Also, a bill (H. R. 6119) for the relief of Dorothy M. Murphy; to the Committee on Claims.

Also, a bill (H. R. 6120) granting a pension to George W. Keeney; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 6121) for the relief of Margaret C. (Lacks) King; to the Committee on Claims.

By Mr. WYANT: A bill (H. R. 6122) granting a pension to Belle Huey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6123) granting an increase of pension to Catharine Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6124) authorizing the Secretary of War to donate to the town of Arnold, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6125) authorizing the Secretary of War to donate to the town of Jeannette, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6126) authorizing the Secretary of War to donate to the town of Adamsburg, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6127) authorizing the Secretary of War to donate to the town of Irwin, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6128) authorizing the Secretary of War to donate to the town of East Vandergrift, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6129) authorizing the Secretary of War to donate to the town of Ligonier, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 6130) authorizing the Secretary of War to donate to the town of Latrobe, State of Pennsylvania, one German cannon or fieldpiece; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

706. By Mr. BURTON: Petition of 300 residents of the city of Cleveland, requesting support of the measure now pending to amend the Volstead Act by permitting the manufacture and sale of beer and light wines; to the Committee on Ways and Means.

707. By Mr. CULLEN: Petition of the South Brooklyn Board of Trade, of Brooklyn, N. Y., urgently requesting Congress to enact into law an adequate readjustment of salaries of letter carriers and postal clerks, with a provision of 80 cents an hour for substitutes; to the Committee on the Post Offices and Post Roads.

708. By Mr. GALLIVAN: Petition of C. Fred Wright, chairman legislative committee of the Massachusetts State Pharmaceutical Association, recommending favorable consideration of price-standardization legislation as provided for in House bills 6 and 11; to the Committee on Interstate and Foreign Commerce.

709. Also, petition of Hunt-Spiller Manufacturing Corporation, Boston, urging appropriation to permit extension of United States air mail service to Boston, Mass.; to the Committee on Appropriations.

710. Also, petition of Beacon Motor Car Co., Boston, Mass., recommending favorable consideration of House bill 4820, to provide for credit for service to West Point Cadets during four years' training at academy; to the Committee on Military Affairs.

711. By Mr. KELLER: Resolution of Minnesota Game Protective League, protesting against the drainage of the lowlands along the Mississippi from Minnesota to Illinois; to the Committee on Agriculture.

712. By Mr. MORROW: Petition of Grant County Chamber of Commerce, Silver City, N. Mex., by Roland A. Laird, executive secretary, opposing the Fitzgerald bill, providing for the establishment of a workmen's compensation insurance fund for the District of Columbia; to the Committee on the District of Columbia.

713. Also, petition of Grant County Chamber of Commerce, by Roland A. Laird, executive secretary, concerning that section of the national defense act relating to the National Guard service; to the Committee on Military Affairs.

714. By Mr. RAKER: Petitions of C. A. Malm & Co., San Francisco, Calif., in re reduction in taxes; Donald MacDonald, 311 California Street, San Francisco, Calif., in re reduction in taxes and soldiers' bonus; Lessen Industrial Bank, Susanville, Calif., in re tax reductions; Placer County Chamber of Commerce, Roseville, Calif, in favor of tax reductions; and Denis M. Riordan, 78 Mercedes Way, San Francisco, Calif., in re tax-reduction plan; to the Committee on Ways and Means.

715. Also, petitions of A. P. Busey, jr., Camp Seco, Calif., supporting a tax-reduction plan; Pacific Coast Steel Co., San Francisco, Calif., in favor of the Mellon plan of tax reduction; and the American Wholesale Coal Association, Washington, D. C., indorsing the Mellon plan for tax revision; to the Committee on Ways and Means.

716. Also, petition of Federal Employees' Union No. 1, of the National Federation of Federal Employees, San Francisco, Calif., indorsing Senate bill 1220 and House bill 705 in re retirement of employees in the civil service; to the Committee on the Civil Service.

717 Also, petition of members of the Business and Professional Women's Club of Visalia, Calif, indorsing an amendment to the Constitution in re child labor; to the Committee on the Judiciary.

718. Also, petition of the Union League Club of the city of New York, in re investigation of Russian Government and the publication of facts as disclosed; to the Committee on Foreign Affairs.

719. Also, petition of Warehousemen's Association of the port of San Francisco, in re transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

720. By Mr. SABATH: Petition of the Illinois Association of Sanitary District Trustees, indorsing the continuance of the use of the dilution process of sewage disposal within the limits of the existing flow from Lake Michigan up to 10,000 cubic feet per second; to the Committee on the Merchant Marine and Fisheries.

721. By Mr. SINCLAIR: Petition of farmers of Bottineau County, for the organization of a Government corporation to buy and export the surplus agricultural products of the United States; to the Committee on Agriculture.

722. Also, petition of Mercer County (N. Dak.) Farm Bureau and Mercer-Oliver County (N. Dak.) Holstein Breeders' Association, favoring the enactment of House bill 4159; to the Committee on Agriculture.

723. Also, petition of sundry citizens of Temple, N. Dak., favoring the enactment of House bill 4159; also Turtle Lake Commercial Club, Turtle Lake, N. Dak., for the same measure; to the Committee on Agriculture.

724. By Mr. SPEAKS: Papers to accompany House bill 5925, granting an increase of pension to Lewis M. Stevenson; to the Committee on Pensions.

725. By Mr. TINKHAM: Petition of Mazzini-Garibaldi Republican Club, of Massachusetts, protesting against antiimmigration legislation; to the Committee on Immigration and Naturalization.

726. By Mr. WYANT: Petition of members of Stroud & Co., Philadelphia, Pa., favoring the Mellon plan of tax reduction; to the Committee on Ways and Means.

727. By Mr. YOUNG: Petition of the North Dakota Board of Railroad Commissioners, favoring an amendment to the transportation act; to the Committee on Interstate and Foreign Commerce.

SENATE.

THURSDAY, *January 24, 1924.*

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

Our Father, we thank Thee that we are not waifs on the world's highway but the children of Thy grace. We look unto Thee for blessing this morning, recognizing Thy goodness in the days gone, but seeking from Thee help, so that in all the duties that may come to our hands we may fulfill Thy good pleasure and live to magnify Thy name always. Through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal approved.

CALL OF THE ROLL.

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Adams	Fernald	Lodge	Shipstead
Ashurst	Ferris	McKellar	Shortridge
Ball	Fletcher	McKinley	Simmons
Borah	Frazier	McLean	Smith
Brandegee	George	McNary	Smoot
Brookhart	Gooding	Mayfield	Spencer
Broussard	Greene	Neely	Stanfield
Bruce	Hale	Norbeck	Stanley
Bursum	Harreld	Norris	Stephens
Cameron	Harris	Oddie	Sterling
Capper	Harrison	Overman	Trammell
Caraway	Heflin	Owen	Wadsworth
Colt	Howell	Pepper	Walsh, Mass.
Copeland	Johnson, Calif.	Phipps	Walsh, Mont.
Couzens	Johnson, Minn.	Pittman	Warren
Cummins	Jones, N. Mex.	Ralston	Watson
Curtis	Jones, Wash.	Ransdell	Weller
Dial	King	Reed, Mo.	Wheeler
Dill	Ladd	Robinson	
Edge	La Follette	Sheppard	
Edwards	Lenroot	Shields	

Mr. ROBINSON. I wish to announce that the Senator from Rhode Island [Mr. GERRY] is detained from the Senate because of illness.

The PRESIDENT pro tempore. Eighty-one Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 62) to create two judicial districts within the State of Indiana, the establishment of judicial divisions therein, and for other purposes, in which it requested the concurrence of the Senate.

DISTRIBUTED AND UNDISTRIBUTED EARNINGS OF CORPORATIONS.

The PRESIDENT pro tempore. The Chair lays before the Senate a letter from the Secretary of the Treasury, stating that the Treasury Department will be in a position to respond to Senate Resolution No. 110 in from 30 to 60 days. The letter will be printed in the RECORD and lie on the table.

The letter is as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 21, 1924.

The PRESIDENT OF THE SENATE PRO TEMPORE,
The Capitol.

DEAR MR. PRESIDENT PRO TEMPORE: Senate Resolution No. 110, dated January 7, 1924, directing the Secretary of the Treasury to furnish to the Senate information regarding the distributed and undistributed portions of the earnings or profits accumulated during the taxable years for which returns have been made or information furnished during the calendar year 1923, was duly received. I have the honor to inform you that the preparation of the data called for is under way and will be completed with all possible dispatch consistent with accuracy. The Commissioner of Internal Revenue estimates that the compilation should be completed within from 30 to 60 days.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

PETITIONS AND MEMORIALS.

Mr. EDGE presented the following concurrent resolution of the Legislature of New Jersey, which was referred to the Committee on Commerce:

HOUSE OF ASSEMBLY,
CLERK'S OFFICE,
Trenton, N. J., January 17, 1924.

Hon. WALTER E. EDGE,
Senate Building, Washington, D. C.

MY DEAR SENATOR: I am inclosing herewith a copy of a concurrent resolution, which was offered by Assemblywoman Mrs. L. W. Thompson, and adopted at a session of the house of assembly, in regard to the pollution of the waters along our coast resorts.

Yours very truly,

FRED'K A. BRODESSER,
Clerk of the House of Assembly.

Concurrent resolution.

Whereas the New Jersey coast resorts are celebrated throughout the United States as places of recreation, and furnish to hundreds of thousands of citizens of our State and of the country at large opportunities for pleasure and enjoyment; and

Whereas our coast resorts are threatened and bathing seriously impaired by reason of the negligent and criminal discharge of waste matters and fuel oil into the waters of the Atlantic Ocean by steamers; and

Whereas stringent measures should at once be taken to eliminate these deplorable conditions: Therefore be it

Resolved by the house of assembly (the senate concurring), That the Federal Congress and the Rivers and Harbors Committees thereof be requested to enact appropriate legislation to remedy this condition without further delay; and be it

Resolved, That a copy of this resolution be sent to each Senator of the United States from the State of New Jersey, and to each of the Members of the House of Representatives from the State of New Jersey, with the request that they immediately seek remedial legislation to meet this condition of affairs; and be it

Resolved, That a copy of this resolution, duly signed by the presiding officers of the senate and the assembly, be transmitted to the Secretary of the United States Senate and to the Clerk of the House of Representatives.

HARRY G. EATON,
Speaker of the House of Assembly.
FRED'K A. BRODESSER,
Clerk of the House of Assembly.

Mr. WALSH of Massachusetts. I present a short telegram from the Massachusetts Public Interests League, which I ask to have printed in the RECORD and referred to the Committee on Education and Labor.

There being no objection, the telegram was ordered to be printed in the RECORD and referred to the Committee on Education and Labor, as follows:

CAMBRIDGE, MASS., *January 24, 1924.*

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

Please have the following printed in CONGRESSIONAL RECORD as well as in record of hearing on education bill. The Massachusetts Public Interests League declares its opposition to the passage of the Sterling-Reed bill as inimical to the underlying principles of our Union. We insist that the un-American tendencies of the time should not be permitted to manifest themselves in another centralizing bureaucratic enactment. That the people of the States should not be taxed to support another multitude of agents going hither and thither to interfere with local administration. That the education of the citizens of the 48 States should be left to the States themselves and should not be dominated and controlled by any Washington department. That the education of the childhood and youth of the States should be intrusted in the future as in the past to the States, as intended by the framers of the Constitution.

MARGARET C. ROBINSON, *President.*

Mr. LODGE presented resolutions adopted by the Baltimore Quarterly Meeting of Friends (Orthodox), at Washington, D. C., and of the national executive committee of the Women's International League for Peace and Freedom, opposing the sale of arms and ammunition to the Government of Mexico, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented petitions, numerously signed, of rural letter carriers of Crawford, Wilson, Sheridan, Brown, Neosho, and Labette Counties, in the State of Kansas, praying for the passage of legislation granting an equipment allowance of 6 cents per mile to rural letter carriers, which were referred to the Committee on Post Offices and Post Roads.

Mr. LADD presented the petition of Otto Bauer and 25 other citizens of Mandan, N. Dak., praying for the enactment of legislation increasing the tariff on wheat, flax, the oils derived therefrom and the substitute oils used therefor, which was referred to the Committee on Finance.

He also presented the petitions of John Anderson and 32 other citizens of Finley, and of R. A. Jongewaard and 18 other citizens of Litchville, all in the State of North Dakota, praying for the passage of Senate bill 1597 providing a $50,000,000 revolving loan to the livestock industry; which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions of the Mercer-Oliver County Holstein Breeders' Association, the Mercer County Farm Bureau, and the North Dakota Livestock Breeders' Association, all in the State of North Dakota, favoring the passage of Senate bill 1597, providing a $50,000,000 revolving loan to the livestock industry; which were referred to the Committee on Agriculture and Forestry.

He also presented the petitions of Mrs. A. White and 108 other citizens, and of Knox Ferguson and 34 other citizens, all of Bottineau, and of Mrs. J. S. Lewis and 50 other citizens of Rolla, in the State of North Dakota, praying for the participation of the United States in the Permanent Court of International Justice; which were referred to the Committee on Foreign Relations.

THE WHEAT SITUATION.

Mr. HOWELL. I present an article appearing in the wheat growers' edition of the Omaha Bee, of January 20, 1924, relative to the wheat situation, which I ask may be printed in the RECORD.

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

Much has been written and much more has been said about the American wheat farmer and the condition he faces as a result of low price for his wheat in the face of continued high prices for everything he buys.

Unfortunately, a great deal of this writing and talking has been wide of the mark, much of it based upon the fond hope that the general level of prices will somehow come down to the level of farm prices.

In the judgment of the Omaha Bee, the expectation of a fall of general price levels is worse than a fond hope; it is a mistake. Every indication points to the continuance of the present increased standard of living.

TIME FOR FARM INVENTORY.

The farmer must stop planting and marketing blindly. He must build his activities upon the same foundation as the manufacturer.

High prices for manufactured products, high wages for industrial workers are good for the farmer—if he will but organize to put his product on the same high level.

The manufacturer operates behind the security of an adequate tariff, and properly so. Industrial labor operates behind the security of a restricted immigration law, and properly so.

The plain duty of the farmer, especially the wheat farmer, is to go and do likewise.

WHAT MUST BE DONE.

This, then, is the program urged by the Omaha Bee:

1. An adequate tariff.

2. Readjustment of freight rates for the purpose of giving a lower rate for export wheat.

3. Reduction by 20 to 25 per cent of the wheat acreage.

4. Serious consideration to be given to the suggestion of Secretary Wallace of the Department of Agriculture looking to the organization, under Federal control, of a corporation to handle export wheat.

The effect of these steps will be to put wheat on a domestic basis. The sale prices in the American markets will then be on the same foundation as the sale of manufactured goods—those products which the farmer buys.

MENACE OF SURPLUS.

The heavy hand which now rests on the American farmer is the wheat surplus. Not only the surplus raised in our own country, but the surplus raised in Canada, the surplus in Argentina, in Australia, in all the countries of the world, including Russia, which is rapidly reaching an export basis.

Lower export rates are essential, but these will not cure the difficulty nor raise the heavy hand of the surplus unless there is an adequate tariff to keep the surplus raised in other countries from pouring over our borders.

TARIFF TO PROTECT HOME MARKET.

Reduced acreage is essential, but we can cut our wheat crop in half and still we will face the surplus of the world, unless there is an adequate tariff to keep it out.

An export corporation, established by the Federal Government, could handle the American wheat for export, but the American wheat farmer would continue at a disadvantage, would still be compelled to sell at world prices unless an adequate tariff is provided for his protection in the same manner as an adequate tariff is provided for the protection of the American manufacturer.

TO ESTABLISH INDEPENDENT PRICES.

Give the American wheat farmer an adequate tariff, give him lower export freight rates, and cut the wheat acreage, and his wheat will sell on a domestic basis, at a domestic price.

Then the American wheat farmer can absorb the higher wages for farm labor, can pay fair domestic freight rates, can farm profitably on his higher priced lands, can pay the high prices now required for everything he buys. Then we will see our splendid American prosperity spread out over our western farms. Then we will have achieved that greatest need of the Nation, a happy, prosperous, contented family in every farm home.

NOT MATTER OF CREDIT.

Cooperative organizations among the farmers are valuable, but they can not bring full relief. Adequate credit facilities are essential, but more than credit is needed. Credit is of small value when wheat is selling below the cost of production. Credit disappears in bankruptcy when there is no profit on the farm.

Let us look at some of the facts.

The total world wheat crop in 1923, excluding Russia, is estimated at 3,400,000,000 bushels. This exceeds the 1922 production by 300,000,000 bushels and is greater by 500,000,000 bushels than the pre-war production.

Before the World War Russia exported annually about 164,000,000 bushels. It will not be many years until Russian wheat is again in the world markets, at probably an even greater export level.

CANADA'S CROP IS PROBLEM.

Canada produced during the pre-war years 1909–1913 an average of 197,000,000 bushels of wheat a year. During 1923 Canada had increased its production to 470,000,000 bushels. This production will be still further increased. The Dominion Government is following a consistent policy of attracting immigrants to her western wheat-growing Provinces.

At the time of the extension of the Canadian railroads into western Canada the Dominion Government gave them large cash subsidies and land grants and in return demanded and secured the present low rates to the head of the Lakes.

Local and short-haul rates in Canada, as is shown on another page of this issue, are as high, and in some instances higher, than rates in the United States for similar distances.

Canada has only about 9,000,000 inhabitants, yet her farms produce a wheat crop greater than half the American production. We have a population to feed twelve times as large.

Canadian wheat, therefore, must be exported.

KEEP OUT SURPLUS.

The wheat production in the United States in 1923, including carryover in the form of both wheat and flour, is estimated at 893,000,000 bushels and it is estimated that of this we exported between 130,000,000 and 140,000,000 bushels.

Thus it is self-evident that we must keep out the surplus from other countries, especially from Canada, from which country it could most easily be dumped across the border, were there no tariff to prevent it, and we must eliminate our own surplus by reducing our acreage.

In spite of the best-laid plans, however, surplus wheat will be raised in the United States; therefore the need for lower export rates to meet similar export rates in Canada.

REPORTS OF COMMITTEES.

Mr. LADD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 3679) authorizing the building of a bridge across the Peedee River in South Carolina (Rept. No. 93);

A bill (H. R. 3680) authorizing the building of a bridge across Kingston Lake at Conway, S. C. (Rept. No. 94);

A bill (H. R. 657) granting the consent of Congress to the boards of supervisors of Rankin and Madison Counties, Miss., to construct a bridge across the Pearl River in the State of Mississippi (Rept. No. 95); and

A bill (H. R. 3265) to authorize the construction of a bridge between the Boroughs of Brooklyn and Queens, in the city and State of New York (Rept. No. 96).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 361) for the relief of Fred V. Plomteaux (Rept. No. 97);

A bill (S. 383) for the relief of William R. Bradley, former acting collector of internal revenue for South Carolina (Rept. No. 98); and

A bill (S. 1353) for the relief of Annie McColgan (Rept. No. 99).

WILLAMETTE RIVER BRIDGE, OREGON.

Mr. McNARY. From the Committee on Commerce I report back favorably without amendment the bill (S. 152) to authorize the county of Multnomah, Oreg., to construct a bridge and approaches thereto across the Willamette River, in the city of Portland, Oreg., to replace the present Burnside Street Bridge, in said city of Portland; and also to authorize said county of Multnomah to construct a bridge and approaches thereto across the Willamette River, in said city of Portland in the vicinity of Ross Island. I ask unanimous consent for its immediate consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That the county of Multnomah, in the State of Oregon, be, and is hereby, granted authority to construct, maintain, and operate a bridge and approaches thereto across the Willamette River, in the city of Portland, Oreg., at a point suitable to the interests of navigation, at or near Burnside Street, in said city of Portland, to replace the present Burnside Street Bridge, in said city, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the said county of Multnomah, in the State of Oregon, be, and is hereby, also granted authority to construct, maintain, and operate a bridge and approaches thereto across the Willamette River, in the city of Portland, Oreg., at a point suitable to the interests of navigation, approximately 13 miles above the mouth of said Willamette River, in the vicinity of Ross Island, in accordance with the provisions

of said act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PEEDEE RIVER BRIDGE, SOUTH CAROLINA.

Mr. SMITH. I ask for the immediate consideration of the two bills just reported by the Senator from North Dakota, pertaining to the construction of bridges across rivers in the State of South Carolina. The bills have been passed by the House. The work is delayed because we have not the authority to proceed. The measures have the recommendation of the War Department and I desire to have them expedited, if possible. I ask first for the immediate consideration of the bill (H. R. 3679) authorizing the building of a bridge across the Peedee River in South Carolina.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the counties of Horry and Georgetown, in the State of South Carolina, be, and they are hereby, authorized to construct, operate, and maintain a bridge and approaches thereto across the Peedee River at a point suitable to the interests of navigation and at or near a point known as Yawhannah Ferry, in said State, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

KINGSTON LAKE BRIDGE, SOUTH CAROLINA.

Mr. SMITH. I ask for the immediate consideration of the bill (H. R. 3680) authorizing the building of a bridge across Kingston Lake at Conway, S. C.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the county of Horry, in the State of South Carolina, be, and is hereby, authorized to construct, operate, and maintain a bridge and approaches thereto across Kingston Lake at a point suitable to the interests of navigation at a point near the end of Fourth Avenue, in the city of Conway, in said State, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SURVEY OF DOG RIVER, ALA.

Mr. JONES of Washington. Mr. President, in the river and harbor act of 1922 there was a provision for a preliminary examination and survey of Dog River, Ala., which did not describe it just as was intended. The House has passed an amendment correcting the description, and the data are all available in the engineer office, so that that office will be able to make a report without further examination. I therefore ask unanimous consent for the present consideration of the bill, which I report back favorably from the Committee on Commerce without amendment.

The PRESIDENT pro tempore. The Senator from Washington reports favorably from the Committee on Commerce a bill, the title of which will be stated by the Secretary.

The READING CLERK. A bill (H. R. 3770) for the examination and survey of Dog River, Ala., from the Louisville & Nashville Railroad bridge to the mouth of said river, including a connection with the Mobile Bay ship channel.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent for the present consideration of the bill.

Mr. KING. Mr. President, I should like to ask the Senator from Washington whether this bill provides for an independent survey?

Mr. JONES of Washington. No; as I said a while ago, it simply corrects the description that was contained in the act of 1922, so as to make it cover just what was intended.

Mr. KING. It is not a new authorization?

Mr. JONES of Washington. No; it is not.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

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

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

POLISH PEOPLE AT HAMTRAMCK, DETROIT, MICH.

Mr. ROBINSON. Mr. President, some days ago, at my request, there was printed in the RECORD an editorial published in the Chicago Tribune respecting a Polish settlement within the city of Detroit, the settlement being called Hamtramck. A number of editorials have been published in Polish newspapers in reply to the Chicago Tribune editorial which was published in the RECORD, and I have been requested to have them inserted, so as to present both sides of the subject. I therefore ask that the editorials which I send to the desk be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is ordered accordingly.

The matter referred to is here printed, as follows:

THE HAMTRAMCK SITUATION.

(By John A. Wedda.)

Some days ago the Chicago Tribune published the following:

POLISH CITY IN DETROIT WANTS POLICE OUSTED.

DETROIT, MICH., December 21 (special).—A resolution demanding that the State police evacuate Hamtramck was to-day drawn up by a committee appointed at a meeting at which "Polish rule" for Hamtramck was demanded. Hamtramck is a city of 60,000 inhabitants situated within the limits of Detroit.

Judge Tuttle of the Federal court was criticized for his recent attack on the liquor situation in Hamtramck. Justice Phillips, of Hamtramck, was booed into silence when he attempted to defend Judge Tuttle and the State legislature. The Hamtramck council and State police were attacked violently.

The speeches were mainly in Polish, and when Justice Phillips tried to speak he was told that the Polish tongue should be heard only and for him to leave the hall. Health Commissioner Dysarz said that Hamtramck should be resided in by Polish people only and that all others should get out.

EDITORIAL COMMENT.

Two days later the Chicago Tribune made this item a subject of lengthy editorial comment. In the editorial it was said that Hamtramck was a bad incident in itself and a good illustration of conditions as they existed in communities where persons of foreign extraction reside in considerable numbers. It was intimated thereby that the Poles, and others too, endeavor to create a state within a state and thus hinder an amalgamation of the several component parts of the American Nation.

The Chicago Tribune's account of the meeting was erroneous, and the editorial conclusions founded thereon were therefore incorrect and misleading.

I have had a notion to answer the Chicago Tribune's article immediately after its appearance, but, upon second thought, refrained from doing so until I investigated personally the situation and got down to rock bottom of the facts. I know Hamtramck well for many years, but I deemed it wise nevertheless to get the last news.

Hamtramck is a new city on the borders of Detroit. It is to Detroit, in the sense of location, what Evanston is to Chicago. There is this difference, that while Evanston is a residental city, Hamtramck is a manufacturing city. The population of Hamtramck is predominantly of Polish stock, though there are other nationalities in considerable numbers.

A NEW CITY.

Hamtramck, as I said, is a new city, a big community of mushroom growth. This is an important fact to bear in mind, because we all understand that cities of a sudden expansion do not develop in all directions as well as older cities develop.

This sudden growth brought into Hamtramck various elements, many of which were thoroughly undesirable. On this there is no dispute, as there is no argument on the score that most of the undesirable elements were composed of persons not resident permanently in but outside of Hamtramck.

The government of Hamtramck is composed of a system very similar to that of all other American cities. There is a mayor, a common council, a police department, a fire department, a school system, and all the other departments of a modern city system.

Serious differences arose in the city administration with the mayor on the one side and city council, or at least most of the councilmen, on the other. The mayor maintained that he wanted to clean up the city but could not accomplish his purpose because the city council frustrated his plans. The council made similar charges against the mayor.

The controversy in the city government resulted in this, that the council, in the face of the mayor's protest, passed a resolution asking the governor of the State to send in the State police.

The State police came and patrolled the city. But instead of the expected quiet and order further turmoil ensued. It is a matter of public record that at least some of the State policemen became grafters to a greater extent than any city official in Hamtramck ever attempted to be. One State policeman became so bold that he shot and killed in cold-blooded fashion a proprietor of a soft-drink parlor because the man refused to pay him graft. Another citizen was shot down by another State policeman in plain clothes because he did not stop when ordered to do so. Such were some of the conditions that developed in Hamtramck after the arrival of the State police.

AROSE IN PROTEST.

The men and women of Hamtramck arose in protest, orderly protest as we shall see. They called a public meeting to which all were invited and from which none were barred. Those gathered discussed conditions in Hamtramck and the various remedies to eliminate them. A justice of the peace, one Phillips, wanted to speak not in defense of Judge Tuttle, but in the name of the council. Judge Tuttle needed no defense because he was not a subject of the discussion or the purpose of the meeting. The people refused to hear Phillips, not because he wanted to speak in English, but solely because they accused him of being a tool in the hands of the councilmen who called in the State police. The people stated emphatically that they would listen to the councilmen but not to Phillips as their emissary.

Nationalism, American, Polish, or any other was not the topic. Methods of cleaning up Hamtramck were the subject. The mayor presented his case in person. The meeting adopted resolutions petitioning the governor to withdraw the State police and leave the safety of the city in the care of the local police. It was further stated that all possible means will be used to maintain a clean and orderly city. That is the long and short of the whole story.

DID THEIR DUTY.

Any slurs cast upon the Polish people in Hamtramck or in any other community because of the Hamtramck incident are entirely uncalled for. These people gathered in public assembly to discuss a public question, as they had a right to do, as it was their duty to do.

The correspondent of the Chicago Tribune, for some unknown reason, misinformed the newspaper and the newspaper, taking the message as the truth, used it as the foundation of an editorial that is an injustice to American citizens of Polish blood.

Now we have the whole situation as it is.

The people of Hamtramck, as I believe, will take the situation in hand and keep it there, irrespective of outside influence, provided, however, that the State police relinquish the right of shooting up the town.

ARTICLE I.

To the Chicago Tribune:

The Chicago Tribune has made recently an extraordinary comment on a public meeting held in the city of Hamtramck.

The first amendment to the Constitution of the United States, which includes a guaranty of religious liberty and the freedom of the press, also includes a guaranty of the "right of the people peaceably to assemble and petition the Government for a redress of grievances."

Public meetings held to discuss current questions are always called under that constitutional principle. The right of assembly and the right of petition are essential American rights. It does not matter whether the petitions are expressed in the form of resolutions or whether there is merely a verbal expression of the opinions of individual speakers.

In the spirit of American free opinion and free speech citizens of Hamtramck held a meeting to discuss their civic affairs. In this meeting the Tribune declares "demands were voiced for 'Polish rule,' evacuation of the State police, and the removal of all but Polish people from the community." It declares that a local justice was "booed into silence" when he began to speak in English and that he "was told that only the Polish tongue should be heard."

Thus the famous Chicago newspaper describes the meeting. The account in itself is not surprising so much as the comment made. The Tribune declares that "the persons responsible for that meeting are not American in thought, spirit, or practice, whether they are naturalized citizens or not."

The Tribune in these words, probably without intention, does a grave injustice to a whole meeting and to the persons responsible for calling a meeting because of certain actions and utterances to which the Tribune makes objection.

If any meeting, as a meeting, were to demand "Polish rule" in an American community, there would be natural objection by all Americans. And most of all by Americans of Polish descent. This is because people of Polish descent know the experiences of their fathers when their ancestral country of Poland was ruled by non-Polish nationalities—Russian, Austrian, or Prussian. Americans of Polish descent would be the last to ask for rule by any but Americans in an American community.

Yet individuals of Polish descent, in Hamtramck and elsewhere, feel strongly that the citizens of Polish blood are especially responsible for that community. They are in a majority. Their actions determine the results of elections. The action of those who vote, and the inaction of those who do not vote, both have their effect. It is natural that some speaker, feeling strongly that all Polish-American citizens should arouse themselves and exert their powers as voters, should call upon his fellow citizens of the same blood to act.

This, as we say, is a natural appeal. But what if some speaker, in discussing this or any other question, should express a more strongly racial sentiment? Should his individual utterances be credited to the whole meeting?

The Tribune is not so close to Hamtramck as is the Record, and naturally can not discuss the situation with such exact knowledge.

The meeting in Hamtramck was called to discuss public questions. In that meeting there was free discussion. The meeting was a meeting of citizens and voters, but in order to get free discussion and to enjoy a full understanding of all that was said, the language used was the childhood language of the older men.

The report that one speaker was "booed into silence" does not make this the only case where a public meeting declined to hear a speaker. Speakers have been silenced by the crowd even in the national conventions of great parties. And there is at least one instance in the history of Michigan when the legislature declined to hear the farewell message of a retiring governor.

English is the language of this country. But the free sentiments of the fathers can be expressed in other languages. That is the way in which these sentiments, translated into other tongues, have kindled liberty in other lands.

The rule of America, and of all American cities, is an American rule, but when any racial group is strong or is predominant in a community, this will naturally bring a sense of special responsibility.

The true Americanism of that meeting in Hamtramck could be judged by other things beside partial reports of individual utterances.

The number of service medals in the possession of some of the younger men—the number of stars, and of gold stars, which hung in the windows of some of the older men during the World War—would be a much better indication of the general Americanism of the whole meeting.

Casual visitors, or distant observers, may misunderstand the Americanism of this Hamtramck assemblage. But enemies of this country and of these free institutions, abroad or at home, do not misunderstand. They have seen that loyalty in action.

ARTICLE II.

To the Chicago Tribune:

The Record yesterday began a discussion of the Chicago Tribune's recent editorial criticizing a mass meeting of citizens in the city of Hamtramck.

The Tribune was quoted in its amazing assertion that "the persons responsible for that meeting are not Americans in thought, spirit, or practice, whether they are naturalized citizens or not."

To this particular declaration the Record replied yesterday. The Record spoke then as it is speaking to-day, as the recognized representative and champion of Americanism and the Americanism of citizens of Polish blood. To-day we consider another sentence in the Tribune editorial, which should be considered in the light of the history of the United States, both the early and the most recent stages of that history.

The Tribune, still speaking of "the persons responsible for that meeting," declares that "either something within themselves or something in America has prevented them from becoming American, and has kept them Poles at heart."

We must ask, What can there be, what could there be, within the breasts of men of Polish blood which would "prevent them from becoming American"? A great deal of comment is made on the fact that speeches in this American meeting were made in the Polish language. But that same Polish language, as used in Poland, was the first language in which a biography of George Washington was written. This life was written by Niemcewicz, the friend of Washington. And in that language, from the days of Niemcewicz, and from before the days of Niemcewicz, all that has been taught of America is its fame and its praise.

All that Polish parents plant in the minds of their sons, even in Poland, is in praise of America and of American institutions.

And there can be nothing, as the Tribune fears, "within America" which might prevent the children of Polish parents from becoming American. For America, to the newcomer from Poland, stands like an ideal country, a land almost faultless. He thinks of it always as an ideal. Some men have visited this country, holding so passion-

ate an ardor of patriotism for Poland that they could not remain here and be naturalized. Yet their ideal for their own country has always been to have its liberties built up so that they would stand like the liberties of America.

"Something has kept them Poles at heart," the Tribune declares. This is strange language from a learned editor familiar with the history of his native land. Kosciusko, who planned the defense of West Point, whose statue stands on West Point parade ground, was a Pole at heart. Pulaski, who died for this country at Savannah, was a Pole at heart. The mighty Kosciusko lived after the Revolution, and fought again for Polish liberty after he had aided to set this country free. But he has been an inspiration to people of Polish blood in America, as in Poland. He is the great leader of thousands and thousands of immigrants, Poles at heart, who have come to this country, and have given to this country their Polish hearts, and the strength and steadfastness and unflinching loyalty of the Polish character.

This is the light shed on the Chicago Tribune's comment by the history of the first days of this Nation.

The light shed by most recent history of our people is quite as illuminating, quite as full of the flame of instruction for the Tribune.

We have held in our hands a list of the dead. Everyone knows what dead. It is a list of some of the dead of the World War, the soldiers from Wayne County, Mich., who died while wearing the uniform of the American Expeditionary Force.

In this list there are 874 names.

They are the dead. They are the beloved, the honored, the most-beloved and most-honored dead.

Does anyone question the Americanism of these?

It is preposterous. For from these dead we learn Americanism. We learn devotion. We learn sacrifice. We learn the preciousness of our liberty. We learn the sacredness of the flag.

By just proportion some of these 874 names should be Polish, and of the dead some should be Polish or partly Polish.

About 80 or 90 of them, according to the proportion of the population, should be Polish. So many we might expect to find with some Polish blood, with some knowledge of the Polish language, with some interest in the Polish history and traditions.

And the number of names, unmistakably Polish, in this list is not 80 or 90. It is 145. We have a right to believe that there are at least from 25 to 50 more, whose names were originally Polish, or who have some share of Polish blood.

This is something which has been brought about by the same kind of people who organized that Hamtramck meeting. The same Americanism which inspired that public meeting inspired these young men to fight for their country, and to fight even to the last desperate grapple with death.

"Something within themselves" made this possible. What they and their fathers heard of America in Poland, in the Polish language, made this possible. This is the result of education by fathers or grandfathers who were Polish at heart, and whose hearts, therefore, turned naturally to the cause of America.

Americans of Polish descent are indeed Americans at heart, because there is room in their heart for the great Polish traditions, and especially the proud tradition of friendship and cooperation with America and the support of American ideals. This the Tribune would understand by any direct study of the relations of the two peoples, and of the attitude of the man of Polish blood, in every part of the world, toward America, the land of realized ideals.

ARTICLE III.

To the Chicago Tribune:

In the meeting held in Hamtramck, by citizens discussing the affairs of their city, using the Polish language which the auditors could most readily follow, the Chicago Tribune discerns "a grave menace to American institutions and democratic government."

If there is anywhere in this country "a grave menace to American institutions and democratic government" the Chicago Tribune would be only doing its duty to proclaim the peril and warn the people. But even a fine purpose may be falsely directed, and even patriotism may be unnecessarily alarmed.

When the people of this country—that is, the citizens of the original 13 States—decided to separate from Great Britain, they discussed the crisis and their future in more languages than one. The major part of the discussion, of course, was in English. But there were patriotic families in New York State where the domestic conversation on the crisis was carried on in Dutch. There were some pioneer households in Pennsylvania where German was the medium of conversation. Indeed, in those communities a form of German has continued down to our own age as the language of a great part of religious and social life. Echoes of Swedish may have been heard in Delaware, and some French in portions of the South.

It is not the language used, but the sentiment expressed, which determines the loyalty of heart of one who speaks or of one who writes.

So there is no menace in the mere fact that a group of citizens held a meeting and decided, since they all knew Polish well and some of them knew English less perfectly than others, they would hold their discussion in Polish.

There is no menace at all in an orderly public meeting in which citizens discuss their civic affairs.

There is much more of a menace to American institutions when there are public questions which should be discussed and the citizens do not discuss them.

Some such situation as this has existed in China and in Russia in former times. The citizens had no civic rights, and consequently took no part in consideration of public affairs. The result was that in China in 1894 the inland villagers never knew that there was a war between China and Japan, and they had no interest, as they had no share, in the changes of the central government. In Russia the people were not taught to consider public questions, but merely to submit to rule, and therefore they have submitted to every and any rule that was imposed upon them by grand dukes or Bolsheviki.

The meeting in Hamtramck, instead of menacing American institutions, was a meeting which tended to preserve and to perpetuate them.

One of the oldest of American institutions, older even than the organization of the American Republic, is the town meeting. The town meeting has somewhat gone out of custom with the growth of towns and the insistence of the people on expeditious modern methods in public business.

But while the town meeting, as a legislative institution, has largely disappeared, the meeting of citizens should still continue. In many large cities a meeting of citizens, for no object but the general discussion of civic welfare and city government problems, is not easily organized. In Hamtramck, which has so recently been a village, it still seems to be a natural step to call a meeting of citizens whenever there is a public problem which needs discussion.

There have been many of these public meetings in the recent history of Hamtramck. Some of them have been carried on in one language, some in another. But if the institutions of America were to be endangered by citizens' meetings in Hamtramck, they would have been endangered long ago.

The fact is that the meetings of citizens in Hamtramck, like all other civic movements in that city, have tended to strengthen the things which Americans all love to see strengthened in our cities and in our Nation.

While public meetings were being held, some of them in English, some in Polish, the Polish youth of America, the young Americans of Polish birth or descent, formed the largest single body of volunteers before the draft law was enacted for the building up of the American Expeditionary Force. No other single nationality sent so many volunteers to the Army without waiting for a draft as the Americans of Polish descent.

While public meetings have been held in Hamtramck, some in English and some in Polish, the school system of the city is being developed on an impressive scale. In addition to all the enormous efforts made for public schools, there is another gigantic work going on in the building up of the parochial schools of the different churches. And the dominant note of education in Hamtramck is American, as emphatically American as the American note of education in Chicago or Boston or in Harvard College.

American institutions were threatened to some extent, during the World War, by elements which did not appreciate the value of our liberties. There were troubles of different kinds in San Francisco, in Chicago, and in other cities, and men were arrested and sent to prison for acts or words threatening American institutions. But in Hamtramck, where a large proportion of the population is of European birth, the loyalty of the community at large was demonstrated as plainly as the loyalty of Lexington in the Revolution or the loyalty of Texas in the war with Mexico.

ARTICLE IV.

To the Chicago Tribune:

In the same Chicago Tribune editorial which we have been discussing in this series of articles, a startling conclusion is drawn from the fact that citizens of Hamtramck held a meeting in which the Polish language was used, and the withdrawal of the State police was asked.

From this the Tribune makes the declaration:

"An alien-minded community of 60,000 souls, established in one of our greatest industrial cities, violently resents the use of the American language and government under American laws."

A grave and even terrible situation is here described—that is, a situation which would be grave and terrible if it existed. The Tribune is making its whole comment on a community on one single news dispatch, and not even so great a newspaper can form a judgment on one telegram.

It is true that at the meeting described and discussed in the Tribune most of the speakers used the Polish language. It is true also that one speaker who began an address in English was "booed."

But we have had knowledge of other meetings held in Hamtramck to discuss Hamtramck affairs, and English as well as Polish was used. And on the other side, so far as the "booing" of speakers is concerned, this is likely to occur, as we remarked in a previous article, in the meetings of any nationality or any nation—no matter what the language used. Henry Ward Beecher was greeted with hostile shrieks and shouts when he began to plead the cause of the Union in addresses in England—and so far as Hamtramck is concerned, hostile greetings have been given on occasions to speakers in Polish as well as this single speaker in English.

If the people of Hamtramck were an "alien-minded community" who "resent the use of the American language," they would never have built up the school system, public and parochial, which now flourishes in their city, because this school system is distinctly American, and special attention has been given to the development of English. The school authorities of Hamtramck, as well as those of Detroit, and indeed, of Chicago, know well that the proficiency acquired by many young Polish students, some of them children born abroad, often excels the mastery of the American speech gained by some children who are native to this country.

But the most extraordinary assertion made by the Tribune is that this community of Hamtramck "resents government under American laws." This is probably an allusion to the request made for the removal of the State police from the city.

In the first article of this series we pointed out that in all of this proceeding the holders of this meeting followed American laws. They were resting on their constitutional right of petition. If there was any disposition to "resent government under American laws," no such public meeting as this would have been held. Those who "resent government under American laws" meet in dark secrecy and plan violence. These American citizens met openly as Americans and made petition.

And it is a striking fact that no community of America has had much more study of actual American laws than the people of Hamtramck. In this city of 60,000 we have seen 3,000 European-born persons become citizens within the past year. Has Chicago admitted aliens to citizenship at a rate of 5 per cent of her total population?

And this is not the only demonstration made in recent years by the people of Hamtramck concerning their interest in American laws. The people of Hamtramck a few years ago changed their government from a village to a city organization.

In order to make this change it was necessary for this community to elect a charter commission. The charter commission when it met made a study of all that has been done in America in recent years, from the Galveston and Des Moines plans down to the latest systems adopted by municipal statesmen.

The result of this was the new charter of the city of Hamtramck by which the largest village in America became the municipality we now know. This community, which the Tribune describes as "alien-minded," has built up a government without one single feature or characteristic which is not wholly American.

Now this Americanism in Hamtramck is exactly what wise students of American life, especially in large cities, should correct. The Chicago Tribune itself is published in the city which has the largest settlement of people of Polish blood outside of Poland. The Chicago Tribune knows well the record of the citizens of Polish blood in the most American affairs of that American city. Not every member of any racial stock makes an ideal American citizen. But just as Hamtramck has found men of Polish blood to honor with public office, Chicago and Cook County have found others, and the artistic and musical circles of that great city know well the part taken by men and women of Slavic ancestry.

The Chicago Tribune is not to be criticized for protesting against any "alien-minded community which resents the use of the American language or government under American laws." If such a community were to be found, the Tribune should be commended for protesting against it, and the Record and every other truly American newspaper would join in the protest. But Hamtramck is no such community, and the Tribune is needlessly alarmed.

ARTICLE V.

To the Chicago Tribune:

The Daily Record, to whom the people of Hamtramck have learned to look as their representative, has been discussing frankly with its great and famous contemporary, the Chicago Tribune, a Tribune editorial in which Hamtramck is spoken of often as an "alien-minded community," or a community of "alien-minded people."

The Chicago Tribune, with its honorable reputation as an investigator of truth, has expressed itself very strongly on the basis of information obtained from a single news dispatch about a single public meeting in Hamtramck.

We wish that the writer of this able editorial in the Tribune could see this "alien-minded" community.

He may have, in his mind, a picture of some of the quaint old-country communities in different parts of the United States. There are communities in which one hears more of some European language in the streets than he hears of the language of the American people. There are a number of odd and picturesque little French or German or Scandinavian or Mexican settlements in different parts of our land which afford to the traveler a glimpse into some of the conditions of life in the Old World.

But in Hamtramck there is no such European appearance, no such European mannerism. The visitor passes store after store with only English signs, announcing "shoes," or a "meat market," or "men's furnishings," or "soda." For the benefit of some of the European settlers a drug store is likely to carry the word "Apteka" in small letters, but there is a good reason for this. In Europe a drug store and an apothecary shop are distinct institutions, and the word "apothecary" is never used in store signs in America. It was necessary for early German druggists in Chicago and Detroit to hang out signs announcing "Deutsche Apotheke" for the benefit of Europeans who would not look for an apothecary in a shop which sold confectionery, stationery, and cosmetics.

But with a word of this kind over a drug store, the drug store is not the European shop, but an American pharmacy. There is no attempt to hold to the European method, but everything is done to follow the American method. So it is even in the stores which make a specialty of European articles of food, for in all of them American fixtures of every kind are found and American processes of preserving and protecting food are universally followed.

The visitor to Hamtramck finds nothing to indicate that he is in anything but an American city. From the business block to the last cottage built for a home the city is American.

The school buildings include the auditoriums and the baths and the laboratories which are American developments.

The fire department is modern and electrified.

In a community where so many of the people were born in Poland and speak Polish with equal or sometimes with greater facility than any other language the use of Polish is a desirable accomplishment. But English is the language of Hamtramck, as it is the language of Chicago, though without doubt there are many more Polish-speaking persons in Chicago than could be found in several Hamtramcks.

But if the visitor should himself enter some meeting or find himself in some chance crowd in a public place where Polish was the language used, would he hear alien thoughts or alien ideas in this language? He would hear, on the contrary, a discussion of the civic welfare of the city of Hamtramck, the welfare of the State of Michigan, the public affairs of the American Commonwealth. In this meeting in Hamtramck which the Tribune seems to think was alien-minded the matters under discussion were the home affairs of the city. There was no discussion of any proposal to make Hamtramck Polish; on the contrary, the aim of the discussion was to establish its Americanism.

The Chicago Tribune has not intended to do an injustice to any body of American citizens, especially not to citizens of Polish ancestry, of whom it has many among its own readers in Chicago and in other cities. The Chicago Tribune has acted the patriotic part in insisting that communities in America should not be alien-minded, and that the principles of our original liberties should be kept constantly in view by all.

In these contentions the Tribune is right. And these contentions of the Tribune would be the contentions of the Record if these things ever became acute issues. The things for which the Tribune fights are things for which the meeting which it criticizes would also fight.

There is no "menace to American ideals and American democratic government" in a democratic meeting of citizens to discuss the public affairs of their community. Such meetings as these are what make constantly effective the prestige of American ideals and the continuance of democratic government. In order to find "menace" in a city of the size of Hamtramck, the study of the whole city should be made, and all that may offer "menace" and all that may offer reassurance to American patriotism should be studied.

If this kind of study is made, it will be found, we are sure, that the aims and objects of American newspapers like the Tribune and its humble contemporary, the Record, and the aims and objects of all good citizens of Chicago and Hamtramck are the same.

ARTICLE VI.

To the Chicago Tribune:

With one more citation from the recent editorial in the Chicago Tribune on Hamtramck, our present discussion of this able newspaper's comment will close.

The Tribune remarks that resentment of race consciousness and solidarity in European-born residents, a resentment "expressed in the ordinary American attitude toward the Poles or toward Italians, Greeks, Asiatics, and to a lesser extent toward Germans, Scandinavians, Irish, or British tends to drive these people still more closely together. That is deplorable."

The Tribune here seems to express alarm at the vision of one racial group, the Polish-Americans of Hamtramck, as "driven more closely together." In view of the real situation of Hamtramck, this comment of the Tribune is almost humorous. For we have more than one kind of European-born citizens in Hamtramck. And while there are divisions and disputes, the divisions are not on racial lines.

One would think from the Tribune's remark that the people of Polish blood in Hamtramck were united in some way against the people of every other descent.

If this were so the people of other descents would have a right to complain. This is one country, not many, and we are not many peoples but one people. And therefore we have a right to expect that one national stock will never be found uniting against other stocks.

But this condition, which would be deplorable, does not exist in Hamtramck.

There are divisions and disputes and factions and parties among the people.

But the divisions which have shown themselves have been between individuals and organizations, not between racial or kinship groups.

Men of Polish descent have disagreed with other men of Polish descent. Men of German descent have differed with other men of German descent. Men of British and Irish descent have not felt the same way as other men of British or Irish descent.

Now, it would be interesting to inquire what the line of difference is. Without going into a detailed discussion of Hamtramck politics we can say that the line of division is about what one would expect in any American city—in Chicago, in New York, or in Hamtramck.

But in the lines of division there is nothing Polish, or Russian, or German, or Irish, or Ukrainian. These citizens of Hamtramck have differed on purely American questions. They have differed on the enforcement of certain laws. They have disagreed on the advisability of certain public policies. They have differed also in their estimates of individuals.

The story of Hamtramck politics is, on the whole, of the same general character with the story of Chicago politics. There is this difference. In the history of Chicago politics the old factions divided into Republican and Democratic organizations, imitating the parties in the national and State campaigns. Hamtramck's elections have always been free from entanglements with national and State campaigns, for she has had only local parties and divisions in local elections.

There is in Hamtramck no "Polish" party, nor any party carrying the name of any other European nation.

The Chicago Tribune's fear that something is driving the people of Polish blood more closely together, is not a fear grounded in the situation. The politicians and officials of Polish descent have been very far apart in the contentions of Hamtramck.

The Hamtramck people of Polish descent are naturally observant of the "ordinary American attitude toward the Poles." And we think it can be said that on the whole, in Hamtramck, we hear no complaint of the "ordinary American attitude toward the Poles." The Hamtramck citizens of other national descents have worked together with Polish-Americans. They have agreed together, and disagreed together.

There are men in this faction who are of Polish descent, and men in the same faction who are not. Americans of Polish descent and Americans not of Polish descent have been working together to aid Americanization, and they have united in bringing into full citizeship a great crowd of men and women of many different national descents.

The ordinary American attitude toward the Poles is becoming more and more harmonious and agreeable. There is always a certain strangeness when new groups meet. But all strangeness is wearing away.

But while the Polish-American does not complain, in Hamtramck, of the "ordinary American attitude," he does complain of such sweeping attacks as this made in the Chicago Tribune, on a whole community and a whole racial group, when the Tribune can not know the community and should, as a Chicago newspaper, know the racial group extremely well.

One rejoices in the spirit of justice which actuates the American in his attitude toward the Polish-Americans and others, and one feels that the Chicago Tribune intended also to maintain justice.

But justice, after all, is based on knowledge. We are confident that in the future, when the Chicago Tribune and others are better acquainted with Americans of Polish descent, there will be less injustice recorded.

CHANGE OF REFERENCE.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 551) for the relief of Adaline White, asked to be discharged from its further consideration, and that it be referred to the Committee on Finance, which was agreed to.

PAYMENT TO CHIPPEWA TRIBE OF MINNESOTA.

Mr. HARRELD. From the Committee on Indian Affairs I report back favorably without amendment the bill (H. R. 185) providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Oklahoma reports a bill for which he asks immediate consideration. The Secretary will read the bill for information.

The reading clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States so much as may be necessary of the principal fund on deposit to the credit of the Chippewa Indians in the State of Minnesota, arising under section 7 of the act of January 14, 1889 (25 Stat. L. 642), entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," and to make therefrom a per capita payment or distribution of $100 to each enrolled member of the tribe, under such rules and regulations as the said Secretary may prescribe: *Provided*, That before any payment is made hereunder the Chippewa Indians of Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify the provisions of this act and accept same: *Provided further*, That the money paid to the Indians as authorized herein shall not be subject to any lien or claim of attorneys or other parties.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, I have just spoken to the chairman of the committee, and have requested that he temporarily lay the bill aside until I can communicate with certain persons who are interested in the proposed legislation.

Mr. ASHURST. Mr. President, I hope the bill may be passed. I have had some occasion to look into it, and I think it is almost an emergency matter. This is not an appropriation out of the Treasury and not a gratuity; it is simply paying the Indians money that belongs to them. I hope it may pass to-day, if not at this time.

Mr. CURTIS. Mr. President, I hope the Senator from Utah will not object. These Indians are in a starving condition. They have $6,000,000 in the Treasury of the United States. There are about 12,000 of the Indians. They had no crops last year. The bill was drawn in the department. It requires the approval of the tribe first. Every day of delay means probably a loss of life to these Indians. It is a very meritorious measure.

Mr. ROBINSON. Mr. President, may I inquire whether the report from the Committee on Indian Affairs is unanimous?

Mr. CURTIS. It is. I may state that on account of the emergency character of the bill the chairman, instead of calling the committee together, polled the committee, and it is a unanimous report.

Mr. ROBINSON. My attention was called to the matter some days ago, and I made an investigation of it and reached the conclusion that the legislation is of an emergency character and ought to have been enacted some time ago. I hope that no Senator will object to the consideration of the bill.

Mr. KING. I have no objection to the measure. Because of the information conveyed by the Senator from Kansas [Mr. CURTIS] I shall withdraw my objection.

I want to state, however, that at the last session of Congress I offered a resolution in behalf of some of the Indians of this tribe. They claim that they have suffered very great wrongs at the hands of the Federal Government and at the hands of the State of Minnesota; that they had been deprived of property and lands of very great value; and that the Interior Department has not been sympathetic with their claims, nor has it fully protected their rights. I was unable to have the matter investigated, though a subcommittee was appointed. I have offered another resolution at this session for the investigation of the subject. I am advised that the bill referred to has no relation to the matter which is comprehended within the resolution which I have offered, and therefore I withdraw my objection to the passage of the bill.

Mr. ROBINSON. Mr. President, I merely wish to say further that I think the passage of the bill will probably prevent a number of Indians from starving. If it is not passed, they will undoubtedly suffer greatly.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADJOURNMENT TO MONDAY.

Mr. CURTIS. Mr. President, I ask unanimous consent that when the Senate adjourns to-day it stand adjourned until Monday next at 12 o'clock.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas that when the Senate adjourns to-day it adjourn until Monday next at 12 o'clock? The Chair hears none, and it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

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

By Mr. TRAMMELL:

A bill (S. 2204) for the relief of Henry W. Reddick; to the Committee on Claims.

A bill (S. 2205) providing for a survey of the natural oyster beds in the waters within the State of Florida; to the Committee on Commerce.

A bill (S. 2206) for the erection of a public building for a post office and other purposes at Key West, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. FLETCHER:

A bill (S. 2207) for the relief of the legal or equitable owners or claimants of the United States steamship *Nueces;* to the Committee on Claims.

By Mr. McLEAN:

A bill (S. 2209) to amend section 5147 of the Revised Statutes; to the Committee on Banking and Currency.

A bill (S. 2210) granting a pension to Nicholas Muccino (with accompanying papers); to the Committee on Pensions.

By Mr. COUZENS:

A bill (S. 2211) granting a pension to Mollie Irwin; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 2212) to authorize the city of Minneapolis and the city of St. Paul, Minn., to jointly construct a bridge across the Mississippi River between said cities; to the Committee on Commerce.

By Mr. HARRELD:

A bill (S. 2213) granting a pension to Anna E. Legg; and

A bill (S. 2214) granting a pension to William Ellison; to the Committee on Pensions.

By Mr. EDGE:

A bill (S. 2215) granting a pension to John Mundy; to the Committee on Pensions.

A bill (S. 2216) concerning recognition of military status of persons who honorably served in American National Red Cross with United States Army overseas, etc.; to the Committee on Military Affairs.

By Mr. WALSH of Massachusetts:

A bill (S. 2217) to abolish the United States Shipping Board, to provide for a bureau of merchant marine in the Department of Commerce, to provide for a merchant marine naval reserve force, and for other purposes; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 2218) to amend section 2 of an act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes," approved July 1, 1902; to the Committee on the District of Columbia.

By Mr. RANSDELL:

A bill (S. 2219) for the relief of the legal representatives of the estate of Alphonse Desmare, deceased, and others; and

A bill (S. 2220) for the relief of Louise St. Gez, executrix of Auguste Ferré, deceased, surviving partner of Lapene & Ferré; to the Committee on Claims.

By Mr. HEFLIN:

A bill (S. 2221) providing for a site and public building for a post office at Fairfield, Ala.; to the Committee on Public Buildings and Grounds.

By Mr. LA FOLLETTE:

A bill (S. 2222) to provide seamen on American vessels with a continuous discharge book, to provide for improved efficiency and discipline, and for other purposes; to the Committee on Commerce.

By Mr. PEPPER:

A bill (S. 2223) for the relief of the estate of Robert M. Bryson, deceased; to the Committee on Claims.

By Mr. CUMMINS:

A bill (S. 2224) to provide for the consolidation of railway properties; to the Committee on Interstate Commerce.

By Mr. SMOOT:

A bill (S. 2225) granting a pension to Alma Barney; to the Committee on Pensions.

By Mr. SIMMONS:

A bill (S. 2226) for the purchase of the Lake Drummond (Dismal Swamp) Canal; to the Committee on Commerce.

By Mr. WALSH of Massachusetts:

A bill (S. 2227) to amend the tariff act of 1922 by placing sugar on the free list; and

A bill (S. 2228) to amend the tariff act of 1922 by reducing the tariff rate on wool; to the Committee on Finance.

By Mr. SHIELDS:

A bill (S. 2229) for the relief of N. A. Johnson; to the Committee on Claims.

A bill (S. 2230) for the relief of Joe Meredith; to the Committee on Civil Service.

By Mr. PEPPER:

A joint resolution (S. J. Res. 68) authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the Navy and Marine services, to be known as Navy and Marine Memorial Dedicated to Americans Lost at Sea; to the Committee on the Library.

By Mr. STERLING:

A joint resolution (S. J. Res. 69) extending the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities; to the Committee on Banking and Currency.

ANTHRACITE COAL.

Mr. BORAH. Mr. President, I introduce a bill to be referred to the Committee on Interstate Commerce. I wish to say just a word in regard to its introduction.

This bill relates to the subject of anthracite coal. The bill was drawn by Governor Pinchot and his advisers. I have not had time, in the press of other matters, to examine the bill so as to introduce it without a word of explanation. I am thoroughly in sympathy with the object and purpose to be attained by proper legislation. The coal situation is a very serious one, and, in my judgment, one with which Congress ought to deal; but I introduce the bill without committing myself as to its details, because, as I say, I have not had time to examine it. I think, however, that the bill ought to go to the committee, so that those who are in favor of it may be given an opportunity to urge it; and it may be that after full examination I shall find myself in perfect accord with the entire measure.

The bill (S. 2208) to regulate interstate and foreign commerce in anthracite coal, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

FIRST CORPS CADETS IN MASSACHUSETTS.

Mr. WALSH of Massachusetts submitted an amendment intended to be proposed by him to the bill (S. 1974) providing for sundry matters affecting the Military Establishment which was referred to the Committee on Military Affairs and ordered to be printed.

ANNUAL REPORT OF THE ALIEN PROPERTY CUSTODIAN.

Mr. WALSH of Massachusetts. Mr. President, I ask that the annual report of the Alien Property Custodian, which was transmitted to the President recently, may be printed in the RECORD.

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

The report is as follows:

JANUARY 3, 1924.

The PRESIDENT,

The White House, Washington.

DEAR MR. PRESIDENT: The trading with the enemy act, section 6, requires "that the President shall cause a detailed report to be made to Congress on the 1st day of January of each year of all proceedings had under this act during the year preceding. Such report shall contain a list of all persons appointed or employed, with the salary or compensation paid to each, and a statement of the different kinds of property taken into custody and the disposition made thereof."

A previous report made by the present administration covering the activities of this office is contained in Senate Document 181, Sixty-seventh Congress, second session, and not only covers the year 1921 but more information than was required in section 6 of the act, in that it reports all of the activities of this office from the date of its inception, October 6, 1917, to the date of that report, namely, April 10, 1922. Subsequent to this report another was filed by this office on January 1, 1923, which is contained in House Document 525, Sixty-seventh Congress, fourth session, covering the activities of the office for the year 1922.

In this report there is submitted to you all details relating to the operations of this office during the year 1923, and this report is prepared with a view to keeping intact the continuity of information contained in the two previous reports.

This office at the present time is administering and operating approximately 28,400 active trusts, representing real estate, personal property, or corporations scattered from the Philippine Islands and Hawaii to the Atlantic seaboard. Last year at this time approximately 30,360 active trusts were being administered by this office. The decrease in the number of trusts represents those that were closed by the return of property under the trading with the enemy act, by order of court, or by liquidation.

MANAGEMENT OF CORPORATIONS.

The Alien Property Custodian stands in place of the enemy stockholders whose stock was seized in various corporations under the provisions of the trading with the enemy act. In those concerns where the custodian's shareholdings represent a majority interest, the business is operated by this office through a board of directors selected by the custodian, and they in turn are held responsible for the operations of the properties and the selection and supervision of the officials and employees of the companies in question, as well as matters of business policy relating thereto. In companies where the interest of the custodian is a minority one there is not always a representation of this office in the management or on the board of directors, unless the interest is sufficiently large to insure representation, and then it is only given in case the majority desires to afford the courtesy. In this year's report is included a list of all companies in which the custodian was at any time interested through a majority or minority interest, no matter what disposition was made of the custodian's interest previous to the present administration. In each company a list of the personnel of the directors, officials, and employees representing the custodian is given, together with their compensation during the year 1923. The compensation of the officers, employees, or directors in these companies is paid out of the corporate funds of the concern and not by the United States Government.

WASHINGTON OFFICE ADMINISTRATION.

The employees in the Washington office are paid out of the congressional appropriation. When this adminstration took over this office the congressional appropriation for the fiscal year ending July 1, 1921, was $455,000. The appropriation for the fiscal year ending July 1, 1922, was $375,000, of which $6,282.09 was returned to the Treasury. The appropriation for the fiscal year ending July 1, 1923, the first appropriation which this administration was consulted in the preparation of the appropriation bill, was $370,000, of which $47,311.39 was returned to the United States Treasury. For the fiscal year ending July 1, 1924, $280,000 was appropriated and an appropriation of $224,000 has been allowed by the Budget for the fiscal year ending July 1, 1925. In spite of the gradual reduction in the operating force of this office, there has been no material reduction, but rather an increase, in the work of the Washington office and especially since March 4, 1923, when the passage of the Winslow bill resulted in the filing of thousands of claims by the beneficiaries of that legislation. The organization of the office has been subdivided as follows: A division of administration, division of trusts, division of corporation management, division of claims, and a bureau of law. The last named is headed by the general counsel, who also acts as assistant custodian in the absence of the custodian. The division of claims is under the supervision of an official known as the managing director, who, in the absence of the custodian and the general counsel, is in charge of the office.

