | 3,670,353,099 |

FORDNEY ACT

(October, 1922–September, 1923)

| | |
|---|---|
| 1922: | |
| October | $370,718,595 |
| November | 379,999,622 |
| December | 344,327,560 |
| 1923: | |
| January | 335,416,506 |
| February | 306,957,419 |
| March | 341,376,664 |
| April | 325,492,175 |
| May | 316,359,470 |
| June | 319,956,953 |
| July | 302,186,027 |
| August | 316,965,891 |
| September | 381,433,570 |
| Total | 4,035,190,452 |

NOTE: Total amount of exports under the Fordney Act from October, 1922, to June, 1923, inclusive, was $3,040,604,964. The total amount of exports under the Underwood Act in the pre-war period from October, 1913, to June, 1914, inclusive, was $1,797,439,349.

For purposes of comparison on the basis of calendar years, it may be stated that during the calendar year 1923, during all of which period the Fordney-McCumber tariff was in effect, we bought from the world goods in the value of $3,789,000,000. In the calendar year 1921, during all of which period the Underwood tariff was in effect—barring a few schedules embraced in the farmers' emergency tariff—we bought from the world goods in the value of $2,509,000,000. In the calendar year 1913, the last pre-war year, when international trade was normal, we bought from the world goods in the value of $1,792,000,000. So that, in point of fact, other nations are selling us twice as much under the Fordney-McCumber tariff as they did in the pre-war year of 1913 and 50 per cent more than they did in the calendar year of 1921 under the Underwood tariff.

WE SELL MORE TO WORLD UNDER PROTECTION

The same relative condition exists in our export trade. During the calendar year 1923 we sold goods in the value of $4,165,000,000. It is not fair to compare the exports of that calendar year with any previous calendar year since the war, because during the interim between the armistice and 1923 Europe was producing a minimum and was buying an abnormally large amount from the United States. Naturally, therefore, our exports during 1919, 1920, and 1921 were abnormal, but in the calendar year 1913, when trade conditions throughout the world were normal, we exported goods only in the value of $2,484,000,000.

The history of our foreign trade, both imports and exports, under the Fordney-McCumber protective tariff is a repetition of what has happened to our foreign trade under every protective tariff. Instead of a protective tariff diminishing our foreign trade history shows the contrary to be true. Following the enactment of the McKinley law, and again of the Dingley law, there was an increase in both our exports and imports. The reason of this is very simple. Protection encourages American manufacturers to increase production and to become active in seeking markets for their increased output. This results in increased exports. On the other hand, our increased industrial activity calls for increased imports of goods to be used in manufacture. The prosperity of the people which follows industrial activity and prosperity makes them larger buyers of goods of all kinds and stimulates a demand for imported articles.

On the other hand, free trade closes our factories, which lessens our exports, and also so impoverishes our people that they have no money wherewith to buy imported articles.

The proof of these statements is found in the records of foreign trade issued by the Department of Commerce. These records show that under every protective tariff there has been a gradual increase in our exports.

PROTECTION ALWAYS INCREASES EXPORTS

The McKinley protective tariff law was enacted in 1890. The following is the official record of our exports during the years the McKinley tariff law was in force:

| | |
|---|---|
| 1891 | $884,480,810 |
| 1892 | 1,030,278,148 |
| 1893 | 847,665,194 |
| 1894 | 892,140,572 |

The Dingley protective tariff law was enacted in 1897. The following is the official record of our exports during the 11 years that tariff was in operation:

| | |
|---|---|
| 1898 | $1,231,482,330 |
| 1899 | 1,227,023,302 |
| 1900 | 1,394,483,082 |
| 1901 | 1,487,765,991 |
| 1902 | 1,381,719,401 |
| 1903 | 1,420,141,679 |
| 1904 | 1,460,827,271 |
| 1905 | 1,518,561,666 |
| 1906 | 1,743,864,500 |
| 1907 | 1,880,851,078 |
| 1908 | 1,860,773,346 |

The Payne-Aldrich protective tariff law was enacted in 1909. The following is the official record of our exports during the operation of that tariff act:

| | |
|---|---|
| 1909 | $1,663,011,104 |
| 1910 | 1,754,984,720 |
| 1911 | 2,049,320,199 |
| 1912 | 2,204,322,409 |
| 1913 | 2,465,884,149 |

These official figures conclusively prove the falsity of the propaganda that a protective tariff means a loss of our foreign markets. They are an absolute refutation of the free trade and importers' propaganda that unless we permit foreign producers to grab our markets we can not hope to sell abroad.

ALL NATIONS ENACT PROTECTIVE TARIFFS

Another free-trade argument, which may be accepted by those who are ignorant of the facts, is the assertion that the enactment of a protective tariff invites retaliation by other nations. This is untrue, particularly with the Fordney-McCumber Act, because the United States was the last great Nation to enact higher tariff rates following the World War. As everyone knows, the war left the majority of industrial nations practically bankrupt. The currency of those nations declined to a point where it was worth only a fraction of its par value. In some nations like Poland, Germany, and other central European countries currency declined to such a point that it was practically valueless. There were great industrial plants which had been used during the war for making munitions and ordnance and airplanes and other military and naval supplies. As rapidly as possible these plants were transformed into producing commercial commodities. It is stated that the great Krupp works of Germany are now producing over 100 different commercial articles to be sold in the markets of the world. In every European country the workingman was paid in depreciated currency. The costs of production of manufactured goods were thus lowered to a point that was only a fraction of cost of production before the war, when currency was worth par. This enabled the countries with the cheapest currency—and, therefore, the cheapest wage and the cheapest cost of production—to raid the markets of countries whose currency was not so debased. The result of this was that every nation had to erect tariff walls in self-defense.

EVEN ENGLAND GOES TO PROTECTION

One of the first to do this was the United Kingdom, which very aptly styled its tariff law of a flat 33⅓ per cent duty a national defense act. Other nations rapidly followed suit. The following is a brief chronology of tariff legislation the world around since the armistice, all of the nations listed having enacted tariffs prior to the enactment of the Fordney-McCumber Act, which clearly disproved the charge that that act would invite retaliation:

The United Kingdom (England, Scotland, Wales, and Ireland), October 1, 1921.

Australia, March 25, 1920; June 13, 1921.

British Dominion of New Zealand, November 3, 1921.

Dominion of Canada, June 4, 1921; September 1, 1921; October, 1921; still higher tariff law now pending before Canadian Parliament.

British Dominion, Union of South Africa, May 5, 1922.

British India, March 1, 1922.

Newfoundland, May 26, 1921.

British West Indies, including all the island, British Guiana and British Honduras, September 1, 1921.

The Barbadoes (British), July 1, 1921.

British Togoland (Africa), July 20, 1921.

Fiji Islands (British), November 11, 1921.

British Honduras, March 31, 1922.

Switzerland, May 24, 1921.

France, July 14, 1919; November 7, 1919; March 20, 1921.

Italy, July 1, 1921.

Czechoslovakia, March 19, 1920; August 6, 1921.

Yugoslavia, July 10, 1921.

Poland, August 11, 1921.

Ecuador, September 25, 1921.

Argentina, July 6, 1920.

Chile, February 23, 1921.

Peru, December 29, 1921.

Belgium, June 10, 1920; March 31, 1921; November 7, 1921; February 6, 1922.

Finland, January 1, 1922.

Mexico, January 1, 1922.

Sweden, June, 1921; March 27, 1922.

Denmark, November 26, 1921.

Hungary, November 23, 1921.

Spain, February 16, 1921.

Rumania, July, 1921.
Bulgaria, April 1, 1922.
Austria, July 16, 1921.
Japan, March 30, 1922.

BEING OUT OF JOB HIGHEST COST OF LIVING

The companion piece of free-trade fiction to the argument that protective tariff destroys our foreign markets is the argument that protective tariff increases the cost of living. This is a charge which can not be substantiated. The cost of living is determined neither by the income solely nor the outgo solely, but by the amount of money left in the pay envelope after all the expenses of the household have been met. Under a protective tariff this amount has always been greater than the amount under free trade. There can not possibly be any higher cost of living than that of being out of a job. It little matters to the workingman how cheaply he may buy commodities if he has no money wherewith to buy. President Harding in his first message to Congress assembled in special session April, 1921, touched upon this point, saying:

One who values American prosperity and maintained standards of wage and living can have no sympathy with the proposal that easy entry and the flood of imports will cheapen our cost of living. It is more likely to destroy our capacity to buy.

The proof that protective tariff does not increase the cost of living is furnished in the record of savings banks during the periods, respectively, of free trade and protective tariff. Deposits in savings banks increase under a protective tariff. They decrease under free trade. This clearly shows that under a protective tariff the workingman is able to live and to lay by something, while under free trade he must draw upon his savings in order to keep starvation from the door.

WHOLESALE PRICES DECLINE UNDER PROTECTIVE TARIFF

The Fordney-McCumber tariff furnished apt illustrations of the falsity of the argument that such a tariff increases the cost of living. The tariff became effective in September, 1922. The United States Department of Labor periodically issues a report on the average wholesale price of over 400 standard commodities, including the general classifications of farm products, foods of all kinds; metals and metal products; clothing of all kinds—children's, men's, and women's—including boots and shoes; all kinds of cotton textile, hosiery, sheeting, thread, yarn; all kinds of woolen goods and silk; coal, coke, gasoline, petroleum; building materials of all kinds, including lumber, brick, cement, gravel, tiling, roofing, glass, paints, copper, and so forth; chemicals and drugs; all kinds of household furnishing goods; and a list of miscellaneous articles, such as cattle feed, leather goods, rope, rubber, soap, starch, tobacco, and so forth.

The report of the United States Department of Labor showed that the average price of these 400 standard commodities was lower in September, 1923, a year after the Fordney-McCumber tariff had been in operation, than it was in September, 1922, when the law became effective. Each successive report of the United States Bureau of Labor Statistics shows decrease in the average wholesale prices of these 400 commodities.

In other words, wholesale prices of manufactured goods have steadily decreased since the Fordney-McCumber tariff became a law. This conclusively proves the tariff is not responsible for any increase in prices which may have taken place since it became a law. The only force there is to the Democratic argument that a tariff increases prices is the implied charge that American manufacturers protected by a tariff take advantage of it to boost prices and rob the consumer. But the American manufacturer sells to the wholesaler and the jobber, and if the manufacturer boosts prices the first place this would be in evidence would be in the wholesale price. The fact that wholesale prices have decreased since the Fordney-McCumber tariff clearly exonerates the American manufacturer from taking unfair advantage of the tariff to boost his prices and clearly disproves the charge that any increase in price to the consumer is attributable to the tariff.

INCREASE IN LIVING COST ON ARTICLES ADMITTED FREE

This is disproved in another manner. Two of the most important items of expenditure in the ordinary household are fuel and rent. These two items have increased more in the last year than all other household expenses, yet all fuel and fuel substitutes are on the free list, therefore the tariff can not be charged with any increase in the price of fuel. The following building material is on the free list: Building brick, cement, stone, shingles, timber of all kinds used for building purposes. Therefore, rents, in so far as they are attributable to those cost of building material, can not be said to have increased because of the tariff. Another large item of household expenditure is that of furniture, but the fact that all timber and lumber of all kinds which is used in the manuture of furniture is on the free list eliminates the charge that the high cost of furniture can be attributed in any way to the tariff. Boots and shoes and all other articles made from leather are on the free list. Therefore, any increase in the cost of these articles can not be charged to the tariff. Any increase in the cost of clothing can not be charged to the tariff. Wool is protected, yet the cost of woolen textiles to the jobber and wholesaler has not increased since the Fordney-McCumber tariff became effective. On February 1 the textile-trade publications made the following official announcement:

The opening of initial lines of goods by the American Woolen Co.—the largest clothing textile manufacturers in the United States—at prices substantially on a par with prices a year ago has been a matter of surprise to most of the trade.

On February 7, this year, the textile-trade publications contained the statement that the American Woolen Co. at its initial openings quoted standard serges at $2.67½, the same as a year ago, and compared with $2.87½ for the price of similar lines opened in the fall of 1923. This price is quoted in the face of an advance of 12½ per cent in wages.

HARD FOR DEMOCRATS TO EXPLAIN THIS FACT

On the other hand, the price of cotton goods is from 25 to 30 per cent higher now than a year ago, but cotton is on the free list. It is going to be very embarrassing for our Democratic and free-trade orators in the coming campaign to reconcile their arguments with the fact that manufacturers' prices of woolen goods made from material highly protected have not increased, while cotton goods, made from material on the free list, have increased 30 per cent.

It is being alleged by Democratic newspapers and speakers that the Fordney-McCumber tariff bill has so boosted prices as to bring about a buyers' strike. This assertion has repeatedly appeared in Democratic National Committee literature, in literature put out by the so-called Fair Tariff League, and has been repeated on the floor of both the House and the Senate within the last few months.

The commercial agencies of Dun and Bradstreet, the Federal reserve bank, and the newspaper columns are all authority for the statement that the year 1923 was the greatest year ever known in the history of American retail business. The mail-order houses showed the greatest sales in their history, and on the whole their sales were 28 per cent greater than in 1922.

The department stores of Boston, New York, Chicago, Kansas City, St. Louis, Pittsburgh, Philadelphia, all reported the largest business in their history, showing the year 1923 to have been from 12 per cent to 22 per cent greater than 1922.

The 5 and 10 cent stores show their sales for 1923 to have been 18 per cent greater than in 1922.

Chain stores show their business in 1923 to have been on the average 27 per cent greater than in 1922. A report of business done by chain stores for the first three months this year shows they have increased their business over the corresponding months last year by about 10 per cent.

The National Cloak & Suit Co., which does the largest business of its kind of any group of concerns in the United States, shows its business for 1923 to have been 23 per cent greater than 1922.

Without exception the several Federal reserve bank districts report retail business for 1923 in their respective territory to have been greater than 1922.

"BUNK" ABOUT THE FARMERS' FOREIGN MARKET

The greatest piece of political "bunk" of modern times is the Democratic free-traders' reiteration that the prosperity of the American farmer is dependent upon his "foreign markets," coupled with the assertion that a protective tariff "isolates" the United States and causes the American farmer to lose his foreign markets. In point of fact neither the prices of American farm products nor the prosperity of American agriculture is dependent upon farm exports. This is not a statement of an opinion, but a statement of fact based upon official records.

The most exhaustive and accurate survey which has ever been made of agricultural interests of this country is that completed by the joint commission of agricultural inquiry, a commission composed of 10 Members of the United States Congress representing both political parties and States with large agricultural affairs. The work of this commission was absolutely nonpartisan. Its whole purpose was to collect, digest, compile,

and present in an understandable form all data relative to the agricultural industry and its relation to other industry.

The first section of the report of this commission is devoted largely to the discussion of the relation between farm prices, domestic consumption, exports, and imports. The research of the commission extended back to 1890, and tables are presented covering 30 years from that year which substantiate every conclusion reached by the commission.

FARM PRICES NOT DEPENDENT ON EXPORTS

The commission's report emphasizes over and over, and the tables bear out its conclusion, that the prices of farm products bear a very intimate relation to the domestic consumption of those products, and on the other hand are affected scarcely at all by exports. For example, wheat. The report states:

The price of wheat has not borne a very consistent relation to exports. The greatest rise in the price of wheat did not take place until 1917, during which year exports of wheat were relatively low.

In connection with the table showing production of wheat together with export of wheat, per capita domestic consumption, and prices covering the period of 30 years, the report says:

It is notable that per capita consumption of wheat has shown a marked tendency to decrease in periods of industrial depression, such as existed in the period of 1893 to 1896, and during the latter part of 1920. * * * The table seems to indicate that domestic consumption is probably the largest factor in determining the price.

In general the price of wheat has decreased in years of low domestic consumption and increased in periods of high consumption. * * *

Perhaps the most notable fact shown by this table is the tremendous drop in the price of wheat during 1920, notwithstanding an increase in exports. It seems that this drop can be attributed almost wholly to the falling off of domestic consumption which in 1920 was only 4.6 bushels per capita, and the beginning and continuance of industrial depression.

Upon the subject of meat products the report states in connection with voluminous tables to prove its conclusion:

The consumption of beef bears a very close relation to urban employment or unemployment and declines rapidly in periods of industrial depression.

HOME MARKET IS FARMERS' NEED

The conclusions set forth in this report are the same which have been reached by all students of economics. No less an authority upon prices and international trade than Secretary Hoover, of the Department of Commerce, emphasizes the fact that the hope of the American farmer for prosperity and profitable prices rests in his home market rather than in foreign markets. Secretary Hoover voiced this sentiment most emphatically in a statement before the Interstate Commerce Commission relative to the policy of rehabilitation of the transportation system. Secretary Hoover in this connection said that a general program of construction needed by the transportation world would give employment to many thousands, enable them to increase their standards of living—

and thus give increased market to the produce of our farms. Our farmers, who look to foreign markets for their surplus, should stop to consider that our home consumption of meat decreased nearly 7 pounds per capita in 1921, mostly owing to unemployment. If this decrease could be overcome, it would be worth more than 35 per cent increase in exports. We talk glibly of giving credits to foreign countries to increase our farm exports, but I wish to state, with all responsibility for the statement, that a billion dollars spent upon American railways will give more employment to our people, more advance to our industries, and more assistance to our farmers than twice that sum expended outside the frontiers of the United States.