RELEASE OF PROPERTY.

The act of March 4, 1923, otherwise known as the Winslow Act, authorized the custodian to return to former owners all property in a trust valued at $10,000 and under, as well as a like sum out of all trusts where the value of the property exceeded $10,000 in value. The act further provided that there should be paid out of each trust income not to exceed $10,000 per annum from any one trust to the former owners of the property, effective on and after March 4, 1923. The return of income will be paid by this office in annual periods. A further proviso directed the custodian to return all patents that had not been sold, licensed, or assigned to the Government or otherwise disposed of. A further proviso denied the return of property to anyone who was a fugitive from justice in violation of the laws of the United States. Under the provisions of the act of March 4, 1923, approximately 4,060 claims have been allowed, and there has been released cash totaling $8,824,020.53, and in addition thereto other property to the value of $733,048.27, making a grand total of $9,557,068.80 in cash and property released.

In the data submitted by this office will be found a list of all claims allowed by this office during the year 1923. This includes not only property returned under the act of March 4, 1923, but other returns as well made under section 9, which authorizes the return of property to certain classes of people whose property was not exempt from seizure under the original trading with the enemy act. An attempt has been made to simplify the procedure for the allowance of claims in vogue in this office since its inception. This procedure requires a release to be executed by the claimant or attorney in fact before the check or release is forwarded and an affidavit insuring compliance with section 20, limiting the attorney's fee charged. Any change in this procedure is inadvisable unless such a change affords the fullest protection to this Government in the release of property, and it is feared that further simplification is impossible. It has also been noted that beneficiaries under the act of March 4, 1923, are loath to apply for their property, due to the belief and fear that their property will be to a large extent taken from them by some means or other when it is sent abroad in the form of cash or negotiable securities. This comment is deemed necessary in view of the small number of claims, comparatively speaking, that have been filed under the act of March 4, 1923, under which approximately 28,000 claims were estimated as susceptible of filing. President Harding, under date of March 5, 1923, issued an Executive order, as well as a subsequent order, dated May 16, 1923, vesting in the Alien Property Custodian the power and authority conferred on the President under the act of March 4, 1923, with specific reference to sections 20, 21, and 23 of said act. Under these Executive orders all claims in which the amount to be returned does not exceed in money or other property the value of $10,000 is handled by the Alien Property Custodian without reference to the Department of Justice, and in addition thereto the custodian is charged with the responsibility of administering section 20, governing attorneys' fees, and section 23, requiring the payment of income not to exceed $10,000 per annum. The peace resolution, approved July 2, 1921, gave the Alien Property Custodian authority and the power to enforce demands for property which had not been actually reduced to possession before approval of the peace resolution. This prevented discrimination in favor of those persons who refused to comply with the terms of the trading with the enemy act as against those people who had complied with the provisions of the act and properly surrendered their property when demanded.

SALES AND LIQUIDATION.

Since the date of the last report a number of sales have been consummated by this office. After the passage of the Winslow bill your predecessor approved a policy which provided for the liquidation of property in those trusts where a sale would be of advantage to the United States Government and the enemy trusts involved. In carrying out the provisions of the Winslow Act it was necessary in a number of instances to sell parcels of real estate or other property in order that the beneficiaries obtain the $10,000 allowed them by law. In all cases it has been the endeavor of this office to obtain from the enemy, or his duly accredited representative, an assent to the transaction, which, while not mandatory or binding, protects the Government if any question should arise in the future as to any transaction. A detailed report is appended showing a full list of sales made during the year 1923. Cash derived from sales is deposited with the United States Treasury where, under the law, it is invested in United States Liberty bonds or United States certificates of indebtedness. President Harding, under date of May 16, 1923, permitted the Alien Property Custodian to sell at private sale, without public or other advertisement, property not exceeding $50,000 in value, the limit for such authority granted the Alien Property Custodian heretofore having been $10,000.

FEES.

The question of fees paid for services rendered to the corporations or trusts administered by the office of counsel and attorneys has been carefully scrutinized. In cases where bills for such services were large, the Attorney General has been consulted, and has been asked for his recommendation and advice before said bills were approved or paid, and in a number of instances your predecessor passed on these fees as reported in this communication personally. Such bills, under the law, are borne out of administrative expenses of the trusts involved and are not paid by the United States Government. A list of miscellaneous fees paid, other than those included in the report of corporations, is transmitted in this report. A recapitulation of such fees and salaries is as follows:

Salaries of officers and directors in active corporations paid by corporation	$186,035.00
Counsel and attorneys' fees paid by active corporations	104,019.90
Counsel and attorneys' fees paid by active corporations for services rendered previous to 1921	40,305.00
Accounting and minor disbursements paid by corporations	6,296.00
Attorney and counsel fees and expenses incident to defense of suits against the custodian paid from trust funds	109,226.18
Prosecution workmen's compensation cases	10,192.51
Counsel fees for defense of suits against enemy insurance companies	15,171.00
Income taxes to Bureau of Internal Revenue	457,373.91

The approximate value of the property administered by this office during the year 1923 was $347,000,000. The figures just given represent salaries and directors' fees paid out of the treasuries of the active corporations or trust funds for matters of administration or defense of suits against those corporations or other funds totaling $471,000, which is exclusive of approximately $457,000 paid to the United States Bureau of Internal Revenue for taxes. This sum out of the total alien property administered represents a charge of less than 1 per cent on the total value of the property administered. If there is

added to this sum the congressional appropriation for the salaries of the Washington office for the fiscal year 1923–24, $276,000, the total would be $747,000 all told, which would represent a percentage on the full value of the property of less than 1 per cent. The details with regard to the suits for the recovery of property filed against this official and handled for this office by the Department of Justice are shown under the next heading.

LITIGATION AND PATENTS.

There were pending on December 31, 1922, 186 cases filed against the custodian under the provisions of section 9. Of these cases 60 were disposed of during the year 1923. In addition thereto, 60 suits were filed during the year 1923 under section 9, leaving 186 suits pending under section 9, as of December 31, 1923. On the date of this communication the custodian was served with approximately 150 additional suits, involving approximately $10,000,000, by claimants who were under the assumption that their right to file had lapsed as of January 2, 1924. It will be necessary for the custodian to properly defend these additional suits inasmuch as the suits have been filed. Those already filed, together with others that have not been served, will entail additional duties on the custodian's legal force and the trading with the enemy section of the Department of Justice which was not anticipated. Under the provisions of subsection (j) of the amendment to the trading with the enemy act, approved March 4, 1923, the Alien Property Custodian was required to return all patents, trade-marks, and copyrights which had not been licensed, sold, or otherwise disposed of, or were not at the time of the passage of the act involved in litigation in which the United States or any agency thereof was directly or indirectly a party thereto.

The provisions of this section of the amendment have been complied with and no patents, trade-marks, or copyrights are now carried on the books of this office which have not been licensed, sold, or otherwise disposed of, or are not now the subject of litigation. Under date of July 1, 1922, this office was directed by your predecessor to make formal demand on the Chemical Foundation (Inc.) for return of all patents, trade-marks, and copyrights, labels, and contracts sold to them under the previous administration in several different assignments. In compliance with these instructions, formal demand was made on this corporation for the return of these patents, and, upon their refusal, suit was instituted by the Attorney General on behalf of the United States in the United States District Court for the District of Delaware. Proceedings were started on this case in Wilmington, Del., on June 4, 1923, terminating in a final hearing October 15, 1923. As this report goes to press the decision reached by the United States district judge in this case dismisses the suit brought by the Government under the direction of your predecessor.

REAL ESTATE.

A thousand parcels of real estate are administered by this office and have come under the personal supervision of the custodian during the past year, with particular reference to any sales made in order to comply with the terms of the Winslow Act or the liquidation policy heretofore outlined. It has been the policy of this administration to concentrate the handling of real estate in one responsible and experienced real estate agent rather than scatter the same among a number of banks and trust companies in the locality. In this manner the percentage of cost in the handling of properties has been reduced, better rents have been obtained, and the custodian has been enabled to effect better sales when such action has been necessary. Real estate is at present held by this office in every State and Territory of the United States, as well as its insular possessions, with the exception of New Hampshire, Utah, Nevada, Mississippi, Hawaii, and the Canal Zone. Great difficulty has been experienced in obtaining proper clearances to titles from those companies whose business it is to guarantee titles in their locality. This has been due in most instances to an inadequate understanding and unfamiliarity with the terms and scope of the trading with the enemy act and in some cases has been due to faulty seizure demands.

FOREIGN MISSION.

Under the policy approved by you certain representatives of this office have been sent to Europe for the purpose of expediting the provisions of the act of March 4, 1923, and for the further purpose of taking testimony abroad in order to protect this office against suits filed for large returns of property where claims have been disallowed by the custodian and the Attorney General under the law. This office at present is established in Berlin, where it is associated with United States diplomatic and consular agents accredited to Germany, Austria, and Hungary, and has rendered much valuable and useful service to this office and those whose business it is to come in contact with the office.

LEGISLATION.

Previous to March 4, 1923, there had accrued in the Treasury of the United States to the credit of the Alien Property Custodian approximately $27,000,000, which sum represented undivided interest on alien property funds earned on cash deposited with the Treasury by this office, which had been invested in Liberty bonds and other Government securities. There is no provision under the trading with the enemy act or any amendments thereto which provides for the payment of interest earned on money deposited in the Treasury to an alien enemy when his or her property is returned under the provisions of said act. It is impracticable to prorate this interest previous to March 4, 1923, among approximately 50,000 active trusts, which was the maximum number administered by this office. A bill is now pending before the Senate which provides for the utilization of this fund for the purchase of foodstuffs in this country for the relief of the civil population within the borders of the countries with which we were formerly at war. A further legislative proposal would utilize this sum as a fund for reestablishing commercial relations between the citizens of this country and those of the former enemy powers with particular reference to businesses that have been sequestrated by the custodian or in which this office was at one time interested. It may be a number of years before the ultimate disposition of the alien property is determined upon dependent upon whether the former enemy powers are able to settle the claims of American citizens against them after the adjudication of the claims by the Mixed Claims Commission. There is approximately $180,000,000 of cash on deposit in the United States Treasury to the credit of the Alien Property Custodian, which sum will increase as the liquidation policy is carried out.

It is suggested that a plan be considered whereby that portion of the remaining alien property represented by the cash in the Treasury may be utilized in reviving trade and the commercial relations which formerly existed between this country and the former enemy powers. To all intents and purposes this sum represents available capital removed from the channels of trade, and should be put to a useful purpose. Such a governmental agency similar to the War Finance Corporation, having a capital of several hundred million dollars, would be capable of earning enough on this sum to not only settle American claims, when they are finally adjudicated, but return in full the property, or its equivalent, to the former enemies, when the affairs of the alien property office are finally terminated, thereby adhering to the time-honored principle of the nonconfiscation of private property to pay public debts. There are a number of enemy corporations whose assets were seized and liquidated by this office which would thereby be encouraged to resume business in this country, and it might be that such a plan should be limited to those corporations or individuals whose capital has been sequestrated by the custodian and whose consent should be obtained before their capital is utilized in such a scheme. This plan would not only benefit the citizens of this country but aid in the resumption of business and commercial relations with Europe which were terminated by the war and which will some day have to be resumed if a return to the normal friendly relations existing before the war is to be brought about.

There are two divergent schools of thought that refer to the disposition of alien property. One side would immediately utilize the private property of our former enemies for the payment of the debts of the former enemy governments when they are adjudicated by a mixed claims commission. The other would immediately return all property seized under the trading with the enemy act. The treaty executed between the United States and the successors to the former enemy powers gives the United States absolute power and authority over this property, to be disposed of as the Congress may direct.

I have the honor to transmit with this communication a detailed report of all transactions of this office for the year 1923.

Respectfully yours,

THOMAS W. MILLER,
Alien Property Custodian.

PROPOSED INCOME-TAX REDUCTION FOR 1923.

Mr. COPELAND. Mr. President, I introduce a joint resolution which I should like to have read.

The PRESIDENT pro tempore. Without objection, the joint resolution will be read.

The joint resolution was read.

Mr. SMOOT. Mr. President, if I heard the Senator from New York correctly, this is a joint resolution. It seems to me that a Senate resolution would do just as well, provided the information can be secured. Then it would not have to go to the House for action, and the Senator would save that much time.

Mr. COPELAND. Mr. President, I am very glad to accept the suggestion of the Senator from Utah. I will substitute a Senate resolution for the joint resolution which I have just sent to the desk.

Mr. SMOOT. Just make it a Senate resolution.

Mr. COPELAND. Very well.

The PRESIDENT pro tempore. The Senator from New York submits a Senate resolution.

Mr. COPELAND submitted the following resolution (S. Res. 132), which was referred to the Committee on Finance:

Whereas the Secretary of the Treasury states that the fiscal years of 1922 and 1923 have each closed with a surplus in excess of $300,000,000; and

Whereas the Secretary believes the present state of the Treasury justifies a material reduction in the income tax; and

Whereas the measures now before Congress contemplate no reduction in the taxes to be collected for the year 1923 just closed: Therefore be it

Resolved, That the Secretary of the Treasury be, and he is hereby, requested to present to the Congress some plan of percentage deduction from the returns to be filed March 15, 1924, so that the overburdened taxpayers of the United States may benefit immediately by the improved state of the Nation's finances.

HOUSE BILL REFERRED.

The bill (H. R. 62) to create two judicial districts within the State of Indiana, the establishment of judicial divisions therein, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

UNITED STATES TARIFF COMMISSION.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution (S. Res. 131) coming over from a previous day, submitted by the Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. I have been requested to consent that the resolution shall go over without prejudice, and I have no objection to that course being taken.

The PRESIDENT pro tempore. Without objection, the resolution will go over without prejudice.

The morning business is closed.

LEASES OF NAVAL OIL LANDS.

Mr. HEFLIN. Mr. President, what became of the joint resolution of the Senator from Arkansas [Mr. CARAWAY] that came over from yesterday?

The PRESIDENT pro tempore. In the opinion of the Chair that joint resolution did not come over from a previous day. The joint resolution will have to come before the Senate by proper motion.

SECRETARY MELLON'S TAX-REDUCTION PLAN.

Mr. JONES of New Mexico. Mr. President, on last Sunday the press of the country carried an article which was entitled:

Mellon's broadside hits Democratic tax plan as purely political.

I feel that some examination of the "broadside," and the conditions leading up to it, will not be out of place at this time.

Last autumn there was given out to the country what was known as the Mellon tax plan, a plan for the reduction of taxation. With marked unanimity the metropolitan press of the country took up the cry and tried to impress the country with the very great importance of that measure. Of course, the country is burdened with taxation. There is no one who does not desire that the taxes and the burdens of government shall be reduced just as soon and to as great an extent as possible. The public mind was fertile ground for any suggestion of tax reduction. This plan was proclaimed as the one plan which should be adopted and which would bring about this much-desired relief. In fact, Mr. President, the impression seemed to prevail that there is no question but that this plan should be adopted, and adopted precisely as it was presented to the country.

There was propaganda such as I had never previously known regarding any measure. I may say, however, that from my own State I have received very few communications regarding it. I had only two letters from my State. One was from a very good friend of mine, a letter written in perfectly good feeling. He had been impressed with the importance of this tax reduction and the so-called Mellon plan.

The other letter was a little printed slip, which indicated the attempt on the part of the advocates of that plan to memorialize Congress in a very broad way, and, judging from statements and exhibits which have been presented by other Senators, it looks as if there were a determined effort to intimidate, if possible, the Members of Congress and cause us to accept the so-called plan without investigation.

It will be recalled that this plan was prepared before Congress met. After the meeting of the Congress some of the Members of the House began to make some inquiry regarding the plan. The measure had not been published in full to the country. A statement as to the beneficent effect of this sacred measure had been given to the press, but the measure itself had been proclaimed in part only. Subsequently the measure in full was presented to the Ways and Means Committee of the House, and I have here a copy of that, which carries as much as 344 pages, a general revision, in some respects, of the present revenue law.

I have been greatly impressed with the fact that the Treasury Department, which presented this bill, intended that it should be accepted by the country as a general relief measure, as a panacea for all the ills from which the country is suffering at the present time.

It deals only with the tax upon individual net incomes and a few of the excise taxes. There are many excise taxes which are not affected at all. There is no attempt to revise or even consider a revision of the present tax law upon the incomes of corporations. There is no attempt to deal with the other sources of revenue. Except for the few excise taxes, the measure deals only with the taxes on individual net incomes.

In that situation the leader of the minority of the Ways and Means Committee of the House called together his associates upon that committee and undertook to make some examination on their own behalf regarding this so-called wonderful measure. As a result of that, Mr. GARNER, the leader of the minority on the Ways and Means Committee in the House, together with his associates, prepared a measure which they proposed as a substitute. It was prepared evidently with much care. It was presented to the House on the 7th of January in a very dignified statement giving the reasons why the minority proposed this substitute. It has already been published in the CONGRESSIONAL RECORD, but inasmuch as I purpose to read the statement coming from the Secretary of the Treasury, I think it should be published again as an addendum or supplement to my remarks, and I ask that that be done without reading.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Is there objection? The Chair hears none, and it is so ordered.

[See Appendix 1.]

Mr. JONES of New Mexico. This plan as published sets out the surtax rates which Mr. GARNER proposes, and then a comparison of those rates with the rates in the present law and in the so-called Mellon plan. In addition to that, at a later date Mr. GARNER published a comparative table showing the amounts of income and the amounts in taxes which would be paid by the citizens of the country under the different respective plans, and I ask that these two statements of Mr. GARNER, including his comments, be republished as a supplement to my remarks, without reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the tables will be so printed.

[See Appendix 2.]

Mr. JONES of New Mexico. The first statement was published in the CONGRESSIONAL RECORD on the 7th of January and the other on the 10th of January. Evidently the statements touched a tender spot over at the Treasury Department, with the result that last Sunday we found in the press a most remarkable statement of the Secretary of the Treasury. I purpose to read it all, so that no one can say that I am dealing unfairly with the Secretary of the Treasury.

Whenever a man in such exalted position speaks, necessarily he commands respectful attention, and what he says, if criticized or considered, must and should be dealt with in a respectful manner. I think the Secretary of the Treasury discloses a feeling of considerable temper in the issuance of the statement, but I do not believe that should affect us in giving calm and quiet consideration to what he has said. This is the statement:

Representative GARNER, the ranking Democrat on the Ways and Means Committee, has given publicity to a plan of income-tax reduction and has requested the Treasury to determine the probable effect of this plan on Government revenues. Since the request was made the Government actuary has been engaged in determining the effect of Mr. GARNER's suggestions, but owing to the immense amount of detail involved the figures are not yet available. It is believed, however, that irrespective of the revenue features, the essential differences between Mr. GARNER's plan and the Treasury bill should be stated.

Briefly, Mr. GARNER increases the exemption of single men by $1,000 and of married men from $500 to $1,000, depending on their income. He has made some further reduction in normal taxes on lower incomes, and made the earned income credit one-third instead of one-fourth. Whereas in the Treasury bill surtax rates commence at $10,000 net income, Mr. GARNER has made it $12,000. He has then rapidly increased the surtaxes so that at $60,000 net income they reach the same rates as in the present law. They are continued as in the present law until net income of $92,000 is reached and a 44 per cent surtax, then they are abruptly ended.

The Senate will observe the use of adjectives as we read this remarkable statement.

This compares with the Treasury plan of a fairly spaced increase in surtax rates, commencing at $10,000, to 25 per cent at $100,000.

He does not refer to the fact that there his surtaxes abruptly end. The statement continues:

By the increase in exemptions Mr. GARNER effectually removes from the payment of any income tax those whose incomes are below $2,000 for single men and $3,000 for married men, and who constitute in number more than a majority of the total taxpayers. It is obvious that under the Garner plan this majority will be benefited in their direct payment to the Government to the extent of, say, $15 apiece over what they would pay under the Treasury bill. The proposed change in the surtax rates from the present law is obviously insincere.

Mr. President, Mr. GARNER, in a very lucid and peaceable manner, dignified in every way, commented briefly upon those particular reductions, and I think it will not be inadvisable for me to read just that part of what he had to say in regard to those small decreases of taxes upon small net incomes. He said:

The raising of individual exemptions to $2,000 and $3,000, respectively, as already pointed out, will only result in tax losses of between $40,000,000 and $50,000,000, but will relieve between 800,000 and 1,000,000 individuals who now make tax returns but pay no taxes on account of deductions allowed, and will also relieve 1,646,000 laborers and small farmers and merchants whose tax is less than $12 each, not to mention heads of families now in the $2,000 to $3,000 bracket, and will at the same time relieve the Treasury of a tremendous burden and expense where but a small amount of tax is involved.

One tremendous difference to a vast number of taxpayers between the Mellon income-tax proposal and the Democratic substitute is that there are, according to the statistics of income for 1921, 390,000 persons with incomes of under $1,000 who are required to make returns but pay no taxes on account of deductions and exemptions. There are, in addition, 794,000 persons with incomes of $1,000 to $2,000 who are now required to make returns but pay no taxes for the reason just stated. Under the Democratic substitute tax plan these 2,000,000 persons will be relieved of the trouble of making returns although paying no taxes. In addition to this difference in the Mellon and the Democratic income-tax plans, 1,646,000 persons with incomes of $1,000 to $2,000 and 580,000 heads of families with incomes of $2,000 to $3,000 will be entirely relieved of taxation under the Democratic plan but are taxed under the Mellon plan. This immense relief to these millions of small farmers, tradesmen, mechanics, and other laborers and small business men under the Democratic plan is in striking contrast with the Mellon proposal. It will only result in a loss of less than $50,000,000 of revenue.

The fact will be recalled that as late as 1917, when we entered the war, the income-tax exemptions were $3,000 and $4,000 for single and married persons, respectively.

It is because of that that the great Secretary of the Treasury says that this plan of Mr. GARNER's in that respect is insincere. Apparently he does not consider such a small relief as that to anyone as of any material consequence. He is one accustomed to deal with very large sums, and it is those large sums which command his attention and apparently receive his respect. I submit, Mr. President, that in presenting this plan Mr. GARNER proposed a very wise revision, for the very reason that it does affect such a very large number of people, and those the people of this country who have the very smallest incomes. Mr. Mellon's statement proceeds:

True, the starting point is made different from the Treasury bill, and Mr. GARNER stops at 44 per cent instead of 50 per cent. It is to be noticed, however, that the middle incomes pay the same surtax that they pay under the present law, and the incomes in higher brackets pay 50 per cent—44 per cent surtax and 6 per cent normal—as against 58 per cent aggregate under the present law. This change is hardly material, and the economic effect of taxation is completely ignored by the Garner plan. The plan is political and nothing else.

REVERSES GARNER PLAN.

Let us illustrate the political character of the Garner plan by the argument made by its supporters against the Treasury bill. They say that under the Mellon plan a man with $1,000,000 income makes a saving of about $250,000, whereas 200 men, each with incomes of $5,000 and the same aggregate income, save only $5,950. Reverse the picture. The test, of course, is what tax a man must pay. The millionaire, under the Mellon plan, will pay a tax of $298,792 and the 200 small incomes $38.25 each, or a total as to them of only $7,650. The one high income pays forty times the tax that the 200 small incomes of equal aggregate amount pay. Did the proponents of that argument believe they were giving the public the whole truth when they made it?

Mr. President, Mr. GARNER in presenting his plan did not give that particular way of stating the whole truth; but he did give a table at that time showing the amount of tax under the present law, under the Mellon plan, and under the Democratic plan up to the point where the incomes were $200,000, because that is the last amount where the taxes vary from the present law. Under the present law after having reached an income of $200,000 the rate remains the same. In a subsequent table which Mr. GARNER had inserted in the RECORD on the 10th of January, a number of days before Mr. Mellon's statement, there is given a further comparative statement showing the Mellon reduction from the present law and the various reductions under the Garner plan. So I do not see anything in that which would justify an exhibition of temper in that way and the use of the language where Mr. Mellon said:

Did the proponents of that agreement believe they were giving the public the whole truth when they made it?

There can be only one implication from that question, and that is that the proponents of the so-called Democratic plan are trying to conceal from the public just what their plan really proposes. I wish to hurl that epithet back; and when I shall have concluded the reading of this article and my discussion I should then like for the public to determine whether or not the great Secretary of the Treasury has told the whole truth.

He then continued:

No thoughtful person longer doubts that irrespective of his income he pays the high surtaxes in the general high-price level.

There is a sentence which may well challenge inquiry. He makes the statement that—

No thoughtful person longer doubts that, irrespective of his income, he pays the high surtaxes in the general high-price level.

As I shall demonstrate later, it does seem to me that is a statement which may well challenge inquiry. It indicates that that is at the foundation of the so-called Mellon plan or that he would have the country believe that it is, a statement which I challenge and which is challenged by every modern economist in the country, so far as I know.

For example, the Baltimore & Ohio Railroad Co. has bonds maturing next year bearing 3½ per cent interest; the Chicago, Milwaukee & St. Paul has maturities in the same year bearing 4 per cent interest. Both roads will have to refund on a 6 per cent basis. The additional price of money must be paid, not by the roads, but by their shippers in freight rates. The farmer, who alone must meet world competition in what he sells, in what he buys, pays the surtax.

There can be no inference from that except that the distinguished Secretary of the Treasury would have the country believe that the high surtaxes are the cause of the high rates of interest in the country. This question will be examined later.

The New York Renting Commission reports that tenants are in no better position to-day than they were in 1920, and that rents have risen enormously. Increased cost of building is not responsible.

Listen to that statement.

Rents have risen enormously. Increased cost of building is not responsible. Again the tenant pays the surtax.

The public should clearly understand what is involved in this effort to reestablish in this country a sound basis of taxation. The question is not one of whether two or three million voters save in their direct payment of tax $15 apiece, but whether by the reestablishment of an economically sound basis the 110,000,000 people in this country will save much more than $15 apiece in what they pay for the necessities of life.

A more astounding statement and a more alarming statement could hardly emanate from such a high source. To say that these high surtaxes impose a burden of more than $15 apiece upon the 110,000,000 people of this country, which they pay in the higher cost of the necessities of life, is a statement which certainly ought to be carefully analyzed and tested by logic and by reason. I want to know if there is any Senator here who is willing to accept that statement of the Secretary of the Treasury without further examination.

There is only one thing which must be insisted upon—the high surtax must be reduced.

Mr. President, we have just recently been reading in the papers that Mr. Mellon insists upon the adoption of his plan without the dotting of an "i" or the crossing of a "t." More recently the President of the United States, according to some of the public press, has been approached by certain Republican members of the Ways and Means Committee of the House suggesting that there must be a compromise upon the plan, but we are told also by the press that the President said the plan must not be changed; that it must be accepted as presented.

I call attention also to this remarkable statement because it discloses where the chief concern of the Secretary of the Treasury rests. He has said that the high surtaxes must be lowered; that the only thing which must be insisted upon is that the high surtaxes must be lowered. That goes to the very heart of the position of the Secretary of the Treasury. He has said in his own language that—

There is only one thing which must be insisted upon—the high surtax must be reduced to the point where capital is freed from their killing effects upon new investments. To the solution of this economic question Mr. GARNER's plan is not even intended to be directed.

In other words, he would have the country believe that by a reduction of the high surtaxes we are going to relieve capital and free it from this great burden put upon it and bring prosperity to all the industries of the country. According to his view—at least according to his language—it can only be done through a reduction of the high surtaxes. He means by that those surtaxes amounting to $100,000 and more. The man who has a net income of $100,000 subject to tax is even more than a millionaire. He is at least twice a millionaire. These net incomes do not include the undistributed surplus of the corporations in which men of large means are investing. According to a report which I shall present later the men of very large incomes have 81 per cent of their net income derived from dividends on investments in corporations, and more than one-half of the net earnings of those corporations is not taxed beyond 12½ per cent. They are retained in the corporations themselves. That is the class which Mr. Mellon says must be relieved if we are going to free capital and restore business in the country. I shall later refer more in detail to that question.

Mr. Mellon further said:

The present rates of tax, aggregating at a maximum 58 per cent, are treated as if they were the normal rates of tax. Any reduction from them, it is argued, is a great concession to the rich. This is not true. Before the war required the taking of every cent which could be obtained for the support of the Government in its emergency a surtax rate reaching 13 per cent at $2,000,000 was considered high. As a bit of history, substantially as much revenue was realized from incomes over $300,000 out of this 13 per cent maximum in 1916 as was realized in 1921 from the same class of taxpayers out of the 65 per cent rate. These high surtax rates are war taxes and nothing but war taxes. The war is over. Such taxation should cease. To pretend to change them and no more is to keep up the high war living costs which everyone pays.

He is again iterating his false theory of economics. Involved in the statement are two things, first, that the war is over, and, secondly, that the high surtaxes are unproductive. I shall refer to those questions later.

We come then to the fundamental differences between Mr. GARNER's plan and the Treasury bill. His is a makeshift; the Treasury plan is a result of experience and study.

I would like to know how this experience was obtained. If the principles announced in the plan are the ones relied upon by the Secretary of the Treasury, it seems to me that there has been no study in the Treasury Department for at least half a century, as all modern economists controvert the fundamental principles laid down by the Treasury Department.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. JONES of New Mexico. I am glad to yield.

Mr. CARAWAY. I was just going to ask how much time the Senator desires to conclude his address.

Mr. JONES of New Mexico. I do not intend to consume very much time.

Mr. CARAWAY. I beg the Senator's pardon, because there is a motion which comes over from yesterday and I desire to call it up before 2 o'clock.

Mr. JONES of New Mexico. I feel quite sure I shall conclude before 2 o'clock.

Mr. McKELLAR. I wish to suggest to the Senator from Arkansas that I had given notice that I wish to discuss the tax question this morning for just a few moments. I shall possibly take not longer than 10 minutes.

Mr. CARAWAY. I hope the Senator will give me an opportunity to call up my motion before 2 o'clock. I am anxious to get a vote on it to-day, if I can.

Mr. JONES of New Mexico. I shall continue the reading:

His seeks popularity by offering a small direct saving to the most taxpayers; the Treasury bill is fair to all classes. His is not intended to be effective on the economic side of taxation; the Treasury bill is designed to free capital and to benefit not only the individuals who pay taxes direct, but every person in the country who must pay these taxes in every purchase. It is the difference between a political method of handling tax reduction and a business method.

That is the end of the article. Mr. President, I desire again to recall that the one proposition upon which the Secretary insists is that there shall be a reduction of the high surtaxes. He insists that those taxes have raised the prices of all commodities in the country; that the people pay the surtaxes in the form of increased prices; that the surtaxes are the cause of the high rents in the country, the high cost of building having nothing to do with them; and that the farmers of the country pay the high surtaxes in everything they buy, although they sell in a foreign market.

Mr. President, it seems to me that we should examine this question, and I intend to base my conclusions upon the records of the Treasury Department itself. It will be observed from an examination of these two plans, the one proposed by Mr. GARNER and the other by the Treasury Department, that the only real difference in the plans, and the one which the Secretary considers the most important, is 19 per cent in the surtaxes of those who have incomes in excess of $100,000. The GARNER plan reaches its maximum of 44 per cent on incomes of $92,000; the plan of the Secretary of the Treasury reaches its maximum of 25 per cent on incomes of $100,000, so the difference betwen the two plans is only 19 per cent.

I turn to page 7 of Statistics of Income from Returns of Net Income for 1921. Those were the returns of net income upon which taxes were paid in 1922. On that page I find that the total net income of the individuals of the country making tax returns was $19,577,212,528. On adding up the amount of net income returned by individuals having an income of $100,000 or more I find that their total net income was $462,993,451. Calculating 19 per cent of that sum—and 19 per cent is the only difference between the two plans, so far as incomes of $100,000 or more are concerned—I find that under the Garner plan $87,968,759 more would be paid into the Treasury than under the Mellon plan.

Mr. President, the Secretary of the Treasury would have us believe that the payment into the Treasury of an additional tax of less than $88,000,000 is going to cause and is causing great depression in the country; that it has raised the whole interest rate of the country; that it has increased the freight rates of the country; that it has increased the rents of the country, and has caused many other ills from which he indicates he believes the country is suffering at the present time. The amount involved is less than $88,000,000. I submit that it is not much as compared with the tax upon the more than $19,000,000,000, but, Mr. President, it is an important sum. That sum of less than $88,000,000 annually would more than provide the entire amount of money which is due to the ex-service men of the country under the so-called bonus bill.

I am in favor of paying that adjusted compensation at once. I am in favor, if necessary, of issuing the bonds of the country in order to raise the money, but why should 2,352 men be relieved of $88,000,000 of taxation if the Mellon plan is adopted rather than the Garner plan? I should like to know why those people who are evading taxation at the present time—legally, of course; I do not accuse them of corruption, but they are evading taxes, nevertheless—should be entitled to that additional reduction at this time when it would completely finance the entire bonus legislation.

Mr. President, as I before stated, the people having incomes of $100,000 and more are not simply millionaires, they are more than that; but that is the concern of the Secretary of the Treasury. He thinks to-day not in hundreds of thousands but in millions of dollars. I do not know who his associates are, but after reading this statement from him I should imagine that anyone having property of a less value than two or three million dollars would not feel comfortable in his presence. He thinks only of multimillionaires; millionaires are too common to attract his attention.

Mr. President, it is claimed that the present high surtaxes are killing investment. I desire to read from pages 23 and 24 of the Statistics of Income, issued by the Treasury Department. There I find that salaries, wages, commissions, and bonuses have not decreased. The tables to which I refer contain a statement of the sources of income for the year 1916 and subsequent years, and they give the percentage of increase or decrease, as it may be. An examination of these tables will disclose that the very direful condition which is alleged to exist has not actually occurred. On page 24 is given the increase or decrease in percentages; and I find that salaries, wages, commissions, bonuses, directors' fees, and so forth, in the year

1917 increased over the previous year by 147 per cent; in 1918 they increased 127 per cent; in 1919 they increased 30 per cent, and in 1920 they increased 42 per cent. In 1921, the year of the greatest depreciation we have had since the World War, there was a decrease of only 10 per cent.

Likewise in the case of income from other sources these tables reveal a strikingly similar condition. From "business, trade, commerce, partnerships, farming, and profits from incidental sales of real estate, stocks, bonds, and other property" in 1916 the net income was $3,010,404,924; in 1917, $3,958,670,028; in 1918, $4,630,455,322; and so forth. The rents and royalties have kept up, as have the interest on bonds, notes, and so forth, and dividends.

Mr. President, I ask permission that, as an addendum and supplement to my remarks, the tables to which I have referred may be printed without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See Appendix 3.]

Mr. JONES of New Mexico. So it does not appear that as a matter of fact these surtaxes have been killing investment. On the other hand, every report that comes from the Federal Reserve Board tells us how prosperous the country is; and it is impossible to conceive that the Federal Reserve Board will be contending for prosperity upon the one side and the Secretary of the Treasury for the killing effect upon investment of these high surtaxes upon the other.

In regard to the question as to whether or not the 110,000,000 people of this country pay these high surtaxes, whether or not that increases freight rates, whether or not it increases rents, and so forth, I intended to read into the RECORD statements from three of the most prominent modern economists of the country. I believe they are recognized as authorities so far as men may be recognized as authorities upon a question of economics.

They are Professor Seligman, of Columbia University, who has written a monumental work upon The Incidence of Taxation; Professor Taussig, formerly of Harvard University, who has written a monumental work upon The Principles of Economics; and Professor Ely, of the University of Wisconsin, who has also written a work entitled "Outlines of Economics," which has been recognized as coming from a man of great ability and one thoroughly familiar with his subject. This book has recently been revised by Professor Ely; Thomas S. Adams, professor of political economy in the Sheffield Scientific School of Yale University; Max O. Lorenz, associate statistician, Interstate Commerce Commission; and Allyn A. Young, professor of economics and finance in Cornell University.

The only way in which a surtax upon net income, or, indeed, any tax upon net income, can be shifted to the consumers of the country is through a raise in price. That must be evident to everyone, that if you are going to shift the tax upon the net income to the consumers of the country it can only be done—and, by the way, it is only insisted that it is done—through an increase in price. The economists to whom I have referred state absolutely that prices are fixed and governed by cost, and a tax upon net income does not enter into cost at all. Moreover, in the case of the great number of commodities produced by monopolies, those prices are fixed without reference even to cost. They are fixed at the point where they will receive all that the traffic will bear. In cases where prices are fixed through competition, all these economists agree that the price is ultimately fixed by the high cost of the marginal producer where that cost meets the margin of utility, and every one of them says that unless a tax enters into the cost it can not affect prices.

Let me bring to bear another authority. Only last year, and rather late in the year, I believe, the National Industrial Conference Board of New York published a very interesting and instructive monograph on the subject of "Tax Burdens and Exemptions." The National Industrial Conference Board has its office in New York and a branch office here in the city of Washington. I do not care to read the names of all the people who are affiliated with that organization, but the names are given here. I will refer to some of those who are affiliated with it and indorse its proceedings:

American Cotton Manufacturers' Association, American Electric Railway Association, American Hardware Manufacturers' Association, American Malleable Castings Association, American Paper and Pulp Association, American Pig Iron Association, Electrical Manufacturers' Council, and Institute of Makers of Explosives.

Also various manufacturers, chemists, and so on down the list. About 50 of the national organizations of the greatest industrial concerns of the country are members of the National Industrial Conference Board, and the foreword of this book shows how the reports upon this investigation were arrived at. They were arrived at by a council of all of these various concerns and the most reputable economists of the country. The book reviews the whole history of these tax burdens, and it says, after considering the various authorities upon the subject, that a tax upon net profits is not shifted.

On the cover of this monograph is printed the following:

NATIONAL INDUSTRIAL CONFERENCE BOARD,
10 East Thirty-ninth Street, New York.
(Branch office: Southern Building, Washington, D. C.)

The National Industrial Conference Board is a cooperative body composed of representatives of national and State industrial associations, and is organized to provide a clearing house of information, a forum for constructive discussion, and machinery for cooperative action on matters that vitally affect the industrial development of the Nation.

Frederick P. Fish, chairman; Loyall A. Osborne, vice chairman; John W. O'Leary, vice chairman; James H. Perkins, treasurer; Magnus W. Alexander, managing director.

Affiliated organizations: American Cotton Manufacturers' Association, American Electric Railway Association, American Hardware Manufacturers' Association, American Malleable Castings Association, American Paper & Pulp Association, American Pig Iron Association, Electrical Manufacturers' Council, Institute of Makers of Explosives, Manufacturing Chemists' Association of the United States, National Association of Cotton Manufacturers, National Association of Farm Equipment Manufacturers, National Association of Finishers of Cotton Fabrics, National Association of Manufacturers of the United States of America, National Association of Sheet and Tin Plate Manufacturers (Inc.), National Association of Wool Manufacturers, National Automobile Chamber of Commerce, National Boot & Shoe Manufacturers' Association of the United States (Inc.), National Electric Light Association, National Erectors' Association, National Founders Association, National Industrial Council, National Lumber Manufacturers' Association, National Metal Trades Association, Railway Car Manufacturers' Association, Rubber Association of America (Inc.), Silk Association of America, Tobacco Merchants' Association of the United States, Associated Industries of Massachusetts, Associated Industries of New York State (Inc.), Illinois Manufacturers' Association, Manufacturers' Association of Connecticut (Inc.).

I also find the following foreword:

FOREWORD.

In this report the national industrial conference board brings down to date the picture of the increase in the volume of taxation presented in its earlier research report No. 55 on "Taxation and national income." The present report analyzes the expansion of governmental activities and attendant public expenditures which have influenced that development, and carries the discussion of these vital questions into other issues of importance to the sound development of American industry and the welfare of the general public. These issues concern the general distribution of the tax burden, the shifting of taxes through the complex network of commerce and industry, and the lightening or lifting of the tax burden from certain classes through legal exemptions.

A comprehensive and concise presentation of these significant facts of the tax problem should serve to emphasize their importance in social and economic progress and to afford a basis for their wise control.

This report is the result of an investigation conducted under the supervision of the board's staff economic council by Mr. L. R. Gottlieb and assistants, of the conference board's research staff.

In the preparation of its reports, the national industrial conference board avails itself of the experience and judgment of the business executives who compose its membership, and of recognized authorities in special fields, in addition to the scientific knowledge and equipment of its research staff. The reports of the board thus finally represent the result of scientific investigation and broad business experience, and the conclusions expressed therein are those of the conference board as a body.

I call these authorities to the attention of the Secretary of the Treasury, and I sincerely trust that he will come before the people of this country in an open and frank statement and say that he was mistaken. I can not conceive that the Secretary of the Treasury would be willing to mislead the people of this country; but if the economists of the country know anything upon the subject, the Secretary of the Treasury is absolutely in error in this great question.

I should like very much to discuss these questions at length, but have not time to do so.

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. JONES of New Mexico. I gladly yield to the Senator.

Mr. STANFIELD. I should like to ask the Senator if he has not concluded that the cost of all taxation is ultimately passed to the consumer?

Mr. JONES of New Mexico. That is just what I was discussing, and my position is that it is not; that there are certain kinds of taxation that are paid by the consumer, namely, what are known as commodity taxes. The tariff, for instance, is passed on to the consumer in an indirect way, and other classes of taxes; but a tax upon net income is not passed on to the consumer.

Mr. STANFIELD. Over a period of time, does the Senator mean to say, that it is not passed on to the consumer?

Mr. JONES of New Mexico. I mean over a period of all time.

Mr. STANFIELD. The Senator speaks of a monopoly. For a time a monopoly may control the price, so far as the maximum is concerned; but as to a minimum, when it came to a loss of the monopoly, would they not then figure their taxation as a part of the cost of production, and cease to do business, unless they could pass it on to the consumer?

Mr. JONES of New Mexico. The trouble with the Senator's thought is that he assumes that a tax on net income would destroy business. Nobody ever went broke paying a tax on net income. If the Senator will think of it for just a moment, he will realize that.

Mr. STANFIELD. That is taxation on the ability to pay taxes; but I am thinking about it from the economic standpoint, from the standpoint of where it must ultimately land.

Mr. JONES of New Mexico. So am I.

Mr. STANFIELD. Does not the consumer finally pay all of taxation? Must it not be passed on to him? How could there be, over a period of time, a net income unless the taxation were passed on to the consumer? The consumer pays all the cost of production; and is not taxation a part of the cost?

Mr. JONES of New Mexico. The fault with the Senator's proposition is that he is thinking of something which goes to embarrass production, something which enters into the cost of production. If there is a tax which does not enter into the cost of production, how can it embarrass production?

Mr. STANFIELD. Over a period of time it may not.

Mr. JONES of New Mexico. Over a period of all time I say to the Senator.

Mr. STANFIELD. But if you pass on to further production, it certainly will accrue against the cost of production.

Mr. JONES of New Mexico. It does not affect prices. If I have failed to make myself clear, I sincerely trust the Senator will study the principle of economics that a tax upon net income does not affect prices at all.

Mr. STANFIELD. I should like to ask the distinguished Senator, as a business man, if in the conduct of his business he does not set up a charge of taxation against his cost of production?

Mr. JONES of New Mexico. Mr. President, no one does that so far as the tax upon net income is concerned. You do set up as a charge against cost of production your direct property taxes, your license taxes, and things of that sort; but you do not know what to set up, even if you wanted to cover it, in the case of your income tax until your income is earned.

Mr. STANFIELD. But if the net income that you have in hand, which is your reserve, is wiped out by a tax against that, as to your future production you are going to set up a safeguard against that, and add to the charge that you make for what you produce and what you sell something to cover possibilities, to prevent your reserve being confiscated.

Mr. JONES of New Mexico. Again the Senator is in error. There is no tax upon the surplus which has been set aside. It is only a tax upon the current net profits of the business or the individual. It does not enter into costs at all, and it has no effect on prices, and therefore can not by any of the rules of logic be passed on to the consumer.

Mr. STANFIELD. Those profits are your reserve, though.

Mr. JONES of New Mexico. Why, it does not wipe out any reserve. Your reserve is there. It is set apart. It does prevent you from building up another enormous reserve, and I submit that that is not a bad thing for this country.

Mr. STANFIELD. But in order to do that you are going to make provision for that by adding it to the charge that you are going to make. Even a monopoly, which can fix its own prices, can do that. If they are despoiled they are going to take care of themselves in their future production.

Mr. JONES of New Mexico. No; the Senator has failed to comprehend the subject which I am discussing. I regret it exceedingly, and I sincerely trust that he will take my remarks as published in the RECORD, read them, and consider the logic which I have tried to use in the discussion of this subject.

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

Mr. JONES of New Mexico. I yield to the Senator from Utah.

Mr. KING. Has not the Senator from New Mexico failed, however, to take into account the view which, as I understand, is entertained by the Senator from Oregon, namely, that the cupidity of the business man is such that not being satisfied with enormous expenditures in his business, oftentimes increased for the purpose of limiting the possibility of paying taxes, not satisfied with enormous expenditures and reserves to meet those, he is going to take care that the fund which is denominated his reserve shall be swollen beyond all just proportions, and therefore he will make additional charges and increase the cost to the consumer of the articles he puts out, upon the theory that the taxes ultimately will fall upon the consumer, and therefore he will increase the amount of his reserve?

Mr. JONES of New Mexico. The Senator has stated in another form just the question raised by the Senator from Oregon [Mr. STANFIELD]. I thought I had made it plain, and all of the modern economists will support me in the conclusion, that where goods come from monopoly the monopoly fixes the price at the highest point the traffic will bear, regardless of any tax on net income. Presumably before the tax is ever levied the monopolist has found the point where by fixing the price at a certain amount he will derive the greatest net revenue from the sale. The law of supply and demand absolutely controls, and the monopolist controls the supply. The monopolist has found out that by the sale of an article, we will say at $5, he will receive more net revenue than if he charged $6 for it, because if he charges only $5 the demand will be increased, and he would rather have a smaller profit upon a large number of sales than a large profit upon a few sales. The monopolist fixes his price with reference to that point, the highest net profit he can get out of the whole body of consumers. That is the way monopoly prices are fixed, and it can be readily seen that if he were to increase his prices he would reduce his profits. Therefore, since simply trying to pass on the net profit tax by increasing prices would destroy his revenue, of course, he would not do it.

With respect to the other class, where there is competition, the price of a thing produced in competition is fixed by the cost of the product of the highest-cost producer. If there is competition you have a number of people engaged in the same industry and there is always some one who is making a profit and some one who is just at the point where he can make both ends meet, and the fellow who can just make both ends meet is the one whose product fixes the price which must govern the prices of the entire production. If you were to crowd him out of business you would diminish the supply, and then you would have some other producer who was at the margin.

These questions are well explained in the discussion of these principles by the various economists. So in that case the fellow who has produced at the margin pays no income tax, because he has not any net income, and he is the fellow who fixes the price of the commodities produced under competition. So, in any event, there can be no such thing as passing on to the consumer a tax upon net incomes.

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. JONES of New Mexico. I am sorry, but I am afraid that this interruption would cause me to disappoint some of my fellow Senators who want to get some action taken on a certain matter.

Mr. STANFIELD. I am sure I would not want to occasion the Senator to disappoint anyone, but I would like to ask him a question, if he will yield.

Mr. JONES of New Mexico. Mr. President, this net-income tax affects the incomes of individuals engaged in various industries. Of the $23,000,000,000 of total incomes earned in 1921 over $13,000,000,000 came from wages and salaries. I may say to the Senator from Utah [Mr. KING] that an examination of this and reasoning upon the subject will cause us to reach a conclusion which perhaps would be clearer than from taking the mere reasoning of myself or even of the economists. Over $13,000,000,000 of those incomes was derived from wages and salaries. I would like to have anyone tell me how a tax upon the net income of wages and salaries can be shifted to the consumer.

Mr. SIMMONS. How much did the Senator say was derived from wages and salaries?

Mr. JONES of New Mexico. Over $13,000,000,000, out of a total of $23,000,000,000.

Mr. KING. Those are the figures of returns made?

Mr. JONES of New Mexico. Of returns made. The net income comes in largest part from wages and salaries. No person will insist that a tax that the wage earner pays on his net income can be passed to the consumer, and I think I may call attention to the fact that of these taxpayers who have net incomes of over $2,000,000 a year, the amount of that which they derive from wages and salaries is $2,379,123. It would be thought that men with net incomes of over $2,000,000 a year would be above accepting wages; but they do accept wages, just the same.

Mr. HEFLIN. Mr. President, I dislike to interrupt the discussion, but a motion of the junior Senator from Arkansas [Mr. CARAWAY] came over from yesterday to to-day. It should have been laid before the Senate by the Presiding Officer this morning. It must be laid before the Senate, I understand, before 2 o'clock if it is to be considered to-day. I do not want to interrupt the Senator——

Mr. JONES of New Mexico. The Senator can move to take up the motion after 2 o'clock, as I understand the rule.

Mr. McKELLAR. I gave notice yesterday that I would make a very short statement on the tax plan to-day. I would be very glad, if I had the floor, to yield for such a motion if there is a desire that such a motion be made; but I would like to make my statement after the Senator from New Mexico gets through.

Mr. HEFLIN. Will the Senator from New Mexico object to having the resolution of the Senator from Arkansas laid before the Senate? Then he can proceed with his speech.

Mr. JONES of New Mexico. At the hour of 2 o'clock, if there is no other unfinished business, it will take precedence anyway. But if the Senator cares to press the point, of course I shall be glad to yield for that purpose if it does not take me from the floor.

Mr. HEFLIN. This resolution, if passed now, will cancel the lease to the Teapot Dome oil reserves, and I now ask the Chair to lay the resolution before the Senate, and then the Senator from New Mexico may continue his speech. We want to have the motion to adopt the resolution pending when the hour of 2 o'clock arrives.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Alabama ask unanimous consent to have the motion laid before the Senate?

Mr. HEFLIN. I ask unanimous consent that the resolution be laid before the Senate.

Mr. STANFIELD. I object.

The PRESIDING OFFICER. There is objection to the unanimous-consent request.

Mr. HEFLIN. Then I shall move to take the resolution up when the Senator from New Mexico finishes his speech, after 2 o'clock.

Mr. ROBINSON. Mr. President, will the Senator from New Mexico yield for the purpose of seeing if a disposition may be made of the motion of the junior Senator from Arkansas coming over from yesterday?

Mr. JONES of New Mexico. I am not willing to yield in such a way as to take me from the floor.

Mr. ROBINSON. There is no disposition to take the Senator off the floor.

Mr. JONES of New Mexico. I know that if we get to a point where the motion will be under discussion it will require much more time than I intend to take in concluding my remarks.

Mr. ROBINSON. I thought perhaps the matter could be disposed of without prolonged debate.

Mr. JONES of New Mexico. I do not see how that could possibly be the case.

Mr. LENROOT. Will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. LENROOT. As the Senator is aware, the Committee on Public Lands and Surveys will hold a very important meeting on this very subject at 2 o'clock. It is highly necessary that the members of that committee be present at that meeting, and I think likely this matter might be disposed of by the Senate in 5 or 10 minutes. May not an arrangement be made so that if it is not disposed of in that length of time the Senator shall proceed?

Mr. ROBINSON. The Senator from New Mexico has the floor, and if he will be courteous enough to yield for a few minutes, say for 10 minutes, it would serve the convenience of a great many Senators who would like to have some arrangement made about the motion.

Mr. JONES of New Mexico. If any arrangement has been made to dispose of it, I have no objection at all to yielding for the purpose of having it disposed of, but unless an arrangement has been made, and someone will state that an arrangement has been made, I do not see why I should yield.

Mr. LENROOT. I can not speak for other Senators, of course, but it is my opinion that the matter can be disposed of within 10 minutes, and the Senator may then go on. Of course, I may be mistaken, but that is my opinion. If we do not dispose of it within 10 minutes, the Senator can resume the floor.

Mr. JONES of New Mexico. I am sure the Senator does not make that statement based upon what has occurred in previous times when the matter has been brought up.

Mr. WALSH of Montana. As I have just entered the Chamber, may I ask the Senator from New Mexico what is under consideration?

Mr. JONES of New Mexico. I have been requested to yield in order that the motion of the junior Senator from Arkansas [Mr. CARAWAY] relating to the Teapot Dome lease may be brought up.

Mr. WALSH of Montana. I supposed so. I did not quite understand the significance of the remarks made by the Senator from Wisconsin that he thought it could be disposed of in 10 minutes.

Mr. LENROOT. I suggested that if the Senator from New Mexico would yield, so far as the pending motion to discharge the committee is concerned, it might be disposed of in 5 or 10 minutes; that was all.

Mr. WALSH of Montana. Of course, I indicated yesterday my attitude in respect to it. I have no objection at all to that course being pursued.

Mr. LENROOT. Certainly; I think we are in full accord on that point.

Mr. ROBINSON. With the consent of the Senator from New Mexico, I ask unanimous consent that the Committee on Public Lands and Surveys be relieved from the further consideration of Senate Joint Resolution No. 54.

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from New Mexico yield for that purpose?

Mr. JONES of New Mexico. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. ROBINSON] asks unanimous consent that the Committee on Public Lands and Surveys be relieved from the further consideration of Senate Joint Resolution No. 54. Is there objection?

Mr. LENROOT. Mr. President, reserving the right to object, I merely wish to say that I have consulted with my colleagues upon the committee, and I find no objection to the discharge of the committee from the consideration of the joint resolution. I should object to the joint resolution itself being considered before the committee has taken further evidence.

Mr. WALSH of Montana. Mr. President, I rise to state that, as I understand the matter, that brings the joint resolution back before the Senate for such disposition as we may care to make of it.

Mr. LENROOT. That is the only effect. Of course, under the rule it will go over for a day.

Mr. LA FOLLETTE. I understand that this in no way interferes with the Committee on Public Lands and Surveys proceeding with the investigation under the resolution introduced by myself in the last Congress.

The PRESIDING OFFICER. The Senator's understanding is correct.

Mr. WALSH of Montana. That is my understanding of the matter.

Mr. LA FOLLETTE. Otherwise I should object. I want that investigation to go on.

Mr. WALSH of Montana. I do not believe there can be any doubt about that.

Mr. CARAWAY. Mr. President, if it did interfere with the investigation, I should not want to have the joint resolution considered at all; but, of course, it does not.

Mr. ROBINSON. Certainly not. If I may be permitted to make just a brief statement, the effect of this motion is to bring the joint resolution introduced by the junior Senator from Arkansas back to the Senate. That is the only effect of it. It therefore advances the joint resolution one step.

Mr. HEFLIN. And the effect of it is that the Senate has discharged the committee from further consideration of the joint resolution, as the motion was made originally by the Senator from Arkansas [Mr. CARAWAY].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas [Mr. ROBINSON]? The Chair hears none; the committee is discharged from further consideration, and the joint resolution goes to the calendar.

Mr. ROBINSON. No, Mr. President; I ask unanimous consent that the joint resolution introduced by the Senator from

Arkansas [Mr. CARAWAY] be made the unfinished business, and that upon its being made the unfinished business the joint resolution shall go over.

Mr. LENROOT. I object to that, Mr. President.

Mr. HEFLIN. Mr. President, the unfinished business may be pending here for months. I am anxious to have a vote on the joint resolution. The Senator from Kansas [Mr. CURTIS] has asked unanimous consent, I understand—though I did not know it until a moment ago, and I have been right here in the Chamber ever since the Senate assembled—that when the Senate adjourns to-day it stand adjourned until Monday. That means that we can not get action on this joint resolution before Monday.

It is all right to have unanimous consent to discharge the committee from the further consideration of the joint resolution. That is effected the same as if we had had a vote. It has been done by unanimous consent. But what I want to do is to get a vote on the joint resolution.

A fraudulent transaction is not binding in any sense upon the Government. It therefore has no standing in equity or justice anywhere. Then why should we delay action upon it?

Mr. JONES of New Mexico. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from New Mexico will state the point of order.

Mr. JONES of New Mexico. I yielded in order that the senior Senator from Arkansas [Mr. ROBINSON] might present a unanimous-consent request, and the Senator made his request. I submit that there is nothing in order except either an objection or a consent. I object to further discussion or to taking up of further time.

Mr. HEFLIN. I was going to ask unanimous consent that the order allowing the Senate to adjourn from to-day until Monday be vacated.

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Alabama for that purpose?

Mr. JONES of New Mexico. I do not yield for that purpose.

The PRESIDING OFFICER. The Senator from New Mexico has the floor and declines to yield.

Mr. HEFLIN. The Senator does not yield for that purpose?

Mr. JONES of New Mexico. No.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Adams	Edwards	Lodge	Robinson
Ball	Fletcher	McKellar	Sheppard
Borah	Frazier	McLean	Shields
Brandegee	George	McNary	Shipstead
Brookhart	Gooding	Neely	Simmons
Bruce	Greene	Norbeck	Smith
Capper	Harris	Norris	Spencer
Caraway	Harrison	Oddie	Stanfield
Copeland	Heflin	Overman	Stephens
Couzens	Johnson, Calif.	Owen	Trammell
Cummins	Johnson, Minn.	Pepper	Wadsworth
Curtis	Jones, N. Mex.	Phipps	Walsh, Mont.
Dale	Jones, Wash.	Pittman	Warren
Dial	King	Ralston	Watson
Dill	La Follette	Ransdell	Weller
Edge	Lenroot	Reed, Mo.	Wheeler

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present. The Senator from New Mexico will proceed.

Mr. JONES of New Mexico. Mr. President, before the interruption I was examining the various sources of income for the purpose of testing the question as to whether or not a tax upon these net incomes is shifted to the consumers of the country. I have called attention to the amount of the net income which is returned for taxation, wages, and salaries, and the percentage of all net income derived from that source, which was 59.21 per cent. I submit that no one can suggest a reason why a tax upon such incomes should be passed to the consumer.

The next source of income is from individual business as distinguished from corporate business and partnerships. The income from that source is $2,366,000,000. The net income derived from business is derived from sales or other activities where prices are fixed not with respect to the tax upon the net income at all. It is the same in principle as a tax upon net incomes of corporations.

Profits from sale of real estate, stocks, and bonds, and sales of real estate does not mean the sale of capital assets, but commissions. I would like to know how it could be said there that a tax upon the net income of a man engaged in the real estate commission business is passed on to the consumer, or the profits which he makes out of dealing in stocks and bonds, real estate, and other property. He gets all he can for those commodities anyway, and the other fellow pays all he is willing to pay So it is inconceivable that any of that tax is passed on.

Next are rents and royalties. It is true that Mr. Mellon in his statement said that rents are not dependent upon the cost of material, but the inference is that that is because of the high surtaxes. I wish I might have the time to analyze that question, but I do not think that it is necessary. We all know that the people who are renting properties, residences, and so forth, base their rentals, when scientifically based at all, upon the cost of the building. When they go to rent it, they rent it practically for all the traffic will bear, because each one is a monopolist to the extent of his ownership of the particular building. The other people, of course, in making rents of their properties are governed to a great extent by what one individual will rent for, but in no sense is the amount of the rent fixed because of the tax upon the net income of the landlord. The State taxes, the local taxes, the license taxes, and the fixed charges which enter into the cost of the capital invested do enter into the question of the amount of rent, but I submit that the tax upon the net income has no influence whatever upon the rents which are charged the people of the country.

Next are dividends of corporations. Of the total net income subject to taxation by individuals about $2,500,000,000 comes from dividends declared by corporations. I should like to know why a corporation is going to increase the price of its product because some stockholder will have to pay a tax upon the dividends which are declared? It has no relation whatever to the earnings of the corporation or the amount of the dividends. It is simply a tax upon the net income, and I do not see how any individual can say that the tax upon the dividends in the hands of an individual stockholder has any influence whatever on the prices which the corporation charges its consumers for its products. It does not enter into cost in the slightest degree.

Next is interest and investment income. I called attention to the fact earlier in my remarks that the total net income of all those people who make returns of their incomes of $100,000 or more amounted to only $462,993,000. That is for all of them. That is the total of their net incomes. The portion of that which is derived from interest and investment income is only $116,977,314. In other words, these multimillionaires do not cut as much figure in the affairs of the country as some people think they do.

Out of the total money incomes derived from interest and income from investments, which is $1,690,000,000, only $116,000,000 of it comes from people who make returns of $100,000 or more of income from that source.

The result is that the income of the high surtax payers who are of so much concern to the Secretary of the Treasury, where he said that we must reduce the high surtaxes in order to free capital for new investment, only represents 0.05 per cent of the money which is received as net income from the whole country—only five-hundredths of 1 per cent and less than 7 per cent of the net incomes derived from interest and income investments.

In view of the tremendous magnitude of the business of this country, I should like to know how such a small amount could influence the entire prosperity of the country as contended for by the distinguished Secretary of the Treasury. That, however, is the burden of his whole song. "The reduction of the high surtaxes is the one thing which must be insisted upon."

Mr. President, those who pay the very highest surtaxes receive 81.47 per cent of their total net income from dividends of corporations. On those dividends they do not pay the normal tax. The normal tax is paid by the corporations. They only pay the surtax on the dividends, and, as we all know, the corporations in which they have their interest only distribute to them less than one-half of their actual earnings.

Mr. FLETCHER. Mr. President, may I interrupt the Senator from New Mexico at that point?

Mr. JONES of New Mexico. I yield to the Senator from Florida.

Mr. FLETCHER. As I understand, the argument of the Secretary of the Treasury is that if we reduce the surtaxes on the large incomes we shall thereby increase the revenue to the Government. His argument is that while the revenue from that source is now comparatively small, as the Senator has stated, we shall increase it if we reduce the surtaxes. Just how that figures out it is a little difficult to understand. That, however, is the position. Granted that the present

amount of revenue from the large incomes is comparatively small, how will it be increased if we diminish the surtax?

Mr. JONES of New Mexico. I shall come to that in just a few moments. The Senator's inquiry is perfectly pertinent and, in view of what is being published in the press, deserves attention. I shall reach that in a few moments, but I wish first to call attention to the question of the interest rate and the suggestion as to killing the investment market.

I have already pointed out that the amount of income of the multimillionaires from interest and investment income is infinitesimal compared to the great volume of money which is invested in interest-bearing securities. I wish to call attention to the fact that, while all of these multimillionaires derive only $116,000,000 net from interest and investment income, the people of the country who have incomes of less than $1,000 get from interest and investment income $137,000,000 and more. I repeat, the people with incomes of less than $1,000 derive over $137,000,000 from interest and investment income, whereas all of the multimillionaires put together only receive $116,000,000 from that source. The people with incomes between $1,000 and $2,000 receive over $187,000,000 from that source; those with incomes between $2,000 and $3,000 receive $271,000,000 from that source; those with incomes between $3,000 and $5,000 receive $321,00,000 from that same source; those with incomes between $5,000 and $10,000 receive $246,000,000 from that source, and so on. I wish to say that no one is justified—especially anyone in authority—in claiming that a high tax upon the incomes of the multimillionaires raises the rates of interest or affects investment. From the source I have stated is where the great bulk of money comes which is going into interest-bearing securities and investment incomes. It is from the people with the modest incomes.

Mr. SIMMONS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from North Carolina.

Mr. SIMMONS. What the Senator from New Mexico is now saying confirms the statement recently made by a very prominent and distinguished man in this country to the effect that the money which had financed the productive industries of the country was not supplied by the millionaire class, by the men of great fortunes and means, but was supplied chiefly by the people of moderate incomes—by the people with incomes from $75,000 a year down.

Mr. JONES of New Mexico. Mr. President, I think it not only confirms the statement but establishes beyond all question the truth of the statement. The figures which I have been reading are taken from the compilation known as Statistics of Income from Returns of Net Income for 1921, compiled under the direction of the Commissioner of Internal Revenue. The statistics show where the bulk of the money comes from which is invested in interest-bearing securities; that it comes from the people of small means who pay a relatively small surtax. How can it be said that because some people may pay a high surtax the supply of the wealth for investment purposes is going to be destroyed, when the money in reality now comes from the people who pay very much smaller income taxes? In other words, Mr. President, it demonstrates that a tax upon net income does not affect the rate of interest in this country.

The Secretary of the Treasury tells us that the Baltimore & Ohio Railroad Co. in a year or two will have to refund a large amount of bonds which at present bear an interest rate of 3½ per cent; that the Chicago, Milwaukee & St. Paul Railroad will have to refund bonds which now bear an interest rate of only 4 per cent; and that they will have to pay 6 per cent for the new money. I want to know if that tells the entire truth. Mr. GARNER is accused of being unwilling to tell the truth. Does the Secretary of the Treasury want to say to the people of this country that the interest rate has been raised from 3½ or 4 per cent to 6 per cent because of the high surtaxes? I ask him if he will be candid and tell the American people that that is just what he means. He states that the farmers pay these high rates of interest. That is quite true. Under the provisions of the Esch-Cummins law the owners of the railroads are entitled to a certain amount net, and, of course, so far as the tax upon railroads is concerned, the transportation user must pay that interest, because the net return to the stockholders is fixed by that law, or, at any rate, the Interstate Commerce Commission is directed to fix rates which will yield that net amount.

I wish to say further that Mr. Mellon in his so-called plan, which is so sacred, which has a halo of glory around it, does not anywhere suggest that there should be any modification of the taxes which the railroad companies pay. They pay at precisely the same rate as the most speculative concern in all the land, and the stockholders of those railroads get their returns net after all of the taxes have been paid. That is the one case where a tax upon net profits is paid by the consumer. The tax upon the railroad corporations of the country does enter into the cost so far as the net returns to the stockholders is concerned, because, if I understand the Esch-Cummins law, the Interstate Commerce Commission is to fix a rate of freight which will yield a definite percentage of return net; and so the taxes which are paid to the States and municipalities, and including the Federal income tax, are chargeable against operating expenses when we begin to figure the net return to the stockholders in such corporations.

Mr. COUZENS. Mr. President——

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

Mr. JONES of New Mexico. The Senator from Michigan shakes his head in the negative, and I shall be very glad to hear from him.

Mr. COUZENS. I should like to ask the Senator from New Mexico if he has not misunderstood the Esch-Cummins law, so far as it applies to net income? I find that there is a general misconception about the law, if I understand it correctly. To illustrate: A railroad is worth, say, $1,000,000, and assuming that it is entitled to a 6 per cent income net, such 6 per cent return would yield $60,000. If, for example, there were $600,000 worth of mortgages on the property, which paid 6 per cent, that would be $36,000, which would leave $24,000 of the 6 per cent on the $1,000,000 investment which would go to the stockholders. In other words, the railroads are not permitted to earn interest on their bonds plus 6 per cent on the value of their properties. I think the Senator from New Mexico is wrong, in that the railroads can not possibly charge the surtaxes to the users of the railroads, for the surtax can not be charged in any way to the expenses of operation, and can not in any way be passed on in the shape of freight rates to the railroad users.

Mr. JONES of New Mexico. Perhaps the Senator from Michigan misunderstood me; indeed, I think he must have done so. I think, perhaps, I did not make myself clear.

I did not mean to be understood as stating that the surtaxes upon the individual net incomes of the stockholders were chargeable to the railroad company or paid by it, in any event. What I had reference to was the taxes upon the net income of the corporation itself. I am glad the Senator from Michigan has called my attention to the fact that I had not made myself clear. I agree with the Senator that any surtax levied upon the stockholders of the company which is declared to them in dividends is not charged up to the expense of operation of the company and does not enter into the equation at all. I understand that the income tax which the railroad corporations pay, so far as concerns the amount which the Interstate Commerce Commission is directed or authorized to fix, is to be taken care of as a part of expenses in considering that question alone. If I am in error about that, I should like to be corrected.

Mr. COUZENS. I think, perhaps, the Senator is correct in that. I should like to ask the Senator, however, if he agrees with the Secretary of the Treasury that if the Baltimore & Ohio Railroad Co. has to refund its debt and pay an increased rate of 6 per cent instead of 3½, the difference between the 3½ per cent and the 6 per cent is passed on to the users of the railroad in the way of freight and passenger rates?

Mr. JONES of New Mexico. I now realize more keenly just the point the Senator has in mind. The rates that are fixed by the Interstate Commerce Commission are to be based upon valuation. If they pay that additional interest charge, and if it be above the average rate of bonded indebtedness of the concern or beyond the 5½ per cent which the Esch-Cummins law authorizes the commission to provide for, then I hardly see how, under the provisions of that law, the additional amount could be charged to transportation. I was assuming, however, that the total expense of operation of the road, including what it paid for interest, would be taken care of in fixing the return on the valuation of the road.

What I wanted principally to impress, however, was the point that the tax upon the net income of railroads where the rates are fixed by law under the provisions of the Esch-Cummins law is in effect a tax upon transportation, and that those railroad companies under the so-called Mellon plan pay just as high a rate of tax to-day as the most opulent private concern in the country. There is a flat tax upon these corporations of 12½ per cent. The principle of a graduated tax upon individual incomes is recognized by all, but under the present law—and in this respect the Secretary of the Treasury suggests no modification—there is a flat tax upon the net incomes of all corporations, those whose incomes really are fixed by law as well as those that derive their incomes from speculation and productive activity.

I might discuss at some length the question of the rate of interest in this country, and why it is higher now than before the war. I shall not take time to do that, however. I shall only refer to the fact that the World War caused a disturbance in industry and the flow of capital the world over. An enormous amount of capital was destroyed by reason of the war, and there has been a demand for capital from foreign governments as well as our own in amounts previously unknown in all history.

Not only that, Mr. President; in this country we have a splendid financial system, the Federal reserve system, one which I heartily approve, but I am not in accord with the manner in which it is being administered. We have gathered here the gold from all corners of the world. We have now about one-half of all the gold in the world. It is locked up in these Federal reserve banks. There is probably $2,000,000,000 of gold lying there which serves no useful purpose. It is not used for the purpose of granting credits in lines of productivity. Moreover, the Federal Reserve Board is fixing the rate of interest to-day arbitrarily. You can get no bank loan discounted by the Federal reserve system to-day for less than 4½ per cent interest.

They control the flow of the great body of the money and credits of the country, the lifeblood of the country, which ought to be circulating in the veins of the body politic; but they arbitrarily say that it shall not circulate, except upon the payment of 4½ per cent interest. It goes out to these different banks at that rate. They reloan it to others for not less than 6 per cent, and, as we know, they often charge very much more than that. So there is one reason why the rate of interest to-day is higher than formerly, but it is less to-day than it was a year ago. The rate of interest is decreasing, and it is not decreasing because of any repeal of the high surtaxes upon the net incomes of these multimillionaires, because they are still subject to the same tax. So I say there is no foundation for this assumption, which comes to us from the Secretary of the Treasury, that the surtaxes upon these large incomes are the cause of the increased rate of interest in this country.

Senators can, of course, judge that I should like to discuss these questions at much greater length. They are exceedingly interesting; and, not only that, but they do involve the prosperity of this country. If Mr. Mellon is right about this thing, then I would join him and say, "For God's sake let us repeal these infamous high surtaxes just as soon as they can be reached"; but as long as reason is still enthroned in my mind I am not willing to do this thing upon a pretext which has no foundation in fact.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. NORRIS. I am very much interested in the particular point which the Senator is making, and I ask this question for the purpose of information and possibly further elucidating the point:

Could it not be said in answer to the Senator that if it were impossible for these millionaires to invest their money in tax-exempt securities they would invest it in other directions, and therefore put more money in circulation, and thus bring about a decrease in interest rates?

Mr. JONES of New Mexico. Mr. President, I was just reaching that question. The Secretary of the Treasury practically tells us that these high surtaxes are unproductive; that if we would voluntarily decrease the high surtax rates we would turn loose into ordinary business channels a large amount of money. I have made some investigation of that subject. We have been told so often in the press of the country that the high surtaxes were driving investment funds into tax-exempt securities that I think it is a question which should be met fairly and squarely.

We are favored in this same book of statistics with the returns of estates which are taxed for inheritance. I refer to page 27 of this book of statistics. These returns of estates were the ones filed in the Treasury Department in 1922. They cover that year's returns. Very fortunately the statistician for the Treasury Department has designated the sources from which those estates are derived, and I was anxious to know about the amount of tax-exempt securities owned by those estates. It can be readily seen that as a man grows old and wants to retire from active business he would naturally tend to put more of his money into safe securities than at any other time in life. I judge that the great majority of the people who died and left these estates were men of that kind, and you would expect that if any men of great wealth, in order to evade high surtaxes, would have their funds invested in tax-exempt securities, it would be this class.

I will tell you what we find. These estates amounted in gross to $2,879,372,168. Of that amount there was invested in wholly tax-exempt securities only $103,000,000 plus. The funeral expenses and the expenses of administration of all those estates amounted to more than the whole amount of money invested in tax-exempt securities.

That may be a surprising statement in view of all we have heard from the Secretary of the Treasury upon that subject to the effect that the money of the people of great wealth is being driven into tax-exempt securities, and yet here are estates of a value of two billion eight hundred and seventy-nine million and odd dollars, and the amount invested in tax-exempt securities was not enough to pay the funeral expenses and expenses of administration. The whole amount invested in tax-exempt securities was only $103,000,000 plus, while the expense of funerals and administration was $106,000,000, leaving a difference there of about $3,000,000; and if it be preferred to have the tax reckoned by percentage, the percentage invested in State and municipal bonds, wholly tax exempt, was only 2.53 per cent. Of wholly tax-exempt Federal securities the percentage was only 1.06. So I say, Mr. President, that the people ought to know about this thing. The whole truth ought to be told.

I think I understand why the incomes of the very rich are being diminished. The Secretary of the Treasury says that is a fact, and upon any statement of that kind I must accept his word. The returns for the year do show that the amount of incomes is less; but here is what I find: I find that under the present law there is no inhibition against a man with a large fortune making gifts of his property. He gives it to his wife, and he gives it to his children. They divide the income, so that the rate of surtax is relatively reduced; and not only that, but under this law, which the Secretary of the Treasury is unwilling to disturb, there is one tax, as I have said, of 12½ per cent upon corporations. On the floor of the Senate the other day I said that a man would be a financial idiot who would invest his funds in tax-exempt securities solely for the purpose of escaping high surtaxes. He could organize a corporation; and if he does, he will have to pay only 12½ per cent tax upon his net income. When the present revenue law was being considered I inveighed against that provision from this floor as strongly as I could. I predicted that this thing would be done. I have asserted that people were doing what their business interests would warrant them in doing. But I wish to call to the attention of the Secretary of the Treasury the fact that only day before yesterday, before the Committee on Public Lands and Surveys of the Senate, of which I am a member, we had on the stand a distinguished attorney from the city of New York. It appeared that his client had organized a corporation, among other things, for the express purpose of reducing his taxes so that he would have to pay only 12½ per cent; and not only did his client organize a personal corporation, as it is called, but he made this very significant remark: "I think that is the universal idea now, and is generally done."

Why will not the people do the things which their interest would indicate they should do, and when there is no provision of law against it? Why should not every man who has a high income tax to pay, instead of paying 40 per cent or 25 per cent, even, organize his personal corporation and pay only 12½ per cent?

So, in view of the record, I reply to Mr. Mellon that the people are not investing their money in tax-exempt securities. They are taking advantage of provisions of the law which allow them to evade the tax. They are making gifts to their children and dividing the rate of tax, but more especially are they organizing personal corporations for the purpose of evading the high tax and are paying only 12½ per cent.

Mr. KING. Will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. KING. I invite the Senator's attention to the fact that dividends are declared by corporations. When the corporations which may be organized for the purpose of evading the high surtaxes pay dividends, what does the Senator say as to the persons who receive the dividends escaping surtaxes?

Mr. JONES of New Mexico. The corporations do not declare the dividends. They wait and let the money accumulate in the treasury of the corporation; they water the stock of the corporation so as to let their earnings accumulate from year to year and do not pay surtaxes at all. They do not declare dividends. If a man has a personal corporation where the title of his property rests, what is the use of declaring dividends beyond that which one needs for actual living expenses? He can leave the money in the treasury of his personal corporation.

He can divide the shares of stock among his heirs, just as he could the dollars in a bank, and there is no inducement for him to pay out dividends. Under this law there is no surtax upon undistributed earnings of corporations.

I called attention the other day to the individual up in Michigan with such enormous accumulations in recent years who would pay a tax of a number of million dollars if he paid out the actual earnings of his corporation in dividends; but he does not do that. How often it is said, even in the financial articles of the country, that in the case of railroad companies where the stocks have been watered, where the common stock is all water, the investors have been buying the stocks because the companies are keeping their earnings in their business and not distributing them, and therefore the value of the stock is continually increasing.

These are legal means of evasion; and yet the Secretary of the Treasury does not make any suggestion that these means of evasion should be changed. To the contrary, there is presented to the Congress and the country this plan, and it is said, "Take it as it is or leave it alone."

The truth is that this so-called plan is just as significant for the things which it does not contain as for the things which it does contain. I call attention to the fact that it does not disturb this tax on corporations, and it does not prevent these gifts.

Another thing, if the Secretary of the Treasury wanted to do justice in this country, there is a subject which I could suggest for his consideration. Under the present law if a man, however humble his home, has an income tax to pay, any benefit which he may derive from the ownership of his home is not considered as income; but if those less fortunate pay out money for rent, they can not deduct the amount of money which they pay out. So I want to suggest to the distinguished Secretary that he consider the advisability of allowing the deduction of money, even a limited amount, paid out for rent. Why not put the people on an equality when you come to taxes? A man who owns a house, even if he has borrowed money on it, deducts the interest which he pays. He deducts all local taxes which he pays. He deducts the amount expended for repairs. But the man with an income who must rent a house in which to live is not permitted to deduct anything because of the money which he spends in rent. I want to suggest that to the Secretary.

Why is not that just? He himself may perhaps own a mansion over in Pittsburgh, or somewhere else, valued at a million dollars. He does not return the value of the use of that property as a part of his income, because the law permits him to take no account of it. I may say that at least one Senator just recently told me that he had bought a house here in the city of Washington because by putting his money into a house it would reduce his surtaxes. He was paying rent of $5,000 a year prior to that time. He was not permitted to deduct the $5,000 from his income, but if he buys a house for $100,000 and thus reduces his income by $5,000 a year, he gets in effect that amount as a reduction from his net income for taxation purposes.

So I say, should we not consider something in that regard? Should we not put the people of small incomes upon an equal basis with those of large incomes? If they pay rent, why should they not get a deduction, just as the man who owns property gets an advantage by not having to take account of the value of the property which he uses for his own purposes?

Again, Mr. President, there is suggested in this so-called plan that there be an allowance of only 12½ per cent for capital losses. That means that a man doing business as a merchant who owns a residence may have that residence burned down and suffer an absolute loss of his capital, and under the proposal suggested from the Treasury Department he could not under any circumstances deduct more than 12½ per cent as a capital loss from his income from his business for that year, notwithstanding the fact he he might be compelled to take out of his business a considerable amount of money with which to construct another home. I say that is unfair.

Again, Mr. Mellon wants to put into the law a requirement that the members of a marriage community, in the community property States, shall combine their incomes for the purpose of taxation. He does not require husbands and wives anywhere else to put their incomes together and be taxed as one, but he suggests that that be done in the community States. I submit that the people of the West, especially in my State, and in some other States, should think about that and hesitate before they accept this plan without investigation.

Moreover, he suggests the repeal of just a few of the excise taxes. I would like to see most all of the excise taxes repealed, but he suggests a few, and we are asked to do that without inquiring into it, even as to whether they should be repealed or not.

Again, the Secretary of the Treasury suggests no modification of another revenue law. On the other hand, the President in his message to the Congress specifically indorsed the present tariff law of the country. If the Secretary of the Treasury wants really to relieve distress and lower the cost of living in this country, he can do nothing better than suggest a modification of the tariff laws of the country.

I have in my possession a report from the Tariff Commission reporting the amount of tariff now collected upon 100 different samples of cotton cloth. Based upon the 1920 prices, the present tariffs upon those cotton cloths, while varying in amount, average 151.4 per cent higher than the tariff under the old abominable Payne-Aldrich law. That is a strong statement, but it is true. It is a statement furnished by the Tariff Commission.

One reason for it, of course, is that the tariff rates are based upon the prices of the articles coming in. Prices are much higher now than they were at the time of the Payne-Aldrich law, and, of course, when the tariff is a percentage of the price of the foreign article you increase the amount of the tax in proportion to the difference in the price. So we have to-day this abominable tariff law, the rates in which in effect are higher, on the average, by not less than 50 per cent than the old Payne-Aldrich law.

This is a tax which does pass on. This is a tax which the farmer does pay. Although he sells in a world-wide market, he pays this. If the producers of this country were to take advantage of the full amount which that law allows, it would be a tax upon the consumers of this country, upon the clothing and the shelter which the people of this country must have, of not less than $3,400,000,000, a tax of $30 per capita, while the Treasury receives in revenue from that source less than $600,000,000. Yet there is no suggestion of any modification in that revenue law. In these circumstances I ask the people of this country if they are willing to accept the so-called Coolidge-Mellon plan without investigation or examination?

The Secretary says that the war is over. I say that the war is not over. We have to pay a billion dollars a year in interest by reason of the war. We have other obligations to meet by reason of the war. Moreover, Mr. President, there is an unadjusted service bill which must be paid. Four million men went into the service of their country at their country's call, and their pay must be adjusted, and until it is adjusted the war will not be over.

APPENDIX 1.

THE DEMOCRATIC SUBSTITUTE TAX REDUCTION BILL.

[From speech of Hon. JOHN N. GARNER, of Texas, in the House of Representatives, Monday, January 7, 1924.]

Mr. GARNER of Texas. Mr. Speaker, under leave obtained this morning to print, I insert the following in order that the membership of the House may have the results of a partial investigation made by the Democratic members of the Ways and Means Committee looking to the readjustment and reduction of the present internal-revenue taxes. Later on, as we study the other provisions of the bill, we hope to make further suggestions that will be beneficial.

DEMOCRATIC SUBSTITUTE INCOME-TAX PROPOSAL.

No Democratic Member of either House of Congress was invited to confer with Secretary Mellon or his official force in connection with the preparation of the Mellon tax plan. Democrats therefore have been obliged to consider the provisions of this measure by themselves since it was disclosed to them during last month. It is evident that Democrats could not have intelligently expressed themselves any earlier. I and my associates on the committee have now reached preliminary conclusions relative to some phases of the Mellon proposal as it relates to income taxes, which are as follows:

1. The Mellon proposals contain many good features, and each of these I think will receive whole-hearted Democratic support. The first relates to the pending bill to amend, modify, and improve the administration side. It is now being considered in the most nonpartisan spirit. The general idea of readjusting downward normal rates and surtax rates in many instances, together with reduced rates on income derived from personal service, is excellent. Democrats have a recent and affirmative record on most of these proposals. The following are some suggested modifications of Mellon's plan.

2. Fix normal income-tax exemptions at $2,000 for single persons instead of the present $1,000, as Mellon proposes, and $3,000 for married persons or heads of families instead of the present $2,500, as Mellon proposes, leaving special deductions or allowances undisturbed.

3. Fix normal income tax rates at 2 per cent on amounts of $5,000 and under instead of 3 per cent under $4,000, as Mellon proposes, and instead of 4 per cent, as under existing law; 4 per cent from $5,000

to $10,000 instead of 6 per cent above $4,000, as Mellon proposes, and instead of 8 per cent, as under existing law; and 6 per cent on all amounts in excess of $10,000 instead of 8 per cent, as under existing law.

4. Extend the Mellon earned-income proposal, which excludes farmers and most merchants and tradesmen, so as to include reasonable compensation to farmers owning and personally operating their farms, and also personal compensation to merchants and other tradesmen who combine capital and personal services for the purpose of earning income, together with suitable tax safeguards. Provide that the tax rate on earned income shall be 33⅓ per cent below the normal and surtax rates prescribed for unearned income instead of 25 per cent, as Mellon proposes.

5. Let surtax graduation commence with 1 per cent on incomes from $12,000 to $14,000 instead of $10,000 to $12,000, as Mellon proposes, and instead of $6,000 to $8,000, as under existing law, as follows:

Democratic surtax rates.

Per cent:	
1	$12,000 to $14,000
2	14,000 to 16,000
3	16,000 to 18,000
4	18,000 to 20,000
5	20,000 to 22,000
6	22,000 to 24,000
7	24,000 to 26,000
8	26,000 to 28,000
9	28,000 to 30,000
10	30,000 to 32,000
11	32,000 to 34,000
12	34,000 to 36,000
13	36,000 to 38,000
14	38,000 to 40,000
15	40,000 to 42,000
16	42,000 to 44,000
17	44,000 to 46,000
18	46,000 to 48,000
19	48,000 to 50,000
20	50,000 to 52,000
21	52,000 to 54,000
22	54,000 to 56,000
23	56,000 to 58,000
24	58,000 to 60,000
25	60,000 to 61,000
26	61,000 to 62,000
27	62,000 to 63,000
28	63,000 to 64,000
29	64,000 to 65,000
30	65,000 to 66,000
31	66,000 to 68,000
32	68,000 to 70,000
33	70,000 to 72,000
34	72,000 to 74,000
35	74,000 to 76,000
36	76,000 to 78,000
37	78,000 to 80,000
38	80,000 to 82,000
39	82,000 to 84,000
40	84,000 to 86,000
41	86,000 to 88,000
42	88,000 to 90,000
43	90,000 to 92,000
44	92,000 to 94,000

Comparison of surtax rates.

Income.	Present law.	Mellon plan.	Democratic plan.
	Per cent.	*Per cent.*	*Per cent*
$6,000–$10,000	1	0	0
$10,000–$12,000	2	1	0
$12,000–$14,000	3	2	1
$14,000–$16,000	4	3	2
$16,000–$18,000	5	4	3
$18,000–$20,000	6	5	4
$20,000–$22,000	8	6	5
$22,000–$24,000	9	7	6
$24,000–$26,000	10	8	7
$26,000–$28,000	11	9	8
$28,000–$30,000	12	10	9
$30,000–$32,000	13	11	10
$32,000–$34,000	15	12	11
$34,000–$36,000	15	13	12
$36,000–$38,000	16	14	13
$38,000–$40,000	17	14	14
$40,000–$42,000	18	15	15
$42,000–$44,000	19	15	16
$44,000–$46,000	20	15	17
$46,000–$48,000	21	16	18
$48,000–$50,000	22	16	19
$50,000–$52,000	23	16	20
$52,000–$54,000	24	17	21
$54,000–$56,000	25	17	22
$56,000–$58,000	26	17	23
$58,000–$60,000	27	18	24
$60,000–$61,000	28	18	25
$61,000–$62,000	28	18	26
$62,000–$63,000	29	18	27
$63,000–$64,000	29	18	28
$64,000–$65,000	30	19	29
$65,000–$66,000	30	19	30
$66,000–$68,000	31	19	31
$68,000–$70,000	32	19	32
$70,000–$72,000	33	20	33
$72,000–$74,000	34	20	34

Comparison of surtax rates—Continued.

Income.	Present law.	Mellon plan.	Democratic plan.
	Per cent.	*Per cent.*	*Per cent.*
$74,000–$76,000	35	20	35
$76,000–$78,000	36	21	36
$78,000–$80,000	37	21	37
$80,000–$82,000	38	21	38
$82,000–$84,000	39	22	39
$84,000–$86,000	40	22	40
$86,000–$88,000	41	22	41
$88,000–$90,000	42	23	42
$90,000–$92,000	43	23	43
$92,000–$94,000	44	23	44
$94,000–$96,000	45	24	44
$96,000–$98,000	46	24	44
$98,000–$100,000	47	24	44
$100,000–$150,000	48	25	44
$150,000–$200,000	49	25	44
$200,000 and over	50	25	44

The following table of comparison of the Democratic plan with the Mellon plan will be interesting as well as instructive:

Table showing comparative tax of married persons without dependents and per cent of reductions under the Mellon plan and the Democratic plan as compared with existing law.

Income.	Amount of tax under—			Per cent reduction under—	
	Present law	Mellon plan.	Democratic plan.	Mellon plan.	Democratic plan.
				Per cent.	*Per cent.*
$5,000	$100.00	$75.00	$40.00	25.00	60.00
$10,000	520.00	360.00	240.00	30.76	53.84
$20,000	1,720.00	1,260.00	1,040.00	26.74	39.53
$30,000	3,520.00	2,660.00	2,340.00	24.43	30.68
$40,000	5,840.00	4,540.00	4,140.00	22.26	29.10
$50,000	8,640.00	6,680.00	6,440.00	22.68	25.46
$60,000	11,940.00	8,980.00	9,240.00	24.79	22.61
$70,000	15,740.00	11,640.00	12,750.00	26.04	18.99
$80,000	20,040.00	14,080.00	16,850.00	29.74	15.91
$90,000	24,840.00	16,880.00	21,450.00	32.04	13.64
$100,000	30,140.00	19,940.00	26,430.00	33.84	12.30
$200,000	86,640.00	52,740.00	76,430.00	39.12	11.78

The difficulty of the Treasury or any person fixing a just and scientific scale of surtax rates is obvious, in view of the fact that the larger portion of income subject to these rates is derived from corporate profits, especially after the proposed reduction of rates on earned incomes goes into effect. This is true, because during recent years, or at least prior to 1922, corporation owners have been retaining in their corporations more than 60 per cent of the corporate profits, while distributing less than an average of 40 per cent and paying surtaxes thereon. For the years 1919, 1920, and 1921 the aggregate corporate profits, after paying all expenses and profits and other taxes except the income tax proper, were $19,000,000,000, while only $7,663,000,000 was distributed as dividends and paid surtaxes. It is apparent, therefore, that the proper scale of surtax rates is greatly affected by the extent to which the corporate profits are distributed or retained in the corporation, and should be increased or decreased accordingly. The proper scale can best be ascertained by degrees.

We are obliged to keep in mind also that surtax rates are to a considerable extent nominal rather than actual. For example, an income of $100,000 is subjected to 48 per cent surtax under existing law, but the total tax paid is $30,076, or 30 per cent of the income, instead of the prescribed 48 per cent. The proposed 33⅓ per cent reduction on income derived from personal service, as distinguished from property or capital invested, will only tend to equalize the amount of taxes paid on earned and unearned income, respectively, as is patent from the foregoing recitals.

The raising of individual exemptions to $2,000 and $3,000, respectively, as already pointed out, will only result in tax losses of between $40,000,000 and $50,000,000, but will relieve between 800,000 and 1,000,000 individuals who now make tax returns but pay no taxes on account of deductions allowed, and will also relieve 1,646,000 laborers and small farmers and merchants whose tax is less than $12 each, not to mention heads of families now in the $2,000 to $3,000 bracket, and will at the same time relieve the Treasury of a tremendous burden and expense where but a small amount of tax is involved.

One tremendous difference to a vast number of taxpayers between the Mellon income-tax proposal and the Democratic substitute is that there are, according to the statistics of income for 1921, 390,000 persons with incomes of under $1,000 who are required to make returns but pay no taxes on account of deductions and exemptions. There are, in addition, 794,000 persons with incomes of $1,000 to $2,000 who are now required to make returns but pay no taxes for the reason just stated. Under the Democratic substitute tax plan these

2,000,000 persons will be relieved of the trouble of making returns although paying no taxes. In addition to this difference in the Mellon and the Democratic income-tax plans, 1,646,000 persons with incomes of $1,000 to $2,000 and 580,000 heads of families with incomes of $2,000 to $3,000 will be entirely relieved of taxation under the Democratic plan but are taxed under the Mellon plan. This immense relief to these millions of small farmers, tradesmen, mechanics, and other laborers and small business men under the Democratic plan is in striking contrast with the Mellon proposal. It will only result in the loss of less than $50,000,000 of revenue.

The fact will be recalled that as late as 1917, when we entered the war, the income-tax exemptions were $3,000 and $4,000 for single and married persons, respectively. Several millions of farmers and tradesmen combined will get the benefit of the 33⅓ per cent reduction on earned incomes under the Democratic plan who are excluded and denied such benefits under the Mellon plan.

The Democratic substitute income-tax plan is more logical in its structure than the Mellon plan and more nearly conforms to the established doctrines of income taxation and to the operation of income-tax laws in other countries than the Mellon plan. The Democratic surtax rates, which are prescribed according to the doctrine of ability to pay, are substantially below the present rates in many or most other countries. The rates in Great Britain still closely approach 50 per cent, while the maximum rate in Canada to-day is around 65 per cent. The unbiased citizen, therefore, must agree that the Democratic income-tax substitute is far more sound than that of Mr. Mellon, which proposes to cut in half the higher income surtaxes.

The conclusion is apparent that only the Democratic Party can be relied upon to write sound, equitable, well-balanced tax legislation, avoiding extremes in either direction, but requiring the people to pay according to ability, and striving at all times to do justice to every class of taxpayers.

I obtained the following from the Democratic headquarters, which will visualize some of the outstanding features of the Mellon plan:

The following will show how tax reduction under the Mellon plan is to be distributed among individual taxpayers:

Income of $5,000,000	$1,500,000.00
Income of $1,000,000	251,784.00
Income of $500,000	116,784.00
Income of $250,000	49,284.00
Income of $100,000	10,284.00
Income of $50,000	1,944.00
Income of $25,000	1,107.00
Income of $20,000	747.00
Income of $15,000	469.50
Income of $10,000	222.00
Income of $5,000	29.75
Income of $4,000	12.75

Or, to follow the method of presentation used by a well-known cartoonist and to use his caption, "Who gets the Mellon?"

A person with $1,000,000 income saves under the Mellon plan $251,784.

Fifty heads of families, each having an income of $20,000—total $1,000,000—save under the Mellon plan $35,350.

One hundred heads of families, each having an income of $10,000—total $1,000,000—save under the Mellon plan $22,200.

Two hundred heads of families, each having an income of $5,000—total $1,000,000—save under the Mellon plan $5,950.

Four hundred heads of families, each having an income of $2,500—total $1,000,000—save under the Mellon plan nothing.

The propagandists of the Mellon tax plan continually refer to percentages of reduction taxpayers will receive. It is not a question of percentages, but a question of dollars and cents.

5. With the understanding that tariff tax-reduction measures should be kept separate from, and should in no wise affect the consideration of internal-tax reduction legislation, we are unalterably of opinion that substantial and immediate relief should be had from several phases of existing outrageous tariff tax extortion. The present astonishing high tariff taxes constitute the outstanding factor in the existing high cost of living. These monstrous high rates constitute a surtax upon the masses even higher than the income surtaxes on individuals. It would not only be absurd, therefore, but it would be downright dishonest, for an official to pretend to support general tax relief and to limit the same to a small group of citizens and to one phase of taxation to the exclusion of tariff taxes bearing so heavily upon our 110,000,000 population. A special tariff measure carrying substantial reductions on most articles the farmer must buy would give several hundred million dollars relief to agriculture. A number of other special tariff measures cutting down the more aggravated high rates in the existing law, so as to contribute generally to the reduction in the high cost of living and the lowering of existing artificial and profiteering prices in many essenital lines, should undoubtedly be considered during the present session of Congress.

There was no reason to single out one or two of the miscellaneous or nuisance taxes, as Secretary Mellon did, and propose their repeal without at the same time carefully analyzing the entire mass of these taxes, including those on auto trucks, jewelry, candy, stamps on notes, etc., and offering the maximum of relief.

Honest and equitable peace-time taxation is the goal of the Democratic Party. The foregoing proposals are in pursuance of this policy. Resting upon sound economics, we believe that they do full and equal justice to taxpayers, large and small, individual and corporate, and avoid the extreme views of any class.

We ask an unbiased comparison of the Democratic tax proposals with the Mellon proposals, and with full confidence invite the deliberate judgment of taxpayers and of all the people.

APPENDIX 2.

Comparative table showing the total tax payable by a married person without dependents under the rates of the present law and under the suggested rates of the Mellon and Democratic plans and the amount and percentage of reduction under the above plans.

Income.	Present law tax.	Mellon plan tax.	Dollars reduction.	Percentage reduction.	Democratic plan tax.	Dollars reduction.	Percentage reduction.
$1,000							
2,000							
3,000	$20	$15	$5	25.00		$20	100.00
4,000	60	45	15	25.00	$20	40	66.67
5,000	100	75	25	25.00	40	60	60.00
6,000	160	120	40	25.00	80	80	50.00
7,000	250	180	70	28.00	120	130	52.00
8,000	340	240	100	29.41	160	180	52.94
9,000	430	300	130	30.23	200	230	53.49
10,000	520	360	160	30.76	240	280	53.85
11,000	620	430	190	30.64	300	320	51.61
12,000	720	500	220	30.55	360	360	50.00
13,000	830	580	250	30.12	430	400	48.19
14,000	940	660	280	29.78	500	440	46.81
15,000	1,060	750	310	29.24	580	480	45.28
16,000	1,180	840	340	28.81	660	520	44.07
17,000	1,310	940	370	28.24	750	560	42.75
18,000	1,440	1,040	400	27.77	840	600	41.65
19,000	1,580	1,150	430	27.21	940	640	40.51
20,000	1,720	1,260	460	26.74	1,040	680	39.53
21,000	1,880	1,380	500	26.59	1,150	730	38.83
22,000	2,040	1,500	540	26.47	1,260	780	38.24
23,000	2,210	1,630	580	26.24	1,380	830	37.56
24,000	2,380	1,760	620	26.05	1,500	880	36.97
25,000	2,560	1,900	660	25.78	1,630	930	36.33
26,000	2,740	2,040	700	25.54	1,760	980	35.77
27,000	2,930	2,190	740	25.25	1,900	1,030	35.12
28,000	3,120	2,340	780	25.00	2,040	1,080	34.61
29,000	3,320	2,500	820	24.69	2,190	1,130	34.04
30,000	3,520	2,660	860	24.43	2,340	1,180	33.52
31,000	3,730	2,830	900	24.12	2,500	1,230	32.98
32,000	3,940	3,000	940	23.85	2,660	1,280	32.49
33,000	4,170	3,180	990	23.74	2,830	1,340	32.13
34,000	4,400	3,360	1,040	23.63	3,000	1,400	31.82
35,000	4,630	3,550	1,080	23.32	3,180	1,450	31.31
36,000	4,860	3,740	1,120	23.04	3,360	1,500	30.86
37,000	5,100	3,940	1,160	22.74	3,550	1,550	30.39
38,000	5,340	4,140	1,200	22.47	3,740	1,600	29.96
39,000	5,590	4,340	1,250	22.36	3,940	1,650	29.51
40,000	5,840	4,540	1,300	22.26	4,140	1,700	29.19
41,000	6,100	4,750	1,350	22.13	4,350	1,750	28.68
42,000	6,360	4,960	1,400	22.01	4,560	1,800	28.30
43,000	6,630	5,170	1,460	22.02	4,780	1,850	27.90
44,000	6,900	5,380	1,520	22.03	5,000	1,900	27.53
45,000	7,180	5,590	1,590	22.14	5,230	1,950	27.15
46,000	7,460	5,800	1,660	22.25	5,460	2,000	26.80
47,000	7,750	6,020	1,730	22.32	5,700	2,050	26.45
48,000	8,040	6,240	1,800	22.38	5,940	2,100	26.11
49,000	8,340	6,460	1,880	22.54	6,190	2,150	25.77
50,000	8,640	6,680	1,960	22.68	6,440	2,200	25.46
51,000	8,950	6,900	2,050	22.90	6,700	2,250	25.13
52,000	9,260	7,120	2,140	23.11	6,960	2,300	24.83
53,000	9,580	7,350	2,230	23.27	7,230	2,350	24.53
54,000	9,900	7,580	2,320	23.43	7,500	2,400	24.24
55,000	10,230	7,810	2,420	23.65	7,780	2,450	23.94
56,000	10,560	8,040	2,520	23.86	8,060	2,500	23.67
57,000	10,900	8,270	2,630	24.12	8,350	2,550	23.39
58,000	11,240	8,500	2,740	24.37	8,640	2,600	23.13
59,000	11,590	8,740	2,850	24.59	8,940	2,650	22.86
60,000	11,940	8,980	2,960	24.79	9,240	2,700	22.61
61,000	12,300	9,220	3,080	25.04	9,550	2,750	22.35
62,000	12,660	9,460	3,200	25.28	9,870	2,790	22.04
63,000	13,030	9,700	3,330	25.55	10,200	2,830	21.71
64,000	13,400	9,940	3,460	25.82	10,540	2,860	21.34
65,000	13,780	10,190	3,590	26.05	10,890	2,890	20.97
66,000	14,160	10,440	3,720	26.27	11,250	2,910	20.55
67,000	14,550	10,690	3,860	26.53	11,620	2,930	20.13
68,000	14,940	10,940	4,000	26.77	11,990	2,950	19.75
69,000	15,340	11,190	4,150	27.05	12,370	2,970	19.36
70,000	15,740	11,440	4,300	27.31	12,750	2,990	19.00
71,000	16,150	11,700	4,450	27.55	13,140	3,010	18.64
72,000	16,560	11,960	4,600	27.78	13,530	3,030	18.30
73,000	16,980	12,220	4,760	28.03	13,930	3,050	17.96
74,000	17,400	12,480	4,920	28.28	14,330	3,070	17.64
75,000	17,830	12,740	5,090	28.55	14,740	3,090	17.33
76,000	18,260	13,000	5,260	28.81	15,150	3,110	17.03
77,000	18,700	13,270	5,430	29.04	15,570	3,130	16.74
78,000	19,140	13,540	5,600	29.26	15,990	3,150	16.46
79,000	19,590	13,810	5,780	29.50	16,420	3,170	16.18
80,000	20,040	14,080	5,960	29.74	16,850	3,190	15.92
81,000	20,500	14,350	6,150	30.00	17,290	3,210	15.66
82,000	20,960	14,620	6,340	30.25	17,730	3,230	15.41
83,000	21,430	14,900	6,530	30.47	18,180	3,250	15.17
84,000	21,900	15,180	6,720	30.68	18,630	3,270	14.93
85,000	22,380	15,460	6,920	30.92	19,090	3,290	14.70
86,000	22,860	15,740	7,120	31.15	19,550	3,310	14.48
87,000	23,350	16,020	7,330	31.39	20,020	3,330	14.26
88,000	23,840	16,300	7,540	31.63	20,490	3,350	14.05
89,000	24,340	16,590	7,750	31.84	20,970	3,370	13.85
90,000	24,840	16,880	7,960	32.04	21,450	3,390	13.65

Comparative table showing the total tax payable by a married person without dependents, etc.—Continued.

Income.	Present law tax.	Mellon plan tax.	Dollars reduction.	Percentage reduction.	Democratic plan tax.	Dollars reduction.	Percentage reduction.
$91,000	$25,350	$17,170	$8,180	$32.27	$21,940	$3,410	13.45
92,000	25,860	17,460	8,400	32.48	22,430	3,430	13.26
93,000	26,380	17,750	8,630	32.71	22,930	3,450	13.08
94,000	26,900	18,040	8,860	32.94	23,430	3,470	12.90
95,000	27,430	18,340	9,090	33.14	23,930	3,500	12.76
96,000	27,960	18,640	9,320	33.33	24,430	3,530	12.63
97,000	28,500	18,940	9,560	33.54	24,930	3,570	12.53
98,000	29,040	19,240	9,800	33.74	25,430	3,610	12.43
99,000	29,590	19,540	10,050	33.97	25,930	3,660	12.37
100,000	30,140	19,840	10,300	34.17	26,430	3,710	12.31

APPENDIX 3.

Distribution by sources of income and deductions, by income classes, calendar year 1921.

Income classes.	Total income	General deductions.	Per cent of total income in each class.	Total net income.	Per cent of total income in each class.
Under $1,000	$937,234,468	$723,384,534	77.18	$213,849,934	22.82
$1,000 to $2,000	3,989,492,113	368,730,345	9.24	3,620,761,768	90.76
$2,000 to $3,000	4,637,507,822	582,616,578	12.56	4,054,891,244	87.44
$3,000 to $5,000	5,849,912,615	481,899,016	8.24	5,368,013,599	91.76
$5,000 to $10,000	4,860,658,253	379,989,527	7.82	4,480,668,726	92.18
$10,000 to $20,000	2,934,652,424	288,646,529	9.84	2,646,005,895	90.16
$20,000 to $40,000	1,402,506,748	120,521,824	8.59	1,281,984,924	91.41
$40,000 to $60,000	577,268,886	74,277,754	12.87	502,991,132	87.13
$60,000 to $80,000	325,103,308	44,708,186	13.75	280,395,122	86.25
$80,000 to $100,000	188,628,183	25,433,006	13.48	163,195,177	86.52
$100,000 to $150,000	220,714,510	57,193,511	25.91	163,520,999	74.09
$150,000 to $200,000	102,868,523	25,433,006	24.72	77,435,517	75.28
$200,000 to $250,000	61,372,882	15,687,912	25.56	45,684,970	74.44
$250,000 to $300,000	29,705,646	6,878,086	23.15	22,827,560	76.85
$300,000 to $500,000	91,905,110	30,562,560	33.25	61,342,550	66.75
$500,000 to $1,000,000	57,056,517	14,276,091	25.02	42,780,426	74.98
$1,000,000 to $1,500,000	14,946,573	2,102,394	14.07	12,844,179	85.93
$1,500,000 to $2,000,000					
$2,000,000 and over	47,247,351	10,680,201	22.60	36,567,150	77.40
Total	23,328,781,932	3,751,569,404	16.08	19,577,212,528	83.92

Distribution by sources of income and deductions, by income classes, calendar year 1921—Continued.

Income classes.	Total income.	General deductions.	Per cent of total income in each class.	Total net income.	Per cent of total income in each class.
$2,000 to $3,000	$5,849,912,615	$523,981,350	8.96	$5,325,931,265	91.04
$3,000 to $5,000	4,637,507,822	582,616,578	12.56	4,054,891,244	87.44
$5,000 to $10,000	2,860,658,253	481,899,016	16.85	2,378,759,237	83.15
$10,000 to $20,000	1,934,652,424	379,989,527	19.64	1,554,662,897	80.36
$20,000 to $40,000	1,402,506,748	288,646,529	20.58	1,113,860,219	79.42
$40,000 to $60,000	577,268,886	120,521,824	20.88	456,747,062	79.12
$60,000 to $80,000	325,103,308	74,277,754	22.85	250,825,554	77.15
$80,000 to $100,000	188,628,183	44,708,186	23.70	143,919,997	76.30
$100,000 to $150,000	220,714,510	57,193,511	25.91	163,520,999	74.09
$150,000 to $200,000	102,868,523	25,433,006	24.72	77,435,517	75.28
$200,000 to $250,000	61,372,882	15,687,912	25.56	45,684,970	74.44
$250,000 to $300,000	29,705,646	6,878,086	23.15	22,827,560	76.85
$300,000 to $500,000	91,905,110	30,562,560	33.25	61,342,550	66.75
$500,000 to $1,000,000	57,056,517	14,276,091	25.02	42,780,426	74.98
$1,000,000 to $1,500,000	14,946,573	2,102,394	14.07	12,844,179	85.93
$1,500,000 to $2,000,000					
$2,000,000 and over	47,247,351	10,680,201	22.60	36,567,150	77.40
Total	23,328,781,932	3,751,569,404	16.08	19,577,212,528	83.92

The distribution of personal income by sources showing the amounts reported from each source is shown in the following table:

Distribution of personal income, by sources and income classes, calendar year 1921.

Income classes.	Wages and salaries.	Business.	Partnerships, fiduciaries, etc.	Profits from sales of real estate, stocks and bonds.	Rents and royalties.	Dividends.	Interest and investment income.	Total income.
Under $1,000	$321,336,288	$118,976,642	$35,958,353	$38,687,462	$116,652,120	$168,395,621	$137,227,982	$937,234,468
$1,000 to $2,000	3,243,836,486	255,152,738	64,351,011	21,079,522	151,391,796	66,325,058	187,355,502	3,989,492,113
$2,000 to $3,000	4,557,288,548	504,808,881	131,467,747	47,918,236	240,115,413	97,084,540	271,229,250	5,849,912,615
$3,000 to $5,000	2,859,188,037	671,340,314	205,838,250	100,717,407	248,866,148	230,009,270	321,548,396	4,637,507,822
$5,000 to $10,000	1,342,428,026	402,162,409	245,779,077	102,815,373	171,850,952	349,231,315	246,391,101	2,860,658,253
$10,000 to $20,000	739,488,597	203,725,400	211,339,251	69,380,623	107,953,738	407,565,766	195,199,049	1,934,652,424
$20,000 to $40,000	432,377,205	114,939,390	179,099,464	45,016,118	70,605,214	409,556,238	150,913,119	1,402,506,748
$40,000 to $60,000	141,721,538	38,292,212	82,954,230	17,124,369	25,446,558	208,162,957	63,567,022	577,268,886
$60,000 to $80,000	69,183,289	17,413,250	53,245,226	7,555,036	13,260,527	129,500,747	34,945,233	325,103,308
$80,000 to $100,000	36,959,421	10,451,395	33,288,987	3,736,992	7,496,676	78,235,249	18,459,463	188,628,183
$100,000 to $150,000	35,031,445	11,686,903	37,751,740	3,627,370	8,257,046	100,568,997	23,791,009	220,714,510
$150,000 to $200,000	13,070,218	3,819,615	19,235,446	1,755,299	4,936,168	49,960,272	10,091,507	102,868,523
$200,000 to $250,000	8,030,747	2,785,738	9,451,914	476,067	2,013,963	31,898,612	6,715,841	61,372,882
$250,000 to $300,000	2,999,694	2,399,270	5,306,958	543,628	464,146	15,219,643	2,772,307	29,705,646
$300,000 to $500,000	5,624,235	3,090,472	13,493,482	1,598,829	2,268,217	55,429,204	10,400,671	91,905,110
$500,000 to $1,000,000	1,873,412	4,249,156	9,592,904	469,259	4,356,613	31,353,986	5,161,187	57,056,517
$1,000,000 to $1,500,000	352,856	1,024,825	2,958,814	65,468	1,233	9,956,287	587,090	14,946,573
$1,500,000 to $2,000,000								
$2,000,000 and over	2,379,123		73,454	291,615	2,021,356	38,498,637	3,983,166	47,247,351
Total	13,813,169,165	2,366,318,610	1,341,186,308	462,858,673	1,177,957,882	2,476,952,399	1,690,338,895	23,328,781,932

The distribution of personal income by sources, expressed in percentages, is given in the succeeding table:

Distribution of personal income, by sources and by income classes, showing the proportion from each source expressed in percentages, calendar year 1921.

Income classes.	Wages and salaries.	Business.	Partnerships, fiduciaries, etc.	Profits from sales of real estate, stocks, and bonds.	Rents, and royalties.	Dividends.	Interest and investment income.	Total income.
Under $1,000	34.28	12.69	3.84	4.13	12.45	17.97	14.64	100.00
$1,000 to $2,000	81.32	6.39	1.61	.53	3.79	1.66	4.70	100.00
$2,000 to $3,000	77.88	8.63	2.25	.82	4.11	1.67	4.64	100.00
$3,000 to $5,000	61.65	14.47	4.44	2.17	5.37	4.96	6.94	100.00
$5,000 to $10,000	46.93	14.06	8.59	3.59	6.01	12.21	8.61	100.00
$10,000 to $20,000	38.22	10.53	10.92	3.59	5.58	21.07	10.09	100.00
$20,000 to $40,000	30.83	8.20	12.77	3.21	5.03	29.20	10.76	100.00
$40,000 to $60,000	24.55	6.64	14.37	2.97	4.41	36.05	11.01	100.00
$60,000 to $80,000	21.28	5.36	16.38	2.32	4.08	39.83	10.75	100.00
$80,000 to $100,000	19.59	5.54	17.65	1.98	3.97	41.48	9.79	100.00
$100,000 to $150,000	15.87	5.29	17.11	1.64	3.74	45.57	10.78	100.00
$150,000 to $200,000	12.71	3.71	18.70	1.71	4.80	48.57	9.80	100.00
$200,000 to $250,000	13.09	4.54	15.40	.78	3.28	51.97	10.94	100.00
$250,000 to $300,000	10.10	8.08	17.87	1.83	1.56	51.23	9.33	100.00
$300,000 to $500,000	6.12	3.36	14.68	1.74	2.47	60.31	11.32	100.00
$500,000 to $1,000,000	3.28	7.45	16.82	.82	7.63	54.96	9.04	100.00
$1,000,000 to $1,500,000	2.36	6.86	19.79	.44	.01	66.61	3.93	100.00
$1,500,000 to $2,000,000								
$2,000,000 and over	5.04	.....	.16	.62	4.28	81.47	8.43	100.00
Total	59.21	10.14	5.75	1.98	5.05	10.62	7.25	100.00

SOLDIERS' BONUS AND TAX REDUCTION.

Mr. McKELLAR. Mr. President, as throwing a very interesting side light on the subject of taxation as it is viewed by the very rich, I want to read at this time a letter I recently received from Mr. P. S. du Pont, head of the E. I. du Pont de Nemours Co., of Wilmington, Del., and the head of the General Motors Corporation. The letter reads:

WILMINGTON, DEL., *January 5, 1924.*

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

DEAR SIR: Having read in the daily papers a report on your views concerning the "soldiers' bonus" question, I take the liberty of inclosing to you a copy of letter written to our Senators and Representatives from Delaware and also those from Pennsylvania. It is not my wish to take a position that is unjust to the men who went abroad in defense of the Nation, particularly as among the thousand employees of E. I. du Pont de Nemours & Co. and General Motors Corporation (of both companies I have the honor to be chairman of the board of directors) there are ex-service men whose interests I feel it my duty to uphold if they have just claim on their Government for additional compensation.

My careful inquiry has failed to disclose any argument upholding the bonus other than one of pure sentiment, but I can not believe that this is a governing reason with those favorable to the bonus. If it were, one would expect a very pronounced wish to distribute the burden of the gift over the entire population as an expression of gratitude and a satisfaction of our sentimental obligation. As the desire to spread the burden is entirely absent, I have concluded that there must be other governing reasons.

Is it too much to ask of you a criticism of my letter and the position that I have indicated therein? I call special attention to my opinion that the ex-service men are not entitled to a bonus in preference to their less fortunate sisters and brothers who, for reasons of fate, do not now command the opportunities offered these more fortunate ex-service men. There should be no difference of opinion on a matter so important if the arguments pro and con are carefully considered.

Very truly yours,

PIERRE S. DU PONT.

I have here the letter which he inclosed. I want to call careful attention to the arguments of Mr. du Pont as given in this letter, showing the very remarkable views of at least one of our very rich men who represents companies that were commonly known as war profiteers. The letter which I am about to read is a copy of the letter which was sent to the Delaware and Pennsylvania Senators. It is dated December 17, 1923, and reads as follows:

DECEMBER 17, 1923.

DEAR SIR: I hope that I may not seem importunate in addressing a letter on the subject of Mr. Mellon's plan of tax revision to one who represents the State of Pennsylvania, of which State I have not the honor to be a citizen, as by birth and long association I am a Delawarean. However, the importance of this plan and my interests in Chester County, Pa., lead me to the belief that I may at least claim a hearing from you.

The Mellon plan recognizes boldly what at heart all careful thinkers must believe, viz, that though the exigencies of a condition of war may warrant commandeering of capital by means of high rates of taxation, and though this levy may be paid under such conditions, without protest and even willingly, in times of peace such burden of taxation engenders a condition that not only defeats the tax itself but leads to contributory ills of no small moment. The Treasury Department has shown us that the 1,296 incomes of over $300,000 per annum each, with a total taxable of almost $1,000,000,000, reported in 1916 under a maximum total tax of 15 per cent had shrunken in 1921 to 246, with a total of about $150,000,000 taxable at the 66 per cent rate.

I stop here long enough to say that he shows now how the rich men evade taxation.

The tax in 1916 under the lower rate would be about $150,000,000, as compared to about $100,000,000 in 1921 under the higher. Revenue to the Government reduced by one-third through 340 per cent increase in the rate of tax!

The reason is obvious. A man has an income of $300,000. At a tax of 10 per cent he pays $30,000. This is less than he may earn in salary alone apart from the income from his securities. He does not resent the fact that his tax is at a little higher rate than his neighbor's of less income. Multiply this tax by 3.4, making 34 per cent, and the situation changes completely. His tax is $102,000, or probably above his salary capacity, and it pays him handsomely to resign his position and to devote his energies to rearranging his affairs in order to reduce taxes by purchase of tax-free investments and in doing many other things that the law permits, in order to accomplish his aims without taxation.

Proportionately, as a class, rich men spend less on living than their poorer neighbors. Not that they can claim a higher morality on this ground, but because of the natural limitations of a man's consuming capacity. The rich man's surplus is reinvested in industry, expended in charity or public work or in the promotion of enterprise and investigation. It is this part of his expenditure that is cut off by taxation as now devised. It is doubtful if any very rich man finds it necessary in these peace times to cut off his personal expenses, be they necessary or extravagant, on account of high taxes. For investments the tax is a two-edged sword—it cuts away the funds available for investing and discourages such use of funds because of the low return that the tax permits investments to yield. Again, in promotion or investigation the low net reward after taxes cuts out incentive to a degree hardly appreciated by those who have not been in personal touch with the problem. In charitable or public enterprises we have again a doubling of ill effect, for while the general income diverted from such purposes to the relief of the Public Treasury is lessened the incentive to escape further taxation on the part of very rich men induces the promotion of many worthless and undeserving enterprises.

Perhaps the more damaging part of this heavy tax levy is the extravagance that is promoted by it. Picture the condition if taxes were raised to 100 per cent on all or part of a man's income. That income would become worthless to the owner, the Government would get nothing, because the source of income would be quickly scattered and lost, given to unworthy persons or objects, spent in useless ways, lost both as to principal and interest. A tax of 50 per cent is only removed from the above in degree.

The great disappointment resulting from high rates of taxation comes from the fact that the person taxed has the matter entirely in his own hands, and will, if dealt with unfairly in his own estimation, see to it that he has nothing to tax.

I stop here long enough to ask the Senators who happen to be listening to me at this time to consider that statement—that threat from one of the reputed wealthiest men of the United States. I read it again:

The great disappointment resulting from high rates of taxation comes from the fact that the person taxed has the matter entirely in his own hands, and will, if dealt with unfairly in his own estimation, see to it that he has nothing to tax. This fact has been so often proved in history that it is strange that there should be any doubt remaining.

I shall not consider this letter complete without reference to the proposed soldiers' bonus, a subject that is linked closely with that of taxes.

At the outset one may dismiss the part of the subject that deals wtih those disabled in service. All unite in agreeing to take care of these men out of national income. As to those who returned from their war experience unharmed the proposition is quite different. By fortune these men are the most favored of our citizens. They have youth, health, strength, opportunity, and, having served in one war, are practically secure against further call. Since the war these men have all had opportunity to find employment at almost the highest wage ever known, in purchasing power perhaps the highest. They are citizens of a Nation favored with a prosperity that is unbounded, save as it may be affected by our own rash acts in trying to circumvent natural laws by the means of the laws of men. Compare the lot of the returned soldiers to that of the women whose places these men have filled; of the older men and women whom fate has left without means of support in their old age; of the women who, having served the Nation in the highest degree through their motherhood, are left with their children unsupported through the death of their breadwinner; of the children who, without parents, are left to fight life's battle alone and unguided. Is not the lot of any one of these classes immeasurably worse and more worthy of a bonus than our able-bodied young men, the returned soldiers with their opportunities unlimited?

Perhaps, though granting the truth of the above argument, one might reply that the purpose of the bonus is a registration of the gratitude of a Nation saved from much trouble and sorrow by these men sent out to defend it. On this point would it not be pitifully insincere to tender to these defenders of the Nation a purse, not made up by the whole Nation but voted by a majority out of the pockets of a defenseless minority.

This is perhaps a very long letter on subjects that have been much discussed, but I hope my words have presented a new aspect of what is familiar or, at least, made more incisive points that have been already dwelt upon.

Sincerely yours,

P. S. DU PONT.

Mr. President, I have read that letter not because I agree with the views contained in it, but because I want to be entirely fair to Mr. du Pont and let the argument he has made be presented at the same time as the argument which I now want to present to the Senate in the form of my reply to that letter, as follows:

JANUARY 23, 1924.

Mr. PIERRE S. DU PONT, *Wilmington, Del.*

MY DEAR MR. DU PONT: Your letter of the 5th, with inclosed copy of letter written by you to the Delaware and Pennsylvania Senators concerning the Mellon plan, received and carefully noted.

Your first argument is that big capital is willing to pay high taxes in time of war, but "in time of peace such burden of taxation engenders a condition that not only defeats the tax itself, but leads to contributory ills of no small moment." You then show that there were 1,296 incomes over $300,000 in 1916 and that in 1921 there were only 246. You then say that the reason for this is obvious, that the big taxpayer, on account of the increased tax, is simply evading taxation, asserting: "It pays him handsomely to resign his position and to devote his energies to rearranging his affairs in order to reduce taxes by purchase of tax-free investments, and in doing many other things that the law permits in order to accomplish his aims without taxation." Of course, every one knows that there are more large fortunes in the country now than there was in 1916, and your statement means that men of large means are now evading the purpose of the income tax law.

This is a frank argument of yours, Mr. du Pont, but in all respect let me say I think it is one entirely unworthy of you. It is certainly cogent reason for publicity of all income-tax returns. If you and others like you, under the present law, are evading your taxes that are honestly due the Government, by some technicality in the present

law, then the people of the United States should know it, and the law should be changed to prevent your evading the manifest purpose of the law. We should also make the punitive features of the act stronger.

Your next argument is that "the rich man's surplus is reinvested in industry, expended in charity or public work, or in the promotion of enterprise and investigation." And then you say: "The incentive to escape further taxation on the part of very rich men induces the promotion of many worthless and undeserving enterprises."

In other words, as I understand your meaning, it is that in making income-tax returns the Government permits credits for moneys given to charity or for the promotion of enterprise and investigation, and you say that the rich men, in order to escape taxation in part, either give to unworthy charities or promote worthless and undeserving enterprises so as to prevent the Government from receiving what is justly due it.

Again, I say, Mr. du Pont, this argument is unworthy of you. Think of an American citizen that has been blessed in the way you have been blessed resorting to such means to keep from paying to the Government that has done so much for you and so much for the protection of your property what is justly due the Government.

Then you say: "Picture the condition if taxes were raised to 100 per cent on all or part of a man's income. That income would become worthless to the owner, the Government would get nothing because the source of income would be quickly scattered and lost, given to unworthy persons or objects, spent in useless ways, lost both as to principal and interest. A tax of 50 per cent is only removed from the above in degree."

Think what you are saying, Mr. du Pont. You a great captain of industry, whose institutions are famous throughout our land, you are informing the Government that is seeking to make you pay your fair share of the income taxes, that the present tax of 50 per cent is being "quickly scattered and lost, given to unworthy persons or objects, spent in useless ways, lost both as to principal and interest." Surely you can not mean what you say. It can't be possible that you, an American citizen, could be so lost to patriotic duty and moral conception. I can not believe it of you, though you do say it. Even avarice could not lead a really patriotic American to take such a course. I can not believe you speak for all very rich men as a class.

You have no doubt read in the papers a copy of the proposed reduction of taxes submitted by Mr. GARNER. To my mind this plan is infinitely more equitable to all of our citizens than the Mellon plan is. Unquestionably the rate of 43 per cent on the largest incomes is a high rate, but it is a substantial reduction from what you now pay or ought to pay. The costs of the late war must be paid, and it seems to me to be exceedingly fair that the men of large incomes should bear relatively the largest portion of the burden, especially where such incomes arise so largely from war profits as in your case.

Without knowing the exact facts, I would suppose that your own case would be much in point. You did not take my personal risk in the war. You were so situated during the war as the head of large corporations which furnished the Government enormous amounts of materials that you became a very large financial beneficiary of the war. How much your personal fortune was increased by the war, of course, I do not know, but if common reports are true it must have been very, very largely increased. Under these circumstances it seems to me to be extraordinarily equitable and just that you should pay a very large proportion of your income toward the cost of the war, and, as you know, at least $2,000,000,000 per year is required to be raised on account of the late war. I should think that you would take pleasure in paying whatever the Government assessed against you, without any attempt at evasion, because of the great additional fortune that the war brought you.

Now, a word as to your argument on the soldiers' bonus. It seems to me also that inasmuch as you took no personal risk during the war, and those who went to the front took all the risk, that you would be delighted to be taxed to pay in part the soldiers a reasonable compensation for their having taken all the risk while you remained at home without taking any risk.