YEAR OF BIGGEST EXPORTS FARMERS WENT "BROKE"

Proof that the "foreign market" means comparatively little to the American farmer compared with his home market is furnished by his experience in the latter part of 1920 and during 1921. If there were anything to the argument that foreign markets mean prosperity to the farmer, he should have prospered in an unprecedented degree during that period. Exports of American farm products for the year 1921 were the greatest ever known in American history. The total exports of American grains—wheat, corn, rice, rye, barley, and oats—during the year 1921 were higher than any year prior to the World War. The export of wheat during the year 1921 was five times that of the five-year period, 1909–1913. The export of corn in 1921 was 129,000,000 bushels, against a five-year average of only 41,000,000 bushels for the pre-war period of 1909–1913. The exports of meat products in 1921 were 80 per cent greater than for the five-year period, 1909–1913. The exports of dairy products for 1921 were eleven times that of any year prior to the World War.

Yet in 1921 the American farmer went "dead broke" because of low prices.

The reason of this is found in the conditions which prevailed in his home market. During the period he was "dead broke" although he enjoyed the greatest quantity of agricultural exports ever known, there were over 5,000,000 American wage earners out of a job. Their buying power was stopped. They had to economize in their consumption of food. That was the cause of the low prices of American farm products during that year. The case was accurately stated by Milo D. Campbell, president of the National Milk Producers' Association, who said:

When millions of factory employees are idle they wear old clothes and fill their stomachs with roughage. The big thing that should interest the farmer is a market where buyers have enough money to pay him a fair price for his products—and that market is right here at home. Unless we have a protective tariff there will be no work for the factories, no employment for the workingman, and no market for the farmer.

COTTON MARKET CONTRADICTS FREE TRADERS

Democratic free traders who argue that foreign markets are essential to good prices for American farm products find their argument completely riddled by the cotton market. We are exporting less cotton than during the pre-war period, but the price of cotton to-day is over double what it was during the pre-war period. During the year ended May 15, 1914, we exported 8,557,148 bales of cotton and the average price of cotton during that year was 12 cents. During the year ended May 16, 1924, we exported only 5,217,458 bales of cotton, but the average price of cotton throughout that period was above 20 cents.

Take another illustration, that of hogs and exports of pork. Our exports of fresh pork in 1922 amounted to 27,000,000 pounds; ham and shoulders, 389,000,000 pounds; bacon, 341,000,000 pounds; and the average price of hogs on the Chicago market for that year was $9.22. Our exports of pork products in 1923 were double that for 1922 and many times the pork exports during the pre-war period, but every farmer who sells hogs knows that prices for hogs slumped in 1923. Notwithstanding our pork exports are maintaining their increase, the price of hogs to-day on the Chicago market is $2 lower than the average for 1922.

These illustrations could be multiplied to show that there is absolutely no relation between the quantity of exports of farm products and prices for farm products.

AMERICA'S "ISOLATION"

Furthermore, there is even less truth in the Democratic argument that under protective tariff the United States has become isolated to the extent that the world no longer is able to sell to us, and we therefore are no longer able to sell to the world. Our imports—or what the world sold to us—for the calendar year 1923, all of which was under the Fordney-McCumber tariff, amounted to $3,788,882,215. This is practically twice our imports of any year of the pre-war five-year period. Tabulated it is as follows:

*Total imports*

| | |
|---|---|
| 1923 (calendar year) | $3,788,882,215 |
| 1914 (fiscal year ending June 30) | 1,893,925,657 |
| 1913 (fiscal year ending June 30) | 1,813,008,234 |
| 1912 (fiscal year ending June 30) | 1,653,264,934 |
| 1911 (fiscal year ending June 30) | 1,527,226,105 |
| 1910 (fiscal year ending June 30) | 1,556,947,430 |

From these figures it is apparent that the world is selling us twice as much under our protective tariff as it did in normal times prior to the World War.

There is a lot of loose uninformed talk about its being necessary for a change in our foreign and domestic policy in order to relieve the farmer by "restoring" his foreign markets. Just what is meant by restoring the farmer's foreign markets? He is enjoying greater export trade to-day than he did at any period prior to the outbreak of the World War when conditions were normal and his foreign markets were normal. That fact is abundantly proved by figures taken from the United States Bureau of Foreign Commerce and the United States Department of Agriculture. The following is a table showing a comparison of the quantity of exports of leading agricultural products for the five-year period immediately preceding the World War and for the calendar year 1923. The figures for the five-year period are taken from the Yearbook of the United States Department of Agriculture for the year 1922; the figures for the calendar year 1923 are taken from the report of the United States Bureau of Foreign Commerce.

*Agricultural exports by quantity for periods indicated*

| | Annual average 5-year period 1910-1914, fiscal years ending June 30 | 1923, calendar year ending Dec. 31 |
|---|---|---|
| Wheat (bushels) | 59,913,228 | 98,524,405 |
| Wheat flour (barrels) | 10,678,635 | 16,309,856 |
| Oats (bushels) | 8,304,203 | 3,226,764 |
| Rye (bushels) | 854,765 | 50,856,189 |
| Barley (bushels) | 7,895,521 | 11,983,177 |
| Corn (bushels) | 39,809,690 | 42,187,732 |
| Dairy products (pounds) | 24,967,357 | 310,878,573 |
| Fresh beef (pounds) | 29,452,302 | 3,385,978 |
| Fresh pork (pounds) | 2,023,911 | 54,691,196 |
| Bacon (pounds) | 182,474,092 | 456,797,497 |
| Hams and shoulders (pounds) | 166,813,134 | 372,092,656 |
| Lards (pounds) | 474,354,914 | 1,035,381,571 |

Expressed in another form the contrast is still more striking. The following table gives the valuation of all kinds of agricultural exports for the periods indicated, the figures in this table being taken from the reports of the United States Bureau of Foreign Trade:

*Valuation of all exports of foodstuffs, prepared and unprepared, for periods indicated*

| | |
|---|---|
| 1909 | $438,248,000 |
| 1910 | 369,088,000 |
| 1911 | 385,419,000 |
| 1912 | 418,737,000 |
| 1913 | 503,111,000 |
| 1923 | 840,844,000 |

These tables clearly show that as compared with pre-war normal peace conditions the American farmer to-day is exporting tremendously in excess of that period. Of course, he is not exporting in the quantity he did during the years immediately following the armistice. During those first two or three years agriculture in Europe was at its lowest ebb and the necessity of importing foodstuffs pushed American agricultural exports to their peak. The year 1921 was the banner year for agricultural exports. It was also the year of the American farmer's nearest approach to absolute bankruptcy because of low prices, which proves incidentally that he can not find prosperity in foreign markets.

EUROPEAN MARKET GONE FOREVER FOR OUR FARMERS

The more nearly Europe recovers and approaches a normal productive basis the less foodstuffs Europe will import. Even though this were not true, the agricultural producer in the United States can never again hope to sell to Europe the quantities he sold following the World War. This is due to the fact that agricultural competitive countries are underselling farm producers in the markets of the world. Argentine, Australia, New Zealand, Russia, British India, Canada, and other agricultural producing countries have cheaper land, cheaper transportation, pay less wages for farm help, and are therefore enabled to undersell the American farmer with his high-priced land, high wages, high freight rates, and other high productive costs. In commenting upon this tendency the United States Department of Commerce, under date of January 28, 1924, said:

The decrease in grain exports (as compared with 1922) as a natural response to the increasing production of Europe, which is now almost back to pre-war production for most of the countries, and also is partly due to the fact that some of the newer producing countries with cheap land and production at low cost have been offering grain at lower prices than the United States exporters could meet. The latter situation is particularly due to the world-wide agricultural exploitation of virgin lands occasioned by the tremendous demands of the war reconstruction period.

In confirmation of this opinion a bulletin of the Foodstuffs Division of the Department of Commerce, under date of March 13, 1924, in discussing the grain trade in Europe states:

At Rotterdam, which is one of the important index markets for central Europe, the American grain has met very strong competition from both Argentine and Russia.

An Associated Press Dispatch of May 13, 1924, out of Berlin states:

American grain has been virtually driven out of the Baltic states and Finland through Russian competition and is rapidly disappearing from the Scandinavian, German, and Dutch markets before Russian grain.

BRITISH COMPETITION TO AMERICAN CATTLE BUSINESS

The above table of quantity exports shows striking decrease in the quantity of exports of fresh beef in 1923 as compared with the pre-war period. One reason for this is found in the fact that British interests have turned to the Argentine for their beef, because they can procure it there from one-half to one-third what they would have to pay in the United States.

An insight as to what is going on in that direction is furnished by a report made by our Government representatives in the Argentine. The largest cattle-buying, meat-packing, and warehousing system in South America, if not the world, is that of the Vestey group, composed of Lord William Vestey and British associates. This group owns ranches, packing plants, cold-storage warehouses in the Argentine, and ocean steamship lines plying between the Argentine and Europe. In England and on the continent it owns wholesale meat establishments, and in the United Kingdom it owns and operates more than 2,500 retail meat shops. This is the kind of competition which the American livestock interests and the American packing interests are meeting in Europe since the war. It is hopeless to expect that in the face of this the American livestock interests can hold their foreign trade.

A bulletin issued by the Department of Agriculture in the month of March sets forth the fact that Argentina is duplicating in her production and exportation of corn her record in the production and exportation of beef and wheat. The bulletin stated that Argentina is now the world's leading corn exporter and as such has become the most important competitor of the United States in world markets. According to the bulletin "exports of corn from Argentina have averaged 132,000,000 bushels annually in the three-year period 1920–1922, as compared with 116,000,000 bushels from the United States. Argentine exports average 71 per cent of its crop." This tremendously high percentage of exportation compared to the total crop is due to the fact that Argentina is sparsely settled and can consume but a comparatively small amount of its tremendous production. This also is true of other agricultural producing countries which are competitors of the United States.

HOPE OF AMERICAN FARMER IS HIS HOME MARKET

From all this it is perfectly clear that there is no such a thing as the "restoration" of the American farmer's foreign market.

The hope of the American farmer is in his home market, with the well-paid, constantly employed wage earner for his customer. He can not expect in any circumstances under peaceful conditions to compete in Europe for European markets with the products raised by the Russian moujik and the peasants of southeastern Europe. He can not hope to compete in the European markets with the products of South America raised on vast tracts of cheap land with cheap labor, shipped to Europe by European-owned steamship lines, and laid down at European ports for less money than it costs him to lay down his products at the nearest railway station.

The hope of the American farmer in the future, as in the past, is in maintaining his home market. That the protective tariff has enabled him to do this is conclusively demonstrated in the fact that since the enactment of the farmer's tariff in 1921 and its embodiment in the Fordney-McCumber Act, Minneapolis and Kansas City have consistently paid more for wheat than Winnipeg; Boston has consistently paid more for potatoes than Montreal; Chicago has consistently paid more for all classes of cattle than Winnipeg and Buenos Aires and more for sheep and lambs than Toronto, Winnipeg, and the primary markets in New Zealand; New York has consistently paid more for butter than Copenhagen, Denmark, or Wellington, New Zealand.

DEMOCRATS TALK SCANDAL

It is predicted by Democratic wiseacres that the "looting of the public domain" is going to be one of the issues in the approaching campaign. If that prediction proves true, the reputations of a great many Democratic leaders are going to be badly damaged before the polls close in November.

The leasing act under which all of the oil reserves, both within and without the naval reserves, were leased to private interests was fathered by Senator WALSH, of Montana, who has devoted the better part of a year in a vain endeavor to fasten some guilt on some member of the Republican administration in connection with the naval oil reserves. The leasing act became a law in February, 1920. Senator WALSH, of Montana was one of its most active advocates, as the pages of the CONGRESSIONAL RECORD abundantly testify. During the debate of the bill he boasted of the fact that he was the originator of the policy of leasing public oil lands to private interests, stating he had drawn up the first bill of that character in 1913, with the assistance of the Democratic Secretary of the Interior, Franklin K. Lane. The records of Congress also show that in 1917 Senator WALSH introduced a leasing bill which gave to the Secretary of the Interior practically unlimited authority to handle the public oil lands, even permitting him to lease them without competitive bids.

DANIELS WANTED AUTOCRATIC POWER

Within two weeks after the leasing act became a law, Secretary of the Navy Josephus Daniels addressed identical letters to Hon. Carroll S. Page, chairman of the Senate Naval Committee, and Hon. THOMAS S. BUTLER, chairman of the House Naval Committee, suggesting that the leasing act be amended so as to give him, the Secretary of the Navy, absolute power over all naval oil reserves. Secretary Daniels urged this be done for the following reasons, as set forth in his letter of March 1, 1920, to Representative BUTLER, and March 29, 1920, to Senator Page:

Some of these tracts (the naval oil reserves) are drilled to such an extent that it will be necessary for the Government to drill offset wells unless oil to the value of millions of dollars is to be drawn from under the Government lands by private owners. * * * It therefore becomes imperative, even when viewed from an economic standpoint only, that machinery be provided against drainage from adjacent lands. That crude oil, whether from Navy-owned wells, royalties from naval reserves, or royalty oil purchased, may be exchanged for refined products, and that excess oil from protective wells may be sold or storage provided if considered advisable.

Secretary Daniels suggested that in order that his ideas might be carried out the naval leasing act be amended in the following language:

*Provided*, That the Secretary of the Navy is directed to take possession of all properties within the naval petroleum reserves as are or may become vested in the United States; to conserve, develop, use, and operate the same, in his discretion, directly or by contract, lease or otherwise, and to use, store, exchange, refine, sell, or otherwise dispose of the oil and gas products thereof and those from all royalty oil. * * *

DANIELS ADMITTED DRAINAGE

Secretary Daniel's letter and the amendment he proposed clearly proves he knew the naval oil reserves were being drained by private interests and that the only way to stop this drainage and save the naval oil supply was for the Government itself to start taking oil from the naval reserves. Secretary Daniels and other Democrats have been attempting in the past few weeks to make it appear that he and they were not in favor of tapping the naval oil reserves and that their consistent policy concerning naval oil reserves has been, to quote Secretary Daniels, "to keep the oil in the ground."

The falsity of such statements is clearly indicated by Secretary Daniel's own letter. He wanted the leasing act amended so as to give him absolute power, to be used in his own discretion, over all naval oil reserves. He wanted this power in order to take the oil out of the ground. He needed no power to leave it in the ground, where it had been for centuries. He asked for power not only to take naval oil out of the ground but to sell it, to exchange it, to put it in storage, even to go into the refining business and, as if this were not enough, he asked for power to "otherwise dispose of the gas and oil products" of the naval oil reserves. Without a dissenting vote both branches of Congress granted his request, with the exception of the power to go into the oil-refining business and the broad power to "otherwise dispose" of the oil. Senator WALSH was on the floor of the Senate when this amendment came to a vote, and he neither protested against it nor voted against it, nor did any other Democrat in the Senate or in the House.

Nor can it be argued that although Secretary Daniels wanted this power he did not avail himself of it. The records of the Navy Department and the Department of the Interior furnish documentary proof that no sooner had he obtained power to take oil from naval reserves by contract with private parties through the leasing system than he availed himself of it. Secretary Daniels then did exactly what Secretary Denby subsequently did, namely, acted in conjunction with the Secretary of the Interior in approving leases to private oil corporations to take oil from the naval reserves.

DANIELS AND PAYNE LEASE NAVAL OIL RESERVES

The private oil corporations which were given leases to take oil from naval reserve No. 2, in California, by agreement with Secretary Daniels and Secretary Payne, were:

The Boston-Pacific Oil Co., July 1, 1920, to drill 5 new wells in section 32 of naval oil reserve No. 2; the Associated Oil Co., July 29, 1920, leases for 2 wells in section 20, 7 wells in section 22, 12 wells in section 26, 8 wells in section 24 of naval oil reserve No. 2; Union Oil Co., August 2, 1920, 4 wells in section 24; Buena Vista Oil Co., August 23, 1920, 2 wells in section 32; Caribou Oil Mining Co., August 24, 1920, 3 wells in section 28; General Petroleum Co., August 24, 1920, 3 wells in section 32; Record Oil Co., August 24, 1920, 4 wells in section 28; United Oil Co., August 24, 1920, 1 well in section 28; Consolidated Mutual Oil Co., February 16, 1921, two tracts of 280 acres each in section 28, naval reserve No. 2; Murvale Oil Co., February 1, 1921, to operate in section 12 and in section 22.

All of these leases to private corporations to take oil from the naval oil reserves were granted during the time Secretary Daniels and Secretary Payne were at the head of the Navy and Interior Departments, respectively.

Furthermore, despite the fact that Secretary Daniels publicly stated that the naval oil reserves were being drained by private corporations with leases to drill wells on public land immediately adjacent to naval oil reserves, and despite the fact that every oil man in the United States knew this to be true, Secretary John Barton Payne went right ahead granting leases to private interests to drill on public oil lands adjacent to naval oil reserves.