You say you are the chairman of the boards of the E. I. du Pont de Nemours & Co. and the General Motors Corporation. These two corporations, according to common report, not only furnished enormous quantities of material for the war but charged enormous prices to the Government, such prices that introduced to the United States and to the world the new term "war profiteer." You should be the last one to complain. Those boys protected your property. Those soldiers protected your fortune. Those soldiers protected your country, and all without any risk to you, and all the while permitting you, largely, to increase your fortune.

I am quite sure, Mr. du Pont, when you come to think over the matter carefully and calmly you will write the Congress and urge it to readjust the pay of the soldiers who took all the risk, and agree that whatever method of taxation is adopted that you will gladly pay your part without technical or other evasion.

In so far as the sick and wounded soldiers are concerned, there can not be any issue raised as to them. This Government will look after them whether you approve it or not. We have been looking after them ever since the war without suggestion from you until this time, when you hope, by making a belated and wholly unnecessary plea for them, you may get your own taxes reduced.

I have written you, expressing myself very plainly, criticizing your letter as you asked me to do, with the hope that you will see the unequaled selfishness and absolute impossibility of your position, you who have profited probably as much as any one man in the United States by the war, and having secured your profits are now so ungenerous as to begrudge the payment of a just tax for the purpose of paying war debts, including a readjustment of pay so honestly due to the splendid soldiers that preserved your country and ours, your property and ours, and perhaps your life and ours.

Again, you say that "The purpose of the bonus is a registration of the gratitude of a Nation saved from much trouble and sorrow by these men sent out to defend it." I fear you have not examined the bill. That is not the purpose of this bill at all. On the contrary, it is to readjust the pay of the soldiers, so as to give them a fair compensation for the risk taken and work splendidly done. It proposes to give to those boys who merit readjusted compensation just what the Government gave to you and your two companies when the Dent Act was passed immediately after the war, giving to you and others in your class, who merited it so little, a readjusted compensation of some $500,000,000. In order to be accurate about your part of the readjusted compensation heretofore allowed by Congress, I have had the records examined and find that your two companies and their subsidiaries have received in readjusted compensation on all war contracts the enormous sum of $20,893,818.02. Having received your readjusted compensation, or bonus as you designate it, at the hands of all the taxpayers, you now recry against the Government for treating the boys, by whose risk and services you were enabled so largely to increase your fortune, in exactly the same way that it treated you. I would say that of all the persons in the United States opposing a soldiers' bonus you and the corporations you represent are the least justifiable in your opposition.

Your threat, "If dealt with unfairly in his own estimation, the person taxed will see to it that he has nothing to tax," is little short of actual disloyalty to this Republic.

You asked me for a criticism of your letter and of your position, and this I have done.

Under a separate cover I am sending you a copy of a short speech I recently made in the Senate, which I hope may show you that there is much merit and little gratitude in the proposed readjusted compensation bill and that there is no sentiment in the argument made by me.

After reading my criticisms I will appreciate a reply.

With much respect, very sincerely yours,

KENNETH MCKELLAR.

Mr. President, I also ask that there may be printed in the RECORD at this point as a part of my remarks a letter from Col. J. A. Hull, of date January 21, and also an inclosure of December 31. These documents give the exact figures of the bonus which Mr. du Pont has already received.

The PRESIDENT pro tempore. Without objection, the matter referred to by the Senator from Tennessee will be printed in the RECORD as a part of his remarks. The Chair hears none.

The matter referred to is as follows:

WAR DEPARTMENT,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D. C., January 21, 1924.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR: In response to your telephonic inquiry of recent date regarding settlements made by the War Department with the E. I. du Pont de Nemours Co. and subsidiary companies, I have the honor to advise you that a search of the records of the department discloses the following settlements:

Name of company.	Bureau.	Formal contracts.	Informal contracts.
E. I. du Pont de Nemours	Ordnance	$7,657,254.65	$1,497,059.66
Do	Air Service	1.00	48,987.58
Do	Director Purchase		7,626.47
General Motors Co	Air Service	11,086,546.52	
Do	Director Purchase	9,119.33	21,940.72
Do	Ordnance		229,399.90
Du Pont Fabrikoid Co	Chemical Warfare	38,727.59	41,123.39
Du Pont Chemical Works	do	1,459.00	.48
American Industries Co	Ordnance	11,634.80	
Chevrolet Motor Co	do	53,338.10	
Do	Director Purchase		185,076.83
Arlington Works	do		4,522.00
Total		18,858,080.99	2,035,737.03

I inclose herewith copy of letter from the Secretary of War to Hon. PHIL D. SWING, Member of Congress, under date of December 31, 1923, on the general subject of settlements, in which you may be interested.

Very truly yours, J. A. HULL,
Colonel, Judge Advocate.

DECEMBER 31, 1923.

Hon. PHIL D. SWING, M. C.,
House of Representatives, United States, Washington, D. C.

MY DEAR MR. SWING: Receipt is acknowledged of your letter of December 21, 1923, requesting that you be advised as to the amount paid out under the Dent Act in adjustment and settlement of war contracts.

The information as to adjustments under the Dent Act and war contracts generally is contained in the annual reports of the Secretary of War for the years 1919 to 1922, inclusive. Part of this information is also contained in the first report of the Secretary of War to Congress, as required by the Dent Act, which was submitted November 29, 1919, and published as House Document No. 364, Sixty-sixth Congress, second session, and in the second report of the Secretary of War to Congress, under date of December 4, 1920, which was not ordered published by the House of Representatives.

Since the receipt of your letter I understand that you have advised Colonel Morrow, of the Judge Advocate General's office, that you desire information with reference to the amounts paid out in settlement of both formal and informal contracts. In accordance with this request, I am submitting herewith the information desired.

The cessation of hostilities on November 11, 1918, found the War Department obligated on thousands of contracts for vast quantities of supplies for the prosecution of the war which were no longer needed or desired. The contractors were accordingly requested to suspend further production and to enter into negotiations with a view to terminating their contracts. Practically all of the contracts which had been reduced to writing and signed by the parties contained a termination clause which permitted the War Department to terminate them at any time. This termination clause provided that the War Department would accept delivery of the finished articles then on hand and reimburse the contractor for articles in process, materials on hand, and the amount he was obligated to pay subcontractors in settlement of such obligations to them as grew out of the suspension of subcontracts.

A large numer of written contracts were proxy signed, i. e., the name of the contracting officer was signed by some other officer. The Comptroller of the Treasury held that these so-called "proxy-signed" contracts were not executed in the manner prescribed by section 3744, Revised Statutes, which required War Department contracts to be signed by the parties at the end thereof. There was also a large number of contracts which had been placed orally or by letter or telegram, and the written contracts which were to have been signed by the parties had not been prepared when the armistice was signed.

These informal contracts were therefore not executed in the manner required by law. The Dent Act was passed in order to enable the War Department to adjust all claims on such contracts which had not been entered into in the manner required by law.

Contractors were requested to submit statements showing expenditures made and obligations incurred on the suspended portions of their contracts. If the contract was informal it was presented as a claim under the Dent Act, and an award was made under that act. If the contract was formal a settlement contract formally terminating the original contract was entered into.

The termination clause of the formal written contracts contained no provision for the allowance of anticipated or prospective profits. The Dent Act expressly prohibited the allowance of anticipated or prospective profits. The basis of settlement of both formal and informal contracts was therefore the same.

Articles which had been manufactured and delivered on contracts, both formal and informal, were paid for according to the terms of the contract. No claim was presented for delivered articles. The claim was only for reimbursement for expenditures made and obligations incurred in performing or preparing to perform that portion of the contact which was suspended. Thus, if the contract called for 50,000 shells, at $5 each, and 20,000 shells had been delivered at the time the contract was suspended, the contractor was paid $100,000 for the delivered articles at the time of delivery, and he only presented a claim on the suspended portion of the contract.

The total number of claims filed with the War Department on all contracts, both formal and informal, was 31,417. The total number of claims denied in full or withdrawn was 5,315. The total number of claims settled was 26,102. The claims presented on formal contracts, which were settled by the contractors accepting the amounts offered by the claims board, was 17,814. The total number of claims on informal contracts (under the Dent Act), which were settled by the contractors accepting the awards offered by the War Department Claims Board, was 8,288. The value of the suspended portions of the formal contracts, i. e., what it would have cost the Government if the suspended portions had gone to completion, was approximately $1,869,699,953.96. The amount approved for payment in settlement of the formal contracts which were suspended was $247,676,034.55. The value of the suspended portions of informal contracts (Dent Act claims), i. e., what it would have cost the Government if the suspended portions had gone to completion, was approximately $1,946,342,776.38. The total amount approved for payment in settlement of Dent Act claims was $257,614,908.59. The total value of the suspended portions of all contracts, both formal and informal, which were adjusted, was approximately $3,816,012,730.34. The total amount approved for payment in settlement of all claims on contracts, both formal and informal, was $505,290,943.14. The basis of settlement was 13.24 cents on the dollar of the suspended portion of all contracts, both formal and informal.

The amount approved for payment in settlement of those claims on both formal and informal contracts does not represent what was actually paid to settle the suspended portions of these contracts. In a large number of cases the Government was, by the terms of the settlement, to take over facilities and material which the contractor had bought for the performance of the contract. The amount of the award of the sum agreed upon in settlement was often reduced when an inventory of the property the War Department was to take over developed a shortage. In some instances the shortage was very small, while in other cases it amounted to a considerable sum. If the contractor was unable to deliver the material he had agreed to, the value of this shortage was deducted from the award or sum agreed upon in settlement of the claim. An accurate record of the deductions thus made has not been compiled, hence I am unable to give you the exact amount which was actually paid in settlement of suspended war contracts.

The amount approved for payment in settlement of claims on both formal and informal contracts as given above does not represent what it actually cost the Government to settle the suspended portions of these contracts and agreements, as vast quantities of machinery, equipment, and material taken over in the settlements have since been disposed of by the War Department through the office of the director of sales. No accurate record has been kept of the receipts from sales of property thus taken over from contractors in settlement of suspended contracts as distinguished from sales of surplus supplies which the War Department purchased on contracts which were not suspended. Probably millions of dollars have been realized from the property thus taken over and must be credited against the amount paid out in the settlement of claims on suspended contracts.

It should be further noted that two awards under the Dent Act made since July 1, 1922, totaling $55,210.97, have not been paid. These, however, are included in the total of the awards previously given. There is no appropriation available for the payment of these two awards. They have been certified to Congress with the request that an appropriation be provided.

The Dent Act gives the Court of Claims jurisdiction where the Secretary of War fails or refuses to make an award acceptable to the contractor. That court also has jurisdiction over claims based on formal contracts. The War Department has endeavored to keep a record of the claims which were denied by the War Department Claims Board which have been taken to the Court of Claims. Approximately 400 cases which were denied by the War Department Claims Board have been taken to the Court of Claims. Our records show that up to the present time only 48 of these cases have been decided by the Court of Claims. In 25 cases the action of the War Department Claims Board was sustained, and in 25 cases the Court of Claims rendered judgments in favor of the claimants totaling approximately $1,900,000.

Sincerely yours, JOHN W. WEEKS,
Secretary of War.

Mr. McKELLAR. I merely wish to say, in conclusion, Mr. President, that I do not know Mr. du Pont. I have never seen him to know him. He wrote me and asked me for the criticism I have made. I wish to state again that if there be one of the profiteers in the United States who should never open his mouth against a higher rate of taxation or against the soldiers' bonus that man is the chairman of the board of E. I. du Pont de Nemours Co. and the General Motors Corporation.

We who served in the Senate during the late war know that the Du Pont Co. was one of the most active of the material concerns and one of those which made the largest profit out of the war. That corporation and its subsidiaries have taxed the people enormously, and have made enormous profits by reason of the war. After the war was over, as the record shows, they were among the first to come to Congress demanding what? Demanding a readjustment of their pay under war contracts. They object to the poor boys who served in France getting a readjusted pay of $500, but Mr. du Pont was here early in the morning, so to speak, demanding $20,000,000 and more as his readjusted pay under war contracts.

Mr. HEFLIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. Just a moment before the interruption. I shall permit the Senator to interrupt me in just a moment.

Now, this great profiteer comes advising Congress what kind of a tax bill to pass, and boldly tells the Congress that unless the tax meets his approval he is not going to pay it. He is not going to pay it. I can not be mistaken about that. I will read it again, and I use his words:

> If dealt with unfairly in his own estimation, the person taxed will see to it that he has nothing to tax.

It matters not how much income he has, so he tells us, he is not going to pay it if we put the tax too high. If we put it higher than he thinks it ought to be he is not going to pay it, and he goes further than that and tells us that while he was willing to pay it in time of war when he was making these enormous profits, and it was easy to pay, I suppose, in times of peace he is just not going to pay it unless it meets his approval.

Mr. President, again I want to say that a letter like this from probably the greatest war profiteer that ever existed in all the world ought to make Congress pause, and they ought to require that all tax returns be given publicity so that the Congress can see just who is paying the tax and who is evading the tax, and whether those evasions are legal evasions or whether they are evasions of another kind.

Who knows what kind of evasions they are when we find this taxpayer boldly saying to Members of Congress, threatening them: "If you put that tax at a higher figure than I think it ought to be placed, it is not going to be paid." It is anarchy for a citizen to talk in that way. It is disloyalty to this Republic for any citizen to talk in that way, and I am surprised that a man who has received such great reward in the business activities of his country should dare make that statement to a Member of the Congress.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I will; but I promised to yield to the Senator from Alabama first.

Mr. HEFLIN. The Senator stated, shortly after I rose, the answer to the question that I wanted to ask, and that was, How much was it they were paid back by the Government? Twenty million dollars, I believe the Senator said.

Mr. McKELLAR. Nearly $21,000,000, to be exact. The figures are given in a communication from Col. J. A. Hull, of the War Department, who examined the records at my request after I received this letter.

Mr. HEFLIN. That was the information I wanted.

Mr. McKELLAR. What attention should we pay to the argument of a taxpayer who says: "You must not give a readjusted pay to the soldiers," when he himself has already been before the Congress on behalf of the corporation that he represents and received nearly $21,000,000 of readjusted pay?

I now yield to the Senator from Florida.

Mr. TRAMMELL. Mr. President, I should like to ask the Senator if this Mr. du Pont is connected with the same interest that asked Congress to grant a subsidy and an embargo on dyestuffs, and so forth?

Mr. McKELLAR. It is the same general corporation. This is Mr. P. S. du Pont. I do not know what their relations are, except what he says himself. As I stated awhile ago, I never met Mr. du Pont. I do not recall ever to have seen him; but he says that he is chairman of the board of directors of the E. I. du Pont de Nemours Co. and of the General Motors Corporation. I think the organization of which the Senator speaks is a subsidiary of one or the other of those companies.

Mr. TRAMMELL. In that instance Congress was being asked to do something for the Du Pont interests, and they very heartily favored and urged it. In this instance Congress is asked to grant adjusted compensation for the soldiers, and they are opposing it.

Mr. McKELLAR. They were the first to take advantage of the readjustment bill that was passed in 1919—the 4th of March, 1919, as I recall—and their claims have been allowed. They have gotten the money out of the Treasury. For a part of it, between two and three million dollars of it, they had no contracts at all. They had what they called informal claims; and these informal claims to the amount of more than $2,000,000 were paid to these companies and their subsidiaries, as is shown by the officer of the War Department who has charge of those things.

So I say I am glad we have received this letter. I am glad to understand the motives of these men who are fighting the legislation for the reduction of taxes. It may throw additional light on another subject. All of us have gotten letters of a similar kind urging us to indorse and to vote for the Mellon plan of reduction of taxation. Enormous sums are being spent now in propaganda to force Congress to pass, without the dotting of an "i" or the crossing of a "t," the bill that has been submitted by the Secretary of the Treasury. We see how it is working. Of course I can see how a man having made these enormous profits, having this enormous income, would seek, rather than fritter it away, to have taxes reduced; but he tells us at the same time, "If you do not reduce them, I am not going to pay them anyway." He tells you boldly that he is not going to do it.

I think it is up to Congress to see that all citizens of this Republic bear their fair share of the burden of taxation. We have laid that burden upon them already. If they have evaded it, Congress ought to know it; and the only way, Senators, that we can bring this about, in my judgment, is to have the tax return of every income-tax payer made public.

Why, in our counties and States the taxation of every citizen is open to his neighbors. Why should we keep the Federal income-tax returns secret? Why should not the light of publicity be turned in on them, especially when one of the great taxpayers of the country boldly asserts that he is not going to pay the tax; he is going to get out of it and is not going to pay it?

To my mind the most remarkable thing in that remarkable letter, Mr. President, is the statement that, in order to keep from paying the Government what is justly due it, the rich taxpayers are actually contributing to worthless charities. So, under those circumstances, I am very glad that Mr. du Pont has sent this letter, and I hope that it may sink in upon Senators.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. McKELLAR. I do.

Mr. FLETCHER. The claim has been made that the effort on the part of those who wish to reduce taxation by reducing the taxes on the smaller incomes rather than on the big incomes is an effort to "soak the rich." It seems that the facts do not bear that out. The Senator has just suggested that these gentlemen are already escaping their taxes to a large extent, and propose to continue to do so, and if the surtax is made higher than that suggested by the Secretary they will find means of evading the law and getting out of income taxes practically altogether.

Mr. McKELLAR. Mr. du Pont says that in so many words; and while I just can not believe that he speaks for all of the very rich income-tax payers of this country as a class, yet if he speaks for any considerable number of them the Members of Congress ought to know it, and they ought to act upon that information; and the only way we can act upon that information, and the only way we can know it, is by having publicity of income-tax returns.

Mr. FLETCHER. According to the statistics, the following is the classification of the sources of income tax received in 1922 by the Government:

Wages and salaries, $13,813,169,165.

So it seems that the medium incomes, arising from wages and salaries, are now paying a good portion of the total revenue derived from incomes.

The total was $23,328,781,932. The amount received from dividends was only $2,476,952,399. Interest and investment income amounted to $1,690,338,895. Profits from sales of real estate, stocks, and bonds amounted to $462,858,000. Business income aggregated $2,366,318,610. But the principal amount now derived by the Government as revenue from taxes on incomes is derived from the people who are working for wages and salaries, namely, $13,813,169,165.

Mr. McKELLAR. Why, of course; and the claims that are made for the passage of the Mellon bill are based upon misinformation that is being sent out by the propagandists themselves. They say the present rates do not hurt them; that they pass them on to the consumer anyhow. If the present rates do not hurt them, why are they seeking to change them? Of course, the Senator from Florida is exactly right. The great burden of taxation is now borne by the men of smaller means.

Mr. FLETCHER. If we are going to have reduction, there is where we ought to begin.

Mr. McKELLAR. There is where we ought to begin, and there is where we will begin, unless I am very greatly mistaken in the temper of Congress. Unless I am very greatly mistaken, the Mellon bill, with its proposal to take the taxes off of the very rich in the country, will never pass Congress at this session.

DEBT OF THE UNITED STATES.

Mr. SHIPSTEAD. Mr. President, I desire at this time to give notice that after the conclusion of the morning business next Tuesday I shall make a short statement to the Senate on the question of the debt of the United States, the interest being paid thereon, and its relation to taxes and business, particularly agriculture.

Mr. WALSH of Massachusetts. Mr. President, I should like to say to the Senator from Minnesota that yesterday an order was entered providing for an executive session immediately after the close of the morning hour on Tuesday to discuss an important nomination.

Mr. SHIPSTEAD. I was not aware of that.

Mr. WALSH of Massachusetts. I thought the Senator would be glad to have that information.

Mr. HEFLIN. I suggest to the Senator that he make it Wednesday.

Mr. SHIPSTEAD. I will change my notice to Wednesday, then, after the morning hour.

REDUCTION OF FREIGHT RATES.

Mr. CAPPER. Mr. President, I have before me resolutions adopted by the three strongest farm organizations in the country, demanding immediate relief from excessive transportation costs. The National Farmers' Union, in their recent annual convention in Omaha, went on record as saying that the greatest assistance that could possibly come to agriculture, which is now generally admitted to be in a distressing condition, would be a substantial reduction in freight rates.

At the annual convention of the National Grange, held at Pittsburgh on November 22, 1923, this resolution was adopted:

Resolved, That the public welfare will be promoted by the establishing of the lowest practical freight rates upon the products of the farms, and if, as contended by the carriers, it is true that further rate reductions can not be made without a corresponding reduction in operating expenses, then the national welfare, as well as that of the farmers, will be promoted by bringing about such reductions. Therefore the National Grange demands an immediate reduction of freight rates on agricultural and livestock products.

Then, at the fifth annual meeting of the American Farm Bureau, held in Chicago on December 12 last, this resolution was adopted:

Immediate action should be taken by the Interstate Commerce Commission to reduce freight rates on all agricultural products which are sold at disproportionately low prices.

These resolutions were adopted by the three great national farm organizations, which represent something like 5,000,000 of the farmers and stockmen of the country.

Mr. President, agricultural conditions have improved slightly in a few localities in the past year, but, taking the country as a whole, the farmer still is greatly in need of help. He is carrying more than his share of the burden. His prices are out of balance with everything else. For four years he has been obliged to sell his wheat for less than cost of production. His dollar is worth one-third less than any other dollar.

The farmer's problems should have the first attention of this Congress. We can have no real prosperity in this country until the farmer receives a fair return for his labor. There must be a fairer relationship between the results of the farmer's labor and the results of the labor of others.

Just now the most important suggestion for the relief of the farmer is a substantial reduction in transportation costs. Freight rates are entirely out of line with the prices received by farmers and stockmen.

Mr. President, experience of the last three years has shown that many of the provisions of the transportation act of 1920 are inequitable and burdensome; in fact, the whole rate structure must be simplified. There must be rate adjustments and reductions that will relieve the great burden now carried by agriculture.

The Interstate Commerce Commission itself in its annual report this month acknowledges the need of revision in the direction of harmonious and logical rate structures. Agriculture suffers more to-day from the lack of these harmonious and logical relations than from any other cause. The bill which I introduced last year to repeal section 15a, which includes the so-called guaranty provision of the transportation act, I again bring before this body. It is a necessary step in any real solution of the railroad problem.

With more than three years of higher-than-war freight rates, which railway executives themselves admit netted the class 1 roads in 1923 a clear billion of dollars in operating earnings, public sentiment for rate reduction gathers increasing momentum.

Mr. President, I have become an advocate of lower rates through seeing the urgent necessity for them, a necessity now far more urgent than are these rates to the roads. I am in no sense hostile to railroads. I want the railroads to be on a prosperous basis, and will not knowingly encourage a program that will cripple the transportation lines. They must be in position to give us good service. But I do think with the roads doing a larger volume of business at a higher level of rates than ever before in all history that the time has arrived when they should reduce their charges on grain and livestock, now selling at less than cost of production, and, failing that, they should be made to reduce them. I know that all farm and livestock associations and many business organizations throughout the West are demanding immediate relief from excessive transportation costs.

There is one fact, Mr. President, that none of us can brush aside nor deny. It is that excessive freight rates are injuring the farmer and stockman and have been injuring him for more than three years. Nothing that any of us may say can change that fact, nor that farmers and stockmen have been the greatest sufferers. At heavy cost to themselves they stood by the railroads in their time of need, although in far greater need themselves. The roads, now undeniably prosperous, should help lift the farmer and stockman to his feet in the common cause of the general good. Agriculture is in a more critical condition to-day than were the railroads five years ago when they appealed to the Government for aid and got it. Transportation rates were almost doubled in response to that appeal, and the farmer has paid a big part of the bill, notwithstanding he has been in no condition to pay it. Is it any wonder he looks to the Government for relief, now that he is facing a crisis more serious than that which faced the railroads?

While the railroads insisted they could not afford to grant the very reasonable request of the President for a reduction in freight rates on grain for export to help the farmers and the country, the railroad executives have of their own volition made a sweeping general reduction in rates of more than 25 per cent wherever there is water competition, in order to stamp out river navigation, and they have done this at the expense of their farmer ratepayers to break down water competition and keep them, if possible, from obtaining even this relief.

The Kansas State Agricultural College estimates the wheat growers of Kansas lost $40,000,000 in 1922 on their wheat, instead of making any money. In 1923 they lost approximately $3.95 an acre, taxes and maintenance not included in the reckoning.

To find a market, 74 per cent of the Kansas wheat crop must be shipped out of the State. The Missouri Valley, perhaps the world's greatest crop and livestock producing region, has to ship its products longer distances by rail than any other crop-producing region. In whatever direction he ships the average grain-belt farmer must pay a long-haul charge.

During the war, when the farmer got $2.25 a bushel for his wheat, a bushel of wheat could be shipped from Wichita, Kans., to tidewater for 15 cents. Now when he gets 80 cents a bushel it costs 26.4 cents for freight, an increase of 11.4 cents a bushel. As the tidewater price makes the wheat price on the Kansas City market, all wheat growers that ship to that market must take 11.4 cents a bushel less for their wheat than formerly. That would be a heavy tax on a product that was shipped at a profit, but when that product sells for less than the cost of production it becomes a crushing burden.

With hogs selling at less than the pre-war level, the hog farmer is paying 50 per cent more than pre-war freight on the hogs he sends to market.

Mr. President, before the war rates were made on commodities or groups of commodities with regard to their value. Now they are made on a general percentage basis. Freight rates were increased 25 per cent June 25, 1918, by the Director General of Railroads. In August, 1920, freight rates were further increased 35 per cent. In the Kansas wheat belt this August increase amounted to 68.75 per cent over June 24, 1918.

The year following these higher freight rates, receipts of hay at the Kansas City hay market, the world's largest market for hay, fell off 27,005 cars, a violent decline in one year of 58 per cent.

Receipts of alfalfa hay at this great market fell from 24,612 cars in 1910 to 9,982 cars in 1922, a number that will not be exceeded this year. Total receipts of hay at the Kansas City market fell from 46,810 cars in 1920 to 22,378 cars in 1922, a tremendous crash, and were no greater in 1923.

Several witnesses testified at the recent rate hearing of the Interstate Commerce Commission in Kansas City that because of the excessive rates on hay one-quarter of the hay crop was left standing where it grew. It had finally to be burned off

by the farmers because it couldn't be shipped and because there was not enough native livestock to consume it.

At this Kansas City November hearing on grain rates, reopened by the Interstate Commerce Commission on its own motion after the commission had in October denied Western farmers any relief from these rates, M. J. Healey, vice president and general manager of the John Deere Plow Co., testified that the accumulated freight charges on a farm implement manufactured by the company in Moline, Ill., and bought by a farmer at Salina, Kans., added 33 per cent to its cost. Mr. Healey testified that implement sales for the three years beginning January 1, 1921, had averaged only 27 per cent of normal.

That is a very serious showing with farmers billions of dollars short of their ascertained need of common labor-saving machinery with which to work their farms when they can not afford to hire help.

Mr. President, with the price of wheat almost at pre-war level, and sold for the last three and a half years below the cost of production, freight rates on wheat still remain at about 50 per cent above the pre-war basis. Hard coal 200 per cent above the 1913 value pays no higher rates proportionately than wheat, and lumber, which costs nearly twice as much as in 1913, pays relatively less freight than wheat.

Farm products are compelled to bear more than their share of the transportation charge. This comes from the sweeping all-inclusive method of rate making—a departure from the former method of charging what a product could afford to pay and be shipped freely.

In 1913 the price of 204 bushels of wheat paid the freight on a carload of wheat from Great Bend, Kans., to Galveston. But in 1923 it would pay the freight on a car of wheat only a little more than one-half as far. In 1913 the price received for 90 barrels of cement was sufficient to pay the freight on a car of cement from Iola, Kans., to Ponca City, Okla. But in 1923 it would pay the freight on a car of cement more than 22 per cent farther.

It costs 19 cents to ship 100 pounds of wheat from Grenfell, Saskatchewan, to Port Arthur, Ontario, a distance of 700 miles, but 45 cents to ship it from Wichita, Kans., to Galveston, the same number of miles.

For shipping wheat 425 miles a Kansas farmer pays 20 cents a hundred, while a Canadian farmer pays his railroad 14 cents a hundred. To ship 100 pounds of wheat 500 miles the Kansas farmer pays 27 cents, the Canadian 16 cents. For a 675-mile haul the Kansan pays 36½ cents, the Canadian farmer 19 cents. The rate on wheat from Coutts, Alberta, to Fort Williams, on Lake Superior, is 27 cents per hundred, while Sweetgrass, Mont., just a few miles across the line and 200 miles nearer to its lake terminal—Duluth—has a rate of 43 cents.

If Canadian railroads can do this with only a fraction of the immense tonnage that our roads carry for a freight charge, in this instance almost 100 per cent less, how can our now unquestionably prosperous railway systems make good their plea that they can not reduce rates and live?

Freight rates on wheat from the producing regions of Argentina to Liverpool are from 3 to 11 cents a bushel less than the combined rail and ocean rate from wheat-producing areas of the United States to Liverpool.

Mr. President, how the farming industry is to continue to sell its products at near pre-war prices and pay freight rates from 50 to 80 per cent higher than pre-war rates is not clear to anyone conversant with the facts. The farmer sees nothing but ruin for him at the end of that route. He should not be forced to sustain losses which enrich other interests.

Every farm is built up directly about a home. There are more than 100,000 homes in distress in the wheat country. So reports the Bureau of Agricultural Economics of the United States Department of Agriculture. That is a very conservative statement. This report goes on to say:

> There are more empty farmhouses even than last year. Still stronger evidence appears in the occasional farm to be seen on back roads where no part of the land has been worked nor pastured this year. These things tell the tale of farm population gone.

On the other hand, the young farmers of the West are advised to go East to take over its abandoned and worn-out farms by the United States Department of Agriculture because "freight rates are high and these farms are near the market."

Who ever expected to see the day that a poor, worn-out farm would be more desirable than a good one? It has taken excessive freight rates to bring us to that point.

Mr. President, while the railroads are doing a most profitable business, thousands of good farmers are leaving improved farms because they can not make a living on them. They have no section 15a and no Interstate Commerce Commission to insure them a profit and a "fair return," or even a living, while they are penalized by excessive freight rates.

Earnings of class 1 railroads for the calendar year 1923 approximated $980,000,000, or 5.11 per cent, on their tentative valuation as fixed by the Interstate Commerce Commission for rate-making purposes, according to a statement issued a few days ago by the American Railway Association. This estimate is based on complete reports for the first 10 months, which showed a net operating income of $821,530,739, or 5.21 per cent, on their tentative valuation. In 1922 the class 1 carriers earned $776,665,960, or 4.14 per cent, while in 1921 they earned $615,945,614, or 3.33 per cent.

Capital expenditures for equipment and other facilities actually made by the railroads in 1923 totaled $1,075,897,940, compared with $429,292,836 actually expended in 1922. In addition there was carried over into 1924 authorizations made this year for similar capital expenditures amounting to $300,806,519, making a total of $1,895,977,295 expended or authorized for capital improvements during 1922 and 1923.

Unprecedented achievements in meeting without difficulty the transportation needs of the country were accomplished by the carriers in the last year, according to the railway association's statement. Not only have they successfully transported the greatest freight traffic in their history, but they have done so without any transportation difficulties and with virtually no car shortage.

With complete reports available for the first 49 weeks and estimates for the last 3 weeks of the year, loading of revenue freight in 1923 totaled approximately 49,844,000 cars, an increase of more than 15 per cent over 1922, and 10½ per cent greater than in 1920, when freight traffic was the heaviest on record. Loadings in 1923 also exceeded the war period of 1918 by nearly 12 per cent, and 1921 by almost 27 per cent. During nine consecutive months in 1923 loadings averaged more than 1,000,000 cars weekly. The peak loading was reached during the week ended on September 29, when the total was 1,097,274 cars.

The condition of railway equipment was improved substantially, reports showing that on December 1, the latest date available, 144,626 freight cars, or only 6.8 per cent of the ownership, were in need of repair. This was a decrease of 60,385 cars compared with the number in need of repair on January 1, at which time there were 216,011, or 9½ per cent. It is shown at the Interstate Commerce Commission's rate hearing at Kansas City in November that the Atchison, Topeka & Santa Fe Railway had increased its corporate surplus from $49,000,000 in 1913 to $230,000,000 in 1923, after all expenses and interest charges and dividends of 6 per cent on common and 5 per cent on preferred stock had been paid.

Barron's Financial Weekly, a most conservative authority, estimates the Santa Fe will earn 14 per cent on its common stock this year, against 12.4 last year; the St. Louis & San Francisco, 10 per cent; Union Pacific, 14 per cent; Southern Pacific, 12 per cent; St. Louis & Southwestern, 14 per cent; Illinois Central, 16 per cent.

I do not know what the Burlington's prospects are, but the Burlington has for years regularly declared dividends of 10 per cent, and recently declared a stock dividend of 54 per cent out of its earnings.

These important western roads, which we are told have not fared as well the past year as the eastern roads, all show increased earnings over 1922.

Still higher dividend earnings are forecast by Barron for eastern lines, some of the top liners being New York Central, 18 per cent; Reading, 15 per cent; and Louisville & Nashville, 12 per cent. Two roads have recently declared extra dividends—the Cincinnati, New Orleans & Texas Pacific, 3½ per cent, and the Norfolk & Western, 1 per cent. The Virginia roads declared a similar extra dividend last December.

Thomas Gibson, a New York authority on railroad matters, has made public the following statement of net incomes of railroads for the nine months of January to September, 1922 and 1923.

Net income January to September, inclusive.

EASTERN ROADS.

	1923	1922
Baltimore & Ohio	$34,932,894	$12,491,220
Chesapeake & Ohio	13,261,795	12,004,253
Delaware & Hudson	4,935,238	626,001
Delaware, Lackawanna & Western	9,427,312	5,058,501
Erie	12,653,555	[1]1,257,288
Lehigh Valley	2,779,441	740,832
New York Central	60,496,603	35,007,988

[1] Deficit.

Net income January to September, inclusive—Continued.

EASTERN ROADS—continued.

	1923	1922
Norfolk & Western	$14,360,332	$18,191,444
Pennsylvania	63,813,986	57,163,338
Pere Marquette	4,976,946	4,610,628
Philadelphia & Reading	20,434,548	6,741,276
Wabash	6,755,309	3,244,356

SOUTHERN ROADS.

Atlantic Coast Line	$11,001,744	$10,839,608
Illinois Central	17,490,553	17,623,686
Louisville & Nashville	16,039,164	12,963,167
Seaboard Air Line	5,442,310	2,724,181
Southern Railway	20,034,710	12,801,964

WESTERN ROADS.

Atchison, Topeka & Santa Fe	$29,405,742	$22,241,504
Chicago, Milwaukee & St. Paul	12,602,078	7,981,071
Chicago & North Western	10,453,732	12,735,532
Chicago, Rock Island & Pacific	9,119,364	9,664,496
Great Northern	13,275,167	10,084,242
Missouri, Kansas & Texas	5,970,172	6,474,223
Missouri Pacific	5,671,625	5,344,679
Northern Pacific	8,616,092	8,386,742
Southern Pacific	32,319,156	25,766,910
St. Louis & San Francisco	13,786,594	11,425,141
Union Pacific	18,839,714	17,040,175

In four hours Wall Street recently absorbed a bond issue of $18,275,000 issued by the Louisville & Nashville and the Nickel Plate, and it quickly snatched up $23,100,000 of the Southern Pacific trust notes.

Mr. President, no well-managed road has as yet had any difficulty in financing itself. Railroad bonds are higher, and Wall Street reports a rapid upward movement of railway shares, due to the attention attracted to the increased earnings of the roads. Wall Street's prophet, Jesse Livermore, forecasts still greater prosperity for the roads this year.

The net operating income of the railroads in the year just closed is about $1,000,000,000. Contrast this with their net operating income in the five years from 1911 to 1915, inclusive, which averaged only $715,000,000. And this record has been achieved while the roads have spent $250,000,000 more during the year for maintenance and improvements than they ever have spent before in the same length of time. This and the expansion program adopted by the roads for 1924 will bring their total capital expenditures at the end of that period up to $1,732,516,836 for the two years, an expenditure beyond all precedent.

The total income of all the roads in 1923 exceeded $6,500,000,000, the largest earnings in the history of the roads. The total profits of all the roads during the year would pay a dividend of 10 per cent on the aggregate capital stock of all the railroads in the United States. The profits of the class 1 roads for the first eight months of this year were approximately $70,000,000 greater than that received on rental during Government control. This seems to be the answer to the statement of the roads that they can not reduce transportation charges and live.

Mr. President, I am frank to say I can see no permanent good nor future stability for our system of railway transport under section 15a of the transportation act. Section 15a prescribes an arbitrary rule for the Interstate Commerce Commission to follow, based upon the production of aggregate net railway operating income. This rule was entirely new and untried and has proven unsuccessful either in the production of revenue or the making of reasonable rates that the great agricultural business of this country can afford to pay.

There are 18 paragraphs of this section 15a. The basis of the calculation is the establishment of an aggregate valuation, not of particular railroads, but all those in a geographical group and to compute what rates would produce in the aggregate a net railway operating income of 5½ per cent figured as a fair return by the commission.

Rates are arbitrarily fixed by the commission to bring a return of 5½ per cent on the reproduction value of every transportation line whether or not the investment was prudently made or the property efficiently managed. That is why the public often regards section 15a as a guaranty to the railroads, although it does not as a matter of fact directly guarantee anything to the carriers. We are demanding the repeal of this section 15a because rates are determined with regard to the ability of badly organized or located or capitalized or managed roads to earn a profit on an investment the proper calculation of which is in dispute, thereby establishing rates that earn excessive profits on well-organized systems. Roads which should not have been built and others which always have lost money for their owners are given a value two or three times their actual worth. No account is taken of improvidence of investment. Roads which are grossly mismanaged are put on the same basis as the efficiently managed property. The strong carriers make the necessities of the weak carriers the justification for taking more from the public than the public should be compelled to pay.

The recapture provision of section 15a is a farce. It encourages extravagance and padded expense accounts by the prosperous roads. While the big railway systems are enjoying prosperity it is doubtful whether the Government will make much headway collecting the excess earnings over 6 per cent, one-half of which it is stipulated in the transportation act shall go into a fund for lame-duck roads.

Mr. President, the repeal of section 15a as proposed in my bill, S. 91, will leave the Interstate Commerce Commission free to exercise its power according to its judgment, to adjust and prescribe rates as the circumstances may seem to the commission to justify, and at the same time conform to the fundamental principles of the law that rates shall be just and reasonable. That means, of course, just and reasonable rates not merely for the railroads but for the shippers and the public, giving proper weight to every fact and circumstance which according to the judgment of the commission should affect both private and public interests. That always has been the fundamental principle of the regulation of rates provided for by the act to regulate commerce and similar acts passed by the legislatures of the various States and contained in the constitution of many States.

Mr. President, since the basis for adjustment of rates is net railway operating income it necessarily includes the rates and revenue prescribed by State authority in intrastate traffic, and thus, as the law stands, the States have no authority except what the Interstate Commerce Commission shall see fit to permit them to exercise. Paragraphs 3 and 4 of section 13 of this act, providing for procedure in cases involving controversies pertaining to State rates, are therefore repealed by the bill, but the provisions of paragraph 4 of section 13, providing for cooperation between the Interstate Commerce Commission and the authorities of the States having control of rate regulation, is reenacted by section 3 of this bill, in such way, however, as to preserve the rights of the States except where it is found that there is a specific unjust discrimination arising from the State rates. In that event no attempt is made to deprive the Interstate Commerce Commission of power to prevent such a discrimination.

The right of the railroads to prevent the commissions, either State or interstate, from prescribing rates which would be noncompensatory or so unjust or unreasonable as to be confiscatory within the established precedents of the Supreme Court of the United States in the great body of the law is left entirely unaffected by this bill. The railroads have the same protection precisely as they have always had under the Constitution both of the United States and of the States which have always afforded ample protection.

LEASES OF TEAPOT DOME NAVAL OIL LANDS.

Mr. HEFLIN. Mr. President, while my good friend, the junior Senator from Kansas [Mr. CAPPER] was submitting his resolutions and some remarks upon them about the necessity for reducing freight rates, I thought of how at cross purposes his resolutions and speeches are with his votes for the present occupant of the chair [Mr. CUMMINS] for chairman of the Committee on Interstate Commerce. I hope the Senator has had a change of heart and that he will work with us now in earnest to bring about the very much needed freight rate reduction.

Mr. President, on yesterday the Caraway motion was before the Senate, a motion that sought to discharge the Committee on Public Lands and Surveys from further consideration of his resolution to cancel the lease of the Teapot Dome oil reserve. It was my understanding that the motion under the rule went over until to-day. That was the understanding of many Senators on this side of the Chamber. On this morning I sought to have this motion laid before the Senate, but the Chair held that it could not properly be laid before the Senate. He was in error. I want to read just what occurred on yesterday:

Mr. ROBINSON. The motion was made, and had any Senator chosen to exercise his right to object to the consideration of the motion at the time the motion was made there could have been no debate. But the Senator from Wisconsin invited the junior Senator from Arkansas [Mr. CARAWAY], making the motion, to state his

reasons for it. No objection was made; and the debate proceeded until the Senator from Wisconsin concluded his remarks, at which time he invoked the rule, which carries the motion over until to-morrow. If the Chair did not technically rule upon it, he should have done so, with all due deference to the Chair. It is conceded that the motion goes over.

The present occupant of the chair was then in the chair and this is what he said:

The PRESIDENT pro tempore. Under the rule the motion will go over.

I hold that the motion ought to have been laid before the Senate this morning. The Chair, who is the Republican presiding officer of the Senate, ruled otherwise. Then later on I asked unanimous consent to have it laid before the Senate and a Republican Senator objected, the Senator from Oregon [Mr. STANFIELD]. So the failure to get action upon the motion lies at the door of the Republican Party now in power. The motion ought to have been considered to-day. The Chair ruled that it was not in order and upon my request for unanimous consent to take it up for immediate consideration objection came from the Senator from Oregon on the Republican side. So the Republican side seems determined not to permit us to consider and pass this resolution, but we are going to have a vote on it.

Mr. President, the more we find out about these oil deals the worse it gets. Mr. Doheny, I understand, has just testified this afternoon to the effect that he let Mr. Fall have $100,000, so that is $200,000 to date instead of $100,000. We are told that the Teapot Dome Co. is constructing pipe lines to Kansas City, costing several hundred thousand dollars, if not millions of dollars, with a pumping station every 40 miles along the way. This is a mighty reservoir of the people's oil, kept for use at some time when an emergency might come and the Government might be held up by those who own all the other oil on the continent, and then the Government could go in and tap these mighty reservoirs and say, "We have oil that we saved against a day of need like this."

But what has become of it? A Cabinet officer, right under the wing of the President, having in charge this property, the immediate guardian of the Government's interest, disposed of it, and outside parties, the oil kings in the country, took it over and are running their pumps now, pumping the oil out and disposing of it day by day, while we are here contending that the lease should be canceled, that the property should be taken over by the Government and the Government protected, but you will not let us do it. We have a Republican President within easy reach of the Capitol. We have a Republican Senate and House. The whole Government, every instrumentality of it, is in the hands of the Republican Party, and we can not get action upon this very important and pressing matter. What is it that is back of this thing that influences you to oppose a showdown in the Senate, that causes you to refuse us a vote on the simple proposition as to whether or not the Government shall be bound by a fraudulent transaction which transfers millions of dollars' worth of property belonging to the people to private control, bartered, as I said on yesterday, like sheep in the market place. Why are you not willing for us to drive the fraudulent possessors of this Government property out of the control of it and stop them from pumping this oil out of the Nation's great oil reservoir?

Where is the Government's oil domain? Gone! It is all gone under this lease, and you will not let us cancel the lease. What party was in power when it was bartered? The Republican Party. What party was in power when the coal lands of the Nation were bartered and the Guggenheims became coal kings? The Republican Party. Who was at the head of the Department of the Interior when the coal lands were bartered to the Guggenheims? Ballinger, a Republican. Who was President? Mr. Taft, a Republican. So while Mr. Taft was President and Mr. Ballinger was the Secretary of the Interior the coal lands were squandered and disposed of to the coal kings of the country. Since this very Republican administration has come into power and Mr. Fall, a Republican, was Secretary of the Interior, the oil lands of the United States have been bartered to the oil kings of the country.

Mr. CARAWAY. Mr. President, may I interrupt the Senator for just a moment?

Mr. HEFLIN. I am glad to yield to the Senator from Arkansas.

Mr. CARAWAY. I was going to call attention to the fact that Mr. Doheny's attorney has just offered to turn back the reservation which Doheny acquired. The attorney has also asked that a commission be appointed to settle the differences between his client and the Government. I should suggest also that when a commission is appointed there should also be appointed a warden for his client, for the former Secretary of the Interior, and for others who are involved in the same transaction.

Mr. HEFLIN. Mr. President, I thank my good friend the Senator from Arkansas for his suggestion. He has rendered very valuable service to his country in this matter; he has rendered signal service, and he is entitled to the gratitude of every right-thinking, honest man and woman in the Nation. He has suggested that somebody ought to go to the penitentiary. I agree with him on that. If I had it within my power, I would send some of these gentlemen to the penitentiary.

Mr. President, I hold that a fraudulent transaction is not binding on anybody who is honest. If an unfaithful public servant, one who is crooked and corrupt, disposes of something which is placed in his charge for safe-keeping and for protection for a price, and obtains that price—I do not care how hard and fast the contract may be written to transfer the interest of the Government to the other corrupt party to the crooked deal—it will not hold good with me. I do not intend to ever recognize any such contract as valid and binding upon the people of the United States so long as I have the honor and responsibility to speak in part for them.

Some of the Senators, including the Senator from Wisconsin [Mr. LENROOT], have suggested that there are legal questions involved which must be looked into. Nothing would please a prosperous crook more than for somebody to say "We are not going to take your case up right now; we have several legal questions to look into first." He would appreciate the opportunity given him to get away and dispose of property fraudulently obtained. Is it proposed to show this consideration to a bunch of crooks? Legal questions to be investigated! Is it to be held up and looked into to see what the legal interests of the fraudulent parties are? And do you tell us that the Government has got to wait and go into court? Senators, what are we coming to? Are Senators from the sovereign States of this Union going to permit a deal to be put over which sells the Nation's oil supply and cripples the national defense? And yet some Senators say "We have got to look into the legal questions involved." When such a matter is brought to my attention and the facts of the case are set forth in so masterly a fashion as was done on yesterday by the Senator from Arkansas [Mr. CARAWAY], I do not need any more to warrant me in saying "This deal is wrong; it is fraudulent and corrupt; and so far as I am concerned, technicalities and legal questions to the contrary, notwithstanding, I am ready to vote to cancel the lease." Then, if Mr. Sinclair and others in the deal with him want to say that we had no right to cancel it, let him and them go into the courts and test the right of the Congress of the country to cancel it.

Why should we wait while he is pumping out the oil, extending his pipe lines, and making deals maybe to dispose of this property to what he may call innocent parties who might say that they had no notice of the fraud? Senators will complicate it still more of they are going to wait in order to look into the technical situation and legal phases of the transaction. The delay in a vote on this matter is helpful to Sinclair & Co., and extremely unfortunate and hurtful to the Government and people of the United States.

Mr. President, I have no patience with a man, in this body or out of it, who, when a question is involved such as is involved in this case, desires to postpone it because of technicalities. I am ready to brush all technicalities aside and go right to the very meat of this issue, which is, Was this a shady transaction? Should this property have been disposed of as it was? No. Then, what should we do? This man has got the property, but it still belongs as a matter of right to the United States. He is now disposing of the contents of these reservoirs. We should do the proper thing and stop him as speedily as possible. What will do that? The cancellation of the contract. What else? Drive him out of possession of the property, and say "You came into possession wrongfully and fraudulently; it never was yours; as a matter of right and justice it belongs to the Government still, in spite of the fraudulent transactions that cover it; so get off of it." Then let him go into the courts, as I have said, and see whether or not we had a right to take that course. That is my position, Mr. President. I wanted to get a vote on the joint resolution to-morrow. I did not want the Senate to adjourn until Monday, but the Senator from Kansas [Mr. CURTIS] has obtained unanimous consent for that purpose, I understand. I was present but did not hear the request when it was made. I want now, before taking my seat, to ask unanimous consent that the order providing for the adjournment of the Senate until Monday next be vacated so that we can vote on this resolution to-morrow.

Mr. CURTIS. Mr. President, the Senator from Wisconsin [Mr. LENROOT] is absent, and he requested me to object to any unanimous-consent agreement this afternoon. So I object.

Mr. HEFLIN. Mr. President, the Senator from Kansas, who is one of the leaders and is the whip on the Republican side of the Senate, interposes an objection and of course I am helpless in the matter, and the Senate will have to adjourn until Monday. I want the RECORD to show where the responsibility for failure to vote on this resolution rests. Every Democrat in this body believes that the Teapot Dome deal was crooked and fraudulent. I now move, Mr. President, that the joint resolution be taken up for consideration the first thing on Monday next when the Senate shall reconvene.

Mr. CURTIS. Mr. President, that motion is out of order, and I make the point of order against it. Such action can only be taken by unanimous consent. Monday will be calendar day, and nothing can be done on Monday except by unanimous consent. It seems to me, as the Senator himself has disclosed, inasmuch as not only the Republican but the Democratic members of the committee are now at work on the investigation and are eliciting all the facts on both sides of the question, that there is no reason why the joint resolution should be taken up this afternoon or on to-morrow or on Monday. Let the committee first make its report.

Mr. HEFLIN. The committee's report, Mr. President, would in no way be affected by the passage of this resolution. The committee is acting as a grand jury and should go on and indict—find all the facts and report them to the Senate in the indictment. We are trying to apprehend the fellow who is to be indicted and to keep him from disposing of the property of the Government which is now in his possession. The investigation might be continued for two or three weeks. Mr. Sinclair may sell $5,000,000 worth of oil before five weeks shall have expired. So I am seeking to get action on this matter to protect the property. My motion, if agreed to, would in no way affect the action of the committee which is now investigating the other proposition. I want the Government to take this property back, and take it back right now.

Mr. CARAWAY. Mr. President, may I interrupt the Senator from Alabama?

Mr. HEFLIN. I yield to the Senator from Arkansas.

Mr. CARAWAY. I do not think the Senator from Kansas [Mr. CURTIS] quite understood the arrangement that was made, or else he would not have made his statement. I understood there would be no objection interposed to the consideration of the joint resolution on Monday.

Mr. CURTIS. I know nothing about that arrangement. I object to anything being done this afternoon.

Mr. CARAWAY. I so understood the Senator. I only wished to call attention to the statement of the Senator that we could do nothing on Monday without unanimous consent. I think that matter was settled.

Mr. CURTIS. I did not hear that it was settled, but the members of the committee have asked me to object to anything this afternoon, and I propose to object for this afternoon

Mr. CARAWAY. I understand the Senator's position, but I did not want the opportunity to pass without calling attention to the fact that it was practically agreed that that should be the course which would be pursued.

Mr. HEFLIN. Mr. President, the Senator from Arkansas——

The PRESIDENT pro tempore. Will the Senator from Alabama permit the Chair to make a statement?

Mr. HEFLIN. Certainly.

The PRESIDENT pro tempore. The Chair thinks it is due to him to state that, in his opinion, the motion of the Senator from Arkansas must be taken up by the action of the Senate. It is in order now to move to proceed to the consideration of the motion of the Senator from Arkansas.

Mr. CURTIS. Mr. President, under the rule when a matter comes back it has to go over for a day. So it would not be in order now.

The PRESIDENT pro tempore. The motion of the Senator from Arkansas was made yesterday.

Mr. CURTIS. But if the President pro tempore will read the rule he will see the provision that when a measure comes back to the Senate it must go over for a day.

The PRESIDENT pro tempore. The Chair is of the opinion that if the motion were to prevail the joint resolution itself could not be taken up on the day on which the motion prevailed.

Mr. CARAWAY. May I say to the Chair that during the absence of the present occupant of the Chair there was entered into a unanimous consent by which the committee was relieved of further consideration of the joint resolution, and the joint resolution went over until the next meeting of the Senate?

Mr. CURTIS. That is as I understand it.

Mr. CARAWAY. I should not want the Chair to commit himself about the matter without a full knowledge of the facts.

The PRESIDENT pro tempore. The Chair begs to recall what he has just said. The present occupant of the Chair is just advised that while he was absent, by unanimous consent, the committee was discharged from the consideration of the joint resolution and it has taken its place upon the calendar.

Mr. CARAWAY. Oh, no.

Mr. HEFLIN. No, sir.

The PRESIDENT pro tempore. Then, the Chair has been wrongly advised.

Mr. HEFLIN. The Senator from Arkansas [Mr. ROBINSON] objected to having it go on the calendar; and so the joint resolution went to the table.

Mr. CURTIS. It lies on the table.

The PRESIDENT pro tempore. When the committee is discharged, a measure, if it is not otherwise ordered, must go to the calendar. It can not be taken up for consideration—the Chair is speaking now of a bill—on the day on which the committee was discharged.

Mr. CURTIS. That is the point I have been trying to make.

Mr. HEFLIN. Is it necessary to make a motion now that this joint resolution be taken up on Monday?

Mr. CARAWAY and Mr. CURTIS. No.

Mr. KING. That motion can be made on Monday.

Mr. CARAWAY. It will not require any motion.

Mr. HEFLIN. That was my understanding, namely, that the matter was to come up on Monday and that the Chair was then to lay it before the Senate.

The PRESIDENT pro tempore. The Chair is of the opinion that it can be taken up at any time if it be on the calendar when the calendar is taken up, or otherwise upon action of the Senate.

Mr. HEFLIN. Can not the Chair lay it before the Senate on Monday?

The PRESIDENT pro tempore. In the opinion of the Chair, no.

Mr. HEFLIN. Well, Mr. President, under your ruling it would not be the regular order the first thing on the calendar on Monday, because it will be behind all the other measures on the calendar. The joint resolution went over a day under the rule, and on Monday, it seems to me, that it ought to be laid before the Senate by the Chair as soon as the Senate convenes. The Chair on his own motion has frequently laid before the Senate resolutions without the suggestion or motion of any Senator.

However, Mr. President, with the understanding that the joint resolution is not on the calendar, but is on the table and that it may be taken up on Monday, I have nothing more to say.

The PRESIDENT pro tempore. It will require the action of the Senate to take it up on Monday.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Mississippi will state his parliamentary inquiry.

Mr. HARRISON. Mr. President, a parliamentary inquiry. There seems to be a good deal of confusion about this joint resolution. Is it now on the calendar or on the table?

The PRESIDENT pro tempore. The present occupant of the chair was not present when the order was made. He is advised that there was a request for unanimous consent that it be placed upon the calendar, and there was an objection; and therefore that it was not placed upon the calendar, and necessarily it goes upon what may be called the table calendar.

Mr. HARRISON. So it is now on the table?

The PRESIDENT pro tempore. It is now on the table, and it will require the action of the Senate to take it up for consideration.

Mr. HARRISON. Another parliamentary inquiry: Then the Senator from Alabama could now move to proceed with the consideration of the joint resolution?

The PRESIDENT pro tempore. The Chair is of the opinion that that motion would not be in order to-day, because under Rule XXVI all subjects from which a committee is discharged are required to lie over one day for consideration.

Mr. HARRISON. I understood that this matter was laid before the Senate on yesterday, though.

Mr. LODGE. That was the motion to discharge. The committee has now been discharged, and the joint resolution comes back and has to go over another day.

Mr. HEFLIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Alabama will state his inquiry.

Mr. HEFLIN. Will a motion be in order on Monday to take up this joint resolution for consideration?

The PRESIDENT pro tempore. The Chair is of the opinion that nothing less than unanimous consent can displace the calendar under Rule VIII during the morning hour.

Mr. CURTIS. Until 2 o'clock.

Mr. HEFLIN. Until 2 o'clock; but after 2 o'clock——

The PRESIDENT pro tempore. The Chair is of the opinion that after 2 o'clock it can be taken up upon motion.

Mr. HEFLIN. Well, we will try to get a vote on it Monday.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House 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 joint resolution (H. J. Res. 82) extending the time during which certain domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were subsequently signed by the President pro tempore:

S. 2. An act granting a franking privilege to Florence Kling Harding;

S. 484. An act to extend the time for the completion of the construction of a bridge across the Columbia River between the States of Oregon and Washington at or within 2 miles westerly from Cascade Locks, in the State of Oregon;

S. 627. An act to authorize the National Society United States Daughters of 1812 to place a bronze tablet on the Francis Scott Key Bridge;

S. 801. An act granting the consent of Congress to the construction, maintenance, and operation by the Valley Transfer Railway Co., its successors and assigns, of a bridge across the Mississippi River between Hennepin and Ramsey Counties, Minn.;

S. 1367. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Brule County and Lyman County, S. Dak.;

S. 1368. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Walworth County and Corson County, S. Dak.;

H. R. 185. An act providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States; and

H. J. Res. 82. A joint resolution extending the time during which certain domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The message further announced that the House had adopted a concurrent resolution (H. Con. Res. 9) providing for a joint session of the two Houses in the Hall of the House of Representatives at 12 o'clock m. on Wednesday, February 27, 1924, for the purpose of paying tribute to the life and character of Warren G. Harding, late President of the United States, in which it requested the concurrence of the Senate.

ADDRESS BY HON. WILLIAM E. CHILTON.

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an address recently delivered at Parkersburg, W. Va., by Hon. William E. Chilton, formerly an able and distinguished Member of this body.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is here printed as follows:

AN ADDRESS DELIVERED BY EX-SENATOR W. E. CHILTON BEFORE AN AUDIENCE ASSEMBLED AT PARKERSBURG, ON JANUARY 10, 1924, UNDER THE AUSPICES OF THE DEMOCRATIC EXECUTIVE COMMITTEE OF THE STATE OF WEST VIRGINIA.

Mr. Chairman, ladies and gentlemen, this is the age of speed, discovery, and big things. Even in political speeches the audiences demand the constant use of time-saving devices. Things which require maps, diagrams, complicated explanations, or quadratic equations in order to be understood are relegated to the countinghouse. It may not be best but it is true that we are living and working under high pressure. Details are becoming mixed up with principles, so that the careful student and educator is often confused as to whether the public is disturbed by fleas or an incipient rash. Any analysis of American conditions is complicated by insidious propaganda which has been organized by money to dim the goal to which correct principles would point. One concern in the East has bought up the principal magazines of the country, and many of the prominent newspapers in the big cities are either in the control of the same interests or are so allied to them as to weaken these papers as a force against the power of the combined moneyed interests of the East. No one wants to hurl a force against combined money, except when it would embarrass the workings of the law of supply and demand or would inaugurate a system of governmental and industrial autocracy. But in these times of powerful cross currents this carefully planned propaganda, aided by either a corrupt or a controlled press, may lead to gross error. To be informed is the duty of citizenship. To mislead the public is now the only hope of the opposition.

This is a year when the public must understand all the way along that big money is satisfied with the present administration and has determined to renominate Mr. Coolidge and to reelect him if it can. Inasmuch as the Newberry case was the last straw that broke the patience and quickened the conscience of the country, the wise heads behind the oligarchy have decided that a more scientific way of making money mark the ballots must be devised. Hence the consolidation of the magazines and the pulling of the strings upon the susceptible part of the metropolitan press.

The situation is unlike that when Dolliver aroused this sleeping Nation to the robbery of the Aldrich tariff. Then the great magazines gave the facts; now the facts are edited so that Mr. Coolidge becomes a hayseed President; James J. Davis, the sly banker and friend of the Penrose organization, appears as the apostle of labor; Andrew W. Mellon, the second richest man on earth, who has been the head and front of railroad, industrial, and trust organizations that are forever trying to control government, and who also was backed by Penrose's organization, is made to appear as such a friend of the poor taxpayers and workingmen that he sheds tears of horror at the way a Republican law is robbing them.

The economic, financial, and business forecasts of these controlled sources of information were humorous till they became mockeries. Beginning in 1921, they assured us that prosperity was just ahead—indeed, just around the corner. Three years of waiting and hoping have brought the conviction that the country is traveling on a very long square. It has been suggested that the "corner" is like an old-fashioned cane mill, which while it is ahead is attached to the same center as the power and keeps the same distance ahead while the power goes around.

This permanent condition of keeping prosperity ahead and "just around the corner," where it can not be seen, is very probably the correct definition of "normalcy."

In the coming campaign the public must remember that an insidious foe has prepared itself to hold the reins of government by doctored news and false pretenses. They may take out their old wind-broken steed called "normalcy" and squirt into him a dose of dope that will make him run this first furlong in "Zev" and "In Memoriam" time. The old stock market is always ready to take the field for the Republican Party. It will start up at the psychological moment as readily as it has coughed up campaign funds and held up the lambs in the past.

A masterpiece is about to be staged. Farmers Coolidge and Johnson will be contending for the "Nobel prize" for friendship to agriculture. Labor Chiefs Mellon and Davis will both aspire to supplant Gompers and Stone as heads of organized labor. The blessings that come to a country by having a contracted currency will be heralded in squib, song, and story. All the good-sounding words like Americanism, constitutionality, safety, sanity, prudence, law and order will be given a trade-mark, and the subsidized part of the eastern press will be prepared to swear that every bank failure, receivership, and bankruptcy proceeding is merely a growing pain. Every exposure of the bucket shops, the inside deals, the extravagance of the Shipping Board, the mismanagement of the Veterans' Bureau, and the incompetency and failures of governmental agencies will be placarded "Reform" and headlined by competent experts.

Big money may fear to buy votes in the open market, but it will not hesitate to pay double advertising rates for artistic camouflage and Ananias analysis. The Weather Bureau will be a George Washington for truth beside the prognostications and other output of the news bureaus of that mammoth money machine that never forgets anything and never learns anything; that knows what it wants and can recognize a friendly hand in the dark by the touch. This is not a new situation to the Democratic Party. Jefferson, whose great mind read through the coming years much of America's success, visualized present dangers and emphasized the tendency to grow evils amid rapid development. He stressed the underlying principles which must and will save this great Union of indestructible States bound together by a Constitution that preserves the liberty and property of the citizen and restrains only where necessary, and then only by the consent of the governed.

It was a great Democrat who interpreted these principles when assailed by a State in the form of nullification, and that same Democrat made his party and himself immortal by challenging the First National Bank in its impudent attempt to control elections and Con-

gress with the power of money. After that the name of Jackson was written beside that of Jefferson as defender of constitutional government.

Another crisis came in 1912. There was no trouble to diagnose, but there was need for a genius to apply a remedy that would square with the Constitution, which is the very foundation of democracy. There was also needed the quality of Jackson to stand like adamant against the propaganda and corruption that would try to undermine whomsoever did more than talk against the secret government. It was then that a third name was written upon the escutcheon of the Democratic Party by the clear vision, the faithful adherence to constitutional principles, the Jacksonian courage and tenacity of Woodrow Wilson. His offense against what Roosevelt called the "malefactors of great wealth" was that they could not hoodwink him. His achievements put to shame their pretentions. He committed the unpardonable sin of proving that his critics were wrong.

Jefferson squared and leveled the party by the Constitution; Jackson fought off the bandits; and Woodrow Wilson interpreted the principles of the party in terms of modern development and gave the country eight years of unexampled prosperity. The Republicans, in power in both branches of Congress since March 4, 1919, nearly five years, have not repealed one of his constructive measures. They have nullified, ignored, and violated these laws under sundry expedients, but they are as far from laying violent hands upon any of them as they would be of declaring against the doctrine that all free governments rest upon the consent of the governed.

"Imitation is the homage which vice pays to virtue"; and nothing is so distasteful to error as a practical demonstration. Neither the Democratic tariff, nor the Federal reserve act, nor any of those measures known as the Wilson record, brought any of the disasters under his administration which those who are now feebly administering them predicted at the time they were enacted. It took the McCumber Act, and this weak, spineless, purposeless administration of the laws which the members of that administration opposed but fear to repeal, to bring the country to its present unhappy state. The foreign relations of this country should not be made the subject of partisan discussion. It was the reactionary wing of the Republican Party that first offended in this regard. It captured that party in 1920 and, by subterfuge, misrepresentation, the use of money, and with the power of combined wealth, won a victory. It seemed that the powers of darkness caught all the forces of righteousness asleep in 1920. Possibly the supreme effort of the World War had fatigued the moral forces of the country. Evidently the latter, while recuperating from the shock and exhaustion of that war, lay dormant in the false security that a country capable of doing what America did in 1917 and 1918 was incapable of doing what it did in 1920. The consequences of that mistake have been as disastrous as it was unexpected. It can never be known how much the illness of the Democratic leader contributed to the rough journey begun in 1920. Deprived of his leadership and the power of his voice and presence in the crucial periods when the issues of 1920 were in the making, his party was like the "Stonewall Brigade" after Chancellorsville. There was "none left in Ithaca to bend the matchless bow" of Woodrow Wilson. But he lives to see his vindication in the failure of what displaced his policies. The country now sees more clearly his directness and courage in the chartless weakness of the present; it can better appreciate the prosperity during his eight years' incumbency amid the stagnation and desolation that now overshadow business. His exalted purpose to outlaw war, which has, since this Government was formed, taken 75 per cent of all national income to pay its results and in preparation for it, has been adopted by 56 nations and, as has been said, is the only thing in Europe that has a soul. The efforts of those who have succeeded him to "touch not, taste not, and handle not" have produced many ludicrous incidents of the conflicts between necessity and duty, the "irresistible force and the immovable body." We may well leave them to the fate that awaits the craft that floats helplessly to Niagara.

A new crisis is at hand. It arises out of error—fundamental, gross error. It is the error of violating human laws by ignoring their spirit; it is the vice of attempting to set aside the law of supply and demand. But time does not permit a discussion of general conditions. Your chairman has asked me to speak on the subject of deflation. I could talk to you for hours in reciting what the present era of enforced deflation has done to the country, but I shall take but a few minutes to give you the high points of its injustice, and a short review of the havoc it has wrought upon American business. When Mr. Harding was elected there was eight hundred million more money in circulation than there is now, although there was two billion less gold in the hands of the Government. There is the story of the drop in the prices of farm products and raw materials, such as oil, coal, etc., and the cause of much of the country's difficulties.

By scare-head circulars, instructions to branch banks, and rigid tests of eligible paper, as foolish as they are needless, they have reduced the volume of circulating medium, while the basis or redemption money, gold, has been accumulating. On the basis of 40 per cent of gold reserve, the present circulation of money could be over ten billions; but it is less than five billions. Hence the country's power in circulating money units is off over 50 per cent.

I feel sorry for anyone who compares any inflation of our currency with the German situation. Germany inflated on nothing. She had no gold and issued marks based upon a mere promise, as did the Southern Confederacy. That is now impossible in this country, because the Federal reserve act requires a gold reserve of 40 per cent. France is financing on a 15 per cent basis, England on a 20 per cent basis, while this country has about an 80 per cent basis, when only 40 is required by law. Germany's plan robbed the creditors; debtors there paid their debts in marks having no value. Mr. Mellon has taken the opposite course and has robbed the debtors. Both are wrong. The true democratic theory is to rob no one but to preserve faith and have the necessary money as long as it is sound.

Lincoln warned Congress against allowing the people to get in debt under one basis of money, and then forcing them to pay under deflated money and credits. He called it the "crime of history"; it is truly the most unsavory Mellon ever cut by a Secretary of the Treasury.

The result can be seen in the anxious faces of honest, solvent debtors; in slow collections; in arrested development; in stagnation and low prices for everything not protected by a tariff and handled by a trust. The farmer's dollar is one thing when he buys, another when he sells. His prosperity is the bottom rock of healthy development; therefore his present situation is alarming.

The country's business ought to be healthy. This is the richest country on earth, and it has more gold in Government hands than had England, Germany, France, and Russia in 1914. It has about half of all the gold money in the world, yet people with ample security are pressed for money with which to pay their debts and to do business. The answer that most business is done on credit, such as checks, drafts, etc., is the mere statement of an irrelevant fact. If by that is meant that the amount of money in circulation has nothing to do with the business situation, then why have any circulating medium at all? The very statement that there can be inflation carries the idea that there can be deflation. As surely as that up carries the idea of down; long, short; heavy, light; high, low; so is it that inflation means the opposite of deflation. And whenever it be charged, as the Republican platform and this administration do, that there was inflation that was unhealthy, then it follows logically that there can be unhealthy deflation. We are not thinking of the instances of irresponsible issues of so-called money such as have been made by Germany, Russia, the Southern Confederacy, and Mexico, even the United States during the Revolutionary War. Let us deal with the concrete question in hand—how stands it in the United States which can not and need not issue a dollar that is not based upon gold in the ratio of 40 per cent of gold reserve for every dollar in circulation, a ratio tested by the Netherlands for centuries in the management of banks of issue and banks of discount? National and State banks are required to keep but 15 per cent of reserve against their deposits, and the chances of presenting United States notes to be redeemed in gold are infinitesimal as compared with the chances of trespassing upon bank reserves by the presentation of checks. From the Treasury statement of November 1, 1923, the gold in the Treasury and in Federal reserve banks and agencies was $4,168,091,621, and it has been increasing since. The December statement shows that this accumulation is over four billion two hundred million, but it is not before me now. Add to this the standard silver dollars and subsidiary silver in the Treasury and we have the following figures:

November 1, 1923:

Gold as above	$4,168,091,621
Standard silver dollars	497,727,769
Subsidiary silver	272,905,707
Total	4,938,725,097

By the same statement the total circulation of money was $4,849,921,139. In other words, the circulating medium was $89,000,000 less than the gold and silver in governmental hands.

When Mr. Harding was elected in November, 1920, the circulation was $5,628,427,732, or $800,000,000 more than it was in November, 1923. But the gold stock had increased in November, 1923, about $2,000,000,000 over the figures in 1920. The Mellon policy seems to be, the more gold the less circulating medium. The country, suffering from the lack of money and credits, is wondering what Mr. Mellon proposes to do with the vast stock of gold that is now piling up in the Treasury; already constituting, as before stated, about one-half of the money gold of the world.

If this situation is not the culmination of purpose, why did the Republican platform promise "deflation"? Surely we shall not be blamed for saddling upon an administration a result which it is committed to bring about and which by every known mode of computation has been accomplished.

Credits, outside of the precincts and environments of the New York stock market, have followed the downward trend of money. That was

inevitable—as well attempt to cut off the hand and leave the fingers as to expect credits to be healthy when the circulating medium is unnaturally contracted. That is an unbroken rule of finance.

How this deflation has been accomplished is well known. The Republican purpose to do it, as promised in its platform, was openly avowed, and there was never any suggestion, either that it could not be helped or that it had been begun prior to 1920 till the cry of distress from the farmers, merchants, and country banks warned Washington that there is something in the United States besides the stock market and the international banks. I have not time now to review the details of the process of deflation. It is sufficient to say that Congress has been Republican in both branches since March 4, 1919; that by resolutions Congress called upon the Secretary of the Treasury to take steps to deflate; that it had the power to protect business at every stage of the downward trend, and that the Republican platform commits that party to this policy. To say that general conditions are now good is to admit that the New York Stock Exchange is the whole country. Bank deposits in West Virginia have fallen off.

The coal business is in the most deplorable condition known in the history of that industry. Crude oil went off from $6.10 under Wilson to $2.35 under Harding. Farmers' products have not been selling for actual cost. There are many instances of cattle shipments which hardly netted the cost of transportation and sale. Judicial and trustee sales, executions and foreclosures are so common that it is mockery to deny that money, except for Wall Street gambling and for big business combinations, is tight. The reason is obvious. The debtor class, the developers of the country, can not get money upon their property. The farmer who gave a note for $1,000 in 1920 could have paid that note with any eight steers on his farm. By 1921 it required 20 steers to pay it. Deflation cost him 12 steers and, maybe, injured his credit besides. The oil producer who borrowed $1,000 in 1920 could have paid his note with 166 barrels of oil. When oil went to $2.35 a barrel, he paid the note with 425 barrels. Deflation cost him 259 barrels of oil. The producers of the country's raw material; the developers who drill oil wells, open coal mines, build short railroad lines, pipe lines, and develop the timber, brick, and limestone business; the farmers and the manufacturers; and the merchants, traders, and dealers, were caught with debt, and they had nothing but their property and their services with which to pay. To get money on their property has been most difficult, and thousands have been compelled to sell at ruinous prices to avoid foreclosure. It is the same story as 1873, 1893, and 1907—a rich country with the money market cornered. The debtor class had to suffer, and as that class does most of the developing, development stopped. Of course, Lincoln called it the "crime of history." The Federal reserve system, that wise measure intended to prevent these periodical recurrences of a "tight money" market by having as its basic, indispensable principle a gold reserve nearly three times the legal bank reserve, and which financed the World War on a stock of gold of about one-half of the present stock, has been, by those who were its enemies when it was passed, so manipulated as to perform the same service for big finance that the great eastern banking houses did prior to its enactment. The country has made the grave mistake of calling upon a trust magnate to handle the banking system which was intended to protect the business of the country from the "money squeezers." It is like appointing a bootlegger to enforce the prohibition laws. We have appointed a rabbit to guard the country's cabbage patch.

This administration is responsible for this situation. Let no Democrat say that the war is responsible for all the country's misfortunes. If that be true, why blame the Republicans for what was unavoidable? It was not unavoidable, and we are cowards if we fail to drive home the responsibility. This issue, with the tariff, the awful burden of taxation, the utter failure to formulate a rational world policy, will drive this administration from power. But we can not win except with Jacksonian and Wilsonian courage. The national leader will come if we, by precept and example, make the place for him. The people are tired of tricks, trades, excuses, and cowardice—all leading to no concrete results but to ever-increasing costs. The present effort of Mr. Coolidge to reduce taxes levied under and by a Republican law, we accept as an apology, and we will aid in giving the people relief. But if a bandit takes your purse, you are not called upon to elect him to office when he returns a part of the money that it contained. The Democratic cry is "Reduce taxes all along the line" and let the people have sufficient money to do business, providing the money is sound.

As I said, the party will produce the leader. It is not for me to say who he shall be. But having tried the Republican Congress since 1919 and a Republican President since 1921, and finding that the troubles and their intensity are ever increasing, it is clear that relief can not be expected in that quarter. We know that the country is looking to the Democratic Party, and I have faith that the God of Hosts, who has never failed this country in its distress will lead the Democratic convention next summer to the man who will have the equipment and the courage to interpret the principles of Jefferson, Jackson, and Woodrow Wilson in terms that square with the Constitution and with Democratic tradition. We can not overlook this linking of opportunity and duty with the party that stands for special privilege to none and equal opportunity for all.

MEMORIAL ADDRESS ON THE LATE PRESIDENT HARDING.

Mr. LODGE. Mr. President, I ask that the concurrent resolution from the House of Representatives be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The reading clerk read House Concurrent Resolution No. 9, as follows:

IN THE HOUSE OF REPRESENTATIVES,
January 24, 1924.

Whereas the sudden death of Warren G. Harding, late President of the United States, occurred during the recess of Congress, and the two Houses desire to give fitting expression to the general grief and to commemorate his most notable services to his country and the world: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall assemble in the Hall of the House of Representatives on the day and hour fixed by the joint committee, to wit, Wednesday, February 27, 1924, at 12 o'clock m., and that in the presence of the two Houses there assembled an address upon the life and character of Warren G. Harding, late President of the United States, be pronounced by Hon. Charles E. Hughes, and that the President pro tempore of the Senate and the Speaker of the House of Representatives be requested to invite the President and the two ex-Presidents of the United States, the former Vice President, the heads of the several departments, the judges of the Supreme Court, the ambassadors and ministers of foreign governments, the governors of the several States, the General of the Armies, and the Chief of Naval Operations to be present on that occasion; and be it further

Resolved, That the President of the United States be requested to transmit a copy of these resolutions to Mrs. Harding and to assure her of the profound sympathy of the two Houses of Congress for her deep personal affliction and of their sincere condolence for the late national bereavement.

Mr. LODGE. Mr. President, I move that the Senate concur in the resolution of the House of Representatives.

The concurrent resolution was considered by unanimous consent, and agreed to.

ANNUAL REPORT OF ALIEN PROPERTY CUSTODIAN.

Mr. BRANDEGEE. Mr. President, the annual report of the Alien Property Custodian was referred to the Committee on the Judiciary. I am informed that it should be referred to the Committee on Printing. I ask that the reference be changed, and that it be referred to the Committee on Printing.

The PRESIDENT pro tempore. The Senator from Connecticut asks that the report of the Alien Property Custodian be referred to the Committee on Printing. Without objection, the change of reference will be made.

CONDITIONS IN THE RUHR AND RHINELAND (S. DOC. NO. 26).

Mr. PEPPER. I hold in my hand what seems to me to be a very illuminating and informing record of personal observations in the Ruhr and Rhineland during the past summer, by William Seaman Bainbridge, of the New York Commandery of the Military Order of Foreign Wars of the United States. The document contains so much valuable information that I venture to ask unanimous consent that it be published as a Senate document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 43 minutes p. m.) the Senate adjourned until Monday, January 28, 1924, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 24, 1924.

MEMBERS OF THE UNITED STATES SHIPPING BOARD.

Frederick I. Thompson, of Alabama, for a term of six years. (A reappointment.)

William S. Hill, of Mitchell, S. Dak., for the unexpired term of six years from June 9, 1921.

Bert E. Haney, of Oregon, for the unexpired term of four years from June 9, 1921.

POSTMASTERS.

ALABAMA.

Lucious E. Osborn to be postmaster at Vina, Ala. Office became presidential January 1, 1924.

Grover C. Warrick to be postmaster at Millry, Ala. Office became presidential October 1, 1923.

ARIZONA.

Margaret E. Finletter to be postmaster at Inspiration, Ariz. Office became presidential January 1, 1924.

CALIFORNIA.

Walter M. Brown to be postmaster at Turlock, Calif., in place of R. P. Giddings. Incumbent's commission expired August 15, 1923.

COLORADO.

Alice J. Reed to be postmaster at Sanford, Colo. Office became presidential October 1, 1923.

ILLINOIS.

Leo W. Ruedger to be postmaster at Thawville, Ill. Office became presidential April 1, 1923.

Elva B. Towler to be postmaster at Shobonier, Ill. Office became presidential January 1, 1924.

Hugh F. Britt to be postmaster at Olmsted, Ill. Office became presidential January 1, 1924.

David R. Bennett to be postmaster at Panama, Ill., in place of Alfreda Desborough, removed.

Arthur C. Lueder to be postmaster at Chicago, Ill., in place of Arthur C. Lueder, resigned.

KANSAS.

Ora A. Smith to be postmaster at Marysville, Kans., in place of H. M. Brodrick, removed.

Charles C. Andrews to be postmaster at Norcatur, Kans., in place of F. J. Castle. Incumbent's commission expired January 23, 1924.

Philip B. Dick to be postmaster at Mount Hope, Kans., in place of P. B. Dick. Incumbent's commission expired January 23, 1924.

George W. Tompkins to be postmaster at Melvern, Kans., in place of J. S. Dooty. Incumbent's commission expired January 23, 1924.

Clarence Leidy to be postmaster at Leon, Kans., in place of J. A. Marshall. Incumbent's commission expired January 23, 1924.

Lloyd E Clothier to be postmaster at Holyrood, Kans., in place of Berthold Stratmann. Incumbent's commission expired January 23, 1924.

Robert R. Carson to be postmaster at Hamilton, Kans., in place of A. F. Dove. Incumbent's commission expired January 23, 1924.

Chauncey J. Nichols to be postmaster at Arcadia, Kans., in place of W. A. Caldwell. Incumbent's commission expired January 23, 1924.

MARYLAND.

Harry E. Pyle to be postmaster at Aberdeen Proving Ground, Md., in place of W. A. Aaronson, resigned.

MASSACHUSETTS.

Carl H. Carlson to be postmaster at Franklin, Mass., in place of G. H. Staples, declined.

MICHIGAN.

Wellington E. Reid to be postmaster at Ubly, Mich., in place of W. E. Reid. Incumbent's commission expires January 26, 1924.

Milburn G. Hill to be postmaster at Plymouth, Mich., in place of M. G. Hill. Incumbent's commission expires January 26, 1924.

Norman J. Laskey to be postmaster at Milan, Mich., in place of J. R. Gump. Incumbent's commission expires January 26, 1924.

Frank G. Leeson to be postmaster at Manchester, Mich., in place of F. H. Koebbe. Incumbent's commission expires January 26, 1924.

Fay Elser to be postmaster at Litchfield, Mich., in place of H. W. Denham. Incumbent's commission expires January 26, 1924.

Patrick O'Brien to be postmaster at Iron River, Mich., in place of E. G. Scott. Incumbent's commission expired July 28, 1923.

Byron D. Denison to be postmaster at Galien, Mich., in place of D. H. Allen. Incumbent's commission expires January 26, 1924.

MINNESOTA.

Thomas Clarkson to be postmaster at Bethel, Minn. Office became presidential October 1, 1923.

MISSISSIPPI.

Susan R. T. Perry to be postmaster at Tchula, Miss., in place of S. R. T. Perry. Incumbent's commission expires January 28, 1924.

MISSOURI.

Alexander T. Boothe to be postmaster at Pierce City, Mo., in place of C. C. Le Compte. Incumbent's commission expired January 23, 1924.

Thomas E. Hubbard to be postmaster at Dexter, Mo., in place of Webb Watkins. Incumbent's commission expired January 23, 1924.

MONTANA.

Leslie L. Like to be postmaster at Drummond, Mont., in place of T. H. Morse, jr. Incumbent's commission expired August 5, 1923.

Joseph D. Filcher to be postmaster at Boulder, Mont., in place of J. D. Filcher. Incumbent's commission expired August 5, 1923.

NEW JERSEY.

Herman H. Ahlers to be postmaster at Weehawken, N. J., in place of Emil Groth. Incumbent's commission expires January 28, 1924.

Arthur F. Jahn to be postmaster at Ridgefield, N. J., in place of J. C. Conor. Incumbent's commission expires January 28, 1924.

Thomas Post to be postmaster at Midland Park, N. J., in place of Thomas Post. Incumbent's commission expires January 28, 1924.

Ralph H. Hulick to be postmaster at Browns Mills, N. J., in place of M. W. Hargrove. Incumbent's commission expired September 10, 1923.

NEW YORK.

Bernard A. Marzolf to be postmaster at North Java, N. Y. Office became presidential January 1, 1924.

John H. Quinlan to be postmaster at Pavilion, N. Y., in place of J. H. Quinlan. Incumbent's commission expired August 5, 1923.

NORTH CAROLINA.

W. Heman Hall to be postmaster at Rosehill, N. C., in place of H. G. Early, removed.

Neill K. Currie to be postmaster at Tabor, N. C., in place of W. C. Graham. Incumbent's commission expires January 26, 1924.

Herbert C. Whisnant to be postmaster at Granite Falls, N. C., in place of M. L. Moore. Incumbent's commission expires January 26, 1924.

NORTH DAKOTA.

George C. Gray to be postmaster at Wilton, N. Dak., in place of C. G. Mathys, resigned.

Almeda Lee to be postmaster at Mohall, N. Dak., in place of L. E. Behan. Incumbent's commission expired January 23, 1924.

Peder T. Rygg to be postmaster at Fairdale, N. Dak., in place of D. S. Thompson. Incumbent's commission expired January 23, 1924.

OKLAHOMA.

William E. Watson to be postmaster at Quinton, Okla., in place of J. C. Williamson. Incumbent's commission expired August 29, 1923.

Thomas G. Rawdon to be postmaster at Paden, Okla., in place of J. A. Burch. Incumbent's commission expires January 28, 1924.

Hugh M. Tilton to be postmaster at Anadarko, Okla., in place of J. D. Pugh. Incumbent's commission expired August 29, 1923.

PENNSYLVANIA.

Edna Bracken to be postmaster at Wehrum, Pa. Office became presidential January 1, 1924.

George J. Miller to be postmaster at Pittston, Pa., in place of John Kehoe, resigned.

Robert C. Miller to be postmaster at Gettysburg, Pa., in place of C. S. Duncan, resigned.

Hugh D. Shallenberger to be postmaster at Vanderbilt, Pa., in place of L. N. Strickler. Incumbent's commission expired August 5, 1923.

John W. Frease to be postmaster at Somerset, Pa., in place of A. B. Grof. Incumbent's commission expired August 5, 1923.

RHODE ISLAND.

Thomas D. Goldrick to be postmaster at Pascoag, R. I., in place of Francis Fagan. Incumbent's commission expired August 5, 1923.

SOUTH DAKOTA.

Peder A. H. Hagen to be postmaster at Revillo, S. Dak., in place of P. A. H. Hagen. Incumbent's commission expired January 23, 1924.

TENNESSEE.

Joe N. Wood to be postmaster at Ridgely, Tenn., in place of P. E. Walker, resigned.

Peter Cashon to be postmaster at Dukedom, Tenn., in place of J. M. Welch. Incumbent's commission expired January 23, 1924.

TEXAS.

William F. Hofmann to be postmaster at Carrollton, Tex. Office became presidential October 1, 1923.

Nora Wagner to be postmaster at Kingsbury, Tex., in place of W. A. Fricke, resigned.

Joe Burger, sr., to be postmaster at Wharton, Tex., in place of Oswald Garrett. Incumbent's commission expired July 28, 1923.

Frank R. Harrison to be postmaster at Jewett, Tex., in place of L. S. Harvison. Incumbent's commission expired August 15, 1923.

Jefferson D. Bell to be postmaster at Bartlett, Tex., in place of G. A. Lindemann. Incumbent's commission expired September 5, 1922.

VIRGINIA.

Guthrie R. Dunton, jr., to be postmaster at White Stone, Va. Office became presidential April 1, 1921.

Dorsey T. Davis to be postmaster at Nathalie, Va., in place of J. M. Anderson, resigned.

WASHINGTON.

Harry B. Onn to be postmaster at Dryad, Wash. Office became presidential October 1, 1923.

WEST VIRGINIA.

George B. McNeeley to be postmaster at Mannington, W. Va., in place of J. F. Beatty. Incumbent's commission expired August 5, 1923.

WYOMING.

Levi H. Converse to be postmaster at Salt Creek, Wyo. Office became presidential January 1, 1924.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 24, 1924.

SURVEYOR GENERAL OF ARIZONA.

Charles M. Donohoe to be surveyor general of Arizona.

POSTMASTERS.

CALIFORNIA.

Orrin B. Camp, Engelmine.
John J. Blaney, Weaverville.

KANSAS.

Vertie O. Booth, Bird City.
Elmer E. Hilton, Hunnewell.

MINNESOTA.

F. Verne Langdon, St. Louis Park.
Milton P. Mann, Worthington.

NEW YORK.

Frank H. Burmaster, Irving.

NORTH CAROLINA.

Wade H. McCotter, Grifton.
Theodore E. McCrary, Lexington.
Charlie H. Murray, Middlesex.
Arthur B. Dickey, Murphy.
William S. Saunders, Roanoke Rapids.
Cyril L. Walker, Roper.
John H. Elliott, Stony Point.
Alexander B. Berry, Swanquarter.
Lat W. Purser, Vanceboro.

NORTH DAKOTA.

Otto Sougstad, Northwood.
William A. Andrews, Walhalla.

OHIO.

Elizabeth McNaught, Frazeysburg.
Charles F. Faris, Hillsboro.
M. Margaret Searl, South Webster.

OREGON.

Nels C. Neilsen, Wendling.

PENNSYLVANIA.

Smith A. Mayers, Grove City.
John L. Coldren, Manheim.
Thomas B. Painter, Muncy.
Walter B. Parker, Stoneboro.

RHODE ISLAND.

Thomas F. Lenihan, Westerly.

SOUTH CAROLINA.

Murphy T. Sumerel, Ware Shoals.

TEXAS.

John C. Gee, Call.
Harvey L. Copeland, Coupland.
Leo S. Spencer, Crowell.
Olive M. Nash, Damon.
Cornelius A. Ogden, Deweyville.
Minnie Owens, Dickinson.
Daniel B. Bynum, Eustace.
Nora C. McNally, Godley.
Velma M. Scott, Graford.
Edna Sirman, Grayburg.
Cass B. Rowland, Hamlin.
Effie H. Briscoe, Hebbronville.
Lottie H. Rector, McCaulley.
John B. Vannoy, McLean.
Thomas E. Williams, Matador.
Thomas H. Spilman, Mission.
William R. Williams, Montague.
Beulah W. Carles, Muleshoe.
Connie Stewart, New Waverly.
Francis M. Bell, North Zulch.
Nora M. Kuhn, Paige.
George E. Neese, Penelope.
Robert Montgomery, Ponta.
Henry E. Cannon, Shelbyville.
Lawson B. Fulgham, Voth.
William T. McPherson, Ysleta.

WITHDRAWAL.

Executive nominations withdrawn from the Senate January 24, 1924.

POSTMASTER.

Maggie J. Olds to be postmaster at Orwell, in the State of Ohio.

HOUSE OF REPRESENTATIVES.

THURSDAY, *January 24, 1924.*

The House met at 12 o'clock noon.

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

Our Heavenly Father, how much we need Thy presence, the gift of Thy grace, and the blessing of Thy wisdom. Teach us how to live by blessing the truth to us. Oh, be gracious and impart this mercy to every Member of this Chamber. Thou hast set before us a wonderful ideal; inspire our zeal to approach it. May our lives speak well in wise precept and by exalted example. In all our obligations to our God and to our country may we eagerly seek the best and the wisest in all things and, above all, never break faith with ourselves. Through Jesus Christ our Lord. Amen.

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

DIVISION OF EFFICIENCY, CIVIL SERVICE COMMISSION.

The SPEAKER. The Chair referred the bill H. R. 5723, to repeal certain portions of the urgent deficiency appropriation act approved February 28, 1916, to the Committee on the Judiciary. The chairman of the Committee on the Judiciary and the chairman of the Committee on Civil Service have agreed that the bill should go to the Committee on Civil Service. Therefore, without objection, the Chair will refer the bill to the Committee on Civil Service.

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, Chief Clerk of the Senate, announced that the Senate had passed without amendment bills of the following titles:

H. R. 5196. An act granting the consent of Congress to the construction of a bridge across the Rio Grande; and

H. R. 185. An act providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1769. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.;

S. 946. An act for the relief of the family of Lieut. Henry N. Fallon, retired;

S. 1035. An act for the relief of the city of New York;

S. 1572. An act for the relief of the New Jersey Shipbuilding & Dredging Co., of Bayonne, N. J.;

S. 1765. An act for the relief of the heirs of Agnes Ingels, deceased;

S. 2112. An act authorizing the Department of Agriculture to issue semimonthly cotton-crop reports, and providing for their publication simultaneously with the ginning reports of the Department of Commerce; and

S. 2113. An act to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cotton," approved July 22, 1912.

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. 1769. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.; to the Committee on Claims.

S. 946. An act for the relief of the family of Lieut. Henry N. Fallon, retired; to the Committee on War Claims.

S. 1035. An act for the relief of the city of New York; to the Committee on War Claims.

S. 1572. An act for the relief of the New Jersey Shipbuilding & Dredging Co., of Bayonne, N. J.; to the Committee on Claims.

S. 1765. An act for the relief of the heirs of Agnes Ingels, deceased; to the Committee on Claims.

S. 2112. An act authorizing the Department of Agriculture to issue semimonthly cotton-crop reports and providing for their publication simultaneously with the ginning reports of the Department of Commerce; to the Committee on Agriculture.

S. 2113. An act to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cotton," approved July 22, 1912; to the Committee on the Census.

ENROLLED BILLS SIGNED.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and a joint resolution of the following titles, when the Speaker signed the same:

H. J. Res. 82. An act extending the time which certain domestic animals which have crossed the boundary line into foreign countries may be returned duty free;

S. 627. An act to authorize the National Society United States Daughters of 1812, to place a bronze tablet on the Francis Scott Key Bridge;

S. 484. An act to extend the time for the completion of the construction of a bridge across the Columbia River between the States of Oregon and Washington at or within 2 miles westerly from Cascade Locks in the State of Oregon;

S. 2. An act granting a franking privilege to Florence Kling Harding;

S. 1368. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Walworth County and Corson County, S. Dak.;

S. 801. An act granting the consent of Congress to the construction, maintenance, and operation by the Valley Transfer Railway Co., its successors and assigns, of a bridge across the Mississippi River between Hennepin and Ramsey Counties, Minn.;

S. 1367. An act granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Brule County and Lyman County, S. Dak.;

H. R. 185. An act providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States;

H. R. 5196. An act granting the consent of Congress to the construction of a bridge across the Rio Grande; and

S. 160. An act authorizing the State of Georgia to construct a bridge across the Chattahoochee River, between the States of Georgia and Alabama, at or near Fort Gaines, Ga.

EXTENSION OF REMARKS—SOLDIERS' BONUS.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. HUDDLESTON. Mr. Speaker, the soldiers' bonus has now been an issue in Congress for more than five years. Possibly it will be of some interest for me to state my connection with the subject and how it was originally brought forward.

ORIGIN OF BONUS LEGISLATION.

On December 5, 1918, within 30 days after the armistice was signed, I introduced H. R. 13255, which was the first bonus bill ever presented in Congress. A few days later I made an argument in favor of my bill before the House Committee on Military Affairs. On January 2, 1919, I made the first speech ever made in Congress in behalf of such legislation.

By my bill a bonus of $180 was proposed for each soldier. That seemed to be the least amount that it was decent to offer, yet it was as much as I felt there was a chance to get. I considered that it would serve to pay for a civilian outfit and keep the discharged soldier for a few months, until he could find a job and reintegrate himself into civil life. Reference to my bill is found on page 169 of part 1, volume 57, of CONGRESSIONAL RECORD. My speech in behalf of the bonus is reported, beginning on page 955 of the same volume.

My plan for a bonus was new. The soldiers were in camp or overseas and thinking of little except how to obtain a discharge. Public sentiment was dormant. I was unable to secure much support for my bill, and Congress adjourned without any further action upon it. Six months later, with a new Congress in session, bonus bills became numerous, public sentiment was aroused, and Congress was alive on the subject. But the golden moment had passed. The bulk of the soldiers had found work of one kind or another. There was no longer the pressing and instant need for the legislation. No final action was taken. The subject has continued to agitate Congress down to the present time. Many who were indifferent when the idea was first presented are now clamorous for such legislation.

The soldiers needed the bonus most when they were discharged; but although their needs diminish with the passing of time, their right is the same now as at the beginning. If when the soldiers were discharged we were under a moral obligation to rehabilitate them and put them back into civil life, our obligation has not been liquidated by the lapse of time. It is just as strong to-day as ever. I hold that there was such a moral obligation; therefore I shall not hesitate to vote for the bonus whenever it may come up, no matter how long delayed the payment of the moral debt may be.

HOW $60 BONUS WAS ADOPTED.

At the time my bonus bill was introduced there was pending in the Senate a revenue measure which had been passed by the House of Representatives at the previous session. Agitation upon the subject caused the Senate to place a rider on that bill by which one month's pay was granted as a bonus to each soldier. In that form the bill passed the Senate and came back to the House.

I was shocked by the inequality of the allowance. It gave $30 to the private, a larger sum to other enlisted men according to grades, and to the officers, according to their rank, a month's pay. To the private the allowance was only $30; sergeants received as high as double that amount; while lieutenants were allowed, say, $150, captains $220, and so on up to a major general, who was given $600 or more.

This division was not according to my idea of equity. Having been a soldier myself, I realized that most of the hardship falls upon the enlisted man, while the honor, the glory, and the pay go to the commissioned officer. I could not understand why a private soldier should not receive as a gratuity from his Government an equal amount with an officer who perhaps in civil life was not his superior in any way and probably had earned a smaller salary.

The House referred the bill carrying the Senate bonus rider to conferees, one of whom was the late Claude Kitchin, of loved and respected memory. I presented my views in opposition to the Senate amendment to Mr. Kitchin. He expressed himself as in harmony with them. The conferees amended the bill so as to allow a level $60 to every soldier of whatever grade and rank, and the amount was paid.

EXTRACTS FROM FIRST BONUS SPEECH.

In course of my speech on behalf of my bill I said:

The war is over. We must now turn our attention from the problems of war to those of peace and reconstruction. The problem of war was simple; it was merely how to exert the greatest possible force. The problems of peace and reconstruction are complex and so difficult that they challenge the highest statesmanship.

It is now upon us to consider how we may restore our country and make good its awful losses in spiritual and economic values, in human life, and suffering, and in lowered standards of liberty, freedom of speech, and action.

The first and most pressing need is to take care of our discharged soldiers, to restore them to civilian employment, and to make good, in some small way, the financial injury which they have sustained. It is now nearly 60 days since the armistice was signed; 4,000,000 men are to be returned to civil life; already over 500,000 have been discharged; yet no adequate plans to care for them have been brought forward. Statesmanship seems indifferent. Amazing as it may seem, these discharged soldiers are being sent to their homes penniless and with no provision for their future welfare. Something must be done at once.

I also said:

The necessity for relief for the discharged soldiers is universally recognized. Measures for that purpose are being adopted by many of the important countries of the world. Great Britain gives each discharged soldier one month's pay and rations, family allowances for one month, and one year's insurance against unemployment. I am informed that Italy gives a gratuity of from one to six months' pay, depending on length of service. France has appropriated a billion and a half francs to be divided among her discharged soldiers. Canada proposes to teach her discharged soldiers farming, where they desire it, and to place them on farms and to give them a start with a loan up to $2,500. Australia has appropriated $200,000,000 and, as I am informed, proposes to lend as much as $2,000 to start a soldier off as a farmer. In the United States vague plans for utilizing waste lands for soldiers have been mentioned, but nothing definite or adequate has been proposed. The proposal of the department's bill to give a gratuity of only one month's pay is the least adequate that has been offered by any country. In great America, richest and strongest of them all, it is proposed to do the least of all. It would be a shame to be so niggardly.

Also:

But, on the other hand, the side of this matter that most appeals to me is the stern necessity that something must be done. Few enlisted men save any money. Nearly all of them have made allotments and taken insurance. They have saved nothing, and will be discharged penniless. We will see them hunting work. Many of them will not find it at once. They will gather in the cities, and after a little while it may be that at the street corner some hero—a real hero of Chateau-Thierry or Belleau Wood—may stand in his ragged uniform and beg the passer-by for a meal. Such an instance would be a shame to America, and if it could be charged to Congress would be a disgrace to the legislative branch.

Also:

It is nothing but justice to give the soldier a substantial gratuity. Many of those who stayed at home have enjoyed great prosperity. Some have made immense fortunes. Wages as a rule were greatly increased. The soldier has lost the job he had before he went into service. He may have a hard time to get as good a one. We should do something to compensate him for his lost position and for the idleness which will follow on his discharge.

Also:

It will test the stoutest patriotism of the soldier to be discharged penniless after having offered his life for his country to find himself jobless and starving in spite of his best efforts to get work, and to look around and observe that while he was far away in the battle trench profiteers, war contractors, and captains of industry have heaped up their millions out of the opportunities that the war gave. The best remedy for the discontent that it is feared that a discharged soldier may feel is to help him back into a job and to care for him while he honestly looks for work—to restore, to make him whole economically, to make him understand the lively and lasting gratitude of his country.

LETTER TO NEWS AGENCY.

My views upon the bonus were stated in my reply to a recent inquiry received from C-V Newspaper Service as follows:

GENTLEMEN: In response to your letter will say that having introduced the first soldiers' bonus bill offered in Congress and made the first speech made in Congress in behalf of such legislation I have had no occasion to change my views on the subject.

America belongs to all of its citizens. All owe the duty to serve in her defense. The war was not the war merely of the soldiers who were sent to camp. It was the war of all the people of this country. There was no moral duty to serve and to suffer in defense of our country upon those who actually served as soldiers that did not rest with equal force upon citizens at large. The mere fact that a group of men were of a certain age, physical condition, and lacking in dependents was no moral reason why that group should suffer and serve to the exclusion of other groups not so situated.

It seems fundamental that the duty of service rested equally upon all citizens, irrespective of age or condition. Some were unable to serve as soldiers in the field because of physical unfitness or other conditions, but that is no reason why those who did serve in the field should suffer financial and other losses in addition to hazarding their lives and the discomforts incident to service. Justice requires that the financial burdens be equalized between the citizens who served as soldiers and thoes who did not serve. It is appropriate, therefore, that the general public should indemnify the soldiers against their financial losses. That such were sustained there can be no doubt.

I venture to assert that if they had been forced to make a choice between serving as soldiers and paying a reasonable bonus the vast majority of those who are now opposing the bonus would have preferred to pay the bonus of several soldiers. The only flaw in the bonus proposal is that there seems no practical way to place the burden upon profiteers, war contractors, grafters, and others who made money out of the war instead of making sacrifices for their country.

Yours truly,

GEORGE HUDDLESTON.

WITHDRAWAL OF PAPERS.

Mr. WILLIAMSON. Mr. Speaker, I ask unanmous consent to withdraw from the files of the House, without leaving copies, evidence and papers filed in connection with the following cases:

Michael Halloran (H. R. 12316); Committee on Pensions, Sixty-seventh Congress, second session.

William Garnett, otherwise known as Billy Hunter (H. R. 13265); Committee on Pensions, Sixty-seventh Congress, fourth session.

H. R. 13574, authorizing the Secretary of the Interior to erect a monument at Fort Pierre, S. Dak., to commemorate the explorations and discoveries of Vevendre brothers, Sixty-seventh Congress.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to withdraw from the files of the House, without leaving copies, papers in the cases referred to. Is there objection?

Mr. HAYDEN. Mr. Speaker, reserving the right to object, is it necessary to obtain the consent of the House to withdraw such papers? It has been my understanding that it is the right of any Member to go to the file clerk and obtain the papers, if he signs a receipt for them.

The SPEAKER. The Chair thinks that the gentlman's question is timely. There is some misapprehension in respect to the matter. If the intention be to simply withdraw them and return them to the files, it is not necessary to get consent, but if it be the intention, such as is often the case, to withdraw them permanently, it is necessary to get the consent of the House.

Mr. WILLIAMSON. Mr. Speaker, these cases are cases where I have introduced identical bills to those introduced in the last session, and where all of the papers and files are now with the clerk, and the committee needs these files for the consideration of the present bills.

The SPEAKER. The Chair thinks the gentleman could get those without the consent of the House. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

MEMORIAL EXERCISES FOR THE LATE PRESIDENT HARDING.

Mr. BURTON. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution which I send to the desk and ask to have read.

The Clerk read as follows:

Concurrent Resolution 9.

Be it resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall assemble in the Hall of the House of Representatives on the day and hour fixed by the joint committee, to wit, Wednesday, February 27, 1924, at 12 o'clock meridian, and that in the presence of the two Houses there assembled an address upon the life and character of Warren G. Harding, late President of the United States, be pronounced by Hon. Charles E. Hughes, and that the President pro tempore of the Senate and the Speaker of the House of Representatives be requested to invite the President and the two ex-Presidents of the United States, the former Vice President, the heads of the several departments, the judges of the Supreme Court, the ambassadors and

ministers of foreign Governments, the governors of the several States, the General of the Armies, and the Chief of Naval Operations to be present on that occasion; and be it further

Resolved, That the President of the United States be requested to transmit a copy of these resolutions to Mrs. Harding and to assure her of the profound sympathy of the two Houses of Congress for her deep personal affliction and of their sincere condolence for the late national bereavement.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

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

The resolution was agreed to.

ORDER OF BUSINESS.

Mr. GARNER of Texas. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes, to follow the gentleman from New York [Mr. MILLS].

The SPEAKER. The Chair thinks that already some one has obtained permission to follow Mr. MILLS.

Mr. GARNER of Texas. I understand that to be the fact; but I do not think the gentleman from New York [Mr. CELLER], who seems not now to be on the floor, will object to a different arrangement. I think I can safely say that it will be entirely agreeable for him to follow me.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for 30 minutes. Is there objection?

There was no objection.

REPORT OF COMMITTEE UNDER AGRICULTURAL CREDITS ACT.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 151, extending the time for the final report of the joint congressional committee created by the agricultural credits act of 1923, which I send to the desk and ask to have read.

The Clerk read as follows:

House Joint Resolution 151.

Joint resolution extending the time for the final report of the joint congressional committee created by the agricultural credits act of 1923.

Resolved, etc., That section 506 of the agricultural credits act of 1923 is amended by striking out "January 31" and inserting in lieu thereof "June 30."

Mr. McFADDEN. Mr. Speaker, just briefly, the committee appointed by this House has been diligent in carrying out the directions of the act, many hearings have been held, not only in Washington but in the agricultural sections of the country.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. GARNER of Texas. The gentleman is asking unanimous consent for an extension of time within which to make the report?

Mr. McFADDEN. Yes.

Mr. GARNER of Texas. Is that all the gentleman is asking for?

Mr. McFADDEN. Yes.

Mr. GARNER of Texas. And if the gentleman got the extension would not that be satisfactory?

Mr. McFADDEN. Entirely so.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

TAX REDUCTION.

The SPEAKER. By special order of the House the gentleman from New York [Mr. MILLS] is recognized for 45 minutes. [Applause.]

Mr. MILLS. Gentlemen of the House, I asked for this opportunity to address you in order to lay before the House in time certain fundamental facts in connection with the Federal tax system. I do not propose to discuss in detail the various plans which have been submitted to you but in a general way to deal with fundamental considerations.

In order to make it somewhat easier to follow what I have to say, let me state that I shall endeavor to demonstrate—

(1) That, as between direct and indirect Federal taxes, direct are entitled to our first consideration.

(2) That, as between different classes of individual income-tax payers, we are justified, from the standpoint of the ability-to-pay doctrine, in apportioning some of the reduction to the higher brackets.

(3) That the arguments for the retention of the high surtaxes on the higher incomes must be based wholly on social considerations.

(4) That even from the social standpoint the case is very weak and that the economic arguments against high rates are overwhelming.

(5) That the problem of income-tax reduction can not be considered solely from the standpoint of the different classes of income-tax payers, but must be considered from the standpoint of the economic welfare of all of our people, whether income-tax payers or not.

(6) That from this standpoint surtax rates are the center of the whole problem and failure to reduce them to a point where they become effective and no longer economically harmful is to compromise the fundamental feature of income-tax reform.

The people of the United States are overtaxed. This means, not only a heavy burden on the individual but a serious drag on the economic development of the country. Municipal, State, and Federal taxes absorb 12 per cent of our national income, or, in other words, out of every hundred dollars earned $12 is paid in taxes. By far the greater part of the national income is, of course, expended in satisfying our daily needs, but every year national industry and thrift produces a surplus over and above our expenditures. That sum, composed of the savings of millions of individuals, furnishes the new capital constantly needed for the development and creation of productive enterprises. Savings so invested produce an increased quantity of consumable goods, and these, in turn, mean a higher standard of living for all of the people of the country and a well-distributed prosperity. Part of the surplus must, of course, be devoted to the necessary expenses of government. But if too great a part is so diverted and expended unproductively and too small a part invested productively, the inevitable result is a slackening of business, a lowering of productive capacity, and, eventually, a lower standard of living. The mere fact that this process is not visible and that it is necessarily a slow one does not make it any the less true. This is the process that is taking place in the United States to-day. Per capita taxes in 1922 amounted to $64.63, as compared with $22.73 in 1913; or, in other words, every man, woman, and child in the United States had $40 less to spend or to save, and the country's investment fund was less by some $4,000,000,000.

Thanks to the economy exercised in the last three years, the Federal Government is in a position to contribute its share toward the alleviation of the colossal burden. An annual Treasury surplus not only permits but compels a reduction of Federal taxes. How is that reduction to be made, or, in other words, how is it to be apportioned among existing taxes? An equitable answer demands a review of those taxes and an analysis of their incidence among the different groups of taxpayers, always remembering that the groups in the aggregate comprise our entire population, since directly or indirectly all persons either pay taxes or are affected by their payment.

The Federal tax yield in 1923 was, approximately, $3,180,000,000, divided as follows:

Income and profits	$1,691,000,000
Miscellaneous internal revenue, comprising sales and excise taxes	723,000,000
Customs	561,000,000
Estate tax	126,000,000
Capital stock	81,000,000

Let us now classify these taxes into direct and indirect. While the definition is by no means scientific or legal, by direct taxes I mean those which fall directly on the individual or his property and can only partially and by indirection be passed on, and by indirect I mean those which, in great part, are directly passed on and paid by the ultimate consumer. The income tax is an example of the first, a sales tax of the second. Under such a definition 59 per cent of the Federal tax revenue is paid in direct taxes and 41 per cent in indirect, including customs. When, in addition, we consider that nearly all State and local taxes—and they amount to approximately $4,000,000,000—are direct in character, it is not unreasonable to say that in any revision of Federal taxes the direct should receive our first consideration. Under the Treasury plan they would be reduced by $223,000,000 and indirect by $100,000,000, making the respective percentages, instead of 59 and 41, 58 and 42 per cent, a division of benefits which can hardly be challenged as inequitable.

The next question that arises is the distribution of the reduction in direct taxes among the different classes of taxpayers. Again it is necessary to make a survey of present conditions.

Persons having incomes of less than $10,000 had in 1918, according to the National Bureau of Economics, 88 per cent of the national income. They paid in 1921 22.47 per cent of the national income.

Persons having incomes of over $10,000 divided 12 per cent of the national income and paid 77.53 per cent of the tax.

Two thousand three hundred and fifty-two persons, with incomes of over $100,000, having approximately 3 per cent of the national income, paid 28.11 per cent of the tax.

Nine hundred and eighty-five persons, with incomes of over $150,000, having 2 per cent of the national income, paid 20 per cent of the tax.

It has been charged that the Treasury bill unduly favors those having the large incomes. This is rank misrepresentation, since about 70 per cent of the reduction in income taxes would be allocated to the brackets of $10,000 or less, and less than 5 per cent would fall in those over $100,000. In other words, those taxpayers having 88 per cent of the national income and paying only 22 per cent of the income tax would benefit to the extent of 70 per cent of the reduction, while those having 3 per cent of the national income and paying 28.11 per cent of the tax would receive 5 per cent only. Finally those taxpayers who have 12 per cent of the national income and pay 77 per cent of the tax would share in the reduction only to the extent of 30 per cent, as compared with the 70 per cent benefit granted the first class. In all fairness can exception be taken to these reductions?

There are two ways of looking at tax problems: The one is from the strictly economic point of view, the other from the social standpoint. Either, according to my views, is legitimate, but only muddy or dishonest thinkers confuse the two. In other words, whether the doctrine be sound or not it is proper to argue that the rich should, for social reasons, pay more than their share. It is wholly improper in this country to-day, when the real object is social, to contend for higher rates on the ground that, economically speaking, the rich are not contributing their share in accordance with their ability to pay. The above figures prove beyond doubt that this is not the case, and that, based on ability to pay, the men and women with the larger incomes are paying a greater proportion of the taxes than that standard demands. Those, then, who insist on maintaining present rates on the higher brackets, or actually increasing them, must justify their position on social and not on economic grounds. All other things being equal, I might concede much weight to such an argument. But all other factors are not equal. The present rate schedule not only fails to conform to the ability-to-pay principle but the economic objections are so compelling as to outweigh all favorable arguments. In this connection let me quote from a recent address of Prof. Thomas S. Adams, a true friend of the progressive income tax, and, perhaps, the soundest tax expert in the country who, while emphasizing the social function of the progressive income tax, frankly recognizes the unsoundness of the present high rates:

What is the essential spirit and purpose of the income tax? I have asked myself a difficult question, but it is one which sincere thinkers in this field must face. Let me answer it at first by a process of exclusion. It is not a tax designed to punish honest success. It is not a tax intended to harass or hamper or bedevil honest business, big or little. It is not based on a feeling that there are no other sound or appropriate taxes. These things the income tax is not. But in my reading of its spirit and purpose the income tax is principally this: A rather blind groping of democratic peoples to reduce and relieve the striking inequalities in the distribution of wealth and income. We live and work under an industrial and commercial system which combines marvelous productivity with extreme concentration in the ownership and control—particularly in the control—of wealth. Politically, the major forces at work make for equality. Commercially, the greater forces make for concentration and inequality of power. The two forces—democracy and capitalism—are irreconcilable without some corrective or equilibrating machinery such as progressive taxes. They are the inevitable price which capitalism must pay for the opportunities offered to it by stable government. If they fail, private business on the capitalistic basis will, in my opinion, fail. Beat them down, and you beat down modern business. I believe in the latter. It has multiplied industrial power fourfold in the last 16 years and has enormously increased the economic product available for consumption. It would be possible justly to formulate a magnificent tribute to modern business. I would be the last to injure or harass it. But I refuse to be governed by it. It must pay for its opportunities. The fortunate, the successful, the wealthy must make special contributions to the state under which, and, in part, because of which, they enjoy success and wealth.

So much for the progressive income tax from the social point of view. Professor Adams, after discussing the existing inequalities as between corporations and partnerships and individuals, and the solution which has been offered of putting a tentative surtax on corporations, then goes on to say:

This solution has been proposed many times, but it is regularly rejected. This rejection is not based on the fact that the solutions which I have described would be cumbersome and would involve a vast amount of clerical adjustments and refunds. The proposal has been rejected because Congress and the people will not face the prospect of applying 50 per cent surtaxes to the great volume of savings effected every year by the corporations of this country. All of this is full of significance. I repeat this statement. We reject an exact solution of this problem, not because it is administratively complicated, but because when we face the issue squarely we conclude that it would be inadvisable to put a premium on the complete distribution of corporate profits. We want corporations to save, to reinvest, to plow back their profits into the business. We admit that it would be undesirable to apply the high surtaxes to the savings made by corporations. Saving, reinvesting, is beneficent; it is a renewal of the lifeblood of business; and that part of the business income of the country can not stand surtaxes rising to 50 per cent.

I do not quarrel with this rejection of the proposal to treat corporations like partnerships, but I wonder continually at our conclusion that what corporations can not stand partnerships, sole proprietors, and salaried men can stand. And I ask that the whole analysis be carried to its inevitable conclusion. That conclusion is this: If corporations can not stand 50 per cent surtaxes on their undistributed profits, partnerships and sole proprietors can not stand 50 per cent surtaxes on that part of their profits left in the business. Neither can other individuals stand 50 per cent surtaxes on that part of their incomes which they save and invest. The fundamental lesson to be derived from all this is the thought that income which is saved and reinvested can not be successfully subjected to tax rates as high as those which can safely be imposed on income that is spent for luxuries and unnecessary things. People literally will not take the risks and hazards of business or private investment if the gains therefrom are to be taxed 40 or 50 per cent by the Federal Government.

Income is not a homogeneous or single thing. That which is spent for absolute necessities should not be taxed at all; that which is wasted or spent for luxuries can bear heavy taxes; that which is reinvested or saved comes between. It can be taxed lightly, it can not be taxed heavily; and the sooner this truth is realized the sooner the illnesses and weaknesses of the income tax will be corrected.

Those are not my words. Those are the words of the father of the income tax in this country, who told me within a few days that the progressive income tax was being destroyed, not by its enemies but by its alleged friends, who for the sake of an ineffectual political gesture are prepared to see this tax become a fraud and a farce.

What Doctor Adams says is, of course, true. If a corporation can not stand a 50 per cent tax, neither can the individual business man. He can not stand it, he will not stand it, and he does not stand it.

Generally speaking, a sound tax system should conform to three major principles: First, it should be based on ability to pay; secondly, it should cause the smallest possible interference with the normal economic life of the Nation; and finally, while consistent with the other two principles, it should reach the attainable maximum of productivity.

Mr. HOWARD of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Yes.

Mr. HOWARD of Oklahoma. Is Doctor Adams still connected with the Treasury Department?

Mr. MILLS. No; he is not. I wish he was, for the sake of the Treasury.

The present income tax on individuals violates all three of those principles. We have already seen how arbitrary is the rate structure, and how an infinitesimally small group, infinitesimally small compared with our total population, pay taxes out of all proportion to their share of the national income.

In the second place, excessively high rates do exercise an arbitrary and abnormal influence on our economic life. Capital in the hands of self-reliant, energetic, and enterprising men—and American business men possess these qualities in abundance—tends to seek the most profitable investments, even if they involve risks. Where are they most likely to be found? In new ventures, untried fields, and industrial developments,

all of which, if successful, spell progress and bring prosperity not only to the creators and promoters but to the entire community. Failure has to be faced, but, on the other hand, the rewards are, or at least were, great. But, in the name of common sense, what inducement is there for an intelligent man to risk his labor, his skill, and his capital, when, in the event of failure, he assumes the entire loss, and if he wins, the Government takes half his profit? The law recognizes this view in the case of mines and oil fields. Why not be consistent and recognize it throughout the business field? The result of all this is, that the medium-sized and large fortunes are to-day being invested in the municipal and State securities that were formerly reserved for estates, trusts, and people of moderate circumstances, not only depriving the country of the liquid capital for new ventures, but raising the price of conservative investments to a point where the small man is driven to the speculative ones, without adequate means available to him of judging their true value. In addition, the industrial and commercial machine is losing the driving force furnished by ambitious, energetic, and enterprising captains of industry.

The estate of the late William Rockefeller, with its $44,000,000 of tax-exempt securities and only $7,000,000 of industrial stocks, and the investments of the distinguished gentleman who, on the other side of the Capitol, contends for high surtaxes, are striking, but by no means rare, examples of what is going on.

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

Mr. MILLS. Certainly.

Mr. ROSENBLOOM. What became of this money of Mr. Rockefeller's, with which he bought those tax-exempt bonds? Was it dumped into the ocean or was it put in wages and materials?

Mr. MILLS. Unquestionably he obtained the funds with which he bought his tax-exempt securities by selling his stock in various corporations, and those stocks were probably sold in little blocks all over the country.

Now, Mr. Rockefeller, in New York City, has an opportunity, if some one comes along selling stocks in a new concern, to ascertain what its chances for success are. But the little man, sitting out on the farm, if he buys securities, or the clerk in the village, when a bond or stock of a corporation doing business 2,000 miles away, is offered to him, has not the means of ascertaining their true value. He should not speculate. Mr. Rockefeller should.

Mr. ROSENBLOOM. It is a fact that this little fellow now has a chance to invest in bonds and not take a chance in speculation?

Mr. MILLS. He has not the chance that the big fellow has, because the price of municipal and State bonds has been forced up to the point where it is no longer profitable for the man who has a small income to buy them.

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

Mr. MILLS. I will if it is a question, but my time is limited, and I want to cover this subject.

Mr. WEFALD. Does not the gentleman know that the farmers now have no money to invest in any kind of stock? [Laughter.]

Mr. MILLS. Well, the gentleman does not know that. I should say that some have, and some farmers have not. And I will say, for the information of the gentleman, that I am not an agricultural expert, but I am very strongly of the impression that the farmers of the State of Texas, for instance, are enjoying a greater degree of prosperity than they have enjoyed for many, many years.

Mr. ROSENBLOOM. Mr. Speaker, will the gentleman yield there again?

Mr. MILLS. No. I regret exceedingly that I can not yield now, or until I get through. The situation is too new, and statistics are as yet too scattered, to permit painting the complete picture in figures; but to those who care to read, the three tables which I here insert are, indeed, significant:

TABLE A.—*Railroad bonds and stocks issued and per cent of bonds to total issues, 1911 to 1913 and 1921 to 1923.*

[Source: Commercial and Financial Chronicle.]

Calendar year.	Bonds.	Stocks.	Total.	Per cent of bonds to total issues.
1911 [1]	$298,003,900	$204,889,550	$502,893,450	59.26
1912 [1]	209,752,900	136,034,100	345,787,000	60.66
1913 [1]	281,291,100	242,809,650	524,100,750	53.67
1921	655,288,500	.....	655,288,500	100.00
1922	624,563,250	26,968,100	651,531,350	95.86
1923 (11 months)	469,420,000	27,322,450	496,742,450	94.50

[1] Includes only those issues listed on the New York Stock Exchange.

Income taxation is, of course, not entirely responsible for this situation, but it is partially responsible. Wealthy men were the ones who, generally speaking, invested in railroad stocks, leaving the bonds to estates, trusts, and the small investor. The wealthy man can no longer afford to buy railroad stocks, and the railroads are being compelled to pursue the unsound policy of financing all of their needs through bond issues.

Stocks and bonds of estates of over $1,000,000 appraised by the United States Government for estate duties.

Year.	Wholly tax-exempt to net estate.	Wholly tax-exempt to total stocks and bonds.
1917	2.21	3.26
1918	4.27	6.66
1919	5.30	7.87
1920	9.79	14.50
1921	8.97	13.30
1922	6.82	10.53
1923 [1]	28.97	41.98

[1] Twenty-one returns taken at random from estates of over $1,000,000.

Total reported security issues, tax-exempt issues, and per cent of tax-exempt to total reported issues, 1914 to 1916 and 1921 to 1923.[1]

[Sources: 1914 to 1916, Review of Economic Statistics, May 25, 1921, p. 98; 1921 to 1923, Commercial and Financial Chronicle, December 27, 1923, p. 2821; January 27, 1923, p. 345.]

Calendar year.	Total reported issues (000,000).	Tax-exempt issues (000,000).	Per cent of tax-exempt to total reported issues.
1914	$1,911	$474	24.80
1915	3,209	499	15.55
1916	4,025	457	11.35
1921	4,234	1,358	32.07
1922	5,080	1,509	29.70
1923 (11 months)	4,586	1,319	28.76

[1] Exclusive of United States Government issues. These figures are the best available, but all compilations of total issues are admittedly imperfect. The total reported issues are undoubtedly somewhat small. The tax-exempts are more complete and the percentage of tax-exempts to total issues doubtless a little high, especially for the pre-war years.

These huge sums diverted to unproductive purposes must result, first, in slowing up the normal productive growth of the Nation, thus raising the cost and lowering the standard of living by limiting the production of consumable goods, and, secondly, in raising the cost of the goods that are produced by raising the interest rates, an important element in the cost of production and distribution.

Why is it the gentlemen from the rural districts insisted on making farm-loan bonds and debentures tax free? Because they recognized the shortage of investment capital and were willing to waive high surtaxes in order to obtain at reasonable rates the capital needed by their own constituents. But why, oh why, can not they see that by clinging to the same high taxes they are raising the cost of borrowing all of that capital that the farmers need which can not be borrowed through the Federal farm-loan banks, and, what is even more important, increasing the price of all the goods the farmer has to buy? Generally speaking, the farmer is not an income-tax payer. He will not, therefore, directly benefit by the lowering of the income tax in the lower brackets. The only way he can derive any benefit from this proposed reduction of taxes is by reducing those taxes which interfere with the economic life of the country and so indirectly place on him the burden which comes from the increased cost of everything that he buys.

Why is the capital formerly available for building homes for people of small means in our great cities no longer present in sufficient quantities to meet the housing crisis, so that in my State even for private dwellings we have to invoke the tax-exempt privilege? These are questions which call for an answer from the alleged champions of the small man, but no answer is forthcoming.

I know that economists say—and truthfully say—that, generally speaking, a tax on net profits is not passed on. This is true of a tax imposed at reasonable rates. It is not true of a tax imposed at unreasonable rates. In one of the very able letters of the Secretary of the Treasury recently published it was pointed out that a building which cost 10 years ago approximately $100,000 to build would cost to-day approximately $200,000, but that if the investor wanted to realize a net 8 per cent from his rents, he would have to collect to-day, if he were

one of the large income taxpayers, $38,000, where 10 years ago he would only have had to collect $8,000. In other words, while the actual cost of the investment in the course of 10 years doubled only, the amount collected in rents would have to be multiplied by five in order to give the same return, and the difference between the five and the two is chargeable to the Federal income tax. Let those who say that the tenement dweller who does not pay income taxes is not interested in surtax rates answer that problem. The individual manufacturer and merchant, if his income falls in the higher brackets, will have to multiply his net profits almost twofold in order to make as much as he formerly did, and the most effective way to multiply profits is to raise prices. I do not say that they can be raised to the fullest extent necessary to pay the tax, but I do say that under the constant pressure of these unfair rates there is a constant tendency for them to rise, and that while it can not be demonstrated mathematically, the aggregate effect of this tendency upon our whole price structure must indeed be wide-reaching.