PAYNE LEASED TO "DRAINERS"

Mr. Payne came into office March 15, 1920, following the resignation of Franklin K. Lane, who resigned to accept a $50,000-a-year job with Mr. E. L. Doheny. Mr. Payne's term automatically expired March 4, 1921. Within that brief period of less than a year, during all of which time Secretary Daniels was at the head of the Navy Department and knew that naval oil reserves were drained by private corporations drilling on public land adjacent to them, and with these two Democratic Cabinet officials acting in closest harmony in connection with the disposition of our oil resources, Secretary Payne approved of approximately 150 leases to private corporations and interests, giving them the right to drill for oil in public lands immediately adjacent to the Teapot Dome naval reserve No. 3. The amount of public oil lands which he thus leased to private interests aggregated 14,000 acres, which is 5,000 acres greater in extent than the Teapot Dome naval reserve itself. One of the principal beneficiaries of these leases was the Wyoming Associated Oil Corporation. Of the 14,000 acres leased by Secretary Payne, this company received about 4,200 acres. Its president was John T. Barnett, of Denver, Democratic national committeeman at that time.

DANIELS AND PAYNE LEASED WITHOUT BIDS OR RESTRICTION

The official records of the Navy Department and the Department of the Interior also disclose the fact that Secretary Daniels and Secretary Payne leased naval oil reserve to private corporations without public advertising and also without any restriction whatever as to the number of wells that might be drilled. The files of those departments show that the lease made to the Boston-Pacific Oil Co. to operate on section 32 of the naval oil reserve No. 2 was made at a private conference between the representatives of the oil company and the Navy Department. The records show that the maximum royalty obtained out of this lease was 25 per cent, as against a maximum royalty obtained by the Republican administration of 35 per cent from the Doheny lease.

The files of the Navy Department also show that Secretary of the Navy Daniels and Secretary of the Interior Payne in January, 1921, leased 120 acres of section 28 of the naval oil reserve No. 2 to the Consolidated Mutual Oil Co., and that this land was leased without restriction to the number of wells that might be drilled by that corporation. The files also show that the maximum royalty provided under this lease was 25 per cent, as against 35 per cent under the Doheny lease.

In contrast to this, the Teapot Dome lease to Mr. Sinclair was made after competitive bidding. The records of the Department of the Interior and the records of the hearings before the Senate Committee on Public Lands show that five companies were invited to bid on the naval oil reserve No. 1, namely, the Standard Oil Co. of California, the Associated Oil Co., the Pan-American Petroleum & Transport Co., the General Petroleum Co., and the Pacific Oil Co. Three of these companies invited to bid submitted bids, namely, the Standard Oil Co., the Associated Oil Co., and the Pan-American Petroleum & Transport Co. The bids of these three companies are on file in the Department of the Interior.

When these facts were first set forth in answer to the libelous charges being made before the Senate Committee on Public Lands, known as the Walsh committee, they were denied in the public press by Mr. Daniels and Mr. Payne, as well as by Democratic leaders in both branches of Congress and elsewhere. As the records began to be cited and photostatic copies of them began to be circulated both Mr. Daniels and Mr. Payne admitted the facts which they had first denied, but explained their action by saying they gave no leases to private corporations except where it was necessary to protect the interests of the Navy and to stop drainage of naval reserves by private corporations.

That is a fact. Their action was perfectly justified, but the point is that Secretary Denby, in granting leases on naval oil reserves, had the same justification and did so for the same reason.

OIL GONE WHEN DENBY CAME IN OFFICE

There is, however, this difference: When Secretary Daniels came into office and the Department of the Interior was under Secretary Lane the drainage of the naval oil reserves was not serious, although it had commenced. This is proved by an identical letter which Secretary Lane wrote on August 1, 1917, to Secretary of the Navy Daniels, Secretary of War Baker, Secretary of Labor Wilson, Secretary of Commerce Redfield, and Secretary of Agriculture Houston, pointing out that the naval oil reserves were beginning to be drained by private oil wells and suggesting that to stop this the naval reserves should be leased. Notwithstanding this documentary proof that the Cabinet of the Democratic administration knew of the menace of drainage of naval oil reserves, Secretary Lane and Secretary Payne, with the knowledge and the consent of Secretary Daniels, went ahead increasing the number of leases to private corporations to drill wells that would necessarily drain the naval reserves.

As a result of this action of the Democratic administration, Secretary Denby entered office to find that 60 per cent of naval oil reserve No. 2 was privately owned and drilled, that no part of naval oil reserve No. 1 was over 2 miles from private wells busy draining it, and that 70 per cent of the oil in Teapot Dome Reserve was being drained by private corporations. Therefore, if, as was the case, Secretary Daniels and Secretary Payne found it necessary to lease naval oil reserves to private corporations in order to stop drainage, how much more necessary was it for Secretary Denby to do so when he came into office finding those reserves jeopardized by the liberality and prodigality of his predecessors in the matter of making private leases!

WALSH COMMITTEE ADMITS FALSITY OF CHARGES

In passing, it should be noted that in the closing days of the last session of Congress, Senator WALSH of Montana, member of the Public Lands Committee of the Senate, and all of his Democratic associates on that committee, and Senator LADD of that committee, elected to the Senate on a nonpartisan ticket, submitted to the Senate a report of the conclusions of the Public Lands Committee, which had been holding public hearings for nearly a year. It was this committee, known as the WALSH committee, which endeavored to the utmost to entangle the Republican administration in scandal in connection with the leasing of the public oil domains.

It was this committee, under the direction of Senator WALSH, which permitted itself to be made a medium through which the testimony of ex-convicts, train robbers, and other disreputable personages was introduced into the official hearings of the committee regardless of the recognized libel and utter falsity of the utterances.

It was this committee which rummaged the files of telegraph companies in an endeavor to find something to besmirch not only the occupant of the White House, but the office of the Chief Executive of the United States.

It was this committee which carefully introduced innuendo and slander against the former Secretary of the Navy, Edwin Denby, and it was Senator WALSH and other members of this committee who led the fight on the floor of the Senate to pass a resolution demanding that Secretary Denby resign.

It was this committee which spent thousands of dollars of the taxpayers' money to bring disreputable witnesses to Washington at the expense of the Government in order to listen to wild stories to the effect that the Republican National Convention of 1920 was controlled by corrupt oil interests and that the nomination of our late and beloved President was purchased like a piece of cheap merchandise.

Throughout the winter this committee played up to the sensational headliners and professional scandal-mongers of the country in an endeavor to make the people believe that the Republican administration and that the officials of the Government were corrupt and were betraying the public interests.

It is of especial significance, then, that when the conclusions of the Democratic members of this committee were ready to be filed that they did not dare sign their names to an official report giving any credence or countenance to any of the slander and innuendo which they had permitted to stalk through the pages of their committee's record. The report, notwithstanding they had hounded Secretary Denby from office, completely exonerated him, and also completely exonerated Assistant Secretary Roosevelt of any wrongdoing in connection with any naval oil leasing. It completely exonerated all public officials connected with this Republican administration of any wrong connection or dealings in relation to the oil leases. It admitted that there was not the slightest ground for the charge that there was corruption in connection with the Republican National Convention of 1920 and the nomination of Warren G. Harding as the Republican candidate for President. It even admitted that there was no proof that the money Doheny paid to former Secretary Fall was paid to him in the form of a bribe. About the only prominent personage this report did not exonerate of the charges made against him before the committee was William G. McAdoo, whom the facts prove to have been on the pay roll of Mr. Doheny, selling his political influence as a son-in-law of a former President and a former Cabinet officer, and that he remained on the pay roll of Mr. Doheny until his exposure before this committee compelled him to resign for fear that his continuation with Mr. Doheny would injure his chances as the Democratic candidate for the nomination for President. So much for the "scandal" which the Democratic Party says it will make one of the issues of the approaching campaign.

PEOPLE HAVE FAITH IN COOLIDGE'S INTEGRITY

As to the guilt or innocence of parties connected with the leasing of public oil lands, the American people will agree with the statement of President Coolidge that "the determination of criminal guilt is a function of the courts." The people of the country have confidence in President Coolidge to enforce the law, to protect public interests, and to carry out his pledges made in a public statement January 27:

> If there has been any crime, it must be prosecuted. If there has been any property of the United States illegally transferred or leased, it must be recovered. I feel the public is entitled to know that in the conduct of such action no one is shielded for any party, political, or other reason. * * * If there is any guilt, it will be punished; if there is any civil liability, it will be enforced; if there is any fraud, it will be revealed; and if there are any contracts which are illegal, they will be canceled. Every law will be enforced and every right of the people and the Government will be protected.

No other nation in the world has so liberally provided for its defenders as has the United States. Up to July 1, 1924, the Federal Government has expended for pensions, exclusive of any aid, compensation, or insurance to World War veterans, the sum of $6,841,356,621. Of this sum, Civil War veterans have received over $6,000,000,000 and Spanish-American War veterans, under pension laws passed by the Republican Congress in 1922, have received over $110,000,000. More pensions have been paid each year of the last five fiscal years under legislation enacted by Republican Congresses than in any previous year in the history of the United States. The disbursements of pensions during the last five fiscal years, exclusive of aid, compensation, or insurance to World War veterans, have been as follows:

| | |
|---|---|
| 1920 | $213,295,311 |
| 1921 | 258,715,842 |
| 1922 | 253,807,583 |
| 1923 | 263,042,509 |
| 1924 | 235,000,000 |

The veterans of no other war engaged in by the United States Government were ever provided for as liberally as the veterans of the World War are being provided for by the Republican Party.

The Republicans came into control of Congress November, 1918. The first session of the Republican Congress then elected began May, 1919. From that time dates practically all Federal appropriations and legislation in behalf of World War ex-service men of the United States. Since that time—a period of a little over five years—the Republicans in Congress have appropriated more money for the relief of the World War veterans than was ever appropriated in any previous 15-year period for pensions and relief of all kinds for the veterans (their families, widows, or dependents) of all previous wars (including the Civil War) engaged in by the United States.

BILLIONS FOR WORLD WAR VETERANS

Up to July 1, 1924, there have been congressional appropriations for ex-service men of the World War in the sum of $2,774,370,240. This sum does not include any of the money which will be expended under the provisions of the "soldiers' bonus" or adjusted compensation act, enacted in May, 1924. The appropriations are itemized as follows:

| | |
|---|---|
| Compensation claims (to ex-service men and their dependents) | $758,600,000 |
| Vocational training | 678,866,370 |
| Hospitalization | 315,233,112 |
| Hospital construction | 48,895,000 |
| Allowances and allotments (to ex-service men) | 298,615,000 |
| Insurance | 214,235,000 |
| Bonus allowance (act passed February 24, 1919, voting $60 to every enlisted man) | 237,979,340 |
| Administration | 196,946,418 |
| Payment of claims | 25,000 |
| Total | 2,774,370,240 |

Of this amount, $2,253,220,439 has been appropriated since the Republican Party came into control of Congress May 19, 1919. It includes the appropriation of $349,065,000 made by the Congress, just adjourned, for the Veterans' Bureau during the fiscal year beginning July 1, 1924. With the single exception of the items of interest on the public debt and the sinking fund for reduction of the public debt, this is the largest single appropriation made by the Congress for any department or function of the United States Government.

REPUBLICAN CONGRESS LIBERALIZES VETERAN LAWS

In addition, the first session of the Sixty-eighth Congress, just adjourned, authorized the expenditure of $8,000,000 for new hospital construction, $350,000 for the establishment of a school for blind ex-service men, and $548,000 for the erection of permanent stone crosses in overseas cemeteries.

It enacted the Reed-Johnson bill, bearing the name of Senator REED, Republican, of Pennsylvania, and Representative JOHNSON, Republican, of South Dakota, liberalizing the laws affecting disabled World War veterans and their dependents. By the terms of this last act increased benefits will accrue to over 118,000 disabled World War veterans and their dependents at an increased cost of approximately $30,000,000 a year to the Government. The act provides that free hospital treatment will be given any veteran who has seen service since April, 1917—this includes all Spanish-American War veterans—regardless of whether his sickness or disability was contracted while in service or not. It also extends the time from three to six years in which ex-service men exhibiting tubercular symptoms or neuropsychiatric trouble may be presumed to have contracted the same while in service and entitled to hospital treatment and compensation. The act also provides a special compensation of $150 a month for loss of both eyes and $200 per month for loss of both eyes and a limb, and provides that the loss of the use of limbs be declared equivalent to the actual loss of limbs, which entitles the patient to a permanent disability classification.

In addition, the Congress just adjourned enacted the "soldiers' bonus" or adjusted compensation act, which provides compensation for all World War veterans and for their dependents in certain cases in the basic amount of $1 a day for every day of home service and $1.25 for every day of overseas service. A maximum of 500 days is allowed in computing compensation due under this act. The bonus applies to all World War veterans up to and including the rank of captain in the Army and Marine Corps and lieutenant in the Navy. It also includes women who served as yeomen in the Navy and Marine Corps. The law provides that veterans whose compensation at the above rate amounts to $50 or less will be paid in cash, but the cash payments will not be distributed until after March 1, 1925. Dependents of deceased veterans whose compensation would have amounted to $50 or less likewise will be paid in cash. Ex-service men whose compensation is in excess of $50 will be given a 20-year endowment paid-up life insurance policy.

The value of this policy will be the equivalent of what the amount of the adjusted-compensation credit, plus 25 per cent, will purchase at regular insurance rates, based on 4 per cent interest compounded annually. All policies will be dated as of January 1, 1925. After two years from the date of the issuance of the policy the holder may borrow up to 90 per cent of its current face value. The loans on these policies may be made at any National or State bank. It is estimated the total cost of compensation under this act, together with the cost of administering it, will not be less than $3,500,000,000.

An appropriation amounting to $131,000,000 to pay for the first year's administration of the adjusted compensation act and the payment of the cash bonuses of $50 or less, as provided in the act, was carried in the second deficiency appropriation bill, which failed of passage in the closing hours of the last session of the Congress by reason of a filibuster conducted by Senator PITTMAN, Democrat, of Nevada.

PRESIDENT COOLIDGE PROVIDES FOR ADMINISTRATION OF BONUS LAW

Under the regular procedure this failure of the Congress to provide funds to carry into effect the bonus act would have resulted in a suspension of all activities in that direction until after the next session of the Congress convenes next December. Although the act was passed over his protest President Coolidge, believed that it, like every other law, should be executed in good faith without delay. He accordingly issued orders for emergency use of existing appropriations to carry out the provisions of the act. His Executive orders to this effect were contained in a letter dated June 13, 1924, which he addressed to General Hines, Director of the Veterans' Bureau; Secretary Weeks, of the War Department; and Secretary Wilbur, of the Navy Department, the three departments which have charge of the work preparatory to paying the bonus. The letter follows:

DEAR MR. SECRETARY: On May 19, 1924, Congress enacted into law the World War adjusted compensation act. Following the enactment of this law I submitted to Congress estimates for the funds necessary to meet the cost of its administration. These estimates were considered by Congress in framing the second deficiency bill, but this bill was not passed before the adjournment of Congress.

No funds have therefore been appropriated by Congress to enable you to do those things which the World War adjusted compensation act directs you to do.

The World War adjusted compensation act became a law over my protest. I am not willing, however, to let the administration of this law remain practically in abeyance until Congress again convenes simply because I would be justified under existing conditions in so doing.

Rather do I regard this law as imposing certain obligations upon the executive branch of the Government which do not permit of delay in performance.

If this law is to be carried into effect so as to permit of the cash payments being made within a reasonable time after March 1, 1925, as contemplated by it, and if the other provisions of the law are to be given reasonably prompt administrative action, it is essential that the application forms and instructions pertaining thereto be placed in the hands of the veterans and dependents without delay. Arrangements have previously been made for the printing of these forms and they are now ready for distribution.

It is equally as essential that when the completed applications are received from the beneficiaries of the law they be given the administrative action which the law prescribes. Otherwise your department will become the storehouse of millions of applications which can receive little or no attention until Congress convenes next December and makes an appropriation of the funds necessary to give them administrative action. The same situation, though to a modified degree, will obtain in the Navy Department.

Action has already been taken to give you sufficient additional personnel with which to distribute the application and instruction forms and to meet the administrative action which will be required in the completed applications which may be received from the beneficiaries of the law during the remainder of this fiscal year.

This leaves for consideration the matter of meeting the administrative requirements of the law for the first six months of the next fiscal year, which involves not only your department but the Navy Department and the United States Veterans' Bureau.

To meet these requirements I am to-day instructing the Director of the Veterans' Bureau to apportion his appropriation for salaries and expenses and his appropriation for printing and binding, fiscal year 1925, so as to make available for the six months commencing July 1, 1924, the following amounts for the administration of the World War adjusted compensation act, namely, War Department, salaries and expenses, $1,800,000, and printing and binding, $14,000; Navy Department, salaries and expenses, $250,000, and printing and binding, $7,700.

Your requisition for personnel, supplies and equipment, and printing and binding will be forwarded to the Director of the United States Veterans' Bureau, who will honor it to the extent of the amount herein mentioned.