Finally, the evidence—the overwhelming evidence—is, that the high-rate taxes are becoming increasingly unproductive. The flight of capital from the tax gatherer is well on its way. How successfully it has made its escape is indicated by the following figures:

Incomes over $100,000 constituted 29.5 per cent of the total income reported in 1916 and 5.4 per cent and 4.5 per cent in 1920 and 1921, respectively, returns under $3,000 being eliminated in all cases so as to make the figures fairly comparable. If all salaries and wages be omitted, the percentages for the three years become 36 per cent, 9.1 per cent, and 8.3 per cent, respectively.

The income from business, professions, etc., reported in classes over $100,000 fell from $862,000,000, or over 25 per cent of the whole, in 1916 to $260,000,000, or about 5½ per cent, in 1920; and to $136,000,000, or 4½ per cent of the whole, in 1921.

Dividends reported in classes over $100,000 fell from $944,000,000, or roughly 44 per cent of the whole, in 1916 to $465,000,000, or 18 per cent, in 1920 and $332,000,000, or 15 per cent, in 1921.

Rents and royalties remained substantially unchanged in total, but the amount reported in classes over $100,000 fell off 60 per cent in 1920 and 70 per cent in 1921 as compared with 1916. (Journal of Accountancy, January, 1924, p. 70.)

There is one very remarkable situation to which I desire to call your particular attention. Total income from dividends amounted in 1916 to $2,136,000,000, in 1921 to $2,145,000,000, or, in other words, the amounts were practically equal. But dividends reported by those having incomes of over $100,000 fell from $944,000,000 in 1916 to $332,000,000 in 1921. It is perfectly impossible to assume that the stock upon which those dividends were paid was actually transferred from the individuals in the higher brackets to the individuals in lower brackets—a transaction that would involve a transfer of approximately some ten billion dollars of capital. What the owners of these securities unquestionably did was to so manage their affairs as to reduce their taxable income below the $100,000 mark and so subject the $600,000,000 of dividends, as well as the balance of their taxable income, to the lower instead of the higher rates.

Consider the case of the much-cited $300,000 incomes. Total net incomes returned increased from $6,298,000,000 in 1916 to $19,577,000,000 in 1921. Net incomes in the $300,000 class decreased from nearly $1,500,000,000 to $153,000,000 and the number of taxpayers from 1,296 to 246. During the same period dividends and taxable interest on investments increased from $3,200,000,000 to $4,160,000,000, while dividends and taxable interests on investments of the $300,000-class taxpayers decreased from $706,000,000 to $155,000,000. The following table shows the amount of surtax returned on account of the incomes in excess of $300,000 for the six-year period, together with the total surtax returned and the percentage the surtax on income in excess of $300,000 was in relation to the total surtax. In 1916 they constituted 66.8 per cent of the latter; in 1921, 20.6 per cent. What's the use?

Year.	Total surtax.	Surtax on income in excess of $300,000.	Percentage of total of those in excess of $300,000.
1916 [1]	$121,946,133	$81,404,194	66.8
1917	433,345,732	201,937,975	46.5
1918	654,259,027	220,218,131	33.8
1919	801,525,303	243,601,410	30.4
1920	596,803,767	134,709,112	22.6
1921	411,327,684	84,797,344	20.6

[1] 1916 was a year of low surtax rates.

What has happened? How does this come about? How does actual income vanish the moment we seek to make it taxable income? There are a variety of means, some of which can be partially blocked; others which can not. I might cite among others tax-exempt securities, division of estates, incorporation, deduction of losses, a failure to take profits, investments abroad and permitting profits to accumulate there, and, finally, plain failure to make productive use of existing capital. Shut one door, another will be found. The fundamental fact is that taxation at excessive rates is unproductive. This fact is as old as taxation and as inevitable.

Mr. LONGWORTH. If the gentleman will yield, I think he can get some additional time.

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. LONGWORTH. Does the gentleman recall the following language contained in a statement made by a very prominent official of the Government some years ago:

The Congress might well consider whether the higher rates of income and profits taxes can in peace time be effectively productive of revenue, and whether they may not, on the contrary, be destructive of business activity and productive of waste and inefficiency.

Can the gentleman say who was the writer of that?

Mr. MILLS. No; I can not.

Mr. LONGWORTH. I will inform the gentleman that that statement was made by President Wilson. May I add another sentence in the gentleman's time from the same document, the message of President Wilson on December 2, 1919:

There is a point at which in peace times high rates of income and profits taxes discourage energy, remove the incentive to new enterprise, encourage extravagant expenditures, and produce industrial stagnation, with consequent unemployment and other attendant evils.

Mr. MILLS. I would say to the gentleman from Ohio that that, of course, is absolutely so, and that President Wilson was unquestionably a friend of the progressive income tax, and that means he is not in agreement with some of the gentlemen in his party to-day who, whether they know it or not, are unquestionably working to destroy the progressive income tax by making it impossible of enforcement and therefore a farce. If that is not so, these figures mean nothing.

It is the history of the personal property tax all over again. You will remember that for many years the States endeavored to tax intangible personal property at the general property rate, which is, roughly speaking, the equivalent of a 50 per cent income tax. Under this asinine system in New York State, in spite of the enormous increase of this kind of wealth, the percentage of personal property assessed compared with the total assessment fell from a total of 25.50 per cent in 1865 to 3.77 per cent in 1914. That last year we collected some $8,000,000 in personal property taxes. To-day, under an income tax with a 3 per cent maximum rate on individuals and a 4½ per cent rate on corporations—in lieu of 50 per cent—we are collecting $50,000,000. In other words, the moderate rate succeeded where the high rate had proved a complete failure after a trial of 50 years.

Mr. SNYDER. Will the gentleman yield?

Mr. MILLS. I would like to complete this statement and then I will yield. I am almost through.

Mr. SNYDER. It is now proposed in the State of New York to reduce the income tax 25 or 50 per cent.

Mr. MILLS. That is so. We have seen that, from the standpoint of equity and of a well-rounded system, it is legitimate to consider the reduction of direct Federal taxes. We have noted, furthermore, that from the standpoint of fairness and of the principle of taxing in accordance with ability to pay, we can well afford to apportion at least part of the proposed reduction to those of the taxpayers who are subject to the high surtaxes. And we have been compelled to admit that whatever the force of the argument that for social purposes the income tax should be used as a medium to equalize the distribution of wealth, the economic evils, and the impossibility of carrying out such a policy through the present system far outweigh all that can be urged in favor of its continuance. Much of this will be conceded by all; yet when it comes to interpreting these findings into actual rates serious differences of opinion arise. Some would materially reduce the rate both in the higher and lower brackets, bringing it in the case of the former to a point where the evils complained of above may be done away with or, at least, largely mitigated. Others, posing as the friend of the man of small means, argue that little or no reduction should be made in the higher brackets, but that the small income-tax payer alone should enjoy the fruits of governmental economy. If we are to consider the problem from the standpoint of the individual income-tax payer alone, it may be fair and plausible to argue that we should be more interested in reducing the tax of the $6,000 man by $80 instead of $40, than

in reducing the tax of the $100,000 man by $10,000 instead of $3,700, even though it can be demonstrated that the latter is paying to-day more than his fair proportion of the tax. But, gentlemen, we can not consider this proposition from the standpoint of the individual income-tax payer. We must consider it from the standpoint of all of our people, of which income-tax payers constitute less than 3 per cent. The question is not whether we are to favor the 3,000,000 individuals, more or less, having incomes under $10,000, who pay income taxes, as compared with the 172,000 individuals, more or less, having incomes over $10,000, or vice versa.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MILLS. Mr. Speaker, I ask for two minutes more.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. MILLS. The question is, How can we so reduce these taxes as to best benefit the 110,000,000 men, women, and children who constitute the American people? The vice of the plan put forward by my friend from Texas is that as a practical result he would limit the benefits of this tax reduction to the 3,000,000 individuals whom he has blessed with his favor. They should be relieved. Every plan submitted proposes to relieve them. But in order to relieve them it is not necessary to adopt the fallacy underlying his whole statement of the issue. He treats the question as if it were an issue between the 3,000,000 small income-tax payers and the few thousand individuals who can be classified as large taxpayers. He utterly fails or refuses to recognize the fact that we are urging the reduction of surtaxes on higher incomes not for the benefit of the few individuals who pay them but because, from the standpoint of the United States Government, they are unproductive and uncollectible and, from the standpoint of the welfare and prosperity of all of our people, uneconomic and harmful.

To reduce taxes without squarely facing this surtax issue is to shirk the most important part of the income-tax problem. Gentlemen here may not as yet have made up their minds, but unless I am greatly mistaken the country has and is awaiting our answer. [Applause.]

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

Mr. MILLS. Gladly.

Mr. BLANTON. The great Government of Great Britain has just been taken over by a bunch of radicals. Did the gentleman see the remarkable cablegram which the press reported was sent to the new British leader by a Member of this House denouncing Americanism, from the purport of which gentlemen might gather what might happen to this country if we do not take time by the forelock and adjust these questions?

Mr. MILLS. I have not seen the cablegram.

The SPEAKER. The gentleman from Texas [Mr. GARNER] is recognized for 30 minutes. [Applause.]

Mr. GARNER of Texas. Mr. Speaker and gentlemen of the House, I did not expect the discussion concerning the internal revenue bill to develop at this time, but I thought inasmuch as Mr. MILLS had seen proper to open the discussion on this date it would not be out of place for me to occupy 30 minutes of your time in calling attention to some of the suggestions made by Mr. MILLS as well as the administration. I want to congratulate the Republican side of the House and the Democratic side, as well as the country, in having Mr. MILLS as a Member of the House to defend the administration's position on the internal revenue bill. I consider him, and I expect the country considers him, the best authority, probably, in this House and, so far as I know, the outstanding authority in the country, so far as the views of the Secretary of the Treasury on internal revenue laws are concerned. I do not know how the administration could possibly have gotten along without the gentleman from New York. They were so interested in his skill and so impressed with his views that they invited him to assist them in making up this bill; and he spent a large part of the summer, and probably into the fall, on his labors, for which the administration ought to be thankful if not the country. So far as the administrative portions of the bill are concerned, I want to congratulate Mr. MILLS and his associates who drew this so-called Treasury bill. They are entitled to the thanks of the country. They have made some good suggestions. They have been of benefit; but in doing so, gentlemen, they have undertaken to place on the statute books of this country the viewpoints of men like Mr. MILLS and of taxpayers like Mr. Mellon, who believe that the burden of taxation in this country should be shifted from where it is now, on those best able to pay, to those whose necessities compel them to pay. Mr. MILLS, I want to congratulate you, sir, on your improvement since you came to the House of Representatives.

I heard you stand in your place here once and say that taxpayers ought to be made to pay who are justly responsible to pay. You have become now more radical, and you say this morning you are willing to place it on the basis of making those pay who are best able to pay. I congratulate you and the country upon your having reformed since you came to the House of Representatives, and especially since you have looked into the tax question.

Now, gentlemen, here is the crux in this entire tax matter, and let us get to it: The administration up to the present time has said nothing about revenue, but has based its entire proposition upon the economic value of the Mellon plan. But Mr. MILLS draws your attention to another phase of it, and that is a phase in which the Treasury itself is interested, and in so far as he refers to that it is a contribution to the literature upon the subject, and I shall read his remarks in that particular with some interest; but, gentlemen, I do not want to say there is misrepresentation—you have never heard me say that on the floor of the House, either to the Republican side or to the Democratic side; it is the last thing, in my opinion, that a Member of this House should do, to charge dishonesty or concealment of facts—but I do say this: The conduct of the Treasury Department concerning this tax bill is indefensible in its treatment of the minority. We as a minority are entitled, just as much as you are, Mr. MILLS, to have the facts, and have all the facts the Treasury Department can give us. That, as a matter of fair play, is a duty owed the minority. But you will not do it. I can not discuss the question of the finances of the so-called Mellon plan compared with the Democratic plan unless you give me the figures, unless I do it upon my own estimate. That, I think, you will admit.

Gentlemen, I asked the Treasury Department on the 8th of this month to give me an estimate on the Democratic plan as to what its effect would be on the Treasury. Up to this good hour I have not had a full statement from them showing that effect.

Mr. MILLS. Will the gentleman yield?

Mr. GARNER of Texas. Certainly.

Mr. MILLS. The gentleman surely does not want to mislead the House——

Mr. GARNER of Texas. I do not.

Mr. MILLS. In believing that information is available at the Treasury and not here. I want to say to my friend from Texas that only yesterday I asked Mr. McCoy, the Treasury Actuary, to prepare some figures for me, and he told me it would be impossible to do so, as he was still working on Mr. GARNER's rates and has not completed his analysis.

Mr. GARNER of Texas. Mr. Speaker, on Monday morning, the 7th day of January, a statement of the Democratic position was given to the press of the country and appeared in all the papers. On the morning of the 8th of January I requested the Secretary of the Treasury to give me figures, based on the reports of 1921, the last available, comparing the Mellon plan with the Democratic plan. Mr. McCoy told me over the phone, when I called him and asked him the condition of it, "Mr. GARNER, they sent for me before 9 o'clock Monday morning to put me to work on these figures." But they were not based upon 1921. They were based upon the blue ether that Mr. Mellon used in making his own figures submitted to Mr. GREEN. Mr. Mellon says in his letter to me that he has no figures, that he has no estimate comparing his own plan with mine based upon the returns of 1921, the last returns available, and then I asked him, "Where did you get your figures and your estimates which you gave Mr. GREEN?" It was an estimate of what would happen in the future and not what has happened based on the past. In other words, when he made his estimate to Mr. GREEN as to the result of his bill, it was not based on experience, it was not based on returns made to his office, but it was based on what Mr. Mellon thought this wonderful, statesmanlike program would bring in the future, and when I asked him for figures based on the past and based on facts, he said, "I have not got them; I have not made them yet." And up to this good hour the actuaries in the Treasury Department are unable to do it, so they say, and I ask you, as Republicans and as Democrats, if that is fair play; if it is fair play to send for the Actuary of the Treasury Department and put him to work on estimates based upon blue ether at 9 o'clock Monday morning over a request made by the minority for an estimate based on facts, shown in existing returns in the Treasury Department; if it is fair to take him off that work and not let him give us such an estimate before we are compelled to come to the floor of the House with a proposition to levy taxes.

So much for that. I do not know that it would be out of place if I put in the RECORD at this point a statement made in another body by a Republican Senator concerning the present Republican Treasury Department. This is not my language;

I am not responsible for it; but I just called your attention to what seemed to me to be the unfairness of the Treasury Department in dealing with the minority in its suggestions and what it should do as compared with the attention they have given to the so-called Treasury bill. In another body a Republican Senator made this statement concerning the Treasury Department:

More dishonest statements, misstatements, if not absolute falsehoods, have been handed out at the Treasury Department of the United States for the purpose of misleading the public than ever were issued by a public department in my recollection of government.

Now, gentlemen, I do not say that the Secretary of the Treasury in his zeal to impress the country with his economic thought has been dishonest, but I do say that he has been unfair; and I can prove that he has been unfair by his own statements or by the statements of the chairman of the Ways and Means Committee.

If you recall, Mr. Mellon's plan estimated—I do not know whether you agree to this, Mr. MILLS; I know that you did not dissent from it in the committee when the chairman made the statement; but if you recall, the Mellon plan estimated certain receipts from incomes based on the Mellon plan. The chairman of the Ways and Means Committee [Mr. GREEN] in open meeting stated to the country that in his judgment that was one hundred millions more than would be received by the Treasury of the United States under that plan. Is that misleading? If the chairman Mr. GREEN is right, if the chairman of the Ways and Means Committee of a Republican House is right, did the Secretary mislead anybody? Did he do that intentionally? Mr. Mellon says in explanation of that that he based that estimate on the law becoming immediately effective. He thought that all he had to do, a Republican Secretary, was to send a Republican House his mandate, and you would act immediately; that you would put it into effect at once; and that is what he based his estimate upon.

Gentlemen, I do not know what you think about it. I am a partisan. I believe I am as much of a partisan as any man in the House. I think I love my country, and I believe I put my country's welfare above my partisanship. [Applause.]

I want to say to the gentleman from Ohio [Mr. LONGWORTH] that he has not come up to my expectations of what I thought his courage was, of what I thought his loyalty to the House of Representatives and to the legislative branch of the Government was, or else he would have risen in his place and rebuked the Secretary of the Treasury or the President of the United States who told him he must follow them and pass such tax laws as they ordered, although the Constitution gives us the power and right and obligation and duty to originate revenue laws in this body. [Applause.]

Sir, you would have been entitled to greater respect of your own side, and surely of all Members of the House, if you or the gentleman from Iowa, or even the Speaker of this House, had risen in his place and rebuked Uncle Andy when he said, "Here is a bill; you must not change it." And the President said, "Me, too." [Laughter and applause.] No; you kept your seats. The gentleman from Iowa [Mr. GREEN], who stood at the head of the committee whose duty it was to protect his constitutional rights in this House, said nothing.

Mr. GREEN, are you for the Mellon plan? Are you going to vote contrary to what you did in 1921? Why, gentlemen, did you know they are talking about a reduction by the Mellon plan and that 1921 has been forgotten? The gentleman from Iowa [Mr. GREEN] voted for 50 per cent in preference to 32 per cent in 1921. The gentleman from Wisconsin [Mr. FREAR] voted for 50 per cent in 1921. Moreover, 94 Republicans in the House in 1921, of which 64 are Members of this Congress, and 4 of whom—GREEN of Iowa, YOUNG, FREAR, and KEARNS—are members of the present Ways and Means Committee, voted for 50 as against 32 per cent surtax, and 29 United States Senators, Republicans, 19 of whom are Members of this Congress and 5 of them members of the Finance Committee of the present Senate, voted for 50 per cent instead of 32 per cent. Is it unreasonable to suggest that you now vote for 44 per cent instead of 25 per cent. [Applause.]

What changed you? Are you like the gentleman from Ohio? You saw him watching as the opening of Congress came on, and Uncle Andy said, "I am here," and Old Man Bonus said, "I am here." NICK walked between one and the other saying, "Which shall I take? I am all hooked up with Bonus, but Uncle Andy and his barrel look awfully good to me; I believe I will stay with Andy." [Laughter.] The result is Old Man Bonus got knocked out temporarily, and I wonder what they are going to do when the bonus bill comes up. What are you going to do? Mr. GREEN, you voted for the bonus. Mr. LONGWORTH, you voted for it. I wonder what you are going to do now. Are you going to stand pat, or are you going to edge up and take the barrel? You gentlemen know—and there is not a single one of you who does not know—that you have to do what Mr. Mellon tells you in this campaign, else there is not the slightest chance for you to win. Why, if you did not stand by Uncle Andy, you could not raise enough money in this campaign to run one county in Pennsylvania. [Laughter.] Talk about firing the gentleman! Somebody said that they would fire Uncle Andy. I said, "Oh, that is impossible, because he is the boss now." Why, did he not come along here and write a letter to Mr. GREEN on November 10, 1923, and did not the President stand up there and say, "Me, too, Andy; I commend it to the country"?

And the President now says that he will not sign the bill if you cut it down. Gentlemen, I venture the assertion even at this moment that that is not so. If I could wish for my party's interest against my country's interest, if I could wish for party interest, if I could wish for party strategy, I would wish that he would not sign it, but for my country's sake I hope and believe he will sign it. I tell you that he can not keep from signing it when you send it to him. [Applause on the Democratic side.] You send him the Democratic program without a change in a single figure and he dare not veto it. Why do I say that? Because it reduces taxes, and he has made it possible in this country for every man, woman, and child to be crying out for a reduction of taxes. He could not veto a bill that reduces taxes. How could he say to three to four million taxpayers that he would not sign a bill for the reduction of their taxes merely because it gives greater reductions to those of smaller incomes than those of larger incomes, as the President now proposes. He could not do that.

Mr. Speaker, that brings me to one point that the gentleman from New York [Mr. MILLS] made, and I direct attention to it now for this reason. That is the possible inaccuracy of the statement of figures which I last inserted in the RECORD, showing the number of taxpayers in each State whose taxes were reduced, comparing the Mellon plan with the Democratic plan. So far as I know—and I have talked with the actuary this morning—there is not a man who lives that knows how many people paid taxes in 1921. I based that statement, and have a right to base it upon the Commissioner of Internal Revenue, who said that six million six hundred and some odd thousand people "rendered" income-tax returns.

Get the point—"rendered" taxes. I could not tell you how many paid, but the estimate this morning was that it totaled about 3,500,000 people. I was in hopes that the gentleman from New York [Mr. MILLS] would refer to it more in detail this morning, as he suggested in the committee room, because I wanted to ask him to be good enough to put into the RECORD the number of taxpayers whose taxes are reduced more under the Mellon plan than under the Democratic plan.

I wanted him to do that, but he did not criticize it, and I merely refer to this to make clear that the table has reference to the number of persons who made income-tax returns for 1921. Oh, the gentleman is very astute when it comes down to that. Mr. MILLS seldom lets down a gap. He is the premier over there, and I do not blame my friend from Iowa [Mr. GREEN] for putting him up first and letting us take a crack at him in the beginning, because he is the best nut they have and the hardest one to do anything with. [Laughter.] Mr. MILLS told you that he wanted to give first consideration to the direct taxpayer. Who is the direct taxpayer? He is the income-tax payer, and he who pays estate taxes. Mr. MILLS, you were complaining about the percentages. You used the figures, I believe, 58 and 42. Why did you do that? Why did you vote yesterday to reduce the amount by which the direct taxes will be reduced and in favor of increasing the amount by which the indirect taxes will be reduced? Why did you do that?

Mr. MILLS. The gentleman knows that I did not do it.

Mr. GARNER of Texas. Why, you did do it. You voted for 200 as against 230.

Mr. MILLS. The gentleman is entirely mistaken.

Mr. GARNER of Texas. Then what did you do? I yield to the gentleman.

Mr. MILLS. If the gentleman wants to go into matters that happened in the executive session of the committee, I shall be quite willing to go into them.

Mr. GARNER of Texas. Oh, I withdraw that, if the gentleman wishes.

Mr. MILLS. Oh, no. The gentleman knows that for the purpose of determining a course of procedure in the handling of these many indirect taxes it was suggested that we adopt certain elastic limits merely as yardsticks to help us on our way, and the gentleman knows that I repeatedly stated in vot-

ing for these figures that we were not voting any fixed or rigid rule, but simply were voting certain limits within which there would be leeway. The gentleman asks why I selected those figures. It was because they happened to be the same proportion of reduction as was suggested in the only plan before the committee.

Mr. GARNER of Texas. Mr. Speaker, of course I do not want to refer to what happened in the committee; but I may refer to what appeared in the newspapers—that is, what the newspapers said happened in the committee. The newspapers reported this morning that the Secretary of the Treasury suggested $220,000,000 reduction on income taxes and $100,000,000 on indirect miscellaneous taxes. That is in his letter to Mr. GREEN. This morning's papers say that you made a motion to cut it down to $200,000,000 on direct income taxes and $120,000,000 on indirect miscellaneous taxes. I ask you why you did it, and now the gentleman is trying to get out of it. You are differing with the Secretary of the Treasury, and you are complaining about the percentage. I said yesterday—or rather the newspapers reported me as having said yesterday—that I would take $230,000,000 from income taxes and $90,000,000 off of the indirect miscellaneous taxes. The gentleman does not think I know why he did that. I do. I will give my version of it, at least.

Mr. MILLS. Will the gentleman kindly state to the House, as long as we are going into these committee matters, whether it is not a fact that under a tentative schedule of the reduction on indirect taxes prepared by me and submitted to the committee this morning the amount was $111,000,000?

Mr. GARNER of Texas. Yes. Of course, we always have MILLS and TILSON fix up the program, because one comes from New York and the other from Connecticut, and you know the reason why their minds run in accordance with the Treasury. You are trying to fix up some figures at the Treasury Department, and the only way you think you can make a dent in the Democratic program is to show that it will not get the money.

You said direct taxes, meaning incomes, are entitled to first consideration. I gave $230,000,000, and you give $200,000,000 and come on the floor complaining. I want to make it $230,000,000, for some very good and sufficient reasons, as the gentleman will find out in the course of time, and $90,000,000 on indirect miscellaneous taxes. You ought to be estopped and ashamed for coming in and complaining of having reversed the action of the Treasury Department which you helped to prepare. The reason you reversed your views and went back of the Treasury proposal was because you wanted to put the Democrats in a hole. You are going to have a hard time doing it unless there is quite a different sentiment in this country from what you have now, because you are coming to the Democratic position, and you are coming mighty fast, too. Gentlemen, I want to say this in behalf of the Republican organization of this House. I venture the assertion to the gentleman from New York that if you take every Democrat out of this House and let them have absolutely nothing to do with the making of this bill you can not get a majority of the Republicans to vote for the Mellon plan to save your life. [Applause.] If it were not for the Democrats, if they had not suggested a plan, you would have Chairman GREEN in here fighting you to-day figuring for 40 or 45 per cent. [Laughter.] You can not get BILL GREEN to vote for 25 per cent, can you?

SEVERAL MEMBERS (on the Republican side). We do not know.

Mr. GARNER of Texas. So the result is you stacked up the committee—Mr. LONGWORTH was smart enough to do that—you stacked up the committee; fixed it where the old Roman from Iowa can not do anything but just sit there and laugh and pat his hands. That is as far as he can go. [Laughter and applause.] Of course, he is a mighty good man, we know that, and I get intensely sorry for him much of the time sitting there knowing he is surrounded by a bunch like the gentleman from New York and the gentleman from Connecticut and the gentleman from Massachusetts, about three as hard-boiled an outfit as you can find. He can not do a thing.

I was amused and I am always amused at men like the gentleman from New York [Mr. MILLS] when he comes on the floor of this House talking about the surtax. He wants to take off the high surtax for the benefit of the farmer. [Laughter and applause.] And Mr. MILLS could not find anything else to vent his wrath on about the farmer, so he turns to Texas to show they are more prosperous than ever.

Mr. MILLS. And I am mighty glad of it.

Mr. GARNER of Texas. I thank the gentleman for his good wishes for the people down there, but that is only true in spots; but it is better to be true in spots than not at all.

Mr. GARRETT of Tennessee. What was said in the President's message yesterday about the farmers of the Northwest?

Mr. GARNER of Texas. It was not even in spots out there. [Laughter.] Mr. MILLS, do you believe, or does any other man living believe, is there any man living who believes that if you cut down Andy Mellon's tax $500,000 or $1,000,000 it is going to help the farmer in Texas? Anybody who has enough sense to come to Congress or to get in out of the rain knows that is absolutely nonsense.

The SPEAKER. The time of the gentleman has expired.

Mr. GARNER of Texas. I ask for five minutes more.

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

Mr. GARNER of Texas. Gentlemen, I just want to say one more word to you Republicans as well as to my friends, the Democrats. You talk about 44 and 25, because that is all there is to this tax question, gentlemen. Just remember there is not a thing on earth in the whole scheme except the surtax—the high-bracket surtax. Let me make the top bracket on the top surtax and you can write the balance. We know something about what the issue is here whether you do or not. [Laughter.] Mr. MILLS knows it mighty well. Let me make the brackets——

Mr. MILLS. I told the gentleman that.

Mr. GARNER of Texas. He says that he will give 44 if you will let him make the brackets. My friends over there will find out after a while. Let me tell you, gentlemen, there has never been any suggestion, not a single one, except such arguments as are made about benefiting the farmer by cutting down the surtax or turning money loose in this country for development. Listen; every man who has appeared before our committee, I except not a single one, has testified to the wonderful prosperity of this country. When the representatives of the Bankers' League came before the committee, I asked them about the wages of people. They said that wages were higher than ever before in the history of this country; more employment; better employment. I said, "Mr. Claiborne, I never heard of a more ideal condition in any country on the face of the earth, with everybody here employed at high wages. How can you ask for more money to develop anything when you find all the people employed at a high rate of wage? Can you make it more ideal? And yet you say you have not enough money. In the year 1923, according to the Department of Commerce, there was more new money invested in new enterprises than in any other year in the history of this country in time of peace, and yet you say you can not get money." That was under a 50 per cent surtax rate; and in response to suggestion we have made it 44; and yet there has been no conclusive evidence to justify that cut from 50 to 44. I say with all due respect, there has been no conclusive evidence to show that we were even justified in reducing it from 50 to 44. You have voted for 50. Why did you vote for 50 when you could have voted for 32? It would have been 32 per cent now if you had done so, but you would not vote for it. You voted for 50. Now will not you take 44. [Laughter.] Chairman GREEN would do it if they would let him. There is no doubt about that. [Laughter.]

His heart is in the right place. He is honest. He is square. But he just can not do anything. [Laughter.] That is all. They have got him tied up. He wanted a bonus in here.

Oh, gentlemen, just think about how silly it was for the Republicans to come along and say, "We are going to pass a tax bill before we know how much money we need." As quickly as we pass the tax bill, we will vote and put the bonus through." Is not that a foolish thing, gentlemen? I do not believe Democrats under an emergency would be guilty of such a foolish thing. But the Republicans will do anything under an emergency. [Laughter.]

I want to say to you that if I believed the 25 per cent was a just tax I would vote for it. I say that as an honest man, but I would rather vote for 50 if necessary and continue prosperity. You know, and the gentleman from Iowa [Mr. GREEN] knows, that the corporations of this country distribute less than 50 per cent of their earnings. How does Mr. Mellon make his money? From corporations and investments. If they distributed what they earned, his taxes would be too high; but they do not do it. Under the 25 per cent plan on a 40 per cent distribution he would only pay 10 per cent on his profits, because in his corporations he retains it, and does not pay it, and only on the distributed profits is he forced to make a return. [Applause.]

Mr. Speaker, under leave to extend my remarks I insert the names of the United States Senators—Republicans—who are members of the present Congress who voted for a 50 per cent

surtax rate instead of 32 per cent in the Sixty-seventh Congress, as follows:

Borah, Bursum, Capper, Cummins, Curtis, Ernst, Gooding, La Follette, Lenroot, Lodge, McCormick, McKinley, McNary, Oddie, Shortridge, Warren, Watson, Weller, and Willis.

I also insert the names of the members of the present House—Republicans—who voted for 50 per cent surtax as against 32 per cent in the Sixty-seventh Congress, as follows:

Anderson, Anthony, Barbour, Beck, Begg, Boies, Browne of Wisconsin, Burtness, Christopherson, Clague, Cole of Ohio, Colton, Cooper of Wisconsin, Cramton, Curry, Davis of Minnesota, Denison, Dickinson, Dowell, Faust, Foster, Frear, Fuller, Funk, Graham of Illinois, Green of Iowa, Haugen, Hoch, Hull, James, Johnson of South Dakota, Kearns, Keller, Kelly, Ketcham, King, Kopp, Lampert Lineberger, Little, McLaughlin of Nebraska, Moore of Ohio, Morgan, Murphy, Nelson of Wisconsin, Ramseyer, Robsion of Kentucky, Schall, Sinclair, Sinnott, Speaks, Strong of Kansas, Summers of Washington, Swing, Thompson, Tincher, Voigt, White of Kansas, Williams of Illinois, Williamson, Woodruff, Yates, Young, and Zihlman.

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

Mr. GREEN of Iowa rose.

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

Mr. GREEN of Iowa. To ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. By order of the House the gentleman from New York [Mr. CELLER] is entitled to 10 minutes.

Mr. GREEN of Iowa. I ask permission to proceed for 10 minutes.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, the gentleman from Texas [Mr. GARNER] has my sympathy. He is clearly worried, and he has good reason to be anxious. Instead of possessing the debonair manner that he usually presents when he takes the floor to speak, to-day he is excitable and vociferous. He has talked for over half an hour, and I will defy his most indulgent admirers to find in that half hour a single argument of any kind whatever. [Applause.]

This is no discredit to the gentleman from Texas. It is not easy to find arguments against tax reduction which is now engaging the attention of the committee. So far as the Mellon plan is concerned I believe there should be important changes made in it, and in this respect I do not entirely agree with the gentleman from New York [Mr. MILLS]. Shrewd and clever as the gentleman from Texas is, plausible as he can be at any time, he has found himself so enmeshed with difficulties that all he has been able to do is to make a humorous speech which brings laughter but does not carry conviction. If he had a better case, it would be easier for him to present it; as it is, no one could present it better than he did.

The gentleman spoke about a table that was attached to a letter written to me by Secretary Mellon, which contained an estimate as to the loss in surtaxes under what is known as the Mellon plan. I did criticize this estimate and have no hesitation still in saying it is erroneous. It was prepared by the actuary of the Treasury, with whose calculations I agree when they are based on facts, but when they are merely estimates based on some expected course of business investment in the future I find I can make that kind of an estimate and so can the other Members of Congress. I have done so before and have been in disagreement with the actuary, with the result that my figures were found to be much nearer correct.

The loss on surtaxes under the Mellon plan will be nearer $200,000,000 than the $101,000,000 that is given in the table attached to the Secretary's letter if the rates therein set forth are adopted. At the same time it should be borne in mind that by far the greater portion of this loss is in the lower brackets. I had no hesitation in openly expressing my disapproval of this estimate, and the fact that I did so shows how much there is in the claim of the gentleman from Texas that I have been "tied up." Let me say also in this connection, and I say it most emphatically, that it is no part of the business of a Secretary of the Treasury to dictate the rates in a revenue bill, nor do I think that the Secretary claims that right, although under the recent Democratic administration Democratic Secretaries practically dictated the rates and the form of the bill. It is possibly the recollection of those days that has inspired some of the utterances of the gentleman from Texas. On this occasion, however, we have not followed literally the estimates and the wording of the bill presented by the Secretary of the Treasury. Far from it. With respect to some of the most important provisions we have already made very material changes, and I anticipate that before we get through we will make more. If we do not, it will not be because I have not proposed them. Perhaps the gentleman is influenced in what he says with reference to dictation by the President and the Secretary of the Treasury by recollection of the time when there was simply a crook of the finger down at the other end of the Avenue and everybody on his side jumped. [Laughter.]

The gentleman has criticized the position which he believes some of the Republican Members will take, including myself, in making changes from the rates for which we voted at the last session, but the gentleman himself has changed in this respect and has proposed a lower figure for the maximum surtaxes. If he can change, why can we not change, and why are we limited to the precise figures which he presents. I am not disposed to regard the figures presented by the Secretary of the Treasury as something that may not be changed, still less am I disposed to regard the figures presented by the gentleman from Texas as sacred. As a financial adviser I would prefer the Secretary of the Treasury to the gentleman from Texas.

The gentleman does not need to ask me what I am going to do. He can see every day what I am doing, and he knows of the changes that I have already proposed in the bill, some of which have been adopted, some of which have not been agreed to, although they would, in my opinion, have greatly aided in preventing evasion. If the bill does not stop every gap through which the tax evader might crawl, it will not be my fault, and I hope the gentleman from Texas will give me his aid in this respect.

There is also an important change in the plan proposed by the Secretary of the Treasury that I have proposed but has not yet been voted upon. I refer to a tax on gifts above a certain sum, not including gifts for charitable or educational purposes. In this I assume that I shall have the cooperation of the gentleman from Texas, because, while often disagreeing with him with reference to methods, everyone knows that he wants to have our taxes paid fairly and equitably; that the gentleman is honest and straight; and that he wants to prevent tax evasions. On such matters he and I generally agree.

As to estimates, they were not even examined in those days, because nobody on their side thought of differing from them, and it was useless on our side to express our objections. In this case I have not hesitated to challenge the estimates when I believed them to be incorrect, and we have been changing the bill from the very start.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Iowa. No; I have only 10 minutes.

Mr. GARNER of Texas. I will get you some more time.

Mr. GREEN of Iowa. No; I do not want to talk, like the gentleman did, without making any argument.

When the bill comes before the House I shall have something to say then in the way of argument. At this time it is not necessary, as the gentleman has presented nothing which calls for a reply. This bill, as the Secretary of the Treasury said, ought to be considered on a nonpartisan basis; but it does not seem likely that it will be so considered, because the gentleman from Texas imagines he can make some political capital of it. If he has succeeded so far, I am very much mistaken. We made a proposition to take up the bill in committee in a nonpartisan manner. This proposition was rejected, and the country has already expressed its disapproval of that rejection. We are quite ready to go before the country on that issue. [Applause.]

THE MEXICAN SITUATION.

The SPEAKER pro tempore. The gentleman from New York [Mr. CELLER] is recognized for 10 minutes.

Mr. CELLER. Mr. Speaker, I was allotted 10 minutes, but I find I shall need 2 minutes beyond the 10 minutes, and therefore I ask unanimous consent to proceed for 12 minutes instead of 10 minutes.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to proceed for 12 minutes instead of 10 minutes. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker and gentlemen of the House, as a new Member I approach my subject—the Mexican situation—with considerable trepidation. I should not have spoken at all, but I have waited in vain during the past fortnight for some one to make his voice articulate concerning our Mexican policy. Therefore, in the face of rushing Mexican events, I feel it my duty to speak.

This country was somewhat startled when we read, over our rolls and coffee, a few days before the first of the year that this Government was about to sell arms and munitions to General Obregon. There was issued by the State Department on December 31 a statement that this Government was furnishing a limited quantity of war material to the Mexican Government because such action was in the interest of stability and orderly procedure, and that it was highly important that Mexico should break away from a long series of unfortunate precedents and determine the succession to the Presidency of that country by peaceful and constitutional methods. The statement further seemed to imply that this would be a carefully limited step. On January 4 we were told by Secretary of War Weeks that there had been sold to the Mexican Government 5,000 Enfield rifles, model 1917, 5,000,000 rounds of ammunition, and 8 De Haviland-4 airplanes.

We know that subsequent results soon proved that this step was highly ineffective, because on January 7 President Coolidge issued a proclamation prohibiting the sale of arms to the rebel factions in Mexico being led by Adolfo de la Huerta after he had attempted to purchase arms at New Orleans.

Undismayed, de la Huerta obtained all the arms and munitions that he wanted from England and France and neutralized our shipment of war materials to General Obregon. On January 19 announcement emanated from the Navy Department that the cruiser *Omaha*, a division of six destroyers, and the repair ship *Prometheus* had been ordered from Panama to Vera Cruz, from whence they were to proceed to Tampico, where de la Huerta was attempting to maintain a blockade. In the same announcement we were informed that the State Department had made a request of Acting Governor Davidson, of Texas, to permit 2,000 Mexican Federal troops under Obregon en route from Sonora to cross Texas territory for a distance of 19 miles and enter Mexico by way of El Paso. Permission was reluctantly granted by Acting Governor Davidson for this purpose.

On January 20 we were informed that the Mexican Army had already crossed from Naco to El Paso, Tex., under the escort of a major of the United States Army with a picked escort of men. That same day we were furthermore informed that the American cruiser *Richmond*, under Admiral Magruder, which had arrived at Vera Cruz, was proceeding to Tampico as a warning to de la Huerta that the American Government had refused to recognize his alleged blockade. Immediately thereafter de la Huerta lifted the so-called blockade and said that it would not be resumed until the end of the month. On January 20 announcement was issued by Secretary Hughes that he had sent a sharp warning to de la Huerta against the placing of mines in any of the harbors controlled by his rebel faction. Yesterday morning, as a fitting climax to all this activity, we were informed that our Government had made another sale of 5,000 Enfield rifles and 2,500 Colt automatic Army pistols to Obregon, and that the total sales to date amounted to $700,000.

To recapitulate: Our Government has aided General Obregon with arms and ammunition. It has permitted his troops to cross American soil. It has set an embargo on shipments of munitions against his enemies. It has sent a fleet to interfere with the operations of de la Huerta's ships. Intervention in Mexico is thus an accomplished fact. Is not the use of American troops in actual support of Obregon the next link in this Mexican chain?

Mr. OLIVER of New York. Will the gentleman yield?

Mr. CELLER. I would prefer not to yield until I have developed my subject.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. CELLER. Does not, however, the question assert itself as to whether or not without consultation of Congress and without even the slightest desire to consult American public opinion the President and the Secretary of State have the right to commit this country to such a course?—a course which can easily lead us into war, with its consequent havoc and loss of life. Only Congress has the power to declare war, and the founders of our country desired to limit that power to Congress because the legislative branch of our Government was that branch nearest to the people, nearest to its wishes and desires. But we now have a situation where our Secretary of State has led us to a condition which is perilously akin to war, without taking the members of this august body and that of the Senate into his confidence.

And I say this despite the fact that the Obregon régime merits support and encouragement. Obregon has set out with grim determination to bring about notable reforms.

First. He has sought to educate the Mexican. His education budget was raised from 5,000,000 pesos to 50,000,000. Five hundred libraries were organized and a million copies of a children's reader were printed; 400,000 volumes of classics, including Plato, Dante, Shakespeare, and Goethe were brought from Spain and distributed. He inaugurated a vigorous campaign against illiteracy.

Second. He actually pacified the country. Whereas the people before had peace imposed by tyranny and force of soldiers, it now had peace by good will and faith. The country is no longer infested with bandits and traveling is safe. The rebels were induced to turn their swords into plowshares and their spears into pruning hooks. Villa rode an American tractor and harvested 40,000 bushels of wheat. The soldiers built great roads and business and industry went on apace.

Third. He made possible the development of the labor movement. There are now in Mexico over 500,000 organized workers, organized as the Mexican Federation of Labor. It is the only organization in a country without organization. It is behind Obregon.

According to the constitution, Obregon can not stand for reelection. To carry out his program of reforms he desires General Plutarco Elias Calles to succeed him, just as Roosevelt wanted Taft as his successor. De la Huerta, able financier, who signed the Lamont agreement, resented Obregon's espousal of Calles's candidacy and now has plunged Mexico into a bath of blood.

Our sympathy is with Obregon. It is natural that Hughes would desire to help him. But he is enthusiastically misguided if he would help him by the shipment of arms.

Of course his action is not without precedent. In 1912 when Huerta deserted to the rebels we sent munitions of war to Madero and placed an embargo on shipments of arms to Huerta. In 1914 Carranza rebelled against Huerta and again an embargo was laid; but this time there was no discrimination, as it affected both factions.

Ever since President Diaz was overthrown in 1911 we have interested ourselves in Mexico, first on one side and then on the other. Whenever we have assisted our assistance was for naught. We have always played a losing game in Mexico and have always bet on the wrong horse.

In attempting to justify his position, our distinguished Secretary of State explains that at the conclusion of the World War, the Wilson administration sold its surplus of Army supplies to not less than six European Governments and that more recently the Republican administration sold munitions to Panama and Nicaragua. To my mind, these sales, however, were mere commercial transactions and did not commit us to any political intervention.

It was just such a sale of arms and munitions of war that caused our late lamented President Harding to write in April, 1923, to the Secretary of War as follows:

> * * * I hope it will be the policy of the War Department not to make sales of war equipment to any foreign power. I would gladly waive aside any financial advantage that might attend such sales to make sure that none of our surplus equipment is employed in encouraging warfare anywhere in the world.

My colleague from New York, Congressman FAIRCHILD, proposed a resolution dedicated to this "Harding policy," and it has my whole-hearted support.

Mr. Hughes denies a violation of the Harding policy and says he acts in the interests of peace and order. I have the greatest admiration for Mr. Hughes, but must respectfully disagree with him. Mr. Harding suggested a policy of no sales whatsoever. He did not even intimate that the Secretary of State had power to make any exceptions. I am not willing to leave it to the discretion of the Secretary, no matter how wise he may be, when the policy shall be applied.

The able Secretary's statement that his action will bring order out of chaos is useless—is as useless as trying to tell colors in the dark. Just so, the shipment of arms to Obregon has proven as useless as a candle in a skull. It has had an effect entirely unanticipated. It has united and stiffened the opposition of all factions hostile to Obregon.

Mexico has always been under the heel of despotism. Don Porfirio Diaz and his cientificos, with their heartless and military régime, and the 10 years of revolution that has just passed have left indelible marks upon the people of Mexico. Superstition, ignorance, and fear rampant among them. There is little enlightenment. The peons and Indians are easily aroused against the American "gringoes" and foreigners. Furthermore, the Mexican likes to follow new leaders. He thinks constantly in terms of revolution, and there lurks

within him the belief in the righteousness of force. The bulk of Mexicans fear the United States and suspect it of annexation.

Since their independence, in 1821, only 3 of their 22 Presidents have entered the Presidency without the aid of military force. The idiosyncracies and secret impulses of the Mexican are indeed mysterious. Is it not reasonable to suppose, therefore, that before a Mexican policy can be adopted all these peculiar factors must be considered? Has Secretary of State Hughes well considered this so-called "Mexican complex" before he launched his bold policy

We now know that all factions opposed to Obregon have united under de la Huerta; that all reactionaries, landowners, and cientificos have rallied around him; that all agitators and anarchists from Spain, Italy, and Russia and others of their ilk, who thrive upon revolution and discontent, have joined his forces. And I venture the assertion that his strength is growing daily simply because we have thrown the weight of our influence upon the side of those opposing him. Paradoxical as it may sound, the best method to aid Obregon would have been to ship arms to de la Huerta. We harm Obregon's cause inversely in proportion to the quantity of munitions we ship him, and help de la Huerta in the same ratio.

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

Mr. HUDSPETH. Mr. Speaker, I ask that the gentleman have a half minute in order that I may ask him a question.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the gentleman from New York may proceed for half a minute more in order that he may ask him a question. Is there objection?

There was no objection.

Mr. HUDSPETH. Has the gentleman ever read the present constitution of Mexico?

Mr. CELLER. I have read it in parts, but not thoroughly.

Mr. HUDSPETH. Does the gentleman indorse that constitution?

Mr. CELLER. I indorse the constitution, with the exception of article 27, which provides for what is generally known as the confiscation of all land rights.

Mr. HUDSPETH. Does the gentleman indorse the portion of that constitution which provides for the confiscation of the property of the churches and limiting the number of ministers of any religion in any one State to five?

Mr. CELLER. Of course not.

Mr. HUDSPETH. Does the gentleman indorse the provision which provides that before any corporation can discharge an employee it must give him 90 days' notice and pay him during that time?

Mr. CELLER. I do not.

Mr. HUDSPETH. I thought not, although I understood the gentleman to indorse the Obregon government and to indorse that wonderful constitution.

Mr. CELLER. No; I just indorse the reforms which Obregon has inaugurated and carried forward.

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

Mr. CELLER. I ask unanimous consent to proceed for one-half minute more in order to conclude.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to proceed for one-half minute more. Is there objection?

There was no objection.

Mr. CELLER. It will indeed be hard for Mr. Hughes to persuade Latin America that our actions are disassociated with selfish motives and that we act in a friendly spirit. Our prestige in Latin America is on the wane, and what little we have left I fear that the Hughes policy may destroy.

In conclusion, if the Obregon government is strong it would have prevailed despite our aid; if it is weak, our aid will add little to its resources and could not turn defeat into victory. We have surely embarked on a course which we shall have continual and increasing occasion to regret. We can not set ourselves up as a holy alliance bent upon preserving the status quo in the Western Hemisphere. Our policy seems like a pyramid of blunders that will, if logically pursued, lead us directly to military intervention. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The gentleman from South Carolina [Mr. STEVENSON] is recognized for 10 minutes.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

SOUTH CAROLINA PATRONAGE.

Mr. STEVENSON. Mr. Speaker, on the 10th of January I made a statement in this House relative to the appointment of a district judge in South Carolina and also the dispensation of post offices and other patronage in South Carolina. I then charged that Joseph W. Tolbert, the representative of the administration in South Carolina, was selling post offices, as well as other political offices, and that he had been convicted of the misappropriation of Government funds while a postmaster. I also made the charge that he had had a judge appointed in the eastern district of South Carolina as the result of a political trade. Contrary to the usual custom of that distinguished gentleman, he came out and denied every allegation and defied the "allegator," as they say in South Carolina, and called on me to produce my proof, which I now come to the bar to produce.

First, was he convicted of the misappropriation of Government funds? I hold in my hand a certified copy of the indictment in the eastern district of South Carolina, in which the first charge is as follows: That he—

> Did unlawfully use and dispose of certain stamped envelopes so intrusted to him, amounting to the sum and value of $11, in the payment of debts—that is to say, in payment of a debt due by him, the said Joseph W. Tolbert, to J. C. Weir in the sum of $11—contrary to the act of Congress in such case made and provided and against the peace and dignity of the United States.

There are eight other counts, some of them stating this offense in other language and some of them stating additional offenses in which he used stamps in paying his debts. That indictment bears the following indorsement of the grand jury:

> True bill, William Goldsmith, foreman, February 15, 1894.
>
> Verdict: Guilty; recommended to the mercy of the court.
>
> W. J. LAKE, *Foreman.*
>
> FEBRUARY 24, 1894.
>
> Sentence: The sentence of the court is that the defendant, Joseph W. Tolbert, pay a fine of $50.
>
> WILLIAM H. BRAWLEY, *United States Judge.*
>
> FEBRUARY 24, 1894.

And yet he denies he was ever indicted or convicted of any such offense. You now know how much to believe about his other denials.

You may say it was a small matter. Yes; and a big-hearted judge let him off with a minimum sentence, but it illustrates the fact that the gentleman who now dispenses patronage in South Carolina did not overlook small things. He has been selling things, from the smallest R. F. D. route and fourth-class post office up to the highest office that the Republican Party has to deliver in the State of South Carolina.

Oh, you say, maybe he did not do it. Let us see, and I am going to call a Republican witness. Mr. A. A. Gates, sr., a Republican, and a man of business standing for the last 25 years in South Carolina, makes affidavit on the letterhead of the Union Republican League in Greenville, S. C. In the affidavit he states that he and his wife came here in 1921 to see Mr. Tolbert. They took breakfast with him, and in his affidavit Mr. Gates says, and his wife joins in the affidavit:

> In the course of conversation, prompted by the volume of his mail, I remarked in the presence of my wife, Alice M. Gates, "Joe, your income from patronage will amount to $50,000 or $60,000 before you wind up, won't it?" He replied by saying, "If I don't make at least $100,000, it will not pay me to throw away my time and expenses here in Washington getting jobs for you fellows."

And yet they talk about the Teapot Dome and the $100,000 bribe paid to Fall. If this gentleman had been Secretary of the Navy, Teapot Dome would never have gotten away from the Navy Department and the $100,000 would have been invested in South Carolina.

You say that is just an affidavit. Well, let us see. I will read a letter written on the letterhead of the Charleston Republican Club and dated January 1, 1923, in which the man writing the letter, who is a Republican, says:

> I am a Republican, as you will see by the above letterhead, but I am not of the Tolbert class, for I am sure that J. W. Tolbert is in it for the personal gain and not for the good of the people or for a party in our good State—South Carolina. Mr. J. W. Tolbert gave

Mr. H. M. Feaster and myself to understand that anyone that got a Federal office that person would be compelled to put up 20 per cent of his or her salary and that the money should be paid to the treasury of the Republican State committee, so he, J. W. Tolbert, could draw on it at will. Mr. Marcus Bloom, of the American Meat Market—

This gentleman has put a fellow in a beef market to deal out post offices and things of that kind just the same as he sells brains and liver—

Mr. Marcus Bloom, of the American Meat Market, sent Mr. J. W. Tolbert $400 at one time, and that was collected from the different office seekers. Mr. S. R. Hendery sent $50 at that time.

Now, I will refer to a letter from Mr. Marcus Bloom to one F. A. Salve, Ridgeville, S. C.:

Yours of September 1, inclosing $50, received; must say that I am surprised that the check was not inclosed for $100, as per promise. I forwarded my check for said amount to party mentioned in Washington—

The chairman keeps his office down at the St. James Hotel—

and certainly expected you to act in as good faith as I did. I simply stated to you facts as they existed and did not make any promise whatever, and can not understand why you should remit only one-half of amount agreed upon, pending your appointment for the balance.

That fellow had more sense than some of the others, because I will tell you what happened. He did not remit the other $50 and he did not get the office either, nor did he get his $50 back. [Laughter and applause.]

Now, we will look at another case. Here is a poor fellow, and I am not going to divulge his name; I have stricken it out because he is a disabled veteran of the war, shot on the fields of France. He writes a pathetic letter to know whether anything can be done for him as he made 92½ in the examination, while the next man had an average of 82½. Then this fellow says, "If you will pay me so much money you can get the office; if you don't, you can not." He refused to do it and they gave it to the other fellow who was well to do and did not need it. That is the way they treat veterans.

I have here an affidavit from a widow who says she was the postmistress, and they came to her and she states that when they said "You will have to put up $170, 10 per cent of the salary," that she told Mr. Stuckey, who was a representative of Tolbert, that she did not think it right to have to buy the post office, inasmuch as it was a civil-service appointment, and that she wanted the position honorably or not at all. She stated further that she needed the office, being a widow with three children to support, but that she would not buy it. Mrs. Nelson further states that she made the highest average on the examination for this office, according to reliable information received by her. She further states that it is her understanding that appointment was given to one making the lowest average, having been offered to both the others at $170 and declined by both of them, and yet he says they are not selling offices in South Carolina. Oh, I suppose he will say this was because some agent was selling them and not him, but I have here an affidavit of a school-teacher, and I am going to read just a little bit from it because he is a Republican.

Mr. WEFALD. And a school-teacher?

Mr. STEVENSON. Yes, sir; from North Carolina. We occasionally get a pretty good Republican out of Mr. HAMMER'S district over into our country. He says they came down there and told him, "If you will stand the examination and pay $75 you can get the office." "I did not send the money to Mr. Stuckey, so Mr. G. E. Smith, of Mullins, came down there and demanded the $75 I had promised Mr. Stuckey. I did not know whether Smith was a crook or not, and I did not feel that there was due anybody any money for a public office to which I had been appointed after taking examination and complying with the law, and told him so. He then showed me a letter from Mr. Stuckey authorizing him to collect the $75. However, I did not have the money at the time and put him off with a promise. In a few days Mr. G. E. Smith came down to see me again and told me that unless I paid him the sum of $75 then that I would not be commissioned by the department. He said that all postmasters paid 10 per cent or more of the salaries of their offices and that he was paying $400 for his appointment as postmaster at Mullins, S. C., and that the appointment would be made in a short time. He said that the Democrats raised their campaign funds in this way, and that we Republicans had to get our funds out of the appointments."

The SPEAKER. The time of the gentleman has expired.

Mr. STEVENSON. Mr. Speaker, I ask for 10 minutes more.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to proceed for 10 additional minutes.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, does the gentleman feel sure he will be able to conclude in that time?

Mr. STEVENSON. Yes, sir.

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

Mr. STEVENSON. The affidavit then continues:

Under his threat of stopping my commission and believing that he had, as he claimed, the power to do this thing, I did pay him the sum of $75 in cash, which money I had received for teaching school at Joyner Swamp, in Horry County, S. C.

I am reading you just a few of these affidavits. I am putting in a good many more. I could require an extra edition of the CONGRESSIONAL RECORD to print all that I could produce and put in here. It is the most disgraceful proposition that has ever been pulled off in South Carolina.

I have here an affidavit from Mr. W. M. Floyd, of Spartanburg, a lifelong Republican, who was postmaster under Taft, that when this man was made national committeeman and recognized in the convention at Chicago which took him and his colored delegates as contesting delegates and seated them which enabled them to put Mr. Taft across, and, as Mr. Roosevelt said, steal the nomination from him—I do not know; that is a row among the Republicans—but anyway, when he got home from that convention and was in the saddle, he wired Mr. Floyd and told him to meet him at the station. I have his affidavit here. He met him there, and this man said:

You can continue to hold this post office provided you will pay $800 for it.

Mr. Floyd said he promised to send him a check, but did not do it. In other words, he prudently waited to see who would appoint the postmasters the next year, and it turned out that Mr. Wilson appointed them without the consent and advice of Mr. Tolbert, and Mr. Floyd did not pay any $800.

Mr. BLANTON. Is he still national committeeman?

Mr. STEVENSON. Sure; I will read you what he says about himself in a minute.

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

Mr. STEVENSON. Yes, sir.

Mr. KINCHELOE. Who is the intermediary between the two so far as the White House is concerned?

Mr. STEVENSON. Well, he goes right to the White House.

Mr. KINCHELOE. I was wondering about the Secretary to the President.

Mr. STEVENSON. I understand the gentleman to whom you refer and I will make it relevant in a minute. The department was notified in June, 1923, and I have a copy of the letter here written by the leading Republican in South Carolina, that this thing was going on and that they had sold the post office in his town for $300 and called on them to stop it and said it was destroying any chance for a decent Republican Party in South Carolina. So they had notice of it from Republican headquarters. What did they do? They went right on and on the 23d of November this deal was made whereby Tolbert got out of the way for marshal and let them appoint another and he had Cochran resign as district attorney in the western district and had him appointed in the eastern district as judge. He had his nephew, Joseph A. Tolbert, appointed district attorney in the western district, and the President called him over there and signed the commissions in his presence and delivered them to him and had him carry them down to South Carolina to deliver. That is how near he is to the White House. He does not need any intermediary. Here is what he says:

He maintained to-night that he is strictly in the saddle in South Carolina politically and pointed to the commissions in his possession as proof thereof. President Coolidge called him to the White House this morning to let him see the Executive signature attached. Tolbert had been with Mr. Coolidge previously. The President informed him, says Tolbert, that whatever he would do in patronage matters would be all right, and he is therefore going ahead "lock, stock, and barrel" to dominate post office and all other appointments. "Everything is all right with me and the President," Tolbert said, "and with Bascom Slemp and all of them."

Now, you know where Slemp learned how to sell post offices. Tolbert established it years ago. He is living up to it and is dealing them out like they sell mules at livery stables down in South Carolina, where the highest bidder gets them; it does not make any difference. He turns down the widow with the three children, he turns down the soldier with the marks of con-

flict on his body, he turns down the man who has won the position by the highest marks, and he turns down the schoolteacher who worked at Joyner Swamp to get the money to pay him—he holds up his commission until he comes across with his $75.

Mr. SHERWOOD. Where did this money finally find its home?

Mr. STEVENSON. I do not know. As I said here once before, I doubt if much of it gets to the Republican executive committee, but I do not care where it goes. Either it goes into his pocket and the pockets of his machine or it goes into the coffers of the Republican Party. If it does, it is the most blatant defiance of the civil service law that any party has ever had the hardihood to put over, and it is as disgraceful as the Teapot Dome proposition any day.

Now, gentlemen, I am going to conclude with a statement about this matter of the judgeship in the eastern district. I smoked them out until they say they will not appoint Mr. Tolbert clerk of that court now. I have accomplished that much.

I charge that there was a trade made with the administration; first, that Joe Tolbert relieve President Coolidge from the embarrassment of appointing him marshal again after two rejections, and hold the South Carolina vote for Coolidge in the national convention. In return, Tolbert's nephew was to be made district attorney, his friend, Kirksey, marshal in the western district, and he be continued a free hand in the post offices and rural routes, and cared for in such way that the Senate could not get at him; that as a detail Cochran was to resign as district attorney of the western district and move to the eastern district and accept the judgeship, and that he has acquiesced in and accepted the fruits of that trade and arrangement, and thereby indorsed it, and without his consent it could not have been put through; that all this was done by the administration with full knowledge that Tolbert was collecting cash for his indorsement for public office, and that this administration thereby repudiated the civil service law, gave countenance to a system of brokerage in public office and used a judgeship as a political pawn on the chessboard, and thereby helped to bring the Federal judicial appointments under suspicion all over the country.

I set out here fully the letters and affidavits referred to:

STATE OF SOUTH CAROLINA,
County of Spartanburg:

Personally appeared before me W. M. Floyd, who being duly sworn, says that he was the postmaster of the city of Spartanburg for five years, serving under President William Howard Taft; that in the year 1912, right after the Chicago convention, Joseph W. Tolbert wired deponent to meet him at the depot at Spartanburg, S. C., and upon receipt of this wire deponent met said Tolbert at the Union Station in Spartanburg, S. C.; that upon Tolbert getting off the train, he spoke to deponent and told deponent that he had been chosen national committee man at the convention which he had just left, and that he would have charge of the patronage of the Republican Party in this State, and told deponent that if he wanted to hold the post office in Spartanburg he would have to "come across" with $800. Deponent told said Tolbert that he did not have any $800 to pay him, but that he would send him a check to Greenwood, S. C., later on, which check this deponent did not send.

Deponent further states that he is a bona fide member of the Republican Party and is not applying for any office under said Tolbert at this time, and is making this affidavit in the interest of good government in South Carolina, and further, on account of his interest in the Republican Party in this State. W. M. FLOYD.

Subscribed and sworn to before me this 12th day of June, 1922.

[SEAL.] LALLAH B. KENNEDY,
Notary Public for South Carolina.

THE UNION REPUBLICAN LEAGUE,
Greenville, S. C.

STATE OF SOUTH CAROLINA,
County of Greenville:

Personally appears before me A. A. Gates and Alice M. Gates (the wife of A. A. Gates,) who, being duly sworn, says:

"That on the 23d of October, 1921, they left Greenville on train No. 38 for Washington, D. C., arrived morning of the 24th at 8.40 a. m., went directly to the St. James Hotel, ate breakfast with Joseph W. Tolbert, and after breakfast they (A. A. Gates and Alice M. Gates) went with Joseph W. Tolbert to his room in above-mentioned hotel where he, Joseph W. Tolbert, transacts all of his political business. In the course of conversation prompted by the volume of his mail, I remarked in the presence of my wife, Alice M. Gates, "Joe, your income from patronage will amount to fifty or sixty thousand dollars before you wind up, won't it?" He replied by saying: "If I don't make at least $100,000 it will not pay me to throw away my time and expenses here in Washington getting jobs for you fellows."

A. A. GATES, Sr.
ALICE M. GATES.

Subscribed and sworn to before me this 10th day of July, 1922.

E. S. POOLE.

CHARLESTON REPUBLICAN CLUB,
Charleston, S. C., January 1, 1923.

Senator DIAL, *Washington, D. C.*

MY DEAR SENATOR: No doubt you will remember the time I met you in Washington in June of 1920.

I am a Republican, as you will see by the above letterhead, but I am not of the Tolbert class, for I am sure that J. W. Tolbert is in it for the personal gain and not for the good of the people or for a party in our good State, South Carolina.

Mr. J. W. Tolbert gave Mr. H. M. Feaster and myself to understand that anyone that got a Federal office that person would be compelled to put up 20 per cent of his or her salary, and that the money should be paid to the treasury of the Republican State committee, so he J. W. Tolbert, could draw on it at will.

Mr. Marcus Bloom, of the American Meat Market, sent Mr. J. W. Tolbert $400 at one time and that was collected from the different office seekers. Mr. S. R. Hendery sent $50 at that time, and I think that I can get a copy of a letter that he wrote making a demand for money.

I am willing to come to Washington and go before the committee if my expenses are paid, and I will tell more than I care to write. If I can help you any in your fight please let me know and I will give you the best I have, for I am out for right and I want to help to stop all crooked work.

Hoping that this will help you in your good work, I am ever at your service.

W. F. BROWN,
15 Coming Street, Charleston, S. C.

SUMTER, S. C., *June 9, 1923.*

To the Hon. Mr. NEW,
Postmaster General, Washington, D. C.

DEAR SIR: In view of the open charge heretofore made against J. W. Tolbert, respecting the sale of his indorsement for a money consideration to applicants for postmaster positions in this State, it has been, and remains, the subject of much surprise to the public generally that the administration still receives Mr. Tolbert and lends ear to his recommendations. To the few genuine Republicans here, who desire foundations laid in South Carolina for a party that will grow, it is the cause of humiliation and surprise.

I have been informed that Mr. T. S. Doar, late postmaster of Sumter, S. C., paid $800 for Mr. Tolbert's indorsement, and that the said Mr. Doar paid the money to a political henchman of Mr. Tolbert. This information came to me not as a mere rumor, but I have good reasons for believing it is true.

Very truly, GEO. D. SHORE.

WOODRUFF, S. C., *August 1, 1922.*

Senator N. B. DIAL.
Washington, D. C.

MY DEAR SENATOR DIAL: I have been interested in your fight to keep Mr. Joe Tolbert from being confirmed as marshal. I noticed your charges and Tolbert's denial. You remember I tried for the Woodruff post office last summer, and I found out a few things about Mr. Tolbert and politics enough never to want to have anything to do with either. I know your charges are true, and if anything not strong enough.

Mr. Tolbert made me believe he could have me appointed even if I did not pass the examination. He showed me a list of names of two men sent him by the Civil Service Commission who had passed the examination for post office in the lower part of the State. His man was not on the list, but he put it on and returned it to the commission. They returned a revised list to him with his man on with the other two, and I noticed he was later appointed. I was to get the office if I did certain things, but in the end he recommended some one else, giving as his excuse he could not recommend me because I did not pass the examination. I think the one making the highest mark should have gotten the office. I thought I was playing the game according to the rules, and that was the only way to get the office.

Mr. Tolbert had in his possession for several months $200 of my money. He gave the impression that he required about 10 per cent of first year's salary to pay his expenses. He did not return this money when I first asked for it, but did when we threatened to make it hot

for him. My personal opinion of Mr. Tolbert is that he is the biggest crook that ever lived in South Carolina. I would not believe him on his oath.

Yours very truly,

TEAGUE G. HARRIS.

Hon. NATHANIEL B. DIAL,
United States Senate, Washington, D. C.

DEAR SENATOR: I have noticed with interest your charges against Mr. Tolbert. For your information, and I prefer that you keep this in confidence, I am sure that you can get a similar statement from Mr. ———, formerly postmaster at this place. Mr. ——— was postmaster here for about eight years. He sought reappointment. He put up a certain amount of money to get the reappointment, with the understanding that the money would be returned to him if he failed to get the place. He did not get the appointment nor has he received the money back. His successor, the present postmaster, Mr. ———, when it was learned that Mr. ——— would not be reappointed, went to see this party in a near-by city and also put up some cash. He got the place, and, of course, is satisfied. I advanced the money in both cases, about $300 or $350 in each case. I prefer that you take the matter up with Mr. ———. I think he will be glad to make an affidavit that what I have said is practically true, although I am writing this without the knowledge of ———, and, as above stated, I prefer that you do not use my name unless it becomes necessary. Suppose you write to ——— without using my name. ———.

MAY 18, 1923.

Hon. DIAL, *Laurens, S. C.*

DEAR SIR: I wish to ask that you do what you can to see that I am accorded a fair deal under the civil service act. I took the examination March 24, at ———, S. C., for ———, and received a rating of 92.50 while the next highest was 83.50.

Besides, I am the only ex-service man that passed, was wounded in France, and know of no possible reason or even excuse for my rejection.

However, I received a letter from the ——— at ——— asking me to see him. When I conferred with him, he informed me that the only chance of my appointment was through him and ———, Republican ——— at ———, and that for a sum not mentioned they would assure of my appointment.

Please let me know what you can do for me.

Yours truly,

——— ———.

Senator DIAL.

DEAR SIR: In affairs of Tolbert selling post-office appointments there can be no doubt. I know you have evidence to support your charges, but, wishing to aid you in any possible way, I am writing you. You will understand his manner of procedure was on this order: Tolbert himself fixing the price of the various post offices for sale, for instance, the Darlington office was placed at $300; and I have been told it was offered to Fountain, the then acting postmaster, for this sum. Fountain refused and resigned. This same price was made to another party by Tolbert here to my certain knowledge, for this post office through some man in Bishopville, who claimed to be Tolbert's referee or agent. This $300 was to be paid to the referee, Tolbert agreeing by letter to recommend the certain party for appointment in Washington, also promising to refund the $300 if the man paying the $300 failed to get the post office. You will understand these tactics were practiced by Tolbert in every case, viz, Tolbert fixed the price, his referee or agent bargained and sold the office, collected the sale price, and closed the contract, this keeping Tolbert from having any personal agreement or any personal contract with the applicant for the office, endeavoring thereby to avoid his being a party to the procedure in the eyes of the public. This is why Tolbert claims now to have certificates from applicants for office that he "himself" never demanded any price from him, "but his agent or referee in this matter did," of which the public knows nothing about. This is how he attempts to shield himself.

If you could secure the names of his referees or agents, who made the deals for him, it would aid you. If I can get the name of Bishopville agent, will forward it to you.

Truly,

DR. J. S. GARNER.

AMERICAN SHIP CHANDLERY CO.,
Charleston, S. C., Sept. 3, 1922.

Mr. F. A. SALVE,
Ridgeville, S. C.

DEAR MR. SALVE: Yours of September 1, inclosing $50 received, must say that I am surprised that the check was not inclosed for $100 as per promise. I forwarded my check for said amount to party mentioned in Washington and certainly expected you to act in as good faith as I did. I simply stated to you facts as they existed and did not make any promise whatever, and can not understand why you should remit only one-half of amount agreed upon, pending your appointment, for the balance. This is certainly not acting in good faith and whether I ever get the balance or not, it makes no difference to me whatever, as I have the satisfaction of knowing that my promises were fulfilled to the fullest extent and I am sorry I can not say the same of yours.

Yours very truly,

MARCUS BLOOM.

RIDGEWAY, S. C., *January 15, 1924.*

STATE OF SOUTH CAROLINA,
County of Fairfield, ss:

Personally appears before me Mrs. Stella R. Nelson, who under oath affirms that she was postmistress at Ridgeway, State and county aforesaid, from March 5, 1919, to August 21, 1923, and that she was also an applicant for reappointment, having stood the civil-service examination for such appointment and having been advised by the post-office authorities that she was placed on the eligible list for such appointment. She further states that during the past summer previous to the said appointment she was approached by one Mr. Stuckey, of Bishopville, S. C., who stated that he was directly from office of Joseph W. Tolbert, and who further stated that he would guarantee the said Mrs. Stella R. Nelson the reappointment of said post office in the event that she would pay to him as much as 10 per cent of her past year's salary. The said Mrs. Stella R. Nelson further states that she told the said Mr. Stuckey that she did not think it right to have to buy the post office inasmuch as it was a civil-service appointment, and that she wanted the position honorably or not at all. She stated further that she needed the office, being a widow with three children to support, but that she would not buy it. Mrs. Nelson further states that she made the highest average on the examination for this office according to reliable information received by her. She further states that it is her understanding that appointment was given to one making the lowest average.

In witness whereof I, the said Mrs. Stella R. Nelson, do hereunto set my hand and seal this 15th day of January, 1924.

[SEAL.] STELLA R. NELSON.

Signed, sealed, and delivered in the presence of—

MRS. A. B. HEINS.

STATE OF SOUTH CAROLINA,
County of Fairfield, ss:

Personally appeared before me Mrs. A. B. Heins, who makes oath that she saw the within-named Stella R. Nelson sign and execute the within instrument and subscribed her name as witness thereto.

R. C. THOMAS,
Notary Public in and for South Carolina.
MRS. A. B. HEINS.

STATE OF SOUTH CAROLINA,
Horry County:

Personally appeared before me George Pearley Carroll, who, being duly sworn, says: I am now postmaster at Allsbrook, in Horry County, S. C. I stood the civil-service examination sometime during the month of January, prior to this time. Some time after this a Mr. J. E. Stuckey came down here and drove out to my home in the country to see me. He told me that he knew that I was an applicant for the post office, and that he would get me the appointment if I would pay him the sum of $75, or 10 per cent of the salary I was to receive. I told him that I had no money to pay him then, but to get me the job first and then I would pay him. He left his address and told me to send the sum of $75 to him in currency by registered mail to Bishopville, S. C. Some time after this my name was certified to the Post Office Department as one of three eligibles for appointment at this office. I did not send the money to Mr. Stuckey, so Mr. G. E. Smith, of Mullins, came down here and demanded the $75 I had promised Mr. Stuckey. I did not know whether Smith was a crook or not, and I did not feel that I was due anybody any money for a public office to which I had been appointed after taking examination and complying with the law and told him so. He then showed me a letter from Mr. Stuckey authorizing him to collect the $75. However, I did not have the money at the time and put him off with a promise. In a few days Mr. G. E. Smith came down to see me again and told me that unless I paid him the sum of $75 then that I would not be commissioned by the department. He said that all postmasters paid 10 per cent or more of the salaries of their offices, and that he was paying $400 for his appointment as postmaster at Mullins, S. C., and that the appointment would be made in a short time. He said that the Democrats raised their campaign funds in this way, and that we Republicans had to get our funds out of the appointments. Under his threat of stopping my commission and believing that he had, as he

claimed, the power to do this thing I did pay him the sum of $75 in cash, which money I had received for teaching school at Joyner Swamp, in Horry County, S. C.

GEORGE P. CARROLL.

Sworn to before me this 9th day of January, 1924.

G. B. STACKHOUSE,
Notary Public for South Carolina.

(My commission expires at the pleasure of the governor.)

BOUGHT POSTMASTERSHIP—J. C. M'ELHANEY SAYS HE PAID $50 FOR FORT MILL OFFICE.

[Clipping from Fort Mill Times, August 31, 1922.]

"There wasn't anything surprising to me in the newspaper stories sent out from Washington a few days ago telling that Senator DIAL was opposing the confirmation of Joe Tolbert as marshal for the western district of South Carolina on the ground that the Republican organization in this State, of which Tolbert is chairman, had assessed postmasters and other Federal officeholders who had been appointed through the organization's influence since Harding became President," a day or two ago said J. C. McElhaney, who was postmaster of Fort Mill from July 1, 1921, to August 15 of the same year. "I secured the postmastership of Fort Mill through the influence of the Republican organization," continued Mr. McElhaney, "and paid $50 for its assistance. The money was sent by me to one of the Republican bosses in the State, who has since been appointed to and is holding an important Federal office. I had a conversation with this man before I was given the postmastership, in which he asked me if I would pay $50 for the job. I told him I would. He then directed me how to send the $50, not by post-office money order or bank check but to purchase an express money order for the amount and to forward it to him in that way. This I did, and if the records of the express office in Fort Mill do not show that on April 1, 1921, I sent this man $50 it will be because the records are not there or have been destroyed.

"Here is the receipt I was given at the express office when I bought the money order," said Mr. McElhaney, as he handed to the Times man a small slip of blue paper bearing the number A-6006060. Beneath this number was printed the wording "American Express Co. money order. Remitter's receipt; keep this." The receipt is now in possession of the Times, and on it in ink the name of a well-known South Carolina Republican politician as the person to whom the money order is said to have been sent.

STATE OF SOUTH CAROLINA,
County of Fairfield:

Personally appears before me W. G. Whitlock, county and State aforesaid, who, under oath, affirms that his wife, Mrs. W. G. Whitlock, made application for the post office at Ridgeway during the past year, and that she stood the examination for such appointment, was placed on the eligible list, and is reliably informed that she came second in this examination. Further, he, the said W. C. Whitlock, states that during the summer of 1923, before the said appointment was announced, he was approached by one, Mr. Stuckey, of Bishopville, S. C., who stated that he represented Joseph W. Tolbert, and offered to guarantee the appointment of Mrs. Whitlock as postmistress upon the payment of the sum of $170, regardless of the examination or reputation.

In witness whereof I, the said W. G. Whitlock, do hereunto set my hand and seal this 15th day of January, 1924.

[SEAL.] W. G. WHITLOCK.

Signed, sealed, and delivered in the presence of—

P. R. SCOTT.

RIDGEWAY, S. C., *January 15, 1924.*

STATE OF SOUTH CAROLINA,
County of Fairfield:

Personally appeared before me P. R. Scott, who makes oath that he saw the within-named W. G. Whitlock sign and execute the within instrument and subscribed his name as witness thereto.

[SEAL] R. C. THOMAS,
Notary Public in and for South Carolina.

P. R. SCOTT.

Hon. N. B. DIAL,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Yours of the 30th ultimo was duly received. I wrote you before the only copy of the testimony given at the hearing on the confirmation of Tolbert I left with the President. The stenographer's notes were not transcribed except for that particular copy. Of course, as I understand it, the rule of the Senate regards all testimony and matters concerning confirmation of a candidate as confidential, and it can not be made public until the Senate removes the injunction of secrecy. I am therefore unable to give out any copies of the testimony.

Very truly yours,

FRANK B. BRANDEGEE.

But they may say that Mr. Stuckey, who was selling the post offices, was not Mr. Tolbert's agent.

I quote you Tolbert's interview with Nixon S. Plummer on November 23, found in the Spartanburg Herald of November 24:

WASHINGTON, November 23.—The first important southern appointees of President Coolidge lifts National Committeeman Joseph W. Tolbert out of the marshalship of western South Carolina, but puts three men in office whom Tolbert himself recommended to the President.

They are, as announced at the White House this morning, as follows: Ernest A. Cochran, now district attorney for the western district, to become Federal judge of the eastern district, succeeding H. A. M. Smith, who has long been expected to resign; Joseph A. Tolbert, nephew of the committee man, to be district attorney; Robert Kirksey to be marshal. Their nominations will be submitted to the Senate in December, but Mr. Tolbert will deliver their commissions for recess appointments.

He maintained to-night that he is strictly "in the saddle" in South Carolina politically and pointed to the commissions in his possession as proof thereof. President Coolidge called him to the White House this morning to let him see the executive signature attached. Tolbert had been with Mr. Coolidge previously.

TOO BUSY FOR MARSHAL.

The President informed him, says Tolbert, that whatever he would do in patronage matters would be all right, and he is therefore going ahead "lock, stock, and barrel" to dominate post office and all other appointments. He declared to-night that in putting his nephew in as district attorney he did not think it would look right for him to remain marshal, besides he had "business and other matters" to require his attention. * * *

"Everything is all right with me and the President," Tolbert said, "and with Bascom Slemp and all of them."

HAD BEEN WELL COVERED.

It had been supposed for several days that something was under way, but the plans were well protected and did not become known until formally announced to-day.

It will be noted that the President tells Mr. Tolbert that whatever he would do in patronage matters would be all right, and he is therefore going ahead "lock, stock, and barrel" to dominate post office and all other appointments. And he has dominated them from the start, and the worst of it is, as shown by the letter of George D. Shore to Postmaster General New, the authorities in Washington have been thoroughly informed of what he was doing and are maintaining him in all his power notwithstanding their knowledge of this corruption.

Mr. Shore, it will be noted, is a leading Republican in South Carolina, and endeavored to extricate his party from its responsibility in this matter by his appeal to Mr. New.

Mr. Tolbert also says, "Everything is all right with me and the President and with Bascom Slemp and all of them." Considering the revelations as to Bascom Slemp's dealing with the post-office situation in Virginia, I take it for granted that it would be all right between him and Tolbert. There is no question but that Tolbert, under the guise of collecting a campaign fund, has sold the offices in South Carolina and is still selling them, and the claim that it is in the interest of the Republican campaign fund is the most blatant violation of the civil service law that has ever gone on, and it has gone on not only unrebuked but commended by the administration.

If the country wants any more proof of this allegation than that, there is an abundance of it available.

Now, he denies the trade as to the appointment of the judge. Let us see the situation: He had been twice rejected as marshal and knew it was impossible for him to be confirmed. He goes to the President, and he and John R. Cochran, the brother of the judge appointed, are here in conference. I saw Mr. Cochran here and talked to him myself. The fact that a vacancy had occurred was studiously concealed from the South Carolina delegation until the last moment, when it was communicated to Senator DIAL. The candidates were rearranged. Mr. Cochran resigned as United States district attorney to enable Tolbert's nephew, Joseph A. Tolbert, to be promoted to that position, and as an inducement to him to resign he is appointed judge of the eastern district over his protest, with the statement that it was for the good of the party. At the same time a familiar of Mr. Tolbert was appointed United States marshal,

and on December 13 or 14 a statement was made in this city, or alleged to have been made, by Mr. Tolbert that Cochran was to appoint him clerk of the United States court for the eastern district. That statement was published in the daily papers in South Carolina on the 14th of December or thereabouts. From that it was published in nearly all the papers of South Carolina and vigorously commented upon, and no denial was forthcoming until the day before I made my speech in the House, on which day a newspaper reporter in Charleston waited on Judge Cochran and asked him the direct question, and his reply was: "You can say that such rumors are absolutely without foundation in fact," and that was published on the day on which I spoke and did not reach this city until the next day. That, in fact, did not deny specifically that there was an arrangement whereby Cochran went to the eastern district and young Tolbert became district attorney, and there was a tacit understanding that Joseph W. Tolbert would be taken care of.

The statement published as coming from Tolbert, being undenied for 30 days and being corroborated by so many circumstances pointing in the same direction, made a powerful case of circumstantial evidence that the statement was true. But Tolbert now denies that he made the statement in Washington. Why was he so long in denying it? And can you believe this denial when I have shown conclusively by documentary evidence that his other denials were absolutely untruthful?

Judge Cochran has seen fit since to elaborate and say he will not appoint Tolbert, and that there was no trade to that effect. I am glad Judge Cochran says this, and I never charged that there was any written, hidebound trade, but a political understanding, which is frequently not in the shape of a trade.

But I do charge that Joe Tolbert expected to be appointed clerk, according to the preponderance of the evidence, and that this exposure has prevented the possibility of that.

He also twits me with not knowing how juries are drawn in the United States court, and denies that if he were clerk he could shade the jury.

The law is that the names are put in the jury box by the clerk of the court and the jury commissioner, the clerk putting in one name and the commissioner one, alternately (Judicial Code, sec. 276). Therefore it is very evident that Mr. Tolbert in filling the jury box could put in half the names, and on an honest drawing half of the juries drawn would be men whose names he put in, and nobody in South Carolina would want to risk a jury one-half of which was made up by Tolbert.

But, as a matter of practice, the clerk gathers up the list of names from the different counties and then he and the jury commissioner divide them up and put them in the jury box in the way stated by the statute. Tolbert would get the names from his henchmen in the different counties, who had been selling post offices, and a man would have to pay a little fee to get into the jury box and have a chance to be a juror. Any cattle that would get into the jury box by that process could be entirely discredited as competent jurors by any decent people.

Ah, but they say, the statute says that this jury commissioner must be of opposite political faith, and therefore his half of the jurors would be all right. Yes; but unfortunately the Federal court decided in the case of the United States *v.* Chaires (40 Fed. Rep. 820) that this is merely directory, and that the jury commissioner may be appointed of the same party and not invalidate the juries, and either one of Tolbert's Republican pals or a colorless Democrat who was hanging around looking for Republican crumbs would be jury commissioner, and the juries would be packed, because the men in the box would be selected by Joseph W. Tolbert if he had been clerk of the court, which, I am thankful to say, under Judge Cochran's most recent statement, as a result of what I said in the House, is impossible now.

SOLDIER COMPENSATION.

Mr. LINEBERGER. Mr. Chairman, I ask unanimous consent to address the House for 15 minutes. I do not think I will take more than 10 minutes, but I desire to discuss the question of adjusted compensation, and I shall confine my remarks to reading an article on that subject.

The SPEAKER. The gentleman from California asks unanimous consent to address the House for 15 minutes. Is there objection?

Mr. CRAMTON. Reserving the right to object—and it would be embarrassing to me to object, because others have been encroaching on the time of the House this afternoon—but the pending appropriation bill is of some importance, and we have now taken over two hours' time that belongs to that bill. If the gentleman from California will modify his request and make it 10 minutes, I will not object. I wish to say that for the remainder of to-day and to-morrow I shall have to object to any requests by any Member to address the House that will interfere with the consideration of this bill.

Mr. LINEBERGER. I am willing to modify my request and make it 10 minutes. I may have to ask for 1 or 2 minutes more if I can not complete the reading of the article. I think this matter of adjusted compensation is of more vital importance than some of the matters that have consumed the time of the House this morning, to wit, the discussion just ended by the gentleman from South Carolina.

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

There was no objection.

Mr. LINEBERGER. I shall confine my remarks to reading an article which appeared in the Claremont Courier, Claremont, Calif., January 17, on soldiers' compensation by a real leather-necked soldier who saw service in France and in action. I think it presents the view of the average doughboy, and I offer it in refutation of some sentiments I have heard expressed recently in regard to the soldiers attempting to loot the Treasury of the United States:

The following article is contributed by Sergt. William H. Johns, treasurer and member of the executive committee of Keith Powell Post, Claremont. He was a member of the Sixth Regiment of Marines, Second Division, and was wounded in action in the Meuse-Argonne battles. He is a past commander of the Quantico (Va.) Post and was a delegate to the first national Legion convention in Minneapolis in 1919.

EDITOR COURIER:

In answer to the resolution adopted by the Public Spirit Club of San Francisco, and submitted by "a subscriber" in the Courier of January 10:

The writer was a delegate to the first national convention of the American Legion, at Minneapolis, in 1919, and was present when this adjusted compensation legislation (bonus, so-called), was presented by a committee from Congress. Many compensation bills, more than 50, I believe, were then pending before Congress. This committee explained that since an adjustment of pay had been made for all civil-service war-time employees, they felt that a like adjustment should be made in favor of those who "also served." The American Legion was asked not whether they wished the adjustment paid, but how they wished it paid. The answer of the Legion was that at the time we were not prepared to answer as to how, if at all, such adjustment should be paid.

Some time after the convention the national executive committee, together with a committee from Congress, worked out the plan of adjusted compensation that is now before Congress—the same bill that has been approved by every national convention of the Legion since 1920.

The bill is a debt that is owing to the ex-service men and women. No demand for adjusted compensation was ever made by the American Legion, but the obligation has been acknowledged repeatedly by overwhelming majorities in both Houses of Congress, while the people of more than half of the States of the Union have voted, by majorities from three to one to five to one, in favor of adjusted compensation. The country can afford to pay the debt; the funds are available. A recent report from the Secretary of the Treasury shows that the surplus for 1924 will be sufficient to pay that year's installment four times over. Compensation can be paid, and at the same time taxes reduced $243,000,000 in 1924. The bill now before Congress provides for the payment of this debt in ways which would benefit not only the individuals compensated but the country at large—cash only in cases where the amount involved is less than $50, vocational education, farm or home loans, or paid-up insurance. The insurance feature is so much the most attractive, that it is generally conceded that the payment of this debt will be extended over a period of something like 40 years.

I am not arguing for or against the adjusted compensation bill. That argument is over so far as the Legion is concerned. But I do protest against certain propaganda to the effect that the American Legion, an organization of ex-service men and women, is a mob of irresponsible Treasury raiders.

In the language of our national commander, John R. Quinn, of California, "All I ask of any fair-minded person is that he read the provisions of this bill."

I do not know anything of this so-called "Public Spirit Club," but their propaganda would lead one to suspect that they are an echo of the ill-fated "Ex-Service Men's Anti-Bonus League," exposed by the New York Tribune in its naked but not innocent infancy.

There is a reason for certain opposition to adjusted compensation. I can see that to assume this obligation to the ex-service men and women undoubtedly will reduce the price of Government securities. Many readers of the Courier probably own a few of such bonds, bought, however, during the war, and not for profit or for the purpose of

dodging taxes. It is not likely that they will ever decline to the point which they reached in 1919. At that time the market was flooded by discharged soldiers offering their bonds for sale. These bonds were bought in large quantities by certain civilians with plenty of ready money. I do not know whether they made their money through war profits. Some of those civilians are now forming public-spirit clubs and antibonus leagues.

The selling of Liberty bonds by the discharged soldier was doubtless very bad form. But when you consider a man whose pay was $30 per month, less $6.75 insurance, less $10 allotment, less $10 Liberty bonds, you have a man whose savings have not provided a sufficient fund to fit him out with clothes and give him a fair start in civil life. True, he received a $60 bonus—at that time not sufficient to buy an overcoat. True also, he knew that Uncle Sam's bond was worth par instead of the 85 per cent that he received. But how was he to avoid the sacrifice? His uniform must be returned in 60 days, and he couldn't find the fellow who was "backing him up" when he went away. It seemed that this friend of his had joined a public-spirit club, and was deploring the ex-soldier's attempt to sell his patriotism. Perhaps the public-spirited gentleman thinks his soldier protégé should have followed the example of the shipyard workers, plumbers, steamfitters, and some other Government employees; and struck when he had an advantage.

Once upon a time—as it seems to me—in reality, less than six years ago, the Public Spirit Club of San Francisco and other places was patting our backs with "Don't you forget that we're backing you, boy," and "We'll take care of you." We were not those "historically offensive" bonus hunters at that time.

These public-spirit fellows from the Golden Gate use some words in their resoluting that to me are a bit ambiguous—"blanket bonus," for instance. Now, I don't know whether this refers to our persistent salvaging blankets "over there" from comrades who no longer needed them, or whether they refer to the "blanketing" of property in an effort to dodge the tax collector. I am inclined to the latter meaning. Also, "bonus or bounty"; the word "bounty" does not, of course, apply to us, but I am sorry that these wild-eyed resoluters should take such a mean little fling at our older defenders of the sixties.

The Public Spirit Club resolves that "each citizen owed to his country those services which he could best perform without reference to the amount or character of the remuneration therefor." I do not know what these public spiritists have done to bring this about. But I do know that the American Legion has prepared and had introduced a bill in Congress for this very purpose, and that the President has recommended its passage.

I once knew two men from San Francisco, the home of the Public Spirit Club. Both were Americans, though I fear they had often heard themselves referred to as Jews or Sheenies. One wears the congressional medal of honor, the highest decoration conferred by our Government or any other. I wonder how many of the public spiriters would recognize this medal on their fellow townsman. I wonder how many of them would recognize him as an American. He left his comrade in France. This comrade's sacrifice, together with the sacrifice of too many thousand other comrades of ours, makes the tax-exempt securities of this over-patriotic Public Spirit Club just a little bit safer and a bit more valuable.

These men asked no pay for their patriotism; the question of pay was neither raised nor considered by any man who entered the military service, either by enlistment or by induction, during the hour of the country's peril. Try, if you can, to recall any soldier who asked what the Government would pay him in return for his life. These men offered, and many of them gave, their lives to prove their patriotism, and this at a time when plumbers, steamfitters, and carpenters in the employ of the War Department were striking for double their peace-time pay—for half their peace-time work—and permitting soldiers to die of pneumonia in unheated Government hospitals; at a time when shipyard workers and shipyard slackers were holding up construction and the prosecution of the war by strikes for higher pay.

From a cold-blooded viewpoint it would seem that the soldier by doing the job first and trusting his employer to make it right to him afterwards had made a mistake; but no man who ever wore the uniform of the United States would for a second entertain such a thought save to denounce it in the same instant. We agree that "it is not humanly possible to fairly approximately adjust the compensation of Americans engaged in the various Government activities of the Nation in arms." However, the proposed adjusted compensation is less than 10 per cent of the adjustment given the striking civilian employees. But the unequal comparison between the financial treatment of the soldier and the lavish pay given to those other citizens who owed, as the Public Spirit Club says, and as we most emphatically agree, service to their country "without reference to the * * * remuneration"; this unequal comparison suggests to the soldier that the country thinks more of a grabber, who takes what he can get when the door of the Treasury is open, than of a patriot who, thinking only of his country's danger and his own honor, did the job six years ago and then waited, not to be paid (for who of us will set a cash value on his life), but simply to be reimbursed for a small part of the financial loss which his withdrawal from industry caused him.

WM. H. JOHNS.

CLAREMONT, CALIF., *January 12, 1924*.

Who will accuse these men of being bonus hunters and Treasury looters? I submit this letter for the consideration of the House. [Applause.]

EXTENSION OF REMARKS.

Mr. FULMER. Mr. Speaker, a few days ago Dr. Walter M. Riggs, president of Clemson Agricultural College of South Carolina, came to Washington to appear before the Committee on Agriculture. In the meantime he was stricken and died. I ask unanimous consent to extend my remarks in the RECORD on his life, character, and service.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD on the subject indicated. Is there objection?

There was no objection.

DR. WALTER M. RIGGS.

Mr. FULMER. Mr. Speaker and gentlemen of the House, all the people of South Carolina, my State, have just cause to be sad and grieved to-day because of the death of one of her great and good citizens, Dr. Walter M. Riggs.

Just a few days ago Doctor Riggs came to the city of Washington to help to secure a favorable report from the Committee on Agriculture, of which I am a member, on what is known as the Purnell bill—H. R. 157—to authorize the more complete endowment of agricultural experiment stations and for other purposes. On the morning of the 22d instant I learned from Professor Allen, who, with several other professors, appeared before our committee, that Doctor Riggs was ill at the Harrington. As soon as I could get out of the committee meeting I immediately called the Harrington and asked to speak to him, but was advised that I could not be permitted because of his serious condition.

Doctor Riggs was president of Clemson Agricultural College, of South Carolina. He was 51 years of age, lacking two days. He was born on January 24, 1873, at Orangeburg, S. C.—my home town—to Harpin and Emma Julia (Gewan) Riggs.

After receiving his preparatory training in the grammar and high schools of Orangeburg, he entered Alabama Polytechnic Institute, where he starred not only in the classroom but also on the football field. He graduated with the class of 1893, with the degree of B. S. in electrical and mechanical engineering. The year later he received the degrees of E. and M. E. from his alma mater. During the summer of 1894 he took a course in engineering at Cornell University, Ithaca, N. Y.

The degree of doctor of laws was conferred upon him by the University of South Carolina during 1911.

Entering the teaching profession after completing his academic training, he became instructor in English at Auburn, later teaching physics, electrical and mechanical engineering as well. From 1901 to 1910 he was professor and director of the engineering department, continuing his pedagogical duties through 1910, the year he was acting president of his alma mater.

Called back to his native State to assume the presidency of Clemson, which post he held until his death, Doctor Riggs rendered the people of his State distinguished service in the training of their youth.

With the growing evidence that America would soon be drawn into the World War, Doctor Riggs threw himself into the agencies looking to the preparation of this Nation for the coming conflict. He became chairman of the South Carolina committee of the naval consulting board, 1916; member of the South Carolina State Council of Defense, 1917 to 1919, following which he entered the active work of aiding in the winning of the war.

As Paris representative for vocational training of the Young Men's Christian Association during the early part of 1919 he accomplished much in the work of preparing the American soldiers for their return to the pursuits of peace. He was also field representative for vocational training of the association during the same year, and in June, 1919, he was named field organizer for vocational education of the American Expeditionary Forces, Army Educational Corps, Beaune, Cote d'Or, France.

He was a fellow of the American Institute, the E. E. Society for the Promotion of Engineering Education, the Association of American Agricultural Colleges and Experimental Stations, president of the Land Grant College Engineering Association, 1918–19; member of the executive board Southern Conference

for Education and Industry, 1915–1917; and many other organizations.

President of the South Carolina Intercollegiate Athletic Association from 1900 to the time of his death, he maintained an interest in clean, healthy athletics. In 1913 he was elected president of the Southern Intercollegiate Athletic Association, which he held until 1915.

He was married to Miss Marie Louise Moore, of Auburn, Ala., December 27, 1897.

Mr. HAWES. I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 4088.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the bill H. R. 4088. Is there objection?

Mr. BEGG. What is the subject of the bill?

Mr. HAWES. On the subject of the Isaac Walton Fish and Game League.

The SPEAKER. Is there objection?

There was no objection.

THE UPPER MISSISSIPPI WILD LIFE AND FISH REFUGE.

Mr. HAWES. Mr. Speaker, this bill proposes the purchase of 250,000 acres of "the big outdoors."

H. R. 4088, known as the Izaak Walton League bill, must not be confused with the migratory bird law or the game refuge bill.

While sympathetic with the objects of both these bills, a distinction must be drawn so there may be no confusion in the minds of the Members regarding objections raised to them.

This bill proposes the purchase of 250,000 acres of waste bottom lands on both sides of the Mississippi River between Rock Island, Ill., and Wabasha, Minn.

This land is useless for farming purposes, and three different efforts for its drainage have resulted in failure, but the ominous dread of drainage of this area, which is now again proposed, can only be prevented by this national action.

Possession by the National Government would not interfere with navigation or the water supply of any of the States.

The present sloughs, marshes, ponds, lakes, and streams act as a natural reservoir by holding floods in leash and preventing the waters from being precipitated to the lower river in destructive floods.

This area is famous for producing all types of fresh-water food fishes and all types of fresh-water game fishes, such as perch, crappie, drum, rock bass, pike, pickerel, and muskellunge, and it is especially famous for black bass.

Scientists declare this area represents the last stand of black bass in the Mississippi Valley and some declare in the whole United States.

These scientists state that the yearly toll of black bass in this country is so great, compared with the yearly hatch, that this greatest of American game fishes is certain to become extinct within 10 years, unless extraordinary effort is made to protect their natural spawning beds.

The Bureau of Fisheries and other scientific bodies declare that black bass would become practically extinct if not protected while on their spawning beds.

The area covered by this bill is pronounced by scientists as being the greatest natural incubator for black bass in America.

The aquatic value of the plant life of these bottom lands is known to scientists, who state that if properly administered under Government regulation, hundreds of thousands of dollars worth of aquatic plant life would be conserved.

There is no more beautiful section in the United States than the 300 miles of river bottom lands covered by this bill.

Artists and painters declare the natural scenery not only the equal of the Hudson but surpassing it in beauty.

On each side of the river there are bluffs, some of them as high as 1,800 feet, and the rugged beauty is quite beyond description.

The timber value of the islands and bottom lands represented in this district is great. All types of woodland trees grow here in great quantities and very rapidly. Among these are elm, ash, oak, willow, boxwood, cottonwood, walnut, hickory, maple, dogwood, live oak, and birch.

From the area covered by this bill it is estimated that $400,000 worth of pelts are yearly taken from muskrats, skunk, raccoon, and fresh-water otters, and if these are taken over by the National Government and put under the direction of the Biological Survey, it is estimated that under the protection of this commission five times this amount would be raised.

It is impossible to approximate the food value of ducks, geese, brant, snipe, woodcock, grouse, and pheasants taken from this area, but they are in the hundreds of thousands.

It is an established fact, testified to by ornithologists of fame, that the region covered by this bill is the greatest highway for migratory birds on this continent.

Two hundred and sixty-nine varieties of song birds mate and breed in this region. It is their one great refuge. These birds later scatter all over the United States.

There is no national wild-life refuge established by the Federal Government between the Rocky Mountains on the west and the Appalachian Mountains on the east and from Canada on the north to the Gulf on the south.

A STATE SITUATION.

The situation in Missouri serves as an illustration for other States.

With many clear, swift-running streams traversing the State, it is not equal to the task of replacement.

These streams rise overnight and destroy many millions of bass spawn, which can not be replaced from Missouri waters, and efforts to raise bass by artificial methods have never been successful.

These great fishing streams, formerly a paradise for fishermen, are now mainly interesting for their beauty and scenic attractions, but the great game fish, despite the efforts of an efficient State commissioner, are disappearing.

We are now building a system of good roads that will bring the fisherman to these rivers in a few hours.

With good roads and the automobile, where one person formerly fished on these streams thousands will soon line their banks.

These streams must not only be protected from pollution, the fish hog, and the dynamiter, but they must be continually restocked, and the stock must come from the great natural spawning beds of the Mississippi Basin.

Each State has a similar situation. Good roads and automobiles bringing fishermen and camping parties are placing a new and tremendous drain upon the fish supply.

OBJECT.

The object of this bill is—

1. To preserve from destruction as a fish and game conservation measure a tract of land and water which is the chief source of national supply for black bass and other game fish replacement.

2. The object is national, not local or even sectional.

3. The property is to be acquired by the United States and placed under the joint control of the Secretary of Agriculture and the Secretary of Commerce.

4. The purchase is to be made by the Secretary of Agriculture, subject to the approval of the Legislatures of Illinois, Wisconsin, Iowa, and Minnesota.

PRACTICAL UTILITY.

When suggesting Government expenditures we must be sure that the investment is wisely made and will bring a proper and adequate return.

In addition to purchasing now, at a low price, property that will ultimately greatly enhance in value, the investment is justified in a practical return in its food-producing possibilities, which will lower the food bill of all Americans.

The last available figures are those of 1921, which show that the total income in dollars and cents from fresh-water game fishes by anglers in the United States was $48,400,000.

In Wisconsin and Minnesota, two of the States through which the upper Mississippi River flows, the total value of game fishes in 1921 was $2,125,000 in Wisconsin and $3,000,000 in Minnesota.

The total value of commercial food fishes taken from Rock Island to Wabasha, Minn., was $503,258. The value of mussels was $104,548, making a total value of commercial food fishes alone of $607,806.

Under the supervision of the Bureau of Fisheries, in the Department of Commerce, this amount would be multiplied tenfold.

The Bureau of Fisheries' rescue crews saved from the landlocked sloughs and rivers of the upper Mississippi River 24,570,000 fishes in the year 1918; in 1919, 51,883,000; in 1920, 148,157,000; in 1921, 116,356,000; in 1922, 176,075,000; and in 1923, 142,000,000.

Of this number approximately 40,000,000 were baby black bass, ranging in length from 4 to 10 inches, of the small-mouth and large-mouth varieties.

These game fishes were shipped by the Bureau of Fisheries throughout the Nation under application of United States Senators and Congressmen and were used to stock the streams and lakes in 30 States.

These bass if bought from hatcheries engaged in producing black bass for stocking private waters would cost 40 cents

each, or $16,000,000, the price having gone up in the past year from 30 to 40 cents each.

The cost to the Government of rescuing these black bass was only $40,000, compared to the $16,000,000 they would have cost if bought from private hatcheries.

From the area covered by this bill it is conservatively estimated that $400,000 worth of pelts are yearly taken from the muskrat, skunk, mink, raccoon, and fresh-water otters.

There is at the present time in this region practically no regulation by the State or Federal Governments. It is believed by scientists that with regulation the product of not only fishes but fur-bearing animals and migratory fowl would increase tenfold.

THE BLACK BASS.

Scientific bodies devoted to the study of fish conservation, such as the American Fisheries Society, are so aroused over the danger of extinction of black bass that they have repeatedly within the past few years sent letters to our various State governments setting forth the absolute need of protecting black bass during the spawning season.

The black bass is different from any other American fish. It must select its own spawning bed, and the male zealously guards the bed until the spawn is hatched, and then protects the baby fish and teaches them how to live.

The bass is undoubtedly the great American game fish and the favorite game fish of millions of the rank and file of American anglers.

Fully 90 per cent of all fishing tackle made by the manufacturers is devoted solely to the black bass. There is no American game fish so popular with our people.

He is found in all American fresh waters, ponds, lakes, and streams.

We might say that he was "found," for his passing away is a mere matter of time unless the Nation helps.

He is found under the firs and birches of the St. Lawrence Basin and in the Everglades under the overhanging moss in Florida and Louisiana.

His principal and natural home is in the Mississippi River Basin, the source of which and principal spawning place is the area which this bill seeks to preserve.

Agile and strong, inch for inch and pound for pound he is the greatest fighting fish that swims.

True to his mate, hard to catch, better to eat, the fresh-water bass is the typical American fish.

Pugnacious and aggressive, they are none the less companionable mates, for both build the nest, the female lays the spawn, the male performs his part, and as the family grows the male defends the nest like our frontiersman did his cabin.

In 22 days the tiny eggs hatch. In a few days little minnows swim, guarded by the circling male. For three weeks they live in a little group, moving together. In one year they weigh 1 pound and in two years 2 pounds and are ready for the table.

From the area in the proposed purchase in six years' time 659,041,000 game fishes were sent to 30 different States in our Union.

Two years later, if they were preserved, after deducting the percentage of loss they would represent 800,000,000 pounds of game-fish food, which, if sold at 20 cents a pound, from information secured from the Bureau of Fisheries, would have a market value of $1,600,000,000.

The bass is found from Manitoba and the St. Lawrence, the Great Lakes regions, through the entire extent of the Mississippi Basin, and in the waters on both sides of the Alleghenies.

But in all this region the one under discussion is his principal habitation, designed by nature for his especial conservation; and as he passes down the mighty Mississippi River and enters all of its tributaries he brings food, and he brings pleasure and health to the small boy and the oldest man.

It has been demonstrated by scientists that artificial black-bass hatcheries can not be made profitable for our State or our National Governments, the cost of operation being too great when compared with the output. Black bass can not be artificially propagated the same as trout, but must be given protection and permitted to reproduce under natural conditions.

This bill proposes that a ready-made hatchery created by nature shall be preserved by our Nation for all time.

THE BILL'S SPONSORS.

This bill is sponsored by a national organization known as the Izaak Walton League of America.

It came into existence in January, 1922.

Its first anniversary was celebrated by chapters in 30 States.

Its first convention had 400 delegates representing 32 States.

Its total membership is now extraordinary and it is moving toward its goal of 2,000,000 members.

The league has no commercial basis and no elective officer receives pay for his services.

The league owns and publishes its own magazine, known as Outdoor America.

This magazine has no stockholders and all profits coming from its publication go into the national treasury of the league and are used to push its fight to save the remnants of the old America of our ancestors.

This magazine receives without pay contributions expressly written for it by the greatest writers in America, among whom are found the following: Zane Gray, James Oliver Curwood, Gene Stratton-Porter, Irvin S. Cobb, George Ade, Rex Beach, Mary Roberts Rinehart, Albert Bigelow Payne, Harold Bell Wright, Hamlin Garland, Dr. Henry Van Dyke, Dr. James A. Henshall, and many others.

Its illustrations are made by nationally famed illustrators, among whom are the following: Charles Livingston Bull, Bruno Ertz, Frank Stick, Percy Couse, W. H. D. Korner, O. S. Wilson, Rollin Kirby, E. E. Lowry, Bessie Crank, Sarah Ives, Audubon Tyler, Fayweather Babcock, and others.

These contributions placed on a commercial basis would run into hundreds of thousands of dollars a year.

But these artists and writers make this free contribution to conserve the great "outdoors," believing that American citizenship demands it and feeling that in this way they can best do their "bit."

In 1923 there were approximately 7,000,000 hunting licenses issued, and it is estimated that there are more than 15,000,000 amateur fishermen in the United States.

The league makes its especial appeal to these men and women by causing the voice of the sportsman and the lover of outdoor America to be heard in every State government and at Washington.

It attempts no legislation where economic interests are involved without giving sufficient time to those interests for practical experimentation.

It is attempting to bring about uniform fish laws in every State in the Union, and its program on pollution has been pronounced sane and practical.

It proposes to pass a uniform pollution bill through the State legislatures, thus forming a mosaic of uniform laws.

The league believes that "outdoor America" is the chief asset of the American people.

Its purpose is to stop the rape of our rivers, lakes, and streams.

It calls a halt on that commercialism which would rob our country of the frontier spirit that lives in places where winds are untainted and skies are clean.

It performs the patriotic duty of bringing an understanding to our citizenship which will cause it to consider it a crime to rob America of its "outdoor" lands, and that this Nation's welfare and health depend upon the conservation of our woods, waters, and wild life.

In the preparation of this bill it employed able counsel.

The original draft of this bill was prepared by Judge J. M. Dickinson, ex-Secretary of War and a constitutional lawyer of ability.

His work was reviewed, commended, and approved by George Shiras, 3d, who has devoted so much of his time to the great National Geographic Society both as a director and counsel.

By the end of this year there will undoubtedly be 1,000 Izaak Walton Chapters. These chapters must hold eight regular meetings annually or be disbanded, and they are found in the great cities and in the small towns, and everywhere the press of our country has given liberal and cordial support to the objects of this patriotic association.

Anyone can join or start a new local chapter by writing to the Izaak Walton League of America at its national headquarters in Chicago.

THE BIG "OUTDOORS."

Our forefathers came with the Biblo in one hand and the rifle in the other.

Some of their descendants have lost the rifle; some the Bible; some both the Bible and the rifle.

Let us restore the confidence and strength that knowledge of the rifle brings. Let us restore the spiritual strength the Bible gives.

Let us help to bring back both by the purchase of a piece of the big "outdoors," where strong men and spiritual power find the best nourishment.

When we lose our "pep," when good food tastes bad, when friends do not satisfy, when life becomes a bore, when music

seems out of tune, when the old dog annoys, when the doctor fails, and the good wife irritates, there is but one remedy for the "run down," and it is found in the forests or on the streams in the big "outdoors."

There we go to church and worship God by conversing with the things He made, listening to sermons from rocks and trees, choir music from the birds.

If you need a fresh start and want to lose the "run-down" feeling and get back your "pep," go fishing.

It is a notable fact that of the Twelve Apostles selected by Christ, four were fishermen.

They were natural philosophers who made their living in the big wide open, who knew the stars, the tempest, the sea, the sun, the moon, the winds, and the calm.

They were prepared for a campaign for men because they had first campaigned with the elements of nature.

Study of nature had prepared them for a study of men, and their thoughts and teachings were big, like the outdoors from whence they came.

Every great man we have had was an outdoor man. Every man with big thoughts is at some time compelled to get away from the little things that cramp and bind and forced to seek a revitalization, new energy, and a broader perspective by contact with nature.

The city bed and fancy sanitation are luxuries made more attractive by a week on the ground; the camp fire makes the radiator endurable; the flapjack, the bacon, and the browned fish bring the "comeback" after hard work and the hotel menu.

The city and the town have their call, but they have a sameness and a "too sureness" to be palatable for all of the 12 months.

To find rest, we must find a change. The same streets, the same roofs, the same faces, the same sights, though of the best, like food of the same kind, pall upon the appetite and tire the brain.

We must find real rest by seeking contrast, by finding the big "outdoors," by not living too much and too long indoors.

The doctor tries his medicine and fails, the friend his companionship and fails; and if they are wise physicians and thoughtful friends, they advise a change of scenery, a new environment.

What is becoming of our big "outdoors"? Where are the animals, the birds, and the fishes whose presence renewed the primitive and stronger natural instincts? They are disappearing, now almost gone.

Can individuals stay their departure? Can citizens hold these things for our children? Not by individual action. Only the State and Nation are strong enough to keep these retreats and asylums for the benefit of both the wild things and for men and women.

It can only be done by the intelligent action of the legislatures of States and the Congress of the Nation.

This bill promises first to save and then to perpetuate.

To hold for those who are alive and keep for those that follow after.

It promises to give the "kids" the things that we enjoy and save for them a piece of the big "outdoors."

The "four score and ten," the big thoughts, the big conscience, and the big patriotism comes from communion with the big "outdoors."

When we lose the big "outdoors" we lose part of our national pride, pluck, and patriotism.

When we keep the big "outdoors" we keep our best thoughts, our best resolutions, and, above all, our best traditions.

When we keep our "outdoors" we make a real, substantial, dividend-paying investment in national prosperity, in national health, in national conscience, and public welfare.

We secure bigger returns for our money in more different ways and in more diversified forms than an investment of any other kind.

The big "outdoors" saves the strength, saves the nerves, saves the brain, and saves the doctor bill.

The big "outdoors" strengthens the conscience, conscience strengthens religion, religion gave the Ten Commandments, and the Ten Commandments founded laws which make the Christian nation.

Let our Nation buy some of the big "outdoors" now when opportunity knocks and the price is cheap, and then buy more when opportunity comes again.

The big "outdoors" is for the poor and for the rich—it is for all our people—and we can not buy too much now, for soon there will be none to buy.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL.

Mr. CRAMTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

The CHAIRMAN. At the adjournment, when this bill was last under consideration, there was pending a point of order against a portion of the text made by the gentleman from Oklahoma [Mr. MCCLINTIC].

Mr. McCLINTIC. Mr. Chairman, I made the statement in the Sixty-seventh Congress that whenever it was ascertained by competent authority that peyote was a harmful drug I would withdraw any objection I might have made in the past to legislation that seeks to include it as a deleterious drug. I want to say that the term "deleterious drug" would include peyote if it was found by competent authority to be injurious to the Indians. In 1921 the so-called Snyder bill was introduced with a clause naming peyote a deleterious drug. After a full hearing that language was omitted and the bill became a law without any reference to peyote. Therefore, as the law now stands, peyote does not come within any law of Congress. I respectfully call the attention of the Chair to an amendment of the Constitution of the United States which is referred to in the case of Davis *v.* Beason (113 U. S. 333). Mr. Justice Fields, speaking for the Supreme Court, said:

> The first amendment to the Constitution, in declaring that Congress shall make no law respecting the establishment of religion or forbidding the free exercise thereof, was intended to allow everyone under the jurisdiction of the United States to entertain such notions respecting his relations to his Maker and the duties they impose as may be approved by his judgment and conscience, and to exhibit his sentiments in such form of worship as he may think proper, not injurious to the equal rights of others, and to prohibit legislation for the support of any religious tenets or the modes of worship of any sect.

Mr. Chairman, in the hearings had with respect to this subject competent testimony was given showing that peyote is used by the Indians as a part of their religious rites. This being true, it would be just as wise to say that no other religion should have the right to use wines as a sacrament.

I have here a pamphlet which gives authorities upon the subject and which contains competent testimony from men who have made a study of the subject. It is shown conclusively that peyote is used by these different tribes of Indians as a part of their religious ceremonies. Also, Mr. Chairman, there is competent authority here to the effect that it is not a deleterious drug, and I am sure that the majority of the Members of this House will agree with me that if peyote is a deleterious drug, it is not necessary to name it specifically in the legislation, because the term "deleterious drugs" would include anything that is harmful to the Indians.

Mr. SANDERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. SANDERS of Indiana. I notice that this paragraph is an appropriation for the suppression of traffic in intoxicating liquors and deleterious drugs. Is there any positive law against the use of peyote as there is against the use of intoxicating liquors or opium?

Mr. McCLINTIC. There is not.

Mr. SANDERS of Indiana. Is it supposed that this appropriation goes to any drug or intoxicating liquor which is not under the ban of the criminal law? If so, what could be done toward the suppression of it? If it is not a violation of the criminal law, how could the money be used to suppress it? I am trying to help out the gentleman's idea that peyote is not within the term "deleterious drugs" as usually used.

Mr. McCLINTIC. I take the position that inasmuch as this matter has been under discussion for a number of years, and that there has been an attempt to pass legislation declaring it to be a deleterious drug, and no law has ever been passed to that effect, it is not possible to include it now in this appropriation bill.

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

Mr. McCLINTIC. Yes.

Mr. HASTINGS. Have not five or six of the Western States made the use or sale of peyote a violation of the criminal law? Is the gentleman familiar with that?

Mr. McCLINTIC. I am not familiar with that.

Mr. HASTINGS. That is true.

Mr. ROACH. That is not true in the gentleman's State, is it?

Mr. McCLINTIC. It is not. Even if that were true, if the construction has been made by some States that it is deleterious, it has no bearing in any way upon this particular point. They seek to include peyote here as a deleterious drug when it is not necessary to do so, because the term "deleterious drug" would cover peyote if peyote had ever been found by competent authorities to be a deleterious drug.

Mr. ROACH. And if we should undertake to stamp out peyote, would $25,000 be anything like sufficient with which to do it?

Mr. McCLINTIC. It would not. I contend that, inasmuch as a special bill was introduced and hearings were had upon it and the bill included the word "peyote," that afterwards it was stricken from the bill and the bill passed without any reference to it, that we can not at this time come before the House and attempt to legislate that term into an appropriation act.

Mr. CRAMTON. Mr. Chairman, the two points the gentleman from Oklahoma makes in support of his point of order are, first, that the religious-rights provision of the Constitution protects the use of this drug. Probably that does not require much argument, but this is a matter that comes up year by year, and I think it is only proper that I should read a paragraph from the decision of the United States Supreme Court, Reynolds *v.* United States (98 U. S. Reports, 166), one of the polygamy cases, in which it is stated:

> In our opinion, the statute immediately under consideration is within the legislative power of Congress. It is constitutional and valid as prescribing a rule of action for all those residing in the Territories and in places over which the United States has exclusive control. This being so, the only question which remains is whether those who make polygamy a part of their religion are excepted from the operation of the statute. If they are, then those who do not make polygamy a part of their religious belief may be found guilty and punished, while those who do must be acquitted and go free. This would be introducing a new element into criminal law. Laws are made for the government of actions, and while they can not interfere with mere religious belief and opinions, they may with practices. Suppose one believes that human sacrifices were a necessary part of religious worship, would it be seriously contended that the civil government under which he lived could not interfere to prevent a sacrifice? Or, if a wife religiously believed it was her duty to burn herself upon the funeral pile of her dead husband, would it be beyond the power of the civil government to prevent her carrying her belief into practice?
>
> So here, as a law of the organization of society under the exclusive dominion of the United States, it is provided that plural marriages shall not be allowed. Can a man excuse his practices to the contrary because of his religious belief? To permit this would be to make the professed doctrines of religious belief superior to the law of the land, and in effect to permit every citizen to become a law unto himself. Government could exist only in name under such circumstances.

That is directly in point on the argument of the gentleman from Oklahoma [Mr. McCLINTIC] as to the authority for the use of peyote under the religious-rights clause of the Constitution.

The second argument he makes is to the effect that peyote is not a deleterious drug, or that at least it has not been held by competent authority to be a deleterious drug. The gentleman states that when a "competent authority" decides that peyote is a deleterious drug he will then no further press his objections. My position is that the Snyder Act, when it gave authority to appropriate to suppress the traffic in intoxicating liquors and deleterious drugs, in its language is broad enough to sustain an appropriation for the specific purpose of preventing the use of peyote as a deleterious drug.

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

Mr. CRAMTON. In just a moment. The use of the words "including peyote" in the bill before us does not have, in the view of the committee, any effect to broaden the scope of the appropriation beyond the Snyder Act.

We draw all of our authority from the Snyder Act, and the express mention of peyote has the effect of carrying into the law—and it was the purpose of the committee to do so—to carry into the law the expression of Congress that in administering the law as to suppressing the traffic in deleterious drugs particular attention should be given to one deleterious drug that is causing more evil than any other. I will yield for a question.

Mr. McCLINTIC. The gentleman has in substance said that the Snyder Act was sufficiently broad to take care of peyote in case it was found to be a deleterious drug——

Mr. CRAMTON. I can only yield for a question. The gentleman has made his statement, and I am proceeding to make mine. I think it is only fair I should state—it will perhaps make a little clearer the attitude of the committee—that the purpose of the committee could be accomplished by language in a little different form. I think that other language would make more clear the purpose of the committee, although the details of administration would be more difficult if instead of the language in the bill the paragraphs should read in this way—and, of course, if the paragraph in question should be held out of order, if the point of order should be sustained, I should feel it my duty to offer this language then to the committee—"For the suppression of the traffic in intoxicating liquors and deleterious drugs among the Indians, $25,000, of which not less than $5,000 shall be used for the prevention of the sale and use of peyote." That does not greatly change the situation, but emphasizes what the committee is trying to do, not to broaden the statute, but to emphasize the administration of it with reference to a certain drug that needs particular attention so far as the Indians are concerned. Now, I want to say that it is not in order at this time to discuss the merits of the question. The point raised by the gentleman from Missouri [Mr. ROACH] whether the amount suggested is sufficient or not is on the merits of the question, and that is something for the committee to decide if that language is held in order. Whether or not it is a proper or necessary part of a religious ceremony, when we get by the constitutional question, that is only a matter for legislative decision. What I desire to present to the Chair now is this. I want to emphasize this to the Chair, and I want to bring it to the attention of the gentleman from Oklahoma that not only has a competent authority held peyote to be a deleterious drug, but every competent authority that has passed upon the question has so held. The pamphlet that the gentleman relies upon we have examined. There is not a respectable scientific or medical or chemical authority in the pamphlet who justifies the use of peyote. There is quotation after quotation from the users of the drug attempting to justify its use, but there is not a competent scientific authority who has ever held it not to be a deleterious drug. I would not ask the Chair to rule upon a close question of fact in connection with this matter. I can realize the embarrassment of that. But I am obliged to ask the Chair to consider the authorities, the competent authorities that have passed upon this. And let me suggest this:

It may be asked, Why, why is it that the committee are anxious to have this? Is it because we consider a great evil exists and that there is important need of action. If it should be held by the Chairman that the language "including peyote" is not in order under the language of the Snyder Act, and therefore the language should go out of the bill, on any Indian reservation where hereafter there was an attempt made by the Indian authorities under the general language of the Snyder Act to enforce the law as to peyote there would come encouragement for resistance from the decision. The Indians upon the reservations, among others, are not well versed in the technicalities of parliamentary procedure in the House of Representatives. Now, as to the decision of competent authorities. First, a bill for prohibition of the use of peyote was pending before the Committee on Indian Affairs, and a report on it was made in the second session of the Sixty-fifth Congress under date of May 13, 1918, the report of the committee being presented by the gentleman from Arkansas [Mr. TILLMAN], who is present here now. That was before the enactment of the Snyder Act, and that report was very ably drawn and gathered together a number of authorities. I shall simply now quote one paragraph of the summary of the report:

> It is apparent from the above evidence that this dangerous drug should be absolutely prohibited. The proof is clear that the physicians, the chemists, the missionaries, and many of those who are endeavoring to uplift the Indians are convinced of the harmful effect of peyote and desire to see its use discontinued. The States of Colorado, New Mexico, and Utah have by recent legislation prohibited the sale and use of this drug.

How many more States have prohibited its use since that time I do not know.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. BANKHEAD. Is there any provision in existing law, as far as appropriations are concerned, for the suppression of the use of this drug?

Mr. CRAMTON. The Snyder Act carries an authorization for the suppression of all deleterious drugs, and we simply emphasize this as one of those deleterious drugs.

Mr. BANKHEAD. One other question.

Mr. McCLINTIC. There is no existing law.

Mr. CRAMTON. I think the statement I have just made the gentleman will not dispute.

Mr. BANKHEAD. I can not understand why the gentleman thinks it is necessary to take chances on the construction as to whether it is as a matter of fact a deleterious drug without being specifically mentioned.

Mr. CRAMTON. I have already stated the reason. I have already stated that the reason is that we deem this to be the most dangerous drug confronting the Indians. There is no great danger among the Indians from the use of cocaine, and so forth, but this is the predominant evil, and it is the one we want to emphasize and the one to which we want to direct the attention of the House.

Mr. BANKHEAD. Are the administrative authorities attempting to suppress it now?

Mr. CRAMTON. Yes. Now, the Board of Indian Commissioners is an administrative authority; that is, it is an advisory administrative authority, and I have a letter from the chairman of that board under date of January 23, 1924, in which he says:

DEPARTMENT OF THE INTERIOR,
BOARD OF INDIAN COMMISSIONERS,
2111 Interior Building, January 23, 1924.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

DEAR MR. CRAMTON: In compliance with your request of this morning I can tell you that the Board of Indian Commissioners as far back as 1909 took a strong position against the use of peyote. In later years we reaffirmed this attitude, so that the views of this board on peyote are well known.

The board is convinced from its study of this subject, from the opinions it has received from such scientific and medical authorities as Dr. Harvey W. Wiley, Dr. S. Wier Mitchell, specialist in nervous diseases in Philadelphia, and others, from a number of superintendents of Indian reservations, as well as from information secured by members of this board while making inspections of reservations, that peyote is a deleterious drug and that its continued use leads to physical and mental disorders of a serious character.

The character of the drug has been officially recognized by the Department of Agriculture, Bureau of Chemistry, which on May 3, 1915, in "surveys and regulatory announcement No. 13" directed that all shipments into the United States of peyote should be detained "on the ground that it is an article dangerous to the health of the people of the United States."

The chief defense certain Indians and their friends make for the continuance of peyote is that its suppression would infringe upon their religious rights by destroying their so-called peyote religion. We think the Indians may believe they use peyote in a religious way, but such is not the case; it simply creates a condition of mind and body in which there is complete repose and satisfaction which is mistaken for religion. It is necessary to produce this state of intoxication in order to get the desired result and they do not have "religion" unless they have intoxication. A "religion" that requires drug stimulation to produce we could hardly consider of much value, and such contentions of the Indians should not be considered in the passage of antipeyote legislation.

Hoping that this letter will be of some use to you, I remain,

Yours cordially,

GEORGE VAUX, Jr., *Chairman.*

There are many physicians—noted scientists—with whose opinions I will not take up the time of the Chair, but I will simply read two or three brief statements of medical men and scientists as typical of the attitude of the medical profession and those skilled in chemistry toward this drug: First, Doctor Wiley, the noted chemist, for 29 years Chief of the Bureau of Chemistry in the Department of Agriculture, said in a hearing before the Subcommittee on Indian Affairs in February, 1918, when the bill H. R. 2614 was pending, in answer to a question by Mr. TILLMAN:

This is a drug which should be classed with strychnine, opium, and cocaine.

In a memorandum submitted at the same hearing by Doctor Lyman F. Kebler, Chief of the Drug Division of the Bureau of Chemistry of the Department of Agriculture, there appears this quotation of the views of Doctor Mitchell.

Dr. S. Weir Mitchell, one of the most noted nerve specialists, experimented upon himself with both an extract and a tincture of the button. He describes a stage of exhilaration and talkativeness, with dilation of pupils, flushing of the face, rather rapid pulse, followed by a condition described by him as "deliciously languid ease and elated sense of superiority." Later color visions were seen, both with the eyes closed and open. He says:

I predict a perilous reign of the mescal habit when the agent becomes obtainable. The temptation to recall again the enchanting magic of my experience will, I am sure, be too much for some men to resist after they have once set foot in this land of fairy colors, where there seems to be so much to charm and so little to excite horror or disgust.