It is my desire that your requisitions be kept to a minimum consistent with efficient and proper administration, and that so far as possible your requirements for supplies and equipment be obtained from the surplus stocks of the General Supply Committee and from any available War Department stocks. I am to-day advising the Secretary of the Navy of the arrangement set forth in this letter.

Sincerely yours,

CALVIN COOLIDGE.

REPUBLICANS CREATE VETERANS' BUREAU

The Republican Party has done far more for the ex-service men than merely appropriating money to be expended in their behalf. Of vastly greater importance than the appropriation of money was the coordination, under the Sweet Act, of all the Federal agencies dealing with the ex-service men into one organization known as the Veterans' Bureau. Following the creation of the Veterans' Bureau there was a gradual reform in the manner of handling of matters relating to ex-service men which has resulted in making easy, expeditious, and inexpensive the dealings of an ex-service man with his Federal Government.

That this is being done economically under the present management of the Veterans' Bureau and that money appropriated by the Congress for relief of ex-service men is being used for the purposes appropriated is proved by the following analysis of the distribution of the money appropriated by the Congress

for the Veterans' Bureau. Every dollar appropriated is distributed as follows:

| | Cents |
|---|---|
| Vocational training | 28 |
| Compensation | 26 |
| Insurance | 25 |
| Medical and hospital services | 12 |
| Salaries (including those of 27,000 employees of the Veterans' Bureau) | 6 |
| Rentals and other administrative expense | 3 |

To sum it up, the program of Federal aid to ex-service men, all of which has been put into effect by the Republican Party, the money for which has been appropriated by Republican Congresses, and which is under the direction of the present Republican administration, may be stated as follows:

(1) Over 400,000 ex-service men have received hospital treatment, 23,000 ex-service men are now receiving hospital treatment, over 1,000,000 ex-service men have been called for examination in order to ascertain if they are entitled to hospital or medical treatment.

(2) Over 173,000 ex-service men have entered vocational training; approximately 54,392 are now receiving such training, and 150,000 more have been declared eligible to receive such training.

(3) Over 100,000 medical examinations are being made free every month in order to ascertain the physical and mental treatment needed by afflicted ex-service men.

(4) Disbursements direct to disabled ex-service men or their dependents are being paid out at the rate of in excess of $800,000 in cash every day of the year, including Sundays.

(5) Free medical treatment is being given 20,000 ex-service men every month outside of hospitals in cases where confinement in a hospital is not necessary for proper medical treatment.

(6) Over 200 new claims are being handled every day by the Veterans' Bureau, and all work in that bureau is being conducted practically up to date at a minimum loss of time to all parties concerned and at a minimum expense both to the Government and to the ex-service men.

(7) An insurance business for over 561,000 ex-service men is being conducted by the Government without any cost of administration to the ex-service men at premium rates far below those which private companies charge for like policies.

The Republicans since they have come in control of Congress in April, 1919, have appropriated $364,128,000 for hospital work and hospital construction for ex-service men. As a result of these appropriations and the program of hospitalization carried out under the Republican administration since March, 1921, the United States to-day has the most up-to-date, scientific, and humanitarian system of hospitalization in existence. According to the records of the United States Veterans' Bureau as of April 24, 1924, there were 18,137 former ex-service men in hospitals under control of the United States Government, and there were 5,156 occupying beds in civil and State hospitals. The Veterans' Bureau operates three classes of hospitals—general, tuberculosis, and neuropsychiatric. The following is a list of hospitals owned and operated by the Veterans' Bureau, together with the location, classification, and capacity of each:

*United States Veterans' Bureau hospitals*

| Location | Beds available | | | |
|---|---|---|---|---|
| | General | Tuberculosis | Neuropsychiatric | Total |
| West Roxbury, Mass | | | 248 | 248 |
| Rutland, Mass | | 127 | | 127 |
| Northampton, Mass | | | 621 | 621 |
| New Haven, Conn | | 483 | | 483 |
| Bronx, New York, N. Y | | | 707 | 707 |
| Tupper Lake, N. Y | | 358 | | 358 |
| Philadelphia, Pa | | | 162 | 162 |
| Washington, D. C | 116 | 52 | 32 | 200 |
| Federal Park, Md | | | 599 | 599 |
| Greenville, S. C | | 400 | | 400 |
| Atlanta, Ga | 106 | 18 | 10 | 134 |
| Oteen, N. C | | 1,233 | | 1,233 |
| Augusta, Ga | | | 324 | 324 |
| Lake City, Fla | 241 | 3 | 5 | 249 |
| Memphis, Tenn | 118 | 30 | 15 | 163 |
| Alexandria, La | 1 | 249 | | 250 |
| Gulfport, Miss | | | 465 | 465 |
| New Orleans, La | 151 | 12 | 38 | 201 |
| Tuskegee, Ala | | 302 | 297 | 599 |
| Fort Thomas, Ky | 72 | 20 | 54 | 146 |
| Dawsonsprings, Ky | | 418 | | 418 |
| Chillicothe, Ohio | | | 452 | 452 |
| Waukesha, Wis | | | 273 | 273 |
| Dwight, Ill | 215 | 7 | 1 | 223 |
| Maywood, Ill | 465 | 222 | 217 | 904 |
| Battle Creek, Mich | | | 527 | 527 |
| Knoxville, Iowa | | | 456 | 456 |
| Kansas City, Mo | 63 | 36 | 23 | 122 |
| Jefferson Barracks, Mo | 207 | 76 | 53 | 336 |
| Excelsior Springs, Mo | | 125 | | 125 |
| St. Paul, Minn | 230 | 63 | 66 | 359 |
| Minneapolis, Minn | | 271 | | 271 |
| St. Cloud, Minn. (86 per cent complete) | | | 262 | 262 |
| Helena, Mont | 59 | 214 | 25 | 298 |
| Fort Bayard, N. Mex | 4 | 988 | | 992 |
| Las Animas, Colo | 1 | 498 | | 499 |
| Fort McKenzie, Wyo | 1 | | 314 | 315 |
| Palo Alto, Calif | | 234 | 539 | 773 |
| Prescott, Ariz | | 903 | | 903 |
| Tucson, Ariz | | 287 | | 287 |
| Arrowhead Springs, Calif | 164 | | 10 | 174 |
| Camp Kearney, Calif | | 525 | | 525 |
| Boise, Idaho | 144 | 74 | 31 | 249 |
| Tacoma, Wash | 80 | 107 | 122 | 309 |
| Portland, Oreg | 102 | 14 | 6 | 122 |
| Walla Walla, Wash | | 208 | | 208 |
| American Lake, Wash | | | 306 | 306 |
| North Little Rock, Ark | | | 273 | 273 |
| Muskogee, Okla | 261 | 40 | 26 | 327 |
| Legion, Tex | | 393 | | 393 |

In addition to the above hospitals operated by the Veterans' Bureau are the beds which have been made available for ex-service men by the War Department, the Navy Department, and the national soldiers' homes, as mentioned above.

Construction of additional hospitals by the United States Veterans' Bureau is under way at several points. A 400-bed tuberculosis hospital is being constructed at Chelsea, N. Y.; a 268-bed tuberculosis hospital at Livermore, Calif.; and a 200-bed tuberculosis hospital at San Fernando, Calif. The neuropsychiatric hospital listed above at North Little Rock is being enlarged by 327 beds, and the hospitals listed above at Augusta, Ga., and New Orleans, La., are being enlarged by 290 beds and 160 beds, respectively. The site has been purchased for a 165-bed general hospital at Memphis, Tenn.

During the last year these various hospitals under the direction of the Veterans' Bureau handled a total of 78,914 patients. In addition they operated dispensaries and outpatient clinics, giving 89,517 treatments and 55,000 examinations.

FINEST SYSTEM OF REHABILITATION IN THE WORLD

The termination of the World War left a most serious problem for our Government to solve. Thousands of soldiers who before the war were capable of caring for themselves were left incapacitated. The task of rehabilitating these disabled ex-service men has been assigned to the Veterans' Bureau. It has built up the finest system of vocational education and training in the world.

The bureau has made use of the best educational facilities available to every section of the country and in addition has established schools and training facilities of its own. In still other cases it has cooperated with local authorities to modify courses in institutions not under its control. Unlike older vocational methods, the bureau's system aims at a specific employment for a specific man, instead of training men blindly, hoping that they may fit into some niche in the working world. The bureau provides such facilities as will most fully meet the requirements of the disabled man. It determines how much and what knowledge he already possesses. It then provides him with additional information and skill to enable him to do well the particular work for which he is to be trained. This may include training in State universities, colleges, technical institutions, trade schools, or commercial schools. In any event each disabled ex-service man is given individual attention and intensive individual training.

So little of this work was done under the Democratic administration that it may be truthfully stated all of the vocational training and rehabilitation work now being carried on in behalf of ex-service men is solely the product of the Republican policy.

The original bill creating vocational training facilities for ex-service men was introduced by Representative FESS, Republican, of Ohio, now United States Senator from that State, while the Democratic Party was still in control of Congress. Beyond the passage of the bill, the Democratic Congress did nothing. The Republican Congress, elected in November, 1918, appropriated $127,000,000 for vocational and rehabilitation work.

Up to July 1, 1921, only 5,050 men had been given training and discharged as rehabilitated. Since that time, a period of three years, the vocational and rehabilitation agencies of the Government, under Republican administration, have trained and discharged as rehabilitated 63,514 men, at the rate of 21,000 a year.

To April 1, 1924, 644,242 former service men had applied for vocational training. Of this number 329,659 were declared eligible. Of these 172,763 have entered training. Of this number 68,624 have completed their training and 57,511 are undergoing training. Of those in training 26,076 are in schools and colleges, 24,539 are in placement training, 4,264 in project training, and 2,632 are in the Veterans' Bureau vocational schools. Analyzed as to their training, 13,745 are pursuing courses, 24,850 trades and industries, 7,640 agricultural courses, 10,635 professional courses, and 641 fundamental courses. Resident vocational schools are being operated by the Veterans' Bureau at Evergreen, Md.; Pascagoula, Miss.; San Antonio, Tex.; Pocono, Pa.; Bellevue, Nebr.; Chillicothe, Ohio; Chicak Springs, S. C.; and Federal Park, Md. During the course of his training, which is at the Government's expense, the ex-service man is also allowed a monthly salary to provide for his living until he has completed his course.

EMPLOYMENT SERVICE OF VOCATIONAL TRAINING BUREAU

The Veterans' Bureau is now graduating these men at the rate of 3,000 a month. It feels that it is quite as much a part of its task to find employment for the rehabilitated ex-service men as it is to give them training. Very positive progress has been made in the employment phase of the rehabilitation work, especially during the past year. On March 31, 1924, after a total of 53,103 case had been referred to the employment service of the Veterans' Bureau there were but 1,102 rehabilitated men who were classified as "not in employment." It should be noted that under this classification are included those who "do not desire employment," and those who are sick.

Finding a position for a rehabilitated ex-service man is not an idle phrase or a gesture with the Veterans' Bureau. It does not consist merely in finding him a job and then leaving him to work out his own salvation. The employment service of the bureau maintains a follow-up system whereby a man is not listed as "employed" until he has shown for a period of four months that he is able to fill a position. The figures for employment, then, are bona fide figures, and not merely the number of men for whom "jobs have been found."

As to the practical value of the vocational training for ex-service men, statistical studies made of "unpicked" 38,000 rehabilitated ex-service men now employed show that they are earning more than they did before they received their disabilities or handicaps in service for their country. This is a remarkable tribute to the efficiency of the vocational and rehabilitation work carried on by the Government under the policies and the administration of the Republican Party.

The Veterans' Bureau, under its present administration, gives to every person disabled to a degree of 10 per cent or more in military service medical or surgical attention made necessary by the disability; also every person who, in the opinion of the bureau, has suffered a vocational handicap because of his disability is automatically placed in the list of those entitled to receive vocational education. Under the administration of Director Hines of the Veterans' Bureau, a rule has been made giving to ex-service men having temporary partial disability the rating of a permanent partial disability. The effect of this order has been to reduce the number of medical examinations required of ex-service men, thus relieving them from needless trouble and expense. It has also reduced the personnel required in the bureau for constant reexamination and rerating of partially disabled ex-service men. Under the ruling, the permanent rating is permitted to stand without further change for a period of two years unless the claimant, of his own volition, requests a reexamination.

In addition to legislation in connection with the Veterans' Bureau, the Republican Congresses since the armistice have enacted other laws in behalf of the ex-service man. Some of these are as follows:

Granting of preferred rights to ex-service men in homestead interests; authorization permitting absence at homestead entries of all ex-service men who are being treated by the Government for disability incurred in line of duty; appropriation of approximately $50,000,000 for bringing home from France the remains of ex-service men; the provision for transportation home from Europe of ex-service men who were discharged in Europe and who have since become destitute; creation of a committee to revise and codify all World War veteran legislation; authorization of a survey of all hospitals, homes, and institutions utilized for and by ex-service men of all previous wars; Federal incorporation of blind veterans of the World War.

ADMINISTRATIVE ACTS FAVORING EX-SERVICE MEN

In addition the Republican administration has continually exhibited a keen and abiding interest in seeing that all ex-service men are given preference in the Federal employment. President Harding set the example by issuing an Executive order providing for the addition of 5 points to the grade of any ex-service man who took examination for appointment in civil service. He also issued an Executive order prohibiting the dismissal from Government employment of any ex-service man whose record as a Government employee is good. This order enables ex-service men to hold their positions in the various Federal departments and bureaus while thousands of other civilian employees are being dismissed in the process of reducing the Government pay rolls to a peace basis.

The personnel of the Veterans' Bureau furnishes a striking illustration of the effect of this policy. Fifty-two per cent of the male employees in the central office of the Veterans' Bureau are ex-service men. The percentage of ex-service men in other Federal departments at Washington is not as high as that of the Veterans' Bureau, but, due to the preference shown the World War veterans, the percentage is constantly increasing. In the Post Office Department there have been 2,102 presidential postmasters named from the ranks of ex-service men since March 4, 1921.

Turning to State legislation one finds the record of the Republican and Democratic Parties in dealing with ex-service men forming as great a contrast as their record in connection with Federal administration and legislation. Since the armistice the legislatures of 22 States have definitely provided for the payment of cash bonuses to ex-service men. Those legislatures were Republican and the States are known as Republican States. The following is a tabulation of State bonuses authorized by the State legislatures, together with the basis of the computation:

| | |
|---|---|
| Illinois: Fifty cents for each day of military services, with a maximum of $300 | $55,000,000 |
| Iowa: Fifty cents for each day of service, with a maximum of $350 | 22,000,000 |
| Kansas: One dollar for each day of military service | 25,000,000 |
| Maine: Provides for payment of $100 for each ex-service man | 3,000,000 |
| Massachusetts: Paid a cash bonus of $100 to each ex-service man; also a bonus of $10 a month was paid for service from Feb. 3, 1917, to Jan. 15, 1918 | 32,000,000 |
| Michigan: Fifteen dollars for each month of military service | 30,000,000 |
| Minnesota: Fifteen dollars for each month of military service | 23,000,000 |
| Missouri: Ten dollars for each month of military service | 15,000,000 |
| New Hampshire: A flat payment of $100 to each ex-service man | 1,500,000 |
| New Jersey: Bonus of $10 for each month of military service, with a maximum of $100 | 12,000,000 |
| New York | 45,000,000 |
| North Dakota: Paid $25 for each month of service, to be used for certain definite purposes | 11,000,000 |
| Ohio: Ten dollars for each month, with a maximum of $250 | 32,5000,000 |
| Oregon: Fifteen dollars a month for each month of service, with a maximum of $500 | 30,600,000 |
| Rhode Island: Cash bonus of $100 to each ex-service man | 2,500,000 |
| South Dakota: Basis of pay $15 for each month of service, with a maximum of $400 | 6,000,000 |
| Vermont: Ten dollars for each month of service, with a maximum of $120 | 1,500,000 |
| Washington: Fifteen dollars for each month of service | 12,500,000 |
| Wisconsin: Ten dollars for each month of service, with a minimum of $50; in lieu of bonus, veterans may choose educational benefits of larger amounts | 2,000,000 |
| Grand total | 380,600,000 |

In the following States the legislatures have provided for bonus for ex-service men, which legislative provision has been submitted to a referendum:

Colorado, $8,000,000.
Pennsylvania, $35,000,000.

The Montana Legislature enacted a bonus law carrying an appropriation and bond issue of $4,500,000. It was declared unconstitutional by the Montana courts. The succeeding legislature enacted a resolution to amend the constitution so as to provide for a bonus. The amendment is now before the State to be voted upon at the next general election.

REPUBLICAN STATES TAKE CARE OF THEIR EX-SERVICE MEN

In the above list of States providing for a bonus New York is included. The New York Legislature voted $45,000,000 and authorized a bond issue. The New York courts declared it unconstitutional. The legislature then provided for a referendum on an amendment to the constitution to permit a bonus, and the voters passed favorably upon the amendment.

This makes a total of $427,000,000 in cash bonuses which have been voted ex-service men by Republican legislatures of Republican States. In addition, the Republican Legislature of the Republican State of California provided for the issuance of $10,000,000 in bonds to be administered by the Veterans' Welfare Finance Commission. The money is to be expended for ex-service men and their dependents, providing educational and vocational aid and financial assistance for the purchase of farms and homes.

But the voting of cash bonuses is not the only or even the most important legislation enacted by the Republican State legislatures for the benefit of ex-service men. According to data compiled from the American Legion Weekly and from the annual report submitted to the convention of the American Legion at San Francisco, the following State aid—exclusive of any State bonus—has been extended ex-service men by the several States:

Twenty-one Republican States have by law granted ex-service men preference in public employment. These northern Republican States are California, Colorado, Connecticut, Illinois, Indiana, Iowa, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New York, Oregon, Rhode Island, South Dakota, Washington, and Wisconsin. No southern Democratic State has enacted such a law.

Eleven northern Republican States have enacted legislation exempting ex-service men from poll and property taxes. They are Connecticut, Iowa, Maine, Massachusetts, Oregon, New Hampshire, New Jersey, New Mexico, North Dakota, South Dakota, and Wyoming. Only three southern Democratic States—Oklahoma, Texas, and South Carolina—have enacted such legislation.

Fourteen northern Republican States have provided for educational aid for ex-service men. They are California, Colorado, Illinois, Indiana, Iowa, Maine, Minnesota, Nebraska, New York, Ohio, Oregon, South Dakota, Utah, and Wisconsin. Only three southern Democratic States have made such provision—Kentucky, South Carolina, and Tennessee.

Four northern Republican States have enacted laws which provide for financial assistance to ex-service men wishing to buy homes. They are Arizona, California, Oregon, and South Dakota. No Democratic State has made such a provision.

Ten Republican States have enacted legislation providing financial assistance to ex-service men wishing to settle on land, to buy and equip farms. They are Arizona, California, Colorado, Idaho, Minnesota, New Mexico, Oregon, South Dakota, Washington, and Wyoming. One Democratic State—North Carolina—has such a provision.

Sixteen northern Republican States have made provision for State relief for needy ex-service men and their dependents. This is exclusive of any bonus legislation. They are Connecticut, Idaho, Maine, Massachusetts, Minnesota, Montana, Nebraska, New Hampshire, New York, Ohio, Oregon, Rhode Island, South Dakota, Washington, West Virginia, and Wisconsin. Two southern States—Oklahoma and Tennessee—make such a provision.

Eight northern Republican States make provision for assisting ex-service men to find employment. They are Illinois, Indiana, Massachusetts, Missouri, Nebraska, Nevada, New Jersey, and Washington. Only one southern Democratic State—North Carolina—makes such a provision.

Ten northern Republican States have established welfare commissions or boards to assist ex-service men and their dependents in many ways. They are California, Idaho, Iowa, Minnesota, Montana, Nebraska, Oregon, Rhode Island, Washington, and Wisconsin. Two Democratic States—Georgia and Oklahoma—have made such provision.

Eighteen northern Republican States have by legislation provided for the admission of ex-service men to State or public hospitals with free treatment. They are Arizona, California, Connecticut, Illinois, Indiana, Iowa, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New York, Ohio, Oregon, Pennsylvania, Utah, Washington, and Wyoming. Only three southern Democratic States—Maryland, Oklahoma, and Texas—make such provision.

Three northern Republican States make provision for loaning funds to needy ex-service men. They are Oregon, South Dakota, and Washington. No southern Democratic State makes such provision.

Two northern Republican States, in addition to providing a bonus for all ex-service men and State aid to needy ex-service men and their dependents, also provide a State pension for ex-service men made blind by reason of their service. These two States are New York and New Jersey.

DEMOCRATIC SOLID SOUTH DOES NOTHING FOR EX-SERVICE MEN

It will be noted that with rare exceptions no State in the Democratic "solid South" has enacted any legislation lending any material assistance to ex-service men or according them any recognition or preference in public employment. The four Democratic States of Alabama, Arkansas, Georgia, and Mississippi have done nothing for the ex-service men. The only legislation of any character which Alabama, represented in the Senate by Senators HEFLIN and UNDERWOOD and in the House by such leaders as HUDDLESTON, has enacted has been to exempt ex-service men from having to pay a license in order to practice medicine. The State of Arkansas is represented in the Senate by JOSEPH T. ROBINSON, floor leader of the Democratic minority, and THADDEUS CARAWAY. This State has done nothing for the aid, relief, or recognition of its ex-service men. The State of Georgia has exempted ex-service men from having to pay a license to peddle. Mississippi, represented by PAT HARRISON, the keynoter of the Democratic National Convention, has made but one provision for its World War veterans; it records their discharge papers without any charge. Yet in each of these States there have been at least two regular sessions of the State legislature since the close of the war, and in all but two there have been three sessions.

While the need of the World War veterans have naturally been emphasized since the armistice, legislation affecting other veterans of the United States has not been neglected. The Republican Congress elected in 1918 enacted a law May 1, 1920, revising and equalizing pension rates to veterans of the Civil War and previous wars, together with their dependents, widows, and orphans. This legislation greatly liberalized the Civil War pension act. One of its provisions granted $72 a month to Civil War veterans helpless or blind or so nearly helpless as to require regular personal attendants. During the first year this amendment was in effect 39,000 Civil War veterans applied for the $72 rate. The administration of this Republican law was handicapped by the Democratic pension officials in that they ruled that the $72 pension should be granted only from date of the certificate of medical examination by the regular board of surgeons. The effect of this was to penalize Civil War veterans because of the slowness of the Pension Bureau in making medical examinations. As soon as the Republican administration came into power March, 1921, this ruling was set aside under an order of the Secretary of the Interior dated April 25, 1921. This new ruling provided that all Civil War veterans entitled to a $72 rate under the law should have their pension paid from the date of their application for the increased rate.

REPUBLICANS PROVIDE SPANISH-AMERICAN WAR PENSIONS

The Republican Congress elected in 1918 also enacted June 5, 1920, the first Spanish-American War pension act, known as the Sells bill, because it was introduced by Representative Sells—Republican—of Tennessee. This provided a pension of not less than $12 nor more than $30 a month to all persons who had served 90 days or more in the military or naval service of the United States during the war with Spain, the Philippine insurrection, or the Boxer revolution. The Sixty-seventh Congress, under the act of September 1, 1922, liberalized the Spanish-American War pension by including pensions to widows and minor orphans of deceased Spanish-American War veterans as well as their dependent parents.

On May 3, 1922, the Sixty-seventh Congress enacted legislation which provided that all pensions should be paid monthly after September 4, 1922, instead of quarterly, as heretofore. The Pension Bureau, under the administration of Secretary Work, has still further liberalized this law, issuing an order which does away with the necessity of the execution of vouchers preliminary to the issuance of pension checks. The cost of having to prepare these vouchers in many cases amounted to a full month's pension. In addition a great many widows and disabled veterans found it practically impossible to comply with the regulations, as it frequently necessitated monthly travels of considerable distance. Under the present ruling vouchers are required only where the pension is to be paid to some other than the pensioner. The Pension Bureau under the present administration has also been so reorganized as to speed up the mailing of the 520,000 monthly pension checks, with the result that pensioners are receiving their checks from 24 hours to 1 week sooner than previously.

PENSION RULINGS LIBERALIZED

During the past two years of the Republican administration the Pension Bureau, under the orders of the Secretary of the Interior, has made several important modifications in practices and rulings, with the result that pensionable rights have been conferred upon hundreds of veterans who formerly had been

denied pensions through narrow and technical construction of the laws. Criticisms of the Pension Bureau which existed throughout the Democratic administration because of the narrow, restricted, and technical interpretations of pension laws which worked to the injury of the soldiers of the Civil and Spanish-American Wars and their widows have given way to a feeling of confidence in the Pension Bureau among all those with whom it deals.

THAT "DO-NOTHING CONGRESS" PIECE OF FICTION

Our Democratic critics are still reiterating the falsehood that the Republicans in Congress have done nothing under this administration. The following is an enumeration of some of the principal laws enacted by the Republicans in Congress since the inauguration of the Republican administration in March, 1921, the Congress being called in special session in April, that year. The record will bear out the statement that no American Congress in times of peace ever enacted so much helpful, fundamental, constructive legislation. First in importance and almost first from the standpoint of chronology was the enactment of the Budget law, which created the Budget Bureau and armed it with authority to do what it has done. In view of the fact that the bulletin put out by the Democratic National Committee for Democratic Women's Clubs has claimed that the Budget system now in operation is of Democratic origin, it might not come amiss to state in a few words the facts regarding the Budget system.

The first concrete proposition for a Federal budget system was made by the Taft Commission on Efficiency and Economy. It was submitted to the Democratic Congress during the closing months of President Taft's administration. Its proposal was received by the Democrats in both the Senate and the House with violent denunciation. Not satisfied with denouncing the proposal for a Federal budget, Democratic House leaders inserted a paragraph in appropriation bills denouncing the Budget system and providing that none of the money appropriated by the Democratic Congress should be expended under the direction of such a system.

DEMOCRATS FOUGHT BUDGET SYSTEM

On March 4, 1913, President Wilson was inaugurated, and for six years the Democrats had control of both branches of Congress and all the executive offices of the Federal Government. During that period no attempt was made by the Democratic Congress to enact a budget law, and no effort was made by the Democratic Executive to install a budget system in the handling of their finances.

A Republican Congress was elected in 1918. That Congress enacted a Federal budget law practically identical with the Budget which is now on the books and in successful operation. President Wilson vetoed it.

There were 191 Democrats in the House at that time. Of this number only 36 votes in favor of the Budget and to override President Wilson's veto. Fifty-five refused to vote, and thus refused to go on record in favor of the Budget system. Among them were Representative THOMAS HEFLIN, of Alabama, now in the Senate, and Representative T. H. CARAWAY, of Arkansas, now in the Senate. An even 100 Democrats voted to sustain the President's veto and thereby put themselves directly on record as against the Budget. Among them was Champ Clark, of Missouri, Democratic leader at that time, and CORDELL HULL, of Tennessee, now chairman of the Democratic National Committee.

LIST OF ACTS OF "DO NOTHING" CONGRESS

To continue the list of laws enacted by the Republicans in Congress since March, 1921:

Created a foreign debt funding commission which has already closed an agreement with Great Britain for the payment of her debt of $4,800,000,000, which amounts to about 35 per cent of the total foreign loans.

Revised the War Finance Corporation and increased its power so that it could make loans to agricultural and livestock interests and provided it with a billion dollar revolving fund; twice extended the life of this reconstructed organization.

Created the Veterans' Bureau, which consolidated all governmental agencies dealing with ex-service men; appropriated over $1,000,000,000 for the use of this bureau; appropriated $17,000,000 for a hospitalization program; enacted a series of minor laws extending relief to ex-service men, such as giving them a longer time in which to file claims, and so forth.

Gave the Federal Government power over all foreign cable landings on American territory as a protection to American commercial interests.

Revised the Federal highway act and appropriated $75,000,000 for expenditure on public highways.

Passed an act regulating trading in grain futures which was declared unconstitutional; enacted a second law of this character, eliminating the unconstitutional features of the first act.

Passed a seed loan act for relief of farmers in drought-stricken areas in the Northwest.

Passed a resolution declaring an end to the state of war between Germany, Austria, and Hungary.

Voted an appropriation of $10,000,000 for the purchase of food to be sent to Russia for the relief of destitute.

Passed a series of laws giving leeway on payments due from those who had settled on irrigated or reclamation projects, who had purchased Indian lands, and who were using Government lands for grazing purposes.

Restrictive immigration act.

Emergency or farmers' tariff.

Maternity and infancy act.

Reduction of United States Regular Army to 125,000 men and reduction of United States Navy to 86,000 enlisted personnel.

Reorganized the Indian Bureau.

Reorganized Philippine fiscal conditions; extended to the Philippine government millions of extra credit and borrowing power in order to save the islands from complete bankruptcy due to maladministration under Democratic régime.

Edge Act, which facilitated organization of corporations wishing to engage in foreign trade.

Increased available funds of Federal farm loan bank by $25,000,000 and amended law regulating sale of Federal farm loan bank bonds so as to facilitate their marketing.

The Volstead Act, providing for enforcement of Federal prohibition amendment.

Packers and stockyards act, regulating handling of livestock in interstate commerce.

Fordney-McCumber permanent protective tariff.

An act authorizing the Interstate Commerce Commission to issue order providing for sale of highway mileage books at 20 per cent less than rates for single tickets.

Special appropriation to enable Department of Justice to prosecute war graft and frauds.

Legalized the formation of cooperative marketing associations on the part of producers.

Increased the Federal judiciary by 24 judges and provided for transfer of judges to relieve congestion in Federal courts.

Filled milk act.

Rural credits act.

Created a coal fact-finding commission.

Soldiers' bonus or adjusted compensation act.

Created commission to codify all laws pertaining to World War veterans.

Increased United States Coast Guard equipment and personnel for purpose of more rigidly enforcing the laws, particularly the prohibition laws, by stopping rum running or the smuggling of liquor into the United States.

Created a dairy bureau in the United States Department of Agriculture.

Provided for compensation of United States employees who are injured in line of duty.

Approved agreements reached by United States Foreign Debt Funding Commission with the Governments of Finland and Hungary.

Provided for the reorganization of Consular and Diplomatic Service.

Authorized the official participation of the United States in an international conference for the purpose of suppressing the opium and narcotic traffic.

Passed a joint resolution providing for an amendment to the Federal Constitution giving Congress the right and power to enact legislation prohibiting and regulating child labor.

In addition to the above, the United States Senate, as the coordinate treaty-making body of the United States, has made a record in respect to handling foreign treaties. It ratified peace treaties, formally bringing to a close the state of war between the United States, Germany, Austria, and Hungary. It ratified in less than 40 days the seven treaties formulated at the Washington Conference for Limitation of Armaments. All told, the United States Senate has since March, 1921, ratified 49 treaties which have been entered into between this Government and foreign powers.

AMERICANS HAVE PROGRESSED LONG WAY SINCE 1921

The American people have traveled a long way forward since March, 1921. During the last year, in striking contrast to the general depression which prevailed in all lines of activities three years ago, our industries were producing more than ever before in any period of peace, our mercantile interests were selling more, our railroads were transporting more, our industrial

workers were getting better wages and living better, the American people as a whole were enjoying more luxuries, buying more insurance, and putting more money in the savings banks than in any previous period since this Republic was founded.

This marvelous transformation has taken place under the Republican Party and because of its policies and administration. It has taken place because during the major portion of that time there was the utmost cooperation between the executive and the legislative branch of the Government, both under complete control of Republicans commissioned by the people in 1920 to take charge of the Government and put into effect Republican policies. The only time since 1921 when there appeared to be a recession of general prosperity and a slackening of public confidence in the future has been during the last few months, when due to a Democratic radical coalition in Congress that legislative body began to thwart the constructive program of the Republican administration. There can be no doubt that the election of a Congress hostile to the executive branch of our Government would be disastrous to the prosperity of the country and inimical to the welfare of the people. There can be no doubt that the election of a Democratic President as well as a Democratic radical Congress would bring about national disaster. It would be taken to mean, and it would mean, the return of all the evil and destructive policies and practices that prevailed under the last Democratic administration, all the evil policies and practices which have prevailed under each Democratic administration since the Civil War. It would mean extravagance and profligacy instead of economy and thrift in public affairs. It would mean a return to destructive interference with legitimate business which under the Wilson administration resulted so disastrously, not so much to the commercial interests of the country as to the agricultural and industrial interests, to the impoverishment of the farmer and the wage earner. It would mean a renewal of national flirtation with cheap and fantastic systems of currency and credit, for Democracy has always been tainted with greenbackism, populism, and free silverism. It has always sought to cure economic evils by increasing the coinage of the country instead of increasing the productive capacity of our mills and farms and railroads and other enterprises upon which our national prosperity and progress depends.

MERE THOUGHT OF DEMOCRATIC VICTORY FRIGHTENS COUNTRY

The mere fear of the possibility of a return of Democratic administration or the election of a Democratic-radical Congress has already laid its dead hand upon the activities of our myriad interests. Business men, manufacturers, farmers, men with investments everywhere, know that the history of the United States since the Civil War records the indelible and unvarying fact that inauguration of a Democratic administration is followed by a panic. The Democratic Party has never exhibited the capacity to govern wisely and in accordance with the fundamentals of political economy. It lacks utterly the ability to vision the affairs and needs of the American people as a Nation. This is because the Democratic Party is sectional—it is lopsided in its control by a few States with rotten boroughs.

It is incredible to believe that after the American people have taken an invoice of their national administration, have heard the accounting of their public servants placed in power by the Republican Party, and review the progress of the last three years of Republican rule that they will not go to the polls and by an overwhelming vote commission the party which has brought about this improvement to continue the work so well begun.