In the same article Doctor Mitchell records the observations of Doctor Eshner, who states that it caused in him a condition of "muscular insensibility" or "motor anæsthesia." (Brit. Med. Jour., vol. 2 for 1896, p. 1625.)

I am sure that it will be admitted by the gentleman from Oklahoma [Mr. MCCLINTIC] that the use of this drug does bring about a condition in which the patient is ignorant of surrounding conditions and sees visions. The Commissioner of Indian Affairs, the administrative agent, says:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, January 24, 1924.

MY DEAR MR. CRAMTON: With reference to the question of peyote being a deleterious drug, you are informed that peyote has been found to be a menace to the health, wealth, and moral welfare of the Indians. The files of this bureau contain many reports of the evils of peyote. Reports of scientific investigations in regard to peyote show that the effects of the use of this drug are such that it is dangerous and deleterious, and should not be administered except under the care of a physician. It has also been found that its use has no value as a medicine, and the Parke-Davis Co., of St. Louis, discontinued its preparation for use as a medicine.

It will be impracticable to quote extracts in this letter, but there is inclosed herewith a bulletin on peyote, and your attention is invited to the statements, quotations, and reports therein contained.

The Department of Agriculture has issued instructions to its branch laboratories of the Bureau of Chemistry to detain all shipments of peyote offered for import on the ground that it is an article dangerous to the health of the people of the United States.

The Post Office Department has held that peyote is unmailable because of its being intoxicating and poisonous and, therefore, injurious and detrimental to the health, welfare, and progress of the Indians.

From the records on file I am firmly convinced that peyote is a deleterious drug, and that the dangers to the Indians from its use and the insidious methods of peyote promoters to extend its use by Indians are such that every effort should be made to suppress its use.

Cordially yours,

CHAS. H. BURKE, *Commissioner.*

Hon. LOUIS C. CRAMTON,
Chairman Interior Department Subcommittee of the Appropriations Committee, House of Representatives.

Mr. MCCLINTIC. Mr. Chairman, I confined my remarks to the point of order. If we are going to discuss this whole subject on the merits, I wish to be given an opportunity to speak.

Mr. CRAMTON. I will say, Mr. Chairman—and, of course, the Chair will govern the latitude in discussion—I am trying to quote competent authorities, with the hope not only of convincing the Chairman but the gentleman from Oklahoma that this is "competent authority."

Mr. MCCLINTIC. The argument the gentleman is making is that it is a deleterious drug?

Mr. CRAMTON. Yes.

Mr. MCCLINTIC. I think the gentleman will agree upon this: That if it is, it can be prohibited without naming it.

Mr. CRAMTON. I will not admit the sufficiency of the gentleman's point of order.

The CHAIRMAN. The gentleman has already indicated another method by which it can be brought to a square decision. The Chair will be called upon to pass upon it eventually.

Mr. CRAMTON. I thought it only fair to have the real situation placed before the Chair so that the whole matter can be disposed of at once.

The CHAIRMAN. The gentleman will proceed.

Mr. CRAMTON. The reports of all the scientific investigations of peyote show that the use of this drug is such that it is found to be dangerous and deleterious, and should not be used except under the care of a physician.

I am in hopes, Mr. Chairman, to invoke an authority that my friend from Oklahoma will recognize as a "competent authority." Certainly what I am about to read is strictly pertinent to what has been suggested here. The Department of Agriculture, the Bureau of Chemistry in that department, under the food and drugs act, in a memorandum issued on February 19, 1915, addressed to the chemists in charge of the branch laboratories, stated this:

DEPARTMENT OF AGRICULTURE,
BUREAU OF CHEMISTRY,
Washington, February 19, 1915.

CHEMISTS IN CHARGE OF BRANCH LABORATORIES:

You are instructed to detain all shipments of "peyote" offered for import at the various ports under your jurisdiction on the ground that

it is an article dangerous to the health of the people of the United States.

Peyote is obtained from a plant, *Anhalonium lewinii*, order Cactaceæ, growing in Mexico, and is largely used by the Indians for preparing a beverage "mescal."

The suppression of the use of peyote among the Indians has been the subject of considerable correspondence between this department and the Department of the Interior because it is held that the use of "peyote" has become widespread among the Indians and is proving detrimental to their welfare, retarding their progress and the efforts of the commissioner to bring about their advancement and self-support.

The matter of detaining all shipments of peyote offered for entry should therefore be taken up at once with the collectors at the several ports of entry assigned to your laboratory.

Respectfully,

CARL L. ALSBERG, *Chief.*

Mr. McCLINTIC. What is the date of that other letter?

Mr. CRAMTON. February 19, 1915.

Furthermore, the Post Office Department—and I hope the gentleman will recognize the importance of this—has issued this instruction:

POST OFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER GENERAL,
Washington, July 20, 1920.

CHIEF INSPECTOR:

Peyote is considered to be a poison, and therefore prohibited transmission in the mails under section 472, Postal Laws and Regulations. The parcel referred to appears to have been mailed in violation of section 472, Postal Laws and Regulations. Your attention is also invited to the statement of the postmaster at Birney, Mont., regarding the loss of mail matter posted at his office.

_____,
Second Assistant.

That practice, as the gentleman from Oklahoma [Mr. McCLINTIC] must know, is being followed to-day by the Post Office Department in the State of Oklahoma, a Federal enforcement prohibiting the transmission of this drug through the mails because it is a poison.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. SANDERS of Indiana. The statement just made by the gentleman from Michigan answers the question I asked as to whether there was any positive law. I think from the gentleman's statement it is clear this is a deleterious drug.

Mr. CRAMTON. I hope I am making the same impression upon the Chairman.

The Public Health Service of the United States, under date of January 23, 1924, has written me over the signature of Mark J. White, Acting Surgeon General, as follows:

TREASURY DEPARTMENT,
BUREAU OF THE PUBLIC HEALTH SERVICE,
Washington, January 23, 1924.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

SIR: Complying with your telephone request to-day for a statement giving the official opinion of the Public Health Service regarding the drug peyote for the information of the House Appropriation Committee, I beg to advise that peyote or, as it is often called, "pellote" is derived from the flowering top of the cactus growing in south Texas and Mexico. There is a general agreement that the use of the drug by the Indians is distinctly harmful, due to both physical and mental effects.

If I can be of further service, please call upon me.

Respectfully,

M. J. WHITE,
Acting Surgeon General.

These, Mr. Chairman, constitute the particular authorities I have been able to assemble in my limited time. They are competent authorities, and so far as I know and have been able to learn there is no competent medical authority who has made any declaration to the contrary. Peyote is universally accepted by medical authorities, by those familiar with conditions among the Indians, and by those versed in chemistry—by all of them—as a deleterious drug.

Mr. TILLMAN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. TILLMAN. I will state it briefly. The pending point of order is made by the gentleman from Oklahoma [Mr. McCLINTIC] challenging the sufficiency of these three lines. Now, these lines say nothing about the habit of certain Indians in worshiping with peyote.

Mr. McCLINTIC. If the gentleman will permit, my point of order went to the two words——

Mr. TILLMAN. I understand. There is nothing in these three lines which prohibits any Indian or anybody else from worshiping in any way he sees fit. These lines say, "intoxicating liquors"—that is clear—"deleterious drugs, including peyote." This paragraph asserts in effect that peyote is a deleterious drug. Now, is not the pending point of order similar to a demurrer against a pleading, criminal or civil? A demurrer concedes the facts set out in a pleading but challenges the sufficiency of the same.

Can the Chair at this time go into the question of whether or not peyote is a deleterious drug? It is so described here and the Chair is bound by this assertion. It might take the Chair three months to examine and determine the question of whether or not peyote is deleterious. It is so asserted here in apt words by fair intendment. I would like to have that point cleared up when the Chair rules because it might serve as a precedent. The point of order it seems to me should be overruled.

The CHAIRMAN. The Chair will take that suggestion into consideration.

Mr. BLANTON. Mr. Chairman, there is but one question before the Chair for decision under the point of order made by the gentleman from Oklahoma [Mr. McCLINTIC], and that is whether or not peyote is either intoxicating or a deleterious drug. Unless the committee and those who stand with the committee on this proposition can show one of those two things, the gentleman's point of order is good. So, after all, it resolves itself into a question of fact, as the situation now stands, first, whether or not peyote is intoxicating, and, second, if not, then whether or not it is a deleterious drug.

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

Mr. BLANTON. Certainly.

Mr. McCLINTIC. I just wanted to ask the gentleman whether he thinks it is within the province of the Chair to determine whether or not it is a deleterious drug.

Mr. BLANTON. The Chair does not have to decide it like Doctor Wiley and Doctor Mitchell did. They had a man to put himself under the influence of it to determine its injurious effects for themselves, but the Chair decides it upon what has been held concerning it by the scientists in the country. That is where the Chair gets his authority for making a decision. Now, if the Chair please——

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

Mr. BLANTON. Does the gentleman represent any of these Peyote Indians?

Mr. McKEOWN. I do not represent any Peyote Indians, but I want to ask a question about this point of order. As I understand the position of the gentleman from Oklahoma [Mr. McCLINTIC], it is that there is no legislation at this time.

Mr. BLANTON. I am going to cover that.

Mr. McKEOWN. But it is not a question as to whether there is legislation covering deleterious drugs, is it?

Mr. BLANTON. I am going to get to that, and I am hopeful I will not take very much time. If my colleagues will not interrupt me, I think I can get through with what I want to say in a few minutes, and my argument on the point of order is addressed to the Chair, who decides it, and not to my colleagues.

I want to submit this to the Chair in connection with the amendment suggested by the chairman: If the gentleman's point of order to the bill as it is now written is good, it is also good as to the gentleman's proposed amendment, because the gentleman can not put a limitation on this appropriation with respect to the suppression of something that is not already provided for by law as to its suppression. Unless this bill is good as now written, with respect to peyote, the gentleman could not cure it by his amendment.

If the Chair is not already convinced by the overwhelming and conclusive authorities which the gentleman from Michigan has noted, it would be hard to establish that a drug is deleterious. This eminent chemist, Doctor Wiley, and his experiments made by administering this drug to a subject and watching the effect of it; in addition to the decision of the eminent chemist, Doctor Mitchell, who did the same thing; in addition to the decision by our own House committee, the chairman of it being our friend, Judge TILLMAN, from Arkansas, a committee that investigated this very question to determine whether or not this drug was deleterious—and their decision and report to us was that it was deleterious—in addition to that, we have the decision of the Commissioner of Indian Affairs, who, in his report to the chairman of the committee, said that it was his opinion, based on the holdings of medical experts of the country and scientists, that this is a deleterious drug. In addition to that, we have the opinion of the experts in the Chemical Bureau of the Agricultural Department that peyote is deleterious, and they instruct that this drug

shall be stopped whenever an attempt is made to ship it through the United States, because it is deleterious and will be injurious to the health of the people of the country. In addition to that we have the inspector's report from the Post Office Department treating peyote as a deleterious drug. And I want to show you that this Congress has already passed upon the question. I want to show you that this Committee of the Whole House on a motion to strike out peyote made by the gentleman from Oklahoma [Mr. McCLINTIC] a year ago decided this question then, and also two years ago.

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

Mr. BLANTON. In just a moment, Mr. Chairman.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. A year ago this same item appeared in the Interior Department bill in this identical language; the same kind of a provision for the suppression of peyote, if you please, and the gentleman from Oklahoma [Mr. McCLINTIC] then made his same fight to strike it out. He offered an amendment to strike it out of the bill, and it came up for discussion. Let me read you just one or two excerpts from this record. Here is what our friend from Utah [Mr. COLTON] testified to on that occasion:

I would be derelict in my duty if I kept quiet now. My own State has passed a law against the use of peyote. Indian Department officials approved of that bill. I happen to know personally that the use of this drug has caused the death of Indians in my home county. If it were truly a religious rite, I should be reluctant to oppose it, but I do not believe it is such. * * * The promoters of the peyote traffic deceive these helpless people. * * * Peyote, a drug akin to morphine, is passed around. * * * They get drunk, just as much so as any man ever was drunk with opium or alcohol or any other narcotic. * * * These men do not recover from the use of this drug for several days.

The gentleman is now testifying from his personal experience. He further says:

I once visited one of their camps. A man was wallowing in the dirt and mud two days after a drunken spree on this peyote, absolutely irresponsible, having no rational thought of what he was doing and not being able in any way to take care of himself. * * * I happen to have personal knowledge of the effects of this drug; it is deleterious. * * * I believe the overwhelming weight of authority, scientists wholly disinterested, shows that it is a dangerous drug. * * * If I am correctly informed, the man who introduced peyote into my county is now being held for trial before the Federal court for having debauched the whole family with which he was living.

Now, let me go just a little further. Mr. COLTON testifies that the deaths he refers to were traced directly to the use of peyote, and then our colleague, Mr. HAYDEN, of Arizona, said this:

Dr. Harvey W. Wiley, of the Department of Agriculture, and numerous other witnesses, testified that peyote, the scientific name of which is anhalonium, is very similar in its effect on the human system to morphia, cocaine, and other like drugs. * * * Doctor Wiley, who was a real scientist, fully demonstrated the effect of this drug by administering it to an employee of his bureau and carefully observing its evil effects.

Then it came to a vote in this committee and there were 12 ayes for Mr. McCLINTIC s amendment and 40 noes against it. Mr. McCLINTIC asked for tellers and he could not even get the 20 men necessary on the floor of this House to stand up in order to have even a teller vote, and he made no attempt—there was so much sentiment in this House that it was a deleterious drug, that he would not even ask for a motion to recommit in order to put it back, and suppression of peyote was left in the appropriation bill for the present fiscal year by action of this committee because the bill was passed without a motion to recommit.

I now want to make just this statement and I will conclude. This was not the only time this committee had passed upon this matter. Two years ago the gentleman's colleague from Oklahoma Mr. Gensman, tried his dead level best to knock the suppression of peyote out of that bill. Witness after witness on the floor of this House got up and testified to the various kinds of hallucinations that came to people who used it and testified to the wild debaucheries of men and women, whole bunches of them over the country, who indulged in its use, and the committee kept the suppression of peyote in that bill by an overwhelming vote in this committee, and I want to say there has been enough of this kind of evidence to show the Chairman beyond any question of a doubt that peyote is a deleterious drug and that the point of order is not good.

Mr. COLTON. Mr. Chairman——

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COLTON. Mr. Chairman, I will just take a moment. My own State, after an investigation which showed there were at least 20 deaths that could be traced directly or indirectly to the use of this drug, passed a law against it, as has been stated. Mr. Chairman, the only question, as I see it, before the Chair is whether or not this is, after all, a deleterious drug. This is the Interior Department appropriation bill, and this committee has a perfect right to emphasize particularly peyote, a drug that is very dangerous for the Indians to use. Permit me to read a description of a death which occurred in 1916 from the overuse of this drug:

Of these Weecheget's death, last spring (1916) is most horrible. He had taken an overdose. He became wild. Tearing his clothing off, he jumped into a deep mudhole. There, before a crowd of onlookers, of whites and Indians, he dove into the soft mud until his head and body were out of sight. Then he jumped to his feet and wildly grabbed up handfuls of the mud and smote himself with it. He died in a few moments in this mudhole before a crowd of eyewitnesses.

This occurred, Mr. Chairman, in my own home county, and the description is furnished by——

Mr. McCLINTIC. Will the gentleman yield?

Mr. COLTON. Certainly.

Mr. McCLINTIC. I just want to make this statement. I have lived 21 years among four tribes of Indians. I have never heard of an Indian in my life who was in any way affected by it. The gentleman's statement may be true. It may be true, possibly, that a lot of Indians drink corn liquor and get on an awful toot, but in all my life I have never heard of any Indian that was in any way seriously hurt by the use of peyote. While your statements are probably true, and probably that Indian did cut up in that way, there are other influences which sometimes affect an individual, and I would not ask for any legislation I thought was wrong; but from my own personal observation, having never witnessed anything that was disastrous, it is only natural I hated to see something taken away from the Indians which they use in a religious way.

Mr. COLTON. May I say to the gentleman, however, this case was caused by an overdose of this drug. Many others could be cited.

Mr. Chairman, I just read a few moments ago from a statement of one of the most highly educated Indians in the United States, Mrs. Gertrude Bonin. She is describing the condition that did obtain among the Indians less enlightened that she is. This is only an excerpt from an article prepared by Mrs. Bonin. She shows conclusively that peyote is a deleterious drug. I want to protect the less enlightened Indians. It is for that class this legislation is being passed. They do not understand the baneful effect of this drug. My own State has passed a law forbidding its use, and since then the use has been almost stamped out.

I have many authorities showing that this is a deleterious drug. The dictionary defines deleterious as harmful, noxious, doing damage. Certainly it can not be argued that it does no hurt nor damage when it causes the death of Indians. Surely the question is hardly debatable here that it is injurious. It is very harmful. That fact has been shown conclusively, and I shall not take up more of the committee's time; but it does seem to me it is right and proper for the committee to emphasize its desire to have this drug included. The point of order is not well taken and ought to be overruled.

Mr. HASTINGS. Mr. Chairman, I only want a minute's time on the question of whether or not this is a deleterious drug. Permit me to say that a number of years ago when the matter was examined by a subcommittee of the Committee on Indian Affairs, of which Judge TILLMAN was chairman—and I think the present chairman of the Committee on Indian Affairs was one of the members—witnesses came from all over the country and appeared before the committee; there were representatives of the Indian Office, Doctor Wiley, who has been referred to, and other eminent men, some perhaps from the Department of Agriculture, and numerous others. We had many reports from Indian agents and from physicians on reservations throughout the western country. Let me say to you with one accord and without exception every single one of them condemned it as being injurious.

I do not want to take up the time of the committee in discussing this at any great length, and I feel that I ought not to be taking up the time now. I did not want the discussion to close without saying a word in condemnation of the use of peyote. Other gentlemen appeared before our committee, and there was not a single educated Indian who justified the use of peyote. Of course some of the Indians from the less-civilized tribes came in and attempted to justify it by saying that it

kept them from the use of liquor. Of course that was all a subterfuge. Others said that they used it in connection with religious services. The committee, after a thorough investigation, concurred in the strong report by Judge TILLMAN which has been referred to by the chairman of the subcommittee.

Let me say that there are five or six Western States that have already passed laws prohibiting the use of peyote. I have not had occasion to look up the matter with reference to my own State, so I do not know whether it has enacted such legislation or not. Among the Five Civilized Tribes there are over 100,000 Indians, and none of them use peyote. Peyote is only used among the less civilized of the Indians, those that do not embrace Christianity. I wanted to say to the Chair and to the Members of the House that in my judgment it is a dangerous drug; that it is a deleterious drug and ought to be prohibited.

Mr. ROACH. Mr. Chairman, I am only interested in getting a correct ruling from the Chair. It is admitted in these arguments that this appropriation is based upon the Snyder Act, and that is the only basis of authority for the appropriation. I contend that the Chair is not the party to decide the question which has been under discussion as to whether or not peyote is a deleterious drug. The Snyder Act authorizes the appropriation of money to prevent and stamp out the use of deleterious drugs, but it does not mention peyote.

The CHAIRMAN. Will the gentleman allow the Chair to ask him a question?

Mr. ROACH. Certainly.

The CHAIRMAN. Suppose instead of this language it had said for the suppression of the traffic in whiskey, beer, wine, cocaine, heroin, opium, morphine, and peyote. Would that have been subject to a point of order?

Mr. ROACH. It would as to peyote, but as to the others no, because the committee has no authority to take evidence as to peyote; the law declares these other things to be deleterious, and a law had been enacted against their use. My point is: The basis for this appropriation is the Snyder Act. That act authorizes an appropriation of money for the stamping out of the use of deleterious drugs. The act does not mention peyote as being a deleterious drug. My contention is that some court of the land in construing the Snyder Act must first declare peyote to be a deleterious drug before an appropriation can be authorized by this committee for it. Either that or a bill must be regularly introduced in Congress, heard before the proper committee, and enacted into law declaring peyote to be a deleterious drug. Otherwise the point of order is well taken.

In other words, what right has the Appropriations Committee to declare peyote to be a deleterious drug, or this Chair to so declare it, unless it is so declared by the Snyder Act, upon which this appropriation is based, or has been so declared by Congress or the court in construing the Snyder Act?

So far as the merits of the case are concerned, there was a great mass of conflicting testimony on that before the committee that had authority to hold the hearings. If it were for the Chair to declare whether it is deleterious or not, I admit, for the sake of argument, that what has been said here this afternoon is entirely sufficient to convince any reasonable man that it is a deleterious drug; but that is not the question; this is not the forum to decide that question. It can only be decided by a court in construing the Snyder Act or by a bill regularly enacted into law so declaring.

The CHAIRMAN. Suppose the committee, instead of using the language it has in this paragraph, had used the language "including opium." What would the gentleman have said?

Mr. ROACH. But we have a law against the use of opium, and we have no law against the use of peyote.

The CHAIRMAN. There is nothing in the Snyder Act against the use of opium any more than there is against the use of peyote.

Mr. ROACH. No; but there is a law against its use; and the chairman of the committee in charge of this particular bill contends that the only law authorizing this appropriation is the Snyder Act.

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

Mr. ROACH. Yes.

Mr. TILLMAN. Does not the Snyder Act prohibit the use of deleterious drugs among the Indians?

Mr. ROACH. Certainly.

Mr. TILLMAN. Does not this language in effect at least say that peyote is a deleterious drug?

Mr. ROACH. Oh, my contention is that some court in construing the Snyder Act must first declare peyote to be a deleterious drug or we must enact the law to that effect. What right has the Appropriations Committee or the Chair to determine that question?

Mr. TILLMAN. But the Chair can not go behind this language that says that peyote is a deleterious drug. It seems to me ridiculous to take up the time of the committee in arguing a question of this kind.

Mr. ROACH. But suppose the Committee on Appropriations had said that coffee was a deleterious drug; what about that?

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

Mr. ROACH. Yes.

Mr. UPSHAW. Mr. Chairman, inasmuch as the discussion of the merits of the case has crept in——

Mr. ROACH. Oh, I am not discussing the merits of the case—merely the parliamentary and legal phases of it.

Mr. UPSHAW. Let me make my statement clear. Inasmuch as there is a division of opinion as to the merits of peyote, does not the gentleman think—and I hope the Chair will so construe—that it is competent and proper that peyote should be included, because some say that it is deleterious and others that it is considered necessary to a religious rite.

Mr. ROACH. Personally, I think that the use of peyote should be stamped out, but I want to see a correct ruling on the part of the Chair purely from a legal and parliamentary standpoint, and I submit in conclusion that the only place where this can be decided is in a construction of the Snyder Act by a lawful court of this country or by the enactment of a law in Congress declaring peyote to be a deleterious drug. No committee has a right to so declare without having a bill before it for that purpose, and the Committee on Appropriations by so declaring are enacting law on an appropriation bill, which is subject to the point of order made.

The CHAIRMAN. The Chair is ready to rule. The Appropriations Committee of this House is not a legislative committee, and any appropriation that it may properly place in a supply bill must be authorized by existing law. In this case the committee has brought in an item which reads:

> For the suppression of the traffic in intoxicating liquors and deleterious drugs, including peyote, among Indians, $25,000.

The committee has produced the Snyder Act as the law upon which this proposed appropriation is founded. The Chair does not think that any other law has been cited, although it might have been urged, perhaps, that it is in order under the general law providing for the support and civilization of the Indians. The Snyder Act, however, has been cited as the basis for this appropriation. The question then arises as to whether or not the designation "deleterious drugs" in the act referred to includes peyote. It is undoubtedly proper for the committee to particularize and to state certain things for which it appropriates while omitting others, so long as the committee seeks to appropriate only for purposes within the law. The committee, therefore, might have been more specific in this case. It might have enumerated a number of intoxicating liquors and deleterious drugs. Having a right to enumerate all, it could name one. The Chair is therefore unable to escape the conclusion that the inclusion of this particular drug, if deleterious, is within the law.

It was the first impression of the Chair, before going into the matter thoroughly, that this is not the proper tribunal to try out the question of fact, and that because the word "peyote" is not included in the law it should go out on a point of order; but, as has been shown by so many Members, the question finally resolves itself into whether the drug known as "peyote" is included within the term "deleterious drugs." It seems to the Chair that by an overwhelming array of authorities he is forced to the conclusion that it is a deleterious drug. It appears that the legislatures of several States have so regarded it; a number of Government officials have so declared it; Members of this House well qualified to speak on the subject give the same testimony; while numerous scientists and other experts have found themselves in agreement that peyote is a deleterious, harmful, and dangerous drug. If the Chair should hold that the reference to this drug must go out of the bill for the reason that it is not included within existing law, it might be regarded as equivalent to holding that it is not a deleterious drug. At any rate, this committee would then have no opportunity whatever to vote upon the question of fact thus raised. On the other hand, if held to be in order, the gentleman from Oklahoma [Mr. MCCLINTIC] may, by means of an amendment, move to strike out of the bill the language to which he objects. He will then get the expression of the committee upon the issue as to whether, upon its merit, it should stay in the bill or go out. The Chair is irresistibly drawn to the conclusion that the committee has the right under existing law to bring in a provision making an appropriation for the purpose indicated. The Chair, therefore, overrules the point of order.

Mr. THOMAS of Oklahoma. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. THOMAS of Oklahoma: Page 17, line 4, after the word "peyote" insert "when not to be used for sacramental purposes in connection with established religious services."

Mr. BLANTON. Mr. Chairman, I make the point of order against the amendment that it is against existing law.

Mr. McKEOWN. Will not the gentleman withhold for a moment?

Mr. BLANTON. No; we are wasting too much time on this item now——

Mr. McKEOWN. Time seems to be wasted always when it is not on the gentleman's side of the case.

Mr. BLANTON. Mr. Chairman, I reserve the point of order.

Mr. CRAMTON. Mr. Chairman, will the gentleman from Oklahoma yield?

Mr. THOMAS of Oklahoma. Yes.

Mr. CRAMTON. If it is agreeable, I should like to limit debate upon this paragraph and all amendments thereto to 10 minutes.

Mr. THOMAS of Oklahoma. Mr. Chairman, I sat upon this floor for several days and listened to lengthy speeches, and I expect to sit upon the floor during the session listening to the speeches.

Mr. CRAMTON. How much time does the gentleman want on his amendment?

Mr. THOMAS of Oklahoma. Mr. Chairman, in answer to that question I want to make this statement. That from my viewpoint this amendment raises the question of religious liberty, and I do not think I should be limited in this House to the bare space of five minutes of time.

Mr. CRAMTON. Would 10 minutes satisfy the gentleman?

Mr. THOMAS of Oklahoma. May I have the attention of the Chairman for a moment——

Mr. BLANTON. I would like to get a ruling of the Chair. I insist upon the point of order.

The CHAIRMAN. In its present form it would seem to be obnoxious to the rule, but if the gentleman will put it in the form of a limitation it will serve the same purpose.

Mr. BLANTON. I make the point of order against it as legislation on an appropriation bill.

Mr. THOMAS of Oklahoma. Just in reply to the point of order. The bill in its present form provides that peyote shall not be used by anyone for any purpose. I seek to place a limitation upon the language by making an exception for its use by a regular organized church for sacramental purposes in connection with their regular services. It is a limitation upon the use of peyote and I think it would be in order.

The CHAIRMAN. The gentleman goes a little too far by his amendment. In this way it would preclude the officers of the law from the suppression of this trade if——

Mr. THOMAS of Oklahoma. The purpose of the amendment was to permit the $25,000 to be used in the suppression by a limitation of the use of peyote except when it is used for religious purposes by the Indians in the way of a sacrament in the holding of their regular church services. Mr. Chairman, if I may be heard for a few minutes upon this proposition I will take my seat.

Mr. McKEOWN. Mr. Chairman, I will offer an amendment to the gentleman's amendment, putting it in the form of a limitation:

Provided, No part of this appropriation shall be used to suppress the use of peyote by any religious body.

Mr. BLANTON. I make the point of order it is legislation on an appropriation bill.

Mr. CRAMTON. If the gentleman from Oklahoma will yield, I want to ask unanimous consent that all debate upon the paragraph and all amendments thereto be limited to 20 minutes, of which the gentleman from Oklahoma is to have 10, the gentleman from New York [Mr. KINDRED] 5 minutes——

Mr. McKEOWN. Reserving the right to object.

Mr. CRAMTON. And 5 minutes to the gentleman from Oklahoma [Mr. McCLINTIC], 5 minutes to the gentleman from Arizona [Mr. HAYDEN], 5 minutes to the gentleman from Georgia [Mr. UPSHAW]——

Mr. HOWARD of Nebraska. Will the gentleman yield, please? May I ask permission—I have a number of Indians in my district and I would like to speak a moment about the use of peyote.

Mr. CRAMTON. And 5 minutes to the gentleman from Nebraska [Mr. HOWARD].

The CHAIRMAN. Has the gentleman made a list of these gentlemen or has his clerk made a list?

Mr. CRAMTON. I have a list.

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

Mr. WINGO. Mr. Chairman, reserving the right to object, is the gentleman trying to get through with this bill this afternoon?

Mr. CRAMTON. I want to get through this month, if I can.

Mr. WINGO. Well, I want to speak 15 minutes, out of order, although I was going to use peyote as my base.

Mr. CRAMTON. I regret to state that I said to-day that I would have to object to requests to speak out of order. We did not go into committee until 2.30 to-day.

Mr. WINGO. The emergency among the farmers is so great that I wanted to join the chorus of the Republican relievers.

Mr. CRAMTON. I hope the gentleman will not press that.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none. Will the gentleman from Michigan supply the Chair with a list of those who are to speak on this subject, and will the gentleman from Oklahoma reoffer his amendment in the form of a limitation?

The Clerk read as follows:

Page 17, line 4, after the word "peyote," insert "*Provided*, That no part of said fund shall be used to prohibit the use of peyote when used by Indians for sacramental or religious purposes in organized churches."

Mr. BLANTON. Mr. Chairman, I make the point of order against it.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. That this is to change the existing law in several particulars in that it would permit the use of a deleterious drug among uncivilized Indians who might use it to the extent of causing their death, claiming it to be under religious ceremonies. There is a law which prevents the use of deleterious drugs, and the Chair has held that peyote is one of those drugs, and the evidence shows it causes death.

The CHAIRMAN. The gentleman is addressing himself somewhat to the merits, whereas it is a matter of parliamentary law.

Mr. BLANTON. It is not a limitation——

The CHAIRMAN. The Chair thinks it is clearly so.

Mr. BLANTON. You might say that the people have a right to use morphine in unlimited quantities if it is done in religious services.

Mr. McKEOWN. What about the use of wine as a sacrament?

Mr. BLANTON. That is not a deleterious drug that causes death.

Mr. McKEOWN. It could cause death if you drank enough of it.

The CHAIRMAN. The paragraph in the bill provides that the sum to be appropriated may be expended for the suppression of the traffic in deleterious drugs, including peyote. The amendment of the gentleman from Oklahoma now offered in the form of a limitation is to the effect that any portion of this appropriation which without such a limitation might be expended for the suppression of the traffic in peyote to be used for any purpose shall not be expended for the suppression of the traffic in peyote to be used by the Indians for sacramental or religious purposes.

It is not for the Chair, but for the committee to pass upon the wisdom or lack of wisdom of the proposition. The amendment as now offered is a limitation on an appropriation carried in the bill and as such is in order under the rules. The Chair overrules the point of order.

Mr. THOMAS of Oklahoma. Mr. Chairman, I hope I shall be entirely frank in what I have to say. I have five tribes of Indians in my district, the Kiowas, the Comanches, the Apaches, the Caddoes, and the Wichitas. These five tribes of Indians embrace something like 5,000 citizens. Many of these citizens belong to a regularly organized church incorporated under the laws of my State, and it is on this aspect of the matter that I make this statement. These Indians, belonging to this organization, by them termed a church, use this peyote.

Just here I pause to ask this question: How many Members on this floor have ever seen peyote classified in this bill as a deleterious drug?

Mr. Chairman, there are not to exceed a half dozen gentlemen on this floor who admit that they have seen peyote, and some of those saw peyote for the first time a few moments ago when I exhibited this sample upon this floor. I now take the privilege of showing to the Members a sample of the thing they have been debating for three or four hours. It is simply a bulb from the Mexican cactus. It grows down in old Mexico.

The Indians gather these buds from the cactus and use them in connection with their religious services—something after the plan of the use of wine for sacramental purposes.

If the Indians, or any portion of them, have an organized church and the ritual of that church provides for the use of this green natural herb, unfermented and unadulterated, as a sacrament, then I submit that the Congress is wholly without authority to deny to the members of any such church the right to import such herb in an orderly way for sacramental purposes.

Having lived among the Indians for many years, with them as my neighbors, I state here that they do have such an organization, represented by them to be a religious organization, and that the ritual of such organization or church does provide for the use of this green bulb or herb as a sacrament. And based upon this statement of fact I desire to call the attention of the committee to the Constitution and laws of our country. The first amendment to the Federal Constitution provides as follows:

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

This amendment has been upheld and construed by the Supreme Court of the United States in the case of Watson against Jones, in Thirteenth Wallace, page 728, in which it was held:

In this country the full and free right to entertain any religious principle and to teach any religious doctrine which does not violate the laws of morality and property, and which does not infringe personal rights is conceded to all.

In connection with the decision cited, Mr. Chairman, I desire to call attention to what I conceive to be the well-established rule in regard to this subject matter.

The Federal Constitution makes no provision for protecting the citizens of the respective States in their religious liberties; that is left to the State constitutions and laws, and the Federal Constitution specifically denies the power to Congress to restrict or interfere with the free exercise of religious thought or the free expression of religious convictions.

The Oklahoma constitution provides:

SECTION 3 OF ARTICLE 1. Perfect toleration of religious sentiment shall be secured and no inhabitant of the State shall ever be molested in person or property on account of his or her mode of religious worship; * * *

I lay down this proposition: This bill does not propose constructive legislation, but rather it is a formal appropriation bill making available funds with which to carry on activities heretofore authorized by law. We have no law against the importation and use of peyote, and certainly no law against its use for sacramental purposes.

The phrase "including peyote" injected in this appropriation bill does not constitute a valid criminal statute. If this item stands unamended, it will have no valid force or effect, and will but add another "bluff" to that long list of deceits, misrepresentations, and broken promises dealt out to the Indians since the discovery of America. If this bill passes unamended, and thereafter an Indian or any person imports or possesses peyote, such act will violate no valid law. If, thereafter, an Indian in possession of peyote was caught, no reputable prosecutor would file complaint. But if complaint was filed, no conviction would be had. And if complaint was filed and conviction was had, such conviction would not stand in any appellate court in the country.

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

Mr. THOMAS of Oklahoma. I will.

Mr. CRAMTON. Was the gentleman present when I read from the decision of the Supreme Court in the Reynolds case? How is the gentleman going to get away from that decision?

Mr. THOMAS of Oklahoma. Mr. Chairman, I have but 10 minutes and can not be diverted to a discussion of the Reynolds case. I submit the proposition that in so far as these Indians are concerned, Indians who honestly believe in the use of peyote, their use of this herb is similar to the use of wine in connection with other forms of religious service.

Exceptions were made in the prohibition enforcement act—the Volstead law—to the use of wine for sacramental purposes; and I now call the attention of the committee to these exceptions.

Section 3, title 2, of the Volstead Act provides as follows:

Liquor for nonbeverage purposes and wine for sacramental purposes may be manufactured, purchased, sold, bartered, transported, imported, exported, delivered, furnished, and possessed, but only as herein provided, and the commissioner may, upon application, issue permits therefor. * * *

Under section 3 of title 2 the following language is found:

Nothing in this title shall be held to apply to the manufacture, sale, transportation, importation, possession, or distribution of wine for sacramental purposes or like religious rites. * * *

A statement was made a few moments ago to the effect that only the ignorant, savage Indian used this peyote. On the 10th of last July, Mr. Chairman, practically the entire Caddo Tribe visited me at my home for the purpose of appealing to me, and through me to appeal to you, imploring the Congress not to interfere with their religious rites. The chief of the Caddoes, Enoch Hoag, asked me to present his petition, and I leave it to you to judge whether or not the man who sends this appeal is an ignorant savage, like those with whom he has been classed upon this floor. As I said, he visited me at my home and asked me to present his statement and appeal to you. His petition and appeal was an extemporaneous statement in the Caddo language, conveyed to me through an interpreter, recorded at the time, and is as follows:

We have a religion among the various tribes of Indians in Oklahoma, and that religion we desire to maintain. You no doubt have heard something about the bills that have been presented to Congress in an effort to interfere with our religion, and we sincerely ask you to do what you can to prevent those bills from going through. We all have different churches. You white people have no doubt different churches and different forms of religion. Well, all these different churches like their religion, and there is no reason why we should not be allowed to retain our religion. We have no objection to you white people having different churches and different religions, and I do not think it would be right now for Congress to pass a law to prohibit us Indians from having our church and our religion. We are all under one Creator, and that one Creator is the one we are worshiping. The Indians and you white people have churches and you worship the Creator, and I do not think it would be right for Congress to put a stop to our church and our religion. Our people believe that they have the right to worship our Creator just like the white people and according to the dictates of our own conscience.

After this statement was made I asked Chief Hoag some questions, and I will read the questions and the answers:

Q. Where do you hold your church meetings?—A. We have different places.

Q. Do you hold your meetings at regular times?—A. No; we notify the people, and those who want to attend come.

Q. Do you have a regular program of services?—A. Yes; the services are conducted all the way through.

Q. At what time do you hold your meetings?—A. We hold the meetings during the night.

Q. Is peyote used in connection with the holding of your church services?—A. Yes.

Q. Is your tribal committee unanimous in asking that no law be passed preventing your use of peyote in connection with your religious services?—A. Yes, sir.

Now, Mr. Chairman, I am convinced that these Indians are just as sincere in asking to be allowed to use this Mexican herb in connection with their religious services as are others of our people in the use of wine in connection with their services for sacramental purposes.

The CHAIRMAN (Mr. BEGG). The time of the gentleman has expired.

Mr. McCLINTIC. Mr. Chairman, I yield the gentleman the five minutes which have been allotted to me.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. THOMAS of Oklahoma. I thank the gentleman from Oklahoma [Mr. McCLINTIC] for this favor, but I will use only an additional minute. I have lived in my State for 23 years; I know these Indians, and I think I know the use to which they put this herb. I have attended their services, and without exception the services were conducted in an orderly, dignified, and reverential manner.

The charge is made that if peyote is consumed to excess it will produce a condition resembling intoxication, and I am not prepared to say that one could not become "foundered" on this Mexican cactus, but I have never seen ill effects resulting from its use. I might here suggest that sacramental wine consumed in excess will produce all the dire effects charged against this wild natural Mexican herb, but such possible use and such possible effects do not serve to prevent its use for sacramental purposes.

Hence, I submit, Mr. Chairman, it is unfair, it is unjust, and it will not stand the test to undertake to deprive the Indians—full citizens of my State—of the privilege of using peyote as a symbol in connection with their religious rites.

Mr. BLANTON. Will the gentleman yield?

Mr. THOMAS of Oklahoma. I yield to the gentleman from Texas.

Mr. BLANTON. Is it not a fact that mescal, one of the most horrible of Mexican intoxicants, is made out of that same bulb?

Mr. THOMAS of Oklahoma. Mr. Chairman, I am surprised at the question asked by the gentleman from Texas, living, as he does, so close to Mexico, and I doubt whether he ever saw mescal and I doubt, from his question, whether he ever saw peyote prior to this afternoon. Mescal is a little bean about the size of a navy bean, colored red, and used chiefly in making ornaments.

Mr. BLANTON. And it is not made from the prickly pear?

Mr. THOMAS of Oklahoma. It has no connection with peyote whatever.

Mr. BLANTON. It has no connection with the prickly pear at all?

Mr. THOMAS of Oklahoma. It has no connection with the herb which I exhibited to the Members of this House.

Mr. BLANTON. If the gentleman will come down to the Rio Grande, I will take him across the line and show him something he has never heard of before.

Mr. THOMAS of Oklahoma. Mr. Chairman, there are many things I have not heard of, and in that particular I differ from the gentleman from Texas [Mr. BLANTON]. [Laughter.]

I submit, Mr. Chairman, that the pending amendment should prevail. If peyote is a deleterious drug, and if it is such a harmful drug that people should not be permitted to have it, then I would favor a statute against its use. But at this time there is no law against its importation and no law against its use for any purpose, and certainly no law against its use in connection with religious services. [Applause.]

The CHAIRMAN. The gentleman from Nebraska [Mr. HOWARD] is recognized for five minutes.

Mr. HOWARD of Nebraska. Mr. Chairman and gentlemen of the committee, so well has the foundation principle here involved been stated by the gentleman from Oklahoma [Mr. THOMAS], and so clearly has he portrayed my own Quaker attitude with reference to the dealings of the Government with the religious affairs of the people that I do not care to speak for even a moment on that subject, but prefer to leave to you the full strength of his argument and presentation without tarnishing it in any way by words of mine.

I desire, though, to speak for one moment in reply to those gentlemen who have here asserted that only the uncivilized and the ignorant among the Indians employ the use of peyote, either religiously or otherwise. I think I can best illustrate my point by making the declaration to you, and standing ready to present the proof, that the ablest orator among the Indians in all my Nebraska land, a man who, after accomplishing his wonderful education through great difficulties, finally became addicted to the use of intoxicating liquor and wandered down, down, down until he drank the very dregs from the bottom of the cup of degradation. In that condition these religious Indians who employ peyote in their religious services found him. He had been to a whisky cure no less than four different times. Our white folks, our white medical men, could not place him upon his feet again, but these peyote religionists among the Indians took hold of that man, took him in their care for 5 weeks, turned him out in the world again, and for 12 straight years he was never known to be dissipated in any direction whatever. Ah, my friends, if this evil peyote, if this thing of which you gentlemen present so many evidences of evil, evidently from the lips of those interested in its suppression for some reason of which I do not know—if they can show me what is wrong about a drug which can do that for a man, which can lift him to a place of worth in the world after we white folks had been unable to do anything for him at all in our educated way—why, I am almost ready to say, "God bless the uncivilized and the ignorant Indian." [Applause.]

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that the time which was fixed at 30 minutes be extended five minutes further for this reason: At the time the agreement was made, the gentleman from New York [Mr. KINDRED] was on his feet and was among those enumerated, but through an error his name was not included in the list. I therefore ask an additional five minutes of debate upon this paragraph to be used by the gentleman from New York [Mr. KINDRED].

The CHAIRMAN. The gentleman from Michigan asks that the time be extended five minutes and that that time be allotted to the gentleman from New York [Mr. KINDRED]. Is there objection? [After a pause.] The Chair hears none, and will now recognize the gentleman from New York [Mr. KINDRED].

Mr. KINDRED. Mr. Chairman and gentlemen, I am fortunately entirely detached from any of those influences that may unconsciously influence those distinguished and conscientious gentlemen who come from the congressional districts where there are Indians who may have acquired very unfortunate narcotic tastes even for sacramental purposes. If I have any useful function here, it is to try to state the facts within the professional lines in which I have been trained.

As to the scientific facts as to peyote—I may say, first, there are very few medical reports and very little medical investigation as to this particular drug, but what medical investigation there has been by such authorities as Dr. Harvey Wiley, who, as we know, filled a responsible position in this Government as chief chemist in the Agricultural Department, and the authority of Dr. Henry Lloyd, one of the most useful of the physicians in the Indian medical service, goes to prove undoubtedly that peyote is distinctly and specifically a narcotic drug. Their conclusions are verified by the symptoms of the drug as they have been described even by those who defend its use. The symptoms of the drug are very much the symptoms of the derivatives of opium, which are, first, mental exhilaration and a somewhat happy, subjective feeling, grandiose ideas, motor excitement to a certain extent, which has been brought out in this discussion, and gradual stupor, with certain physical effects to be observed, which are like the symptoms of more or less large doses of opium, or the derivatives of opium. In the later stages of narcosis, which I will refer to later, there may be, first, chilling and pallor of the skin and an aboslute stupor and unconsciousness preceded by stimulation of the sexual and baser instincts. For proof of this I have the authority of Dr. Henry Lloyd who says that peyote has been more injurious to Indians than alcohol or any other vice to which they may have been addicted. I also have the authority of Mr. W. E. Johnson, the chief special officer for the enforcement of prohibition, as we would call it now, among certain Indian tribes, who states that there are more vicious effects and more extensive effects from peyote than from alcohol and all other vices of the Indian.

It has been stated here by the distinguished and clear-thinking gentleman, Mr. THOMAS of Oklahoma, that he did not believe the active principle of this particular form of cactus was narcotic. Well, that is because the gentleman, fortunately for himself and for those whom he observed, did not take enough of it.

It is a well-known fact—and I want to bear testimony here to the fact, that my distinguished friend from Texas [Mr. BLANTON] at least is an authority on what is bad liquor, because the fact is that mescal, of which he has just spoken, is one of the most vicious, intoxicating liquors that ever went down the throat of anybody, and it is made from a variety of cactus, coming from the same family of cacti as the variety from which peyote comes.

Mr. TILLMAN. The gentleman himself, I believe, is a medical practitioner of many years' standing?

Mr. KINDRED. Yes; for thirty-odd years, I have made a specialty of the study of narcotic drugs and the treatment of drug addiction.

The CHAIRMAN. The time of the gentleman from New York has expired. The gentleman from Georgia [Mr. UPSHAW] is recognized for five minutes.

Mr. UPSHAW. Mr. Chairman and gentlemen, I have no disposition whatever to personally go back of the frank statement, and seemingly the very clear statement of the gentleman from Oklahoma, who says he has witnessed these occasions or gatherings where peyote is used. He admits he only tried one button, I think. If he had taken several, according to overwhelming testimony, the effect would have been very hurtful. But I wish to give here the testimony of one of the most accomplished Indian women that I know in America, Mrs Gertrude Bonnin, a full-blood Indian, who, with her husband Captain Bonnin, was reared among the Indians. She is a woman of charming culture, and after embracing Christianity she has lived it in all its beauty, devoting herself unselfishly to the uplift of her people.

She and her cultured husband, himself an Indian, recently said to me:

> Mr. UPSHAW, do everything you can to stamp out peyote; it is positively depleting our people. It has the most demoralizing influence on them of anything with which they have ever come in contact.

Mr. McCLINTIC. Will the gentleman yield?

Mr. UPSHAW. Certainly.

Mr. McCLINTIC. Are they missionaries now to any tribe of Indians?

Mr. UPSHAW. I can not say. I only know that Mrs. Bonnin is a woman of very high character, and that she is now lecturing among the club women of America, creating sentiment in behalf of general Indian uplift.

Mr. BLANTON. Will the gentleman yield?

Mr. UPSHAW. I will.

Mr. BLANTON. If it is a fact that the drug produces immorality, then the Constitution with respect to religious rights would not apply?

Mr. UPSHAW. Certainly not. I would not infringe upon religious freedom myself. My fundamental Baptist doctrine of individualism and religious liberty with which my ancestors lighted up the dark ages would prevent it. But wherever religious liberty produces human depravity, then this Government must step in and put a stop to it. [Applause.] Mr. Chairman, I yield back the balance of my time.

Mr. HAYDEN. Mr. Chairman, the amendment presented by the gentleman from Oklahoma [Mr. THOMAS] seeks to justify the use of peyote under the cloak of religion. If such use of peyote were an ancient rite or custom of the Indians, if the practice were in vogue when the white men first came to America, there might be some justification; but it is only in very recent years that these so-called peyote churches have been established. In my opinion, based upon the best evidence obtainable, they have been organized as a subterfuge under the guise of a religious ceremony to perpetuate the use of this demoralizing drug, and that is the real and only purpose of these churches.

The distinguished gentleman from Nebraska [Mr. HOWARD], whose sincerity no one can doubt, speaks of the use of peyote to reform drunkards. We had much testimony to that effect before the Committee on Indian Affairs. We were told that the Indians who use peyote did not like whisky any more. The reason for that must be that peyote is a more potent stimulant than whisky.

During the present month I received this letter from a superintendent of the Indian Service who resides in the State which my good friend [Mr. HOWARD] so ably represents:

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE,
Winnebago Agency, Nebr., January 12, 1924.

Hon. CARL HAYDEN, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. HAYDEN: I am writing you in the interest of the anti-peyote bill now pending, as I understand it, in the Congress.

This bill should have the hearty support of every Member of Congress who is interested in the welfare of the Indians. The Winnebago Reservation in northeastern Nebraska is a hotbed of the peyote nuisance. As you are aware, the members of the cult have organized what they call the Mescal Church of Christ, and are using the drug in considerable quantities under the guise of religion. This is purely a sham to cover the use of this obnoxious drug. Only very recently an Indian woman of the Winnebago Tribe became violently insane through the use of peyote, and this has occurred more than once in the past. Quite a number of deaths, I am sure, have resulted from the use of this drug within the past two or three years. Two sudden deaths immediately followed a "religious" celebration on the reservation last January, one of which, at least, according to the doctor in attendance, was a result of the peyote fest.

I trust that you will do everything you can to bring about the passage of this bill.

Sincerely yours,

F. T. MANN, *Superintendent.*

I have received another letter from Dr. Jacob Breid, an eminent physician in the Indian Service, who says:

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE,
Sac and Fox Sanatorium, Toledo, Iowa, January 11, 1924.

Hon. CARL HAYDEN, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. HAYDEN: I am not informed regarding contemplated legislation for the suppression of the traffic in mescal or peyote. I am sure, however, that it has not been forgotten, for you are always interested in the development of the Indian along all lines.

It is essential that this evil be eradicated, and the only way to handle it is by means of legislation such as we have for the suppression of the liquor traffic. I know that you are well informed regarding the evil effects of this drug, and it is not necessary to discuss that now. However, drug addiction is not and never will be religion.

I hope that appropriate legislation will be enacted during the present session of Congress, and I wish to heartily commend you for the sensible position you have taken in this matter.

Very truly yours,

JACOB BREID, *Superintendent.*

The gentleman from Oklahoma exhibited a sample of the peyote cactus, which looks innocent, indeed. We know that opium comes from a more beautiful plant, the poppy, and yet what misery and degradation follow from its use. The pharmacopœial name for the narcotic element in peyote is anhalonium. It can be concentrated from this cactus button as is morphine from poppy leaves, and has the same evil effect on the human system. There is no doubt about that.

In my judgment the best way to solve the peyote problem is to provide that the narcotic drug service in the Treasury Department shall have the same jurisdiction over peyote as is now exercised over opium and its derivatives. If some member of the Committee on Ways and Means, which has jurisdiction over legislation of that character, will introduce and secure the passage of a bill to that effect, he will render a great service to his country. At this time we can only recognize peyote as a deleterious drug and so specify it in the pending appropriation bill. We should not be led astray by the plea that we are interfering with religious worship. How absurd it is to think of a religion which can not exist without the use of a drug.

Mr. BLANTON. Will the gentleman yield?

Mr. HAYDEN. Certainly.

Mr. BLANTON. There are many instances where many women have entered these camps and have been in a state of debauchery for two or three days following the use of this drug under religious rites.

Mr. HAYDEN. I was struck by the very significant statement made by my friend from Oklahoma [Mr. THOMAS] that the services at the peyote church which he attended were "for men only." There was much testimony before the Committee on Indian Affairs as to the debauchery at these alleged religious meetings. The establishment of these peyote churches can be explained on no other theory than that the members use this bogus "church" as an avenue for obtaining the drug. [Applause.]

The CHAIRMAN. The time of the gentleman has expired, all time has expired, and the question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MCCLINTIC].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from Kansas [Mr. SPROUL] offers an amendment, which the Clerk will report.

Mr. SPROUL of Kansas. Mr. Chairman, for the present I ask unanimous consent to withdraw that amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

EXPENSES IN PROBATE MATTERS.

For the purpose of determining the heirs of deceased Indian allottees having right, title, or interest in any trust or restricted property under regulations prescribed by the Secretary of the Interior, $75,600, reimbursable as provided by existing law: *Provided*, That the Secretary of the Interior is hereby authorized to use not to exceed $17,000 for the employment of additional clerks in the Indian Office in connection with the work of determining the heirs of deceased Indians and examining their wills out of the $75,600 appropriated herein: *Provided further*, That the provisions of this paragraph shall not apply to the Osage Indians nor to the Five Civilized Tribes of Oklahoma.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee if any effort has been made to arrange for the payment of these moneys due the heirs, where there are small sums, without their being forced to have administration, thus putting them to more expense than the amount they would receive from the Government.

Mr. CARTER. Mr. Chairman, I think I can answer the gentleman from Oklahoma. That is a legislative matter over which our committee has no jurisdiction. It would require legislation to bring that about.

Mr. McKEOWN. Does not the gentleman agree that that should be done?

Mr. CARTER. I have introduced a bill in respect to it, and it is now pending before the Committee on Indians Affairs. I shall ask the chairman of that committee to refer that bill to the Interior Department, which is in full sympathy with the matter and desires to have it done. The fact is that there are a lot of little payments known as town-site payments, of $20, $30, $40, occurring long before statehood, which can not be paid to legatees or heirs of inherited estates, the comptroller so holds, under existing law without going to the expense of administration in courts, which will cost more than the payments would amount to. I think I can get that bill up under unanimous consent, perhaps, and have it passed.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

For salaries and expenses of such attorneys and other employees as the Secretary of the Interior may, in his discretion, deem necessary in probate matters affecting restricted allottees or their heirs in the Five Civilized Tribes and in the several tribes of the Quapaw Agency, and for the costs and other necessary expenses incident to suits instituted or conducted by such attorneys, $40,000: *Provided*, That no part of this appropriation shall be available for the payment of attorneys or other employees unless appointed after a competitive examination by the Civil Service Commission and from an eligible list furnished by such commission.

Mr. HOWARD of Oklahoma. Mr. Chairman, I move to strike out the last word. I do not know just what prompted the committee to report an amendment putting probate attorneys under civil service. It may be that they had in mind a case in Oklahoma to which I desire to direct your attention.

In 1921, when there was a change of administration of the Government, there was a change in the personnel of the probate attorneys in Oklahoma. At that time a distinguished gentleman was serving as a Member of Congress, and it is understood exercised a considerable influence in the appointment of these probate attorneys, especially the one appointed for Craig and Ottawa Counties, Okla.—Mr. William Simms. Some time after the appointment of this probate attorney a wealthy restricted Indian woman died, and from the records it seems that the gentleman who was appointed probate attorney for the purpose of acting as attorney for restricted incompetent Indians and their heirs saw fit to have himself, instead of acting as probate attorney, appointed as guardian for the little orphan girl who was one of the major heirs to this Indian estate.

In March, 1923, through the vicissitudes of politics, this Congressman, whose influence, it is said, had appointed this gentleman to the office of probate attorney, retired from Congress. Shortly thereafter it was discovered by the probate attorney, who had made himself guardian in this case, that it was necessary to have a general counsel to protect the interests of this little orphan Indian girl. At least the gentleman who should have, by reason of his appointment by the Government acted as her attorney, so stated in the following petition in the matter, which was filed in the Delaware County court of Oklahoma:

In the county court of Delaware County, Okla.

STATE OF OKLAHOMA,
Delaware County, ss:

Petition for employment of attorney in the matter of the estate of Maud Lee Mudd, minor; William Simms, guardian.

Comes now William Simms, the duly qualified and acting guardian of Maud Lee Mudd, and would respectfully show to the court that—

There is now pending in the county court of Craig County, Okla., the settlement of the estate of Lucy Lotson Beaver, sometimes referred to as Perry, a deceased aunt of Maud Lee Mudd, a minor, named herein, and that there is also pending before the Interior Department of the United States a determination of the heirs of the said deceased aunt, and that it is the belief and contention of this guardian that the said Maud Lee Mudd is an heir of one-half of the estate of said deceased aunt.

That one Sam Perry, claiming to be the husband of said deceased aunt, is contesting the right of the said Maud Lee Mudd to share to the extent of only one-fourth interest in the estate of said deceased aunt, and is claiming in both the county court and before the Interior Department of the United States; that he, the said alleged husband of the aunt of Maud Lee Mudd, is claiming to be entitled to one-half of the estate of said decedent; that the claim of said alleged husband is by the petitioner alleged to be false and without foundation (but that the issues are joined and said matters must be litigated in both the county court of Craig County, Okla., and before the Interior Department of the United States in Washington, D. C.); that the estate of said aunt is valued at more than $1,200,000; and that unless the interest of Maud Lee Mudd is properly protected she will only share in said estate to the extent of one-fourth of said estate, when in right and justice your petitioner believes that she is entitled to one-half of said estate.

Your petitioner believes that it is necessary to employ counsel who could and would give his time and skill to the protection of the interest in said estate and one who is familiar with the proceedings in both the probate courts of Oklahoma and in matters before the Interior Department of the United States, and one who will skillfully and faithfully represent the interest of the said Maud Lee Mudd, minor, and in her share of said estate.

Wherefore your petitioner prays that an order of this court authorizing and directing the guardian herein to employ Hon. T. A. Chandler to represent the interest of the minor in said estate both in the probate courts of Oklahoma and before the Interior Department, Washington, D. C., for which your petitioner will ever pray.

Dated this the 17th day of April, 1923.

WILLIAM SIMMS,
Guardian of the Personal Estate of
Maud Lee Mudd, minor.

(Indorsements thereon appear: "No. 717. In the matter of the estate of Maud Lee Mudd, minor; William Simms, guardian. Filed this 7th day of May, 1923. Lewis Lunday, court clerk, Delaware County, Okla.)

CETIFICATE OF TRUE COPY.

STATE OF OKLAHOMA,
Delaware County, ss:

I, Lewis Lunday, clerk of the county court in and for the county and State aforesaid, do hereby certify that the instrument hereto attached is a full, true, and correct copy of petition for employment of attorney as the same now appears of record in this office.

Witness my hand and the seal of said court at Jay, Okla., on this 15th day of December, 1923.

LEWIS LUNDAY, *Court Clerk.*

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

Mr. HOWARD of Oklahoma. Yes.

Mr. HUDSPETH. Is this gentleman a practicing attorney?

Mr. HOWARD of Oklahoma. I have understood that he was licensed to practice by Judge Gill, of the district court of the Indian Territory, just before statehood in 1907. I will state, however, that recently I have searched the telephone directory of the city of Tulsa, in which he lives, and although I find several hundred attorneys listed, I do not find him listed among them.

Mr. HUDSPETH. Does the order of the court define the length of time during which the employment of this attorney shall continue or the duties that he shall perform?

Mr. HOWARD of Oklahoma. The petition recites "that the issues are joined and that said matters must be litigated in both the county court of Craig County, Okla., and before the Interior Department of the United States in Washington, D. C." The order of the court sets out that he was employed to care for such litigation as was then pending. I would infer from that that the employment and fee referred to would cover only such litigation as was pending at that time and if new cases were instituted he would be entitled to further fees.

Mr. HUDSPETH. And it does not define the length of the term of that employment?

Mr. HOWARD of Oklahoma. There is nothing stated except that it covers litigation then pending and appearance in the county court of Craig County and before the Interior Department.

After the filing of this petition, and on the same date as the filing of same, the records show that the county judge of that county, in response to said petition, instructed "that the guardian is authorized and directed to fix the compensation of the said T. A. Chandler at $17,500."

Mr. Chairman, in calling attention to this case I do not want in any way to criticize the county judge for his action in this matter, for the reason that he no doubt felt that upon the recommendation of one who had been appointed by the Government as a probate attorney and of a distinguished gentleman who had served in the United States Congress, that it was his duty to follow their recommendations. However, there is somewhat of a mystery as to why this distinguished probate attorney in his petition was so careful to see to it that out of all the attorneys in Oklahoma only one was recommended to pull down this juicy plum.

This matter smacks of political reward, and it is too bad that this reward had to be paid out of the moneys of an orphan Indian girl.

There is also a mystery as to why such a large fee should have been allowed in this case. To us in Washington who serve in the House of Representatives and the United States Senate for $7,500 a year, to those who act as Cabinet officers for $12,500 a year, to those who act as Supreme Court Judges of the United States on a salary of $15,000 and $15,500 a year, and to the people of Oklahoma, where their governor serves for a salary of $4,500, where the supreme court judges act for $6,000 per year, and where the large oil companies are able to secure the very best legal talent, who devote the entire year to the work for salaries of from $10,000 to $15,000, and handle cases which involve millions of dollars, and the appearance not only in the probate courts but in all other courts of Oklahoma

and before the Interior Department of the United States, we can not understand why in this case it was necessary to pay this distinguished gentleman out of funds of this little orphan Indian girl the sum of $17,500 to appear in the county court of Craig County, Okla., and before the Interior Department of the United States in Washington. And then, again I suggest that as this orphan Indian girl is, as a matter of fact, the ward of the Interior Department, and that in my dealings with the Commissioner of Indian Affairs and the Secretary of the Interior I have found them eminently qualified and jealous of the rights of the restricted Indians, I think that that part of the petition where it is suggested that it is necessary to have a general counsel to appear before the Interior Department, which includes also the Indian Department, is an insult to the integrity of that department. When this probate attorney took his office, he took it under a law creating probate attorneys, which said, among other things:

That whenever such representative or representatives of the Interior Department shall be of the opinion that the estate of any minor is not being properly cared for by the guardian or curator, or that the same is in any manner being dissipated or wasted or being permitted to deteriorate in value by reason of the negligence or carelessness or incompetency of the guardian or curator, said representative of the Secretary of the Interior shall have power to take such steps to have such matter fully investigated, and it shall be the further duty of such representative to make full and complete reports to the Secretary of the Interior.

Then, I ask the question: Is he doing his duty? And answer by suggesting that I do not know whether these probate attorneys should be put under civil service or not, but in the case of this probate attorney, I would suggest that he neither be put under civil service nor allowed to remain in office.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

For payment of salaries of employees and other expenses of advertising and sale in connection with the further sales of unallotted lands and other tribal property belonging to any of the Five Civilized Tribes, including the advertising and sale of the land within the segregated coal and asphalt area of the Choctaw and Chickasaw Nations, or of the surface thereof, as provided for in the act approved February 22, 1921, entitled "An act authorizing the Secretary of the Interior to offer for sale remainder of the coal and asphalt