PEOPLE WILL KEEP COOLIDGE AND ELECT REPUBLICAN CONGRESS

The American people have always proved their wisdom when presented with the facts. They will prove their wisdom in November by electing the presidential ticket nominated at Cleveland with a unanimity never before equaled in any political convention and by electing a loyal, reliable, old-fashioned Republican majority in both branches of Congress to work with and cooperate with the Republican executives. The Republican Party goes before the people in this campaign confident of their verdict in November, because it is able to present to the people a record of three years of hard work, wise administration, constructive legislation, rigid economy, reduction of taxes, revival of industrial activity, relief for agriculture, prosperity for the wage earner, recognition of womanhood, protection of childhood, unstinted aid for ex-service men, stability for business, encouragement of private enterprise, promotion of world peace, and a general economic improvement which has made America prosper and progress to a degree never before equaled by it and its people.

NAVY OIL RESERVE LEASES

Mr. WINTER. Mr. Speaker, since addressing the House on March 17 and April 17, 1924, on the subject of the naval oil reserve leases, in which addresses I attempted to place the full facts as to the merits of the leases before the country, there have appeared in the CONGRESSIONAL RECORD two contributions on the subject neither of which controverted or attempted to controvert the facts, figures, documents, records, arguments, and conclusions of those addresses.

The first of the contributions I have referred to furnishes an interesting and illuminating side light on the question whether the attacks upon the leases were and are sincere, in good faith, and in the public interest, or whether partisan political purposes were the impelling motive. It is found on page 7003 of the CONGRESSIONAL RECORD of April 21, 1924, and needs but to be read to disclose that the foremost prosecutor of the oil committee was moved by party zeal and so blinded to the facts by his prejudice that a great mistake was nearly made and a deception of the people nearly consummated in respect to a very important phase of the leasing matters. It was an attempt to deny the truth of statements of Republican speakers and writers that the leases granted under the Republican administration actually returned higher royalties to the Government than the leases made under the preceding Democratic administration, accompanied by the statement that he desired to save the public from being imposed upon. The press reporting the address spoke of it as a denunciation of a Republican plot to deceive the American people. The record demonstrates beyond the shadow of a doubt that such original statements were absolutely correct, and that the charge of attempted deception of the people recoils upon the head of the author of this record.

I quote from the record:

Prior to March 4, 1921, there were leased upon competitive bidding all of the lands adjacent to naval reserve No. 3 within the Salt Creek field, and those leases all carried a royalty—bear in mind, the immediately adjacent territory—of 33⅓ per cent flat, with a large bonus in the case of many of them and some bonus in the case of practically every one of them. The story about that is as follows:

Direction was given under the statute to offer that territory to competitive bidding on a basis of 25 per cent royalty with a bonus. Secretary Payne approved the letter, but struck out 25 and inserted 33⅓ per cent, and the territory was leased under that arrangement—33⅓ per cent for the inside tracts and 30 per cent for the outside tracts, but they were secured upon bidding bonuses as follows:

"For the first lease a bonus of $26,700 was secured on a flat royalty of 25 per cent cent."

On the next lease a bonus of $279,000 was secured upon a flat royalty of 33⅓ per cent.

On the next lease a bonus of $2,000 was secured upon a flat royalty of 25 per cent.

On another lease a bonus of $226,000 was secured upon a flat royalty of 33⅓ per cent.

The lands adjacent to the Teapot Dome were thus leased under an arrangement for competitive bidding by which the Government secured a total bonus of $1,680,000 and an average royalty of 28.76 per cent.

These are the facts about the matter as disclosed in the testimony. Now former Secretary Denby is going about the country, after having told us before the committee that he did not know anything at all about the matter, detailing facts such as these to which I have directed the attention of the Senate. For instance, in a speech reported in the papers on Saturday last he tells us, as follows:

"Meanwhile the hundreds of oil wells upon private lands within and adjoining the reserve were draining the oil from under the Government lands in the reserves, the total number of these wells, as stated by the bureau of mines March 4, 1921, being 785."

That means there were 785 wells up in the Salt Creek field, the total number of wells there.

Mr. KENDRICK. Will the Senator yield again?

Mr. WALSH of Montana. I yield.

Mr. KENDRICK. Can the Senator tell us whether or not the territory adjoining or contiguous to the oil structure, the naval reserve, was leased after Secretary Fall became Secretary of the Interior?

Mr. WALSH of Montana. Some were leased afterwards and some before.

Mr. KENDRICK. But those wells on the territory between Salt Creek, we may say, and the naval reserve, were actually leased by Secretary Fall himself?

Mr. WALSH of Montana. I think that is so; but the proceedings were instituted, as I have indicated, under the administration of Secretary Payne.

Thus it appears that the distinguished Member was engaged, apparently, in an attempt to do that with which he had charged ex-Secretary Denby and Hon. Leslie Shaw. The whole

structure thus carefully built up with the announced purpose of exposing the duplicity of Republicans collapsed upon the crucial point as to which administration had made the 22 very advantageoous leases for the Government of 44 160-acre tracts on the east, southeast, and south parts of the Salt Creek field adjacent to the Teapot Dome. All that was presented in this record, except minor inaccuracies, was true as to the favorable features of the leases from the Government standpoint as to high royalties and bonuses, but in an unguarded moment, wittingly or unwittingly, as the truth has a habit of emerging at times, his colleague disclosed the very important fact that those valuable leases for the Nation were made by Secretary Fall. They were auctioned off and the bonuses secured under the direction of Secretary Fall on behalf of the Government, June 15, 1921, three months and a half after the Democratic administration had ended. All the credit, therefore, the speaker attempted to claim for his party must be given, under his own facts and figures, as to their great merit, to the Republican administration. Once more the cloud is removed and the light of the truth emerges and another political, partisan, prejudiced misrepresentation is dispelled. The speaker showed beyond a doubt that the leases he enumerated called for the highest flat royalty and brought the highest bonuses of any leases made by and on behalf of the Government. Thus the claims made by the Republican speakers he criticized for the Republican administration as to the highest returns netted by the Government were absolutely true. Yet he was willing and apparently anxious to leave Congress and the people under the false impression created by him in this record, which was headlined in the press of the country the day the speech was made that these leases had been let by the Democratic administration. The truth was curiously enough disclosed by the two simple questions of fact of his Democratic colleague.

This record is characteristic and typical of the whole proceedings of investigation into the Navy oil reserve leases, presenting a mass of inferences, misrepresentations, wild charges, and false conclusions, and omitting facts and conditions which were ersential to a true judgment.

In notable contrast to this record of April 21, 1924, and to the record of January 29, 1924, which contains the first statement and denunciation of the spokesman and prosecutor of the oil committee against the leases, which resulted in the resolution of Congress to have court actions brought in an attempt to have the leases canceled, is the report now made on behalf of the majority of the Senate Public Lands Committee which carries on the oil investigation, which report is found on pages 11041 to 11053, inclusive, of the CONGRESSIONAL RECORD of June 6, 1924, and to which I now desire to direct your close attention.

This final report following the conclusion of the taking of vast volumes of evidence, drawn and presented by the lawyer and the judge rather than the party advocate, prosecutor, and politician, is, in its recitals of fact, an acquittal of Secretaries Fall and Denby, a confession of false charges, a withdrawal of the early indictments, and an exoneration so far as the merits of the naval leases and the interests of the Government are concerned.

It must be borne in mind that the representative of the oil committee in this final report properly and judiciously leaves, as we have contended should be done, the matter of gifts or loans of money by Doheny and Sinclair to the courts, as also the effect upon the validity of the leases, if the court shall find criminal guilt. This majority report in its recital of facts, as distinguished from inferences, opinions, and conclusions, discloses no detriment to the Government in these leases and frees from the charge of wrongdoing entirely every Navy and Interior Department official, excepting only the case of Mr. Fall in regard to money transactions.

The only questions left under this report of the Senate Public Lands Committee are two direct questions of law and fact, on which it is clear there could be and were honest, justifiable differences of opinion. Each view was and is sustained by respectible expert advice and reasoning. The whole matter has been reduced by this report to a question of correct judgment or incorrect judgment, of right opinion or wrong opinion, of proper conclusions or improper conclusions, as is demonstrated by the following excerpts from an editorial in the Christian Science Monitor:

The report of Senator WALSH of Montana, chairman of the committee which investigated the naval oil leases, does credit to him as a lawyer, though it will doubtless be disappointing to the eager Democratic partisans who had hoped to make of it an essential document in the coming presidential campaign. * * * But these charges are not of a kind of which campaign ammunition can be readily made. It would not be difficult to argue from the report of the Senate committee that former Secretary Denby and Assistant Secretary Roosevelt had been martyred by public clamor at the time of the investigation, for the report completely exonerates both from having had any part in the negotiations which led up to the transfer of the oil fields to Doheny and Sinclair. * * * Politicians hoping to make a major issue in the pending campaign will undoubtedly deprecate the sense of judicial responsibility which has led Senator WALSH to refrain from any apparent partisan effort to make his report a campaign document. * * * It will be better that this contest between the parties for the control of the Federal Government should be waged upon economic and industrial issues rather than carried on upon the plane of mud slinging and mutual recrimination. There were eminent Democrats just as there were eminent Republicans tainted somewhat with the touch of oil.

I agree with that editorial that the report of the committee is toned down immeasurably from the first denunciations, and it is so because the cold, hard facts finally appeared out of the muck and ruck of partisan charges, and they did not support the lurid headlines of the early days of the investigation or the rabid utterances of politicians and demagogues anxious to spread the slime of scandal, who were disappointed because it did not reach into the grave or the executive chamber. But so far as the terms of the leases are concerned and the actions of the Secretaries in making them, there was and is no taint of oil. The leases and contracts were, as I have maintained and, as I believe, conclusively shown in my previous addresses, good leases and contracts on behalf of the Government and had to be made to protect the oil resources of the Nation from depletion.

The question of fact is: Was there such drainage or danger of drainage of the oil of the naval reserves as made it necessary and wise to enter into leases for the purpose of extracting the oil?

The committee report itself now admits the fact of actual drainage going on at the time the leases were made, that it would continue, and that it was necessary that something be done to protect the Government's oil.

I quote from the report:

It developed in the hearings, however, and was otherwise revealed that drainage was taking place, particularly in naval reserve No. 2, and perhaps at the eastern extremity of naval reserve No. 1, to arrest or minimize the effect of which it was desirable to clothe some one with the authority to provide for the drilling of offset wells or line wells, or otherwise to meet the situation.

Nos. 1 and 2 were the California reserves. No. 2 was leased first by Mr. Daniels; No. 1 by Mr. Fall. As to No. 3, the Teapot Dome in Wyoming, the report states as to drainage:

The reports of the gealogists—the committee's experts—confirmed the view that drainage was actually taking place and that loss was being suffered not only by the actual migration of oil but by the reduction of the gas pressure within the reserve area, affecting the amount of oil which could eventually be recovered. There seems never to have been any sound reason for the contention that it was geologically impossible to drain the reserve to some extent at least through the wells in the Salt Creek field.

Thus the fact of actual, substantial drainage from each of the naval reserves is settled beyond the question of a doubt. The report further shows that the Bureau of Mines estimated the loss which actually occurred by delay in leasing reserve No. 2 by Mr. Daniels up to March 4, 1921, was 6,800,000 barrels, valued at $8,000,000. This loss was directly due to Mr. Daniels "obdurately," as the committee says, refusing to lease, despite the conclusive evidence of loss constantly going on. Under the theory of the committee, based on the evidence of Geologist Fred G. Clapp, one of its experts, it is admitted that had no lease been granted on the Teapot Dome 4,000,000 barrels would have been lost. If they had taken the evidence of the other committee expert—James O. Lewis—and the Bureau of Mines, they would have had to admit a loss in time of many more millions of barrels, and if they had accepted the opinions of other disinterested geologists they would have admitted a probable loss of 16,000,000 barrels, or from 60 to 70 per cent of the total content of the field which was finally determined, after drilling had given the necessary data for certainty, at 26,000,000 barrels.

The report advances the view that perhaps the drainage could be guarded against by leases for merely offset wells across the lines from privately owned wells rather than by leases for the entire structures, but it is forced to admit again that such was not the view of Geologist Lewis and the Bureau of Mines, the practical instrument of the Government in actual charge of the Government's interests on the ground. The complete ex-

haustive report of Mr. Lewis holds that drainage would effect the entire Teapot field and that it was the part of wisdom and in the Government's best interest that the whole structure be leased to some one financially strong enough to drill the whole field simultaneously, thus securing a comprehensive, complete, and economical development. The opposite theory subjected the Government to the danger of losing practically all the oil, as it depended upon gas wells and oil wells paraffining and sealing themselves up. Mr. Fall and Mr. Denby came to the conclusion that they could not and would not take such enormous risk for the Government in addition to the absolute certainty of many millions of barrels of oil which it is admitted were lost and many more millions that would be lost if leases were not made. Let it be remembered that the Denby-Fall plan was comprehensive; that it included the exchange of royalty nonfuel oil for fuel oil of Navy specifications delivered in steel storage tanks on the coasts and the Hawaiian Islands, available for instant use for defense in time of war. And let it be further remembered that these leases called for much higher royalties to the Government than most of the leases of reserve No. 2 entered into by Mr. Daniels. The rates of royalty for the Nation were recognized very high, running from 12½ per cent on wells of 50 barrels capacity to 50 per cent on wells running 1,000 barrels.

The report would leave the impression that all the Government received from the Teapot Dome production was 6 per cent of the oil and gas. The fact is that the actual royalty paid, in more than a year's operation, was 17 per cent, and that had the wells been of greater capacity, a matter beyond anyone's knowledge or control, it might have been as high as 50 per cent. Eleven per cent of the royalty oil was paid for the tankage and approaches thereto, which were erected and provided at actual cost by the lessees under the contracts. Every interest of the Government was carefully provided for in the drawing up of these leases, as is apparent upon a reading of them. The report further concedes that the leases were drawn after conference by the Secretaries with the highest officials of the Bureau of Mines.

The law question involved is, Does the act of June 4, 1920, which empowered the Secretary of the Navy to—

> conserve, develop, use, and operate the same in his discretion, directly or by contract, lease, or otherwise, and to use, store, exchange, or sell the oil and gas products thereof, and those from all royalty oil from lands from the naval reserves for the benefit of the United States—

authorize him to lease and contract as he did, including the exchange of royalty oil for tankage and approaches to the tanks, as well as the exchange for other fuel oil or their products, which is admitted?

In my former addresses I went into this phase in detail and showed that there was no limitation in the act; the Secretary had the right to rely on the plain language of the act and did not exceed his authority; that his authority was derived directly and fully for all the provisions of the leases and contracts from the said act of June 4, 1920, which, as we have seen, was passed at the request of Mr. Daniels, then Secretary of the Navy under President Wilson, and with Mr. Wilson's sanction and complete approval, as well as the approval of Congress, which passed the act without debate.

It is not necessary to enter into further argument to show all this. It is obviated by the report of the committee itself, which, while still denying in theory, admits in fact that the Secretary was given this complete authority to do all that was done with respect to these leases and contracts, when it recommends, as it does, that the act be amended. I quote:

> In view of what has transpired, it [the act] should be made plain—
>
> 1. That no lease or other contract authorizing or providing for the extraction of oil or gas from the reserves should be entered into except upon competitive bids, for which proposals should be duly advertised.
>
> 2. That no such lease or contract should be entered into for any purpose, except to protect the reserves from drainage and for such limited areas as should be drilled to that end, unless in the case of an emergency, to be proclaimed by the President of the United States.
>
> 3. That every such lease or contract should be submitted to and approved by the Comptroller General before taking effect.
>
> 4. That the authority conferred by the act of June 4, 1920, to exchange is restricted to the exchange of crude oil or gas for fuel oil or other products or derivatives of oil or gas.

All laymen as well as lawyers will understand at once that if the law does not now prohibit these things then Secretaries Denby and Fall did not violate the law. If they did violate the law, then no amendment is necessary.

It is nevertheless contended that it was the province of Congress to say whether Navy oil was to be exchanged for tanks and approaches and to appropriate money for the purpose, and the report further says there was disclosed some evidence of glee that Congress was outwitted in the course pursued. But what are the facts, and what does the undisputed evidence show in this regard? At a hearing held before the Subcommittee on Appropriations of the United States Senate on May 4, 1922, within a month after the first lease and agreements with the Mammoth Oil Co. and with the Pan-American Petroleum Co. were made, and long before the Pan-American Co.'s lease, dated December 11, 1922, in reply to questions by various members of the committee, Secretary Denby stated:

> Now we are planning to get the war reserve oil above ground because we can not keep it below ground. * * * The oil was being drained off. * * * The contractors build the tanks at points designated by the department, points along the Atlantic coast, on the Pacific coast, and in Hawaii. * * * The tanks are to be built out of the royalty to be paid to the Government. They are a part of the contract. * * * This was a matter that the Department of the Interior would know about very much better than we, but as soon as it was discovered (referring to the loss of oil by drainage) that such was the situation, I asked the Secretary of the Interior to handle it for the Navy thereafter and we went to the President and secured the executive order transferring the naval oil reserves to the Secretary of the Interior, to administer in trust for the Navy, the Secretary being a party to the policy but not to the actual administrative work. For instance, I signed the Teapot lease agreeing that it should be opened, because we discovered that that also was being drained off.

The hearing from which the above quotations are made is contained on pages 180–188 of the hearing of the House and Senate naval appropriation bill, 1923, Sixty-seventh Congress, second session, March–June, 1922. Can anyone say with reason in the face of that record that Congress was "outwitted"? Here it is disclosed that Congress had full knowledge of the acts and intentions of the Secretary of the Navy to proceed with the exchange of oil for tankage to store the remaining royalty oil. This was before any operation had been started on the Sinclair Teapot lease and many months before the main Doheny lease for Elk Hills No. 1 reserve. Yet Congress, knowing, did not differ, did not dissent, did not question, did not claim such exchange was not authorized and did nothing to prevent operation under the Sinclair lease and made no objection to the proposed similar later lease to Doheny. This is conclusive that Congress was not "outwitted" nor attempted to be "outwitted"; that Congress had the same view of the act of June 4, 1920, as had Secretaries Denby and Fall; that they were right in their interpretation of the act and acted with due authority. This makes plain as day the fact that criticisms of the leases made a year later were an afterthought, the motive of which could be only political.

For a year the investigating committee took testimony and had elicited all this evidence as to the terms of the leases and the necessity for making the leases, on all of which it had the above information a year before, without the committee on naval appropriation, or the investigating committee, or the newspapers attributing enough importance to all these facts to be even noticed in the press of the country. The first headlines concerning these leases in the general press appeared in October, 1923, and they were to the effect that the committee's expert geologists employed to examine and report on the Teapot Dome had made their report, which was that Teapot Dome was being drained. Nothing further appeared in the press until the evidence regarding the Fall ranch purchases and loans of money came out. All this but proves that there was nothing wrong with the leases.

But the Fall transactions gave the political assassins, the character destroyers, the court-usurpers, the political knife throwers, the party ghost dancers, the scandal mongers, the reputation killers, the fact jugglers, the office-holding mountebanks, the ambitious office seekers, the shrewd and unscrupulous political managers an opportunity to turn loose their poison gas, to raise a hue and cry that the Navy had been robbed of its oil, that the public interests had been betrayed, that a vast political plot had been laid in the Republican national convention of 1920 to exploit the public domain, and that our natural resources had been stolen. They made the most of the opportunity while it lasted. But gradually the real facts became known, prominent Democrats were found to have accepted great sums of money for their influence with the Democratic administration from which they had resigned to enter the employ of these same oil companies. And now we have the final report of the oil committee itself toning the whole matter down to a valid, justifiable difference of opinion. Would that it could receive the same publicity, notwithstanding its unwarranted inferences and expressions of opinion and judgment,

that the original charges were given. Will the truth overtake the broadcasted misrepresentations and false accusations? We can only hope that it will.

The report of the committee practically—indeed, it absolutely—removes the question of facts as to whether there was drainage of oil from the reserves necessitating the leases. It clearly admits that the reserves were being drained and had to be protected by producing the oil. The report of the committee practically removes the question of law as to whether the act of June 4, 1920, authorized the making of the leases and contracts and all the provisions thereof, because it recommends that the act be amended in order to prevent further leases with the same provisions. The only thing remaining in the entire matter under the report of the committee being these two questions, and they being determined in favor of the leases and contracts and acts of Secretaries Denby and Fall, there is no other conclusion possible than that they were justified in making them and that these were and are meritorious leases; and, as I have heretofore stated on April 17, 1924, in this body, they should not be canceled; they should be enforced.

Finally, the committee states that diligent inquiry into reports of official speculation in the stocks of the oil companies revealed no facts of sufficient importance to report. It further states that the evidence failed to establish the existence of a conspiracy between oil operators and others at the Republican National Convention of 1920.

Let me reiterate, now that the committee of investigation has reported, the naval oil reserves of the Nation have not been "given away"; the country has not "lost them" or the oil in them; there was no "wanton waste of $1,000,000,000 worth of oil"; the public domain has not been "looted"; the people of this country have not been "deprived of the means of national defense"; the Navy is not "without adequate oil for Navy fuel to meet any war emergency," and would not be and will not be if these leases continue in operation; the leases were not illegally entered into without authority; and there was not by these leases a change of policy with regard to the naval oil reserves except as authorized by Congress.

I maintain again that these were fair, reasonable, and good contracts for the Government and that it was necessary to make these or similar contracts and leases with some one in order to carry out the Government's policy of preserving oil in its public lands within oil naval reserves for the future use of the Navy; that the method of preservation in the ground had ceased to be possible and preservation on the surface became the only other alternative; that this being the alternative, it was a wise provision of the leases, I repeat, to build permanent storage tanks at such points as were designated by the Navy officers as the best and most strategic locations for fuel oil; and that the exchange features in the leases were wise and beneficial for the reason that the Teapot oil is a paraffin-base oil, with a large gasoline, kerosene, and wax content impossible to be used and unprofitable to refine for use for fuel oil in our ships. I further contend that even had it been possible to have retained this oil in the ground that it could never have been extracted or refined or exchanged, 2,000 miles from the Atlantic and 1,000 miles from the Pacific, for proper fuel oil in time to meet a war emergency.

I reiterate that as the matter now stands if the Teapot lease is enforced by the Government, the titles are cleared, production is conserving the oil otherwise draining away by private wells; the Government is surely and rapidly securing under a contract and lease providing in its terms the highest of royalties a good proportion of the oil. It is further securing by exchange a fair, large, and adequate supply of accessible Navy fuel oil, safely and permanently conserved at the proper places on the coasts for our Navy defense and future safety.

The Government is getting the benefit of an expenditure of $40,000,000. The great pipe line, 715 miles in length, connecting the field with the mid-continent and eastern markets, is built and the program of tank building and filling is proceeding according to contract. The Nation is getting 40 per cent more for its Teapot and Salt Creek royalty oils than it would have received without this lease. What more can we reasonably expect from any lessee? Experience has shown that Government operation would not bring as good results. Much time and litigation would be required to place the Government in possession, even though the courts should cancel the lease, if it could ever be done. Some of the mining claims on the structure, the committee report says, "unquestionably had some merit." Hence complete repossession by the Government, so as to prevent production entirely, is practically impossible. During all the litigation production would be going on and drainage continuing. Even now, with receivers appointed by the court in charge of the field, it is not practical to cease operations, and production is going on because it must. This is simply a continuation of the conditions which made the lease necessary in the first instance and is the most emphatic admission and confirmation that the oil can not safely be retained in the ground.

Shall we not take a second thought? Even if voidable, the Government should enforce the Teapot naval reserve No. 3 lease and consider the same course as to the Doheny naval reserve No. 1 lease. It is fortunate that the Congress refused to accept the offer of Mr. Doheny to surrender his lease on the repayment of his expenditures, and fortunate that no such offer was considered as to the Sinclair lease. On neither reserve will the Government be able to secure as good leases in the Government's interests as those now in force.

Let the people be not alarmed. Let there be no anxiety. There has been no breaking down of government. The guilt of one man, if proven, can not affect the stability of this great country. It does not change the integrity, the power, and the genius of this great Government of the United States. No guilty person will be shielded. No party wants any criminal protected. At the same time the fairness and common sense of the American people, under the steady guidance of the President, will secure even-handed justice for all. The interests of the people on the one hand and constitutional rights of individuals on the other hand will both be held safe. Let the people continue to hold and have faith in their President, in the Congress, in their courts, in their Government, which under either party, through all the years of the past, has proven its virtue and honesty, to the benefit and glory of the Republic and all its people. The past, with its great achievements and its great figures, is the infallible guaranty to the people for the future. "The Government at Washington," the best and strongest on earth, "still lives." The United States of America and its officials are sound and safe and still hold to the "righteousness which exalteth a nation."

### FEDERAL WATER POWER ACT SHOULD BE AMENDED

Mr. McDUFFIE. Mr. Speaker, in addressing the House on June 3, with reference to the status of the legislative program for the development of rivers and harbors, I made brief reference to a provision in the bill proposed by the Rivers and Harbors Committee for the completion of the survey of the Tennessee River, and I also made reference to the Federal Water Power Commission and stated that some people believed that the act creating the Federal Water Power Commission was a wonderful piece of legislation, and I made the following comment on the Federal water power act:

> While many believe that the act creating the Federal Water Power Commission was a wonderful piece of legislation, I want to say to you that it says more and means less than any act of Congress I have ever read.

I believe the Federal Power Commission has established more rules and regulations than perhaps any bureau in the history of the Government, which contributes so little or nothing in protecting public welfare, and the act ought to be amended, and I believe at the next session of Congress will be.

I was interested, Mr. Speaker, to find that very soon after the Rivers and Harbors Committee finished its hearings and the chairman of our committee reported the bill (H. R. 8914) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, Mr. Merrill, secretary of the power commission, on May 16 addressed a letter to Senator RANSDELL of Louisiana, and in the letter to the Senator on the subject of a bill which the Senator introduced into the Senate (S. 3328) for the development of water resources for electric power, agriculture, flood control, navigation, and other purposes, Secretary Merrill of the power commission, in part says:

> Of all our major national resources we know less about our water-power resources than any other. We have made extensive examinations of our coal, oil, and gas fields, have plotted their location, and have estimated the total resources available. We have done similarly with respect to other of our important mineral resources. We have made a fairly careful estimate of our total timber resources, both those upon public lands and those upon private lands, and we can predict fairly closely the extent to which we can use these resources if we are to maintain a continuous supply.

Again, Mr. Merrill, in his letter to Senator RANSDELL says:

> On only a few streams in the United States have studies been carried to the point where reasonably complete information is available on which to draw the general plan of river development, not only for purposes of water power but for such other related uses as navigation, irrigation, public water supply, and flood control.

And then he refers to the survey of the upper Tennessee River. In his letter to Senator RANSDELL, Mr. Merrill further says:

Section 4 of the Federal water power act authorizes the commission "to make investigation and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to market of power sites"; that is, the commission has the authority to conduct adequate investigations on any stream of the United States where the question of water power is involved. The conduct of such surveys is, therefore, contemplated as one of the items in the administration of the Federal water power act.

It is conceivable, Mr. Speaker, that the bill introduced by Senator RANSDELL into the Senate (S. 3328) was satisfactory to Mr. Merrill, secretary of the Federal Power Commission, and I call the attention of the House to Mr. Merrill's letter to Senator RANSDELL and the bill introduced by Senator RANSDELL in order to make clear to the House that there is a head-on collision between the activities proposed by the Federal Power Commission through its secretary and surveys proposed in the river and harbor bill (H. R. 8914) reported to the House April 26 by Mr. DEMPSEY, chairman of the Rivers and Harbors Committee. In that bill I call the attention of the Members of the House to two provisions, one of them as follows:

Tennessee River and tributaries, North Carolina, Tennessee, Alabama, and Kentucky: The completion of the survey recommended in House Document No. 319, Sixty-seventh Congress, second session, is hereby authorized at a cost not to exceed $315,800 in addition to the amount authorized in the river and harbor act approved September 22, 1922.

And the other provision reads as follows:

The Secretary of War is hereby authorized and directed to cause to be made by the Corps of Engineers, United States Army, such investigations as may be necessary for the preparation of a general plan for the most effective navigation improvement in combination with the most efficient development of the potential water power on those navigable streams of the United States and their tributaries where such power development appears feasible and practicable, together with an estimate and report of the cost of conducting such investigations as to all such streams and tributaries, at a cost not to exceed $500,000, with recommendation that $250,000 be immediately appropriated.

In the bill (S. 3328)) introduced in the Senate by Senator RANSDELL we find in part the following:

*Be it enacted, etc.*, That in pursuance of the authority conferred upon it by section 4 of the Federal water power act the Federal Power Commission is hereby authorized and empowered to prepare a comprehensive plan of development of the water resources of the United States for the purpose of providing electric power for farms, rural communities, cities, and industries, of promoting navigation, of controlling floods, and of securing other beneficial public uses of such resources. In the preparation of such a plan the commission shall utilize all data available in the records of the various departments, bureaus, and other agencies of the Federal, State, and municipal governments or obtainable from other sources or by examinations or surveys.

SEC. 2. The commission is authorized to bring into coordination so far as practicable the data and work of the engineering, scientific, and construction services, bureaus, boards, and commissions of the several governmental departments of the United States that relate to the study, development, or control of rivers and their tributaries, and of lakes, swamps, and other bodies of water, and to utilize the personnel of said services, bureaus, boards, and commissions with a view to unity of method and economy of service in the investigation, development, and control of rivers and river systems in the United States in the interest of navigation and protection from floods, and with particular reference to the most complete and efficient development and use of the waters thereof for hydroelectric power and to the coordinated operation of hydroelectric and fuel-electric plants in interconnected systems of the widest scope that may be found physically and economically practicable.

Mr. Speaker, when Members of the House compare the two provisions which I have quoted from the bill introduced in the House by the chairman of the Rivers and Harbors Committee with the extracts I have made from the bill introduced by Senator RANSDELL it will be most obvious that Congress ought to amend the Federal water power act with respect to those provisions in the act which conflict in the administration of the act by the power commission with laws which authorize, direct, and control the surveys on our navigable streams, wisely carried on now by the United States engineers.

It can no longer be a matter of controversy, debate, or doubt that there is conflict, confusion, and duplication of organized effort between the power commission and the United States engineers. It is imperative. There is a demand of no uncertain sort calling on Congress to cause the Corps of Engineers of the United States Army to make such surveys of our navigable streams and their tributaries as will disclose the most effective navigation improvement in combination with the most efficient development of potential water power on the navigable streams and their tributaries in the United States.

We can not ignore the conflict between the Federal Power Commission and its activities and its administration and the activities and work of the United States Engineer Corps on our navigable rivers. Neither can we shut our eyes to the litigation now of record between the States and the Federal Government as shown by the suit of the State of New York against the Federal Power Commission, in which suit other States have joined.

Mr. Speaker, I have drawn the attention of Members of the House to this important subject and indicated not as clearly and definitely as I hope to some time in the future that it is a duty resting upon the House to pass legislation which will remove the conflict, confusion, and duplication of work and effort which now exists between the administration of the Federal water power act and the work of the United States Engineer Corps on our navigable streams.

In connection with this wonderfully important subject I ask each Member of the House this question: What are the undeveloped water-power resources of the United States? Shall the Federal Water Power Commission make the investigations and secure the facts to answer this question, or shall the United States Engineers make the surveys and investigations and answer this question?

### WHAT ARE THE UNDEVELOPED WATER-POWER RESOURCES OF THE UNITED STATES?

The water powers of the United States which are capable of economic development constitute one of the most inexhaustible of this country's resources. Wherever 12½ cubic feet of water per second falls through a height of 1 foot it is capable of developing 1 horsepower in a hydroelectric plant having machinery which is 70 per cent efficient.

It is evident, then, that in order to determine how much undeveloped water power there is in the United States which is capable of economical development we must know the flow of each river and how much it falls. We must also know that there is a suitable site for a dam and its appurtenances that can be built without too great expense, and that there is a market for the power within reasonable distance at a rate that will make the enterprise reasonably profitable to the investor.

To make an estimate of the commercially feasible undeveloped water powers of the United States is not an easy task. Consider first the question of the flow of the stream. This, of course, varies from day to day and from month to month, and a record over a period of years is very desirable in order to determine just how low the water really gets at times, for it is the low-water flow of the stream which must form the basis of all calculations. This low-water flow can frequently be built up by means of storage, but the feasibility of such storage depends upon the topography of the country, and this in turn calls for a survey of the river itself.

The United States Geological Survey has been carrying on systematic stream measurements all over the country since 1899. On account of the small appropriations, however, the work has been seriously handicapped, and there are but few streams which have been continuously measured during this period. Most of the information consists of fragmentary records extending over a period of two or three years. The report of the Secretary of the Interior for the fiscal year ended June 30, 1922, showed that 11,000 measurements of stream flow had been made that year in 41 States and in Hawaii, and that 1,540 gauging stations were being maintained. "In this work," he says, "31 States and Hawaii have cooperated by contributing $217,010, and several Government bureaus have contributed largely to the flow of particular streams." Probably the bureaus which have cooperated most extensively are the Corps of Engineers and the United States Weather Bureau.

The Geological Survey investigates ore deposits in mining districts, studies present and possible oil and gas fields, investigates coal fields and deposits of other useful minerals, makes explorations for potash, researches paleontology, studies geochemistry and geophysics, compiles State and National statistics of mineral production, prepares statistics and makes studies of water resources both on the surface and under ground,

classifies the public lands, as coal land, phosphate land, oil land, and so forth, and is continuing the work of making a general topographic and geological map of the United States. For all of this work the appropriations for the Geological Survey amounted in 1922 to $1,754,340, but a proper study of our water powers in a country the size of the United States would call for at least this amount for stream measurement alone. Such investigations would lead to a far greater development of our water powers and would be the best money we could spend, for water power developed is the creation of economic wealth and taxable values.

Knowing the flow of the stream, the next question is the fall; and to determine the fall of the stream and to locate suitable sites for dams and also to determine the possibilities for storage which is economically feasible without flooding too much land—these are considerations which call for a careful survey on the ground.

The first estimate of our water powers from a national viewpoint was made by M. O. Leighton, then of the Geological Survey, who prepared a report on the undeveloped water powers of the United States for the National Conservation Commission, created by Theodore Roosevelt in 1908. This estimate was based upon such Geological Survey records as were available, certain river surveys made for navigation purposes by the United States Engineer Corps, railroad surveys, and miscellaneous maps and reports of various State and other organizations. From this assortment of data Mr. Leighton, having no appropriations or time for field work, prepared an office study, and concluded that without storage the minimum undeveloped water power of the United States was 36,916,250 horsepower, while his estimated maximum was 66,518,500 horsepower, without storage. By considering storage he estimated that the total was some 212,000,000 horsepower by one method of figuring and 230,800,000 horsepower by another method.

In 1912 the commissioner of corporations, an officer in the Department of Commerce and Labor at that time, reviewed the Geological Survey's estimate of 1908 and called attention to the statement of the Geological Survey to the effect that—

> The surveys and examinations necessary to a thorough and accurate report of the water-power resources of the United States have never been completed. In certain parts of the country the facts are sufficiently well known to make it possible to present a tolerably accurate statement. In other parts the information is fragmentary and, therefore, power estimates must be considered approximate.

The commissioner emphasized these facts and stated that—

> each water-power development is a distinct problem by itself. Preliminary estimates, while usually based in part on available records of stream flow, rainfall, and run-off, are almost always supplemented by additional specific data obtained by engineers. In other words, the preliminary estimate on a specific project is almost certain to be much more accurate than any general estimate for the entire basin in which the project is located. Yet many financial houses identified with hydraulic developments—several of which have their own engineers—state that experience has led them to consider preliminary estimates of power only after dividing by two. * * * Various estimates of potential water power in the United States have been made, but, with the exception of that of the United States Geological Survey above referred to, they are practically mere guesses.

The commissioner of corporations reviewed the report of the Geological Survey of 1908 and revised its estimates downward for reasons which he gave, and concluded that without storage the minimum potential water power in the United States was 26,736,000 and that the maximum was 51,398,000 horsepower. In discussing the question of storage the commissioner said:

> Various estimates have been made as to the total water-power possibilities of the United States, including storage, but none of them has been based upon sufficiently reliable data to warrant unquestioned acceptance. The difficulties of estimating the possible power development of a stream are multiplied when an attempt is made to estimate the supplementary reserve force that can be put into it by storage. * * * Different authorities show a wide variation for comparatively limited areas. For instance, one authority allots to California 11,400,000 horsepower, while another allows only 5,000,000 horsepower. One authority gives Oregon nearly 9,000,000 horsepower; another allows only 3,300,000. One gives New York, Maine, California, and Washington a total of 34,000,000 horsepower, while other authorities give these States a total of only 17,000,000 horsepower. There are comparatively few distinctive storage developments in the United States. Any estimate including storage therefore must be mainly theoretical. * * * In the light of the foregoing considerations this bureau is unwilling to suggest any estimate as to the extent to which the water-power possibilities of the country may ultimately be increased by storage or even to cite such estimates as others have made.

Summing up his observations on the undeveloped water powers of the United States the commissioner says:

> In view of the actual conditions and in the light of facts that have been developed during the course of this investigation, it is evidently but little better than pure speculation to estimate what may be the ultimate water-power development of this country.

The only other estimate of the potential water powers of the United States which is generally known is that of the Electrical World, which from time to time publishes revised estimates of the undeveloped water powers of more than 10,000 horsepower classified according to their various drainage basins. This estimate, given in the Electrical World for July 30, 1921, showed a total maximum undeveloped water power of 52,829,500 horsepower.

As an example of how far wrong these estimates are likely to be, the Geological Survey estimate of 1908 for the Tennessee River and tributaries in Kentucky, Tennessee, Mississippi, Alabama, Georgia, North Carolina, and Virginia was a maximum of 1,950,000 horsepower. This was before Muscle Shoals or Hales Bar was even surveyed. Deducting 850,000 maximum at Muscle Shoals and 54,000 maximum at Hales Bar, leaves 1,046,000 horsepower for all other developments in the Tennessee River and its tributaries.

Major Fiske has testified before the Rivers and Harbors Committee that as a result of the survey he is making of the Tennessee Valley he has found 52 dam sites outside of Muscle Shoals, and in estimating their power possibilities he said:

> Outside of Muscle Shoals the rest of the Tennessee River, including all the tributaries, 3,000,000 horsepower is a fair estimate at this stage of the proceedings.

The commissioner of corporations published a map in which he undertook to show the power section of the various streams in the United States. As an example of the inadequacy of his information, consider that this map which represents the best available data on the subject from a national standpoint in general does not show the navigable streams as having any power possibilities at all. For example, the map shows no power on the Cumberland River and yet the district engineer has shown that there is a possibility of developing 100,000 horsepower between Nashville, Tenn., and Burnside, Ky., and the Commonwealth-Edison Co. interests of Chicago have recently been granted a permit for three dams in the Cumberland River at and above Burnside, having a total capacity of 200,000 horsepower. One of the best power streams tributary to the Tennessee River is the Hiwassee, which is hardly shown at all, and its branch, the Ocoee, on which 45,000 horsepower has been developed, is not shown. The facts are that no one knows what the undeveloped power possibilities of the United States are, and until the United States Government will make the investment which is necessary in order to determine the extent of these resources we will never know what they are.

One thing is certain, that the present rush to develop water power under the terms of the Federal water power act on a hit-or-miss basis without having any general survey of the river valley in which the new development is being made is certain to result in an unnecessary limitation of the total amount of power developed, for after full information has been obtained we may expect to find that the locations and height of dams and other features of present developments now being made will prevent the full utilization of the power of the stream in the future. This is no reflection upon the Federal Power Commission, who have never been in position to get this information, nor upon the power companies, whose business it is to secure the most for their money rather than to conserve the undeveloped water powers of the United States.

It should be remembered that the water of these streams belongs to the States, and that aside from navigation the State is the authority which has the power to make rules and regulations regarding the use of the water. For, to quote from the report of the subcommittee on the power of the Federal Government over the development and use of water power in its report to the Committee on the Judiciary of the Senate in 1916:

> Except as the owner of riparian lands and except for the purpose of regulating interstate commerce, the United States has no property in or sovereignty over the streams or water courses within the boundaries of the several States. The sovereignty and ultimate control is in the State * * *.

Therefore any action by the United States to be constitutional must be based upon the right of the Federal Government to regulate navigation. As to the question of what constitutes a navigable stream, Supreme Court decisions have been quoted in the reference stated above in support of the statement that—

the question of navigability is one of fact in each case. If a stream can be used for commerce or trade in any form to any substantial extent, even for the floating of rafts or logs, or lumber, it is held to be a navigable stream.

This subcommittee further concludes:

For the purpose of promoting and regulating foreign and interstate commerce Congress is given plenary power over all the navigable waters of the United States, to the end of improving and maintaining their navigability; and this power is not limited to the navigable sections of streams, but extends to the tributaries and feeders of the same, for without the control of these the power over the navigable sections might become wholly impotent. (United States v. Rio Grande Co., 174 U. S. 690.)

Since the only constitutional control that can be exercised by the Federal Government over the improvement of our streams is the control of navigation, the only Federal authority having constitutional jurisdiction is the Chief of Engineers, and he must approve every license for power development not only on every navigable stream, but on every tributary of a navigable stream.

Such data will not hinder the development of water power under the Federal water power act, but will give a tremendous impetus to it. With this information at hand the Government will know from its own records what should be done and will not have to depend upon information furnished by interested individuals and companies which is the case at present.

Such a study will undoubtedly disclose thousands of feasible power sites not at present recognized and to judge by the competition to develop the sites disclosed by the survey of the Tennessee River, the result will be the conservation of our water powers by their early and rapid development.

PERMISSION TO ADDRESS THE HOUSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. HOWARD] have two minutes in which to address the House.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the gentleman from Nebraska may address the House for two minutes. Is there objection?

Mr. TINCHER. I object. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

Mr. SCHAFER. Mr. Speaker, I object.

The SPEAKER. The Chair will state that, of course, no more business can now be transacted. But it is likely various bills will come over for the Speaker's signature. The Chair will sit here, and the Chair——

Mr. SNELL. Mr. Speaker, would it be in order to move to take a recess for a few minutes.

Mr. LONGWORTH. Mr. Speaker, under the circumstances, I ask unanimous consent that the House stand in recess until one minute of 7 o'clock.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the House stand in recess until one minute to 7. Is there objection? [After a pause.] The Chair hears none.

AFTER RECESS

The recess having expired at 6 o'clock and 59 minutes p. m., the House was called to order by the Speaker.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent to occupy the one minute between now and 7 o'clock.

The SPEAKER. The gentleman from Ohio asks unanimous consent to occupy the one minute between now and 7 o'clock. Is there objection? [After a pause.] The Chair hears none.

Mr. LONGWORTH. Mr. Speaker, a most successful and useful session of this Congress has been marred by what has occurred within the last few minutes in another body. The great deficiency appropriation bill, which contains among other things the bonus for the soldiers of the late war, amounting to $136,000,000, and the payments to the dependents of soldiers who died in the late war, amounting to something like $25,000,000, has gone by the board.

This bill has failed through the selfishness of a few men who insisted on killing this bill because, forsooth, the House would not permit them to put in a certain reclamation project of at least doubtful value. Since then the House has passed a resolution by unanimous vote providing for the amount necessary to pay these soldiers. [Applause.] This has just been defeated in the Senate by the same influence. There is nothing now left to do except to adjourn.

ADJOURNMENT SINE DIE

The SPEAKER. The hour of 7 o'clock having arrived, the Chair wishes all Members a safe journey home, a pleasant vacation, and declares this session adjourned sine die.

## EXECUTIVE COMMUNICATIONS, ETC.

555. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of War, transmitting with a letter from the Chief of Engineers report on preliminary examination and survey of Crisfield Harbor, Md. (H. Doc. No. 355); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EDMONDS: Committee on Claims. H. R. 8879. A bill for the refund of customs duties paid by the Canadian Car & Foundry Co. (Ltd.), on materials imported into the United States to be further manufactured for shipment abroad and which materials were destroyed by fire after such manufacture and before such shipment; with amendments (Rept. No. 1020). Referred to the Committee of the Whole House.

Mr. HAUGEN: Committee on Agriculture. H. R. 9362. A bill to provide for the establishment of a dairying and livestock experiment station at Dalhart, Tex.; without amendment (Rept. No. 1029). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 9398. A bill to provide for the establishment of a dairying and livestock experiment station at Columbia, S. C.; with amendments (Rept. No. 1030). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 8588. A bill authorizing the Secretary of the Treasury to sell the United States marine hospital reservation and improvements thereon at Detroit, Mich., and to acquire a suitable site in the same locality and to erect thereon a modern hospital for the treatment of the beneficiaries of the United States Public Health Service, and for other purposes; without amendment (Rept. No. 1022). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of South Dakota: Committee on World War Veterans' Legislation. H. R. 7845. A bill to amend section 210 of the war risk insurance act; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ASWELL: A bill (H. R. 9761) to regulate the transmission in interstate commerce and through the mails of pistols and revolvers; to the Committee on the Judiciary.

By Mr. WINTER: A bill (H. R. 9762) to add certain lands to the Medicine Bow National Forest, Wyo.; to the Committee on the Public Lands.

By Mr. STEPHENS: A bill (H. R. 9763) to provide that certain fees may be used for the purchase, repair, and rebinding of law books for the libraries of the United States district courts and the United States court of appeals; to the Committee on the Judiciary.

By Mr. GREENE of Massachusetts: A bill (H. R. 9764) to amend section 4492 of the Revised Statutes of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. SANDLIN: A bill (H. R. 9765) granting to certain claimants the preference right to purchase unappropriated public lands; to the Committee on the Public Lands.

By Mr. JOHNSON of Washington: A bill (H. R. 9766) to provide for the revenue of the Government and to protect and maintain the cedar-shingle industry of the United States; to the Committee on Ways and Means.

By Mr. CANNON: A bill (H. R. 9767) providing for the purchase of a site and erection of a public building at Union, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS of Oklahoma: A bill (H. R. 9768) to amend section 10 of the Federal reserve act approved December 23, 1913, and amended June 3, 1922; to the Committee on Banking and Currency.

By Mr. REECE: A bill (H. R. 9769) to amend an act entitled "An act to establish a Veterans' Bureau and to improve the

facilities and service of such bureau, and further to amend and modify the war risk insurance act," approved June 9, 1921, and amendments thereto; to the Committee on World War Veterans' Legislation.

By Mr. UPSHAW: A bill (H. R. 9770) to establish State engineering experiment stations in the States and Territories in connection with institutions of higher technical education for the promotion of engineering and industrial research as a measure of industrial, commercial, military, and naval progress and preparedness in times of peace or war; to the Committee on Education.

By Mr. PORTER: A bill (H. R. 9771) to authorize the payment of an indemnity to the Government of China on account of the killing of two of her nationals by members of American military forces; to the Committee on Foreign Affairs.

By Mr. TINCHER: A bill (H. R. 9772) to authorize the Secretary of Agriculture to advise and assist cooperative associations of producers of agricultural products and others by the promotion of sound business practices, establishing uniform standards of classification, providing for the registering of cooperative associations, inspection of agricultural products, a market news service, and for other purposes; to the Committee on Agriculture.

By Mr. SNYDER: A bill (H. R. 9773) to amend section 26 of the interstate commerce act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. LARSEN of Georgia: A bill (H. R. 9774) providing for the American cotton growers' commission, and for other purposes; to the Committee on Agriculture.

By Mr. KELLY: A bill (H. R. 9775) creating and defining the duties of a commission on an immigration policy; to the Committee on Immigration and Naturalization.

By Mr. LOWREY: Joint resolution (H. J. Res. 292) to create a body corporate for the exportation of agricultural products; to the Committee on Agriculture.

By Mr. SWEET: Joint resolution (H. J. Res. 293) directing the Chief of the Board of Engineers of the Army to reestimate the cost of constructing a 30-foot depth ship canal from the Hudson River to Lake Ontario, based upon present-day figures; to the Committee on Interstate and Foreign Commerce.

By Mr. PORTER: Joint resolution (H. J. Res. 294) extending the sovereignty of the United States over Swains Island and making the island a part of American Samoa; to the Committee on Foreign Affairs.

By Mr. MADDEN: Joint resolution (H. J. Res. 295) providing appropriations for administrative expenses of the World War adjusted compensation act; to the Committee on Appropriations.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVEY: A bill (H. R. 9776) for the relief of Fred Sauler; to the Committee on War Claims.

By Mr. DOWELL: A bill (H. R. 9777) granting a pension to Nellie L. Brackett; to the Committee on Invalid Pensions.

By Mr. FREDERICKS: A bill (H. R. 9778) granting a pension to Rebecca Backman; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 9779) granting an increase of pension to Carrie Hurt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9780) granting an increase of pension to Minervie Thralls; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9781) granting a pension to Eliza J. Rawlings; to the Committee on Invalid Pensions.

By Mr. GLATFELTER: A bill (H. R. 9782) granting an increase of pension to Maggie Sponsler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9783) granting an increase of pension to Catherine Bupp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9784) granting an increase of pension to Louisa Stough; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 9785) granting an increase of pension to Mitchell Johnson; to the Committee on Pensions.

Also, a bill (H. R. 9786) to restore to the pension roll the name of Nancy Hoskins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9787) granting a pension to Joseph Wilder; to the Committee on Pensions.

Also, a bill (H. R. 9788) granting an increase of pension to John Salyer; to the Committee on Pensions.

By Mr. LEA of California: A bill (H. R. 9789) for the relief of Charles O. Dunbar; to the Committee on Claims.

By Mr. LINEBERGER: A bill (H. R. 9790) granting a pension to William J. Finley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9791) granting a pension to William W. Shoch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9792) granting a pension to Mary L. Kinsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9793) granting a pension to Sarah A. Morgan; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 9794) granting an increase of pension to Martha E. Lowery; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 9795) granting an increase of pension to Mary Louise Playfoot; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 9796) for the relief of Robert E. Towey; to the Committee on Military Affairs.

Also, a bill (H. R. 9797) for the relief of Enza A. Zeller; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 9798) granting a pension to Lizzie McDaniel; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 9799) granting an increase of pension to Rachel Woggerman; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 9800) granting an increase of pension to Susan M. Capehart; to the Committee on Invalid Pensions.

By Mr. WOLFF: A bill (H. R. 9801) granting a pension to Charles A. Sheets; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 9802) granting a pension to Vernie Pope; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3031. By the SPEAKER (by request): Petition of president and members of the board of trustees of the village of Depue, Ill., protesting against the use of the Illinois River by the city of Chicago for sewage disposal; to the Committee on Rivers and Harbors.

3032. Also (by request): Petition of president and members of the board of trustees of the village of North Utica, Utica, Ill., protesting against the use of the Illinois River by the city of Chicago for sewage disposal; to the Committee on Rivers and Harbors.

3033. By Mr. MONTAGUE: Petition of sundry citizens of Richmond and Norfolk, Va., requesting the Congress of the United States to pass the equal rights amendment; to the Committee on the Judiciary.

3034. By Mr. WINGO: Petition of the First Baptist Church, Fort Smith, Ark., of 1,100 members, in support of the constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159); to the Committee on the Judiciary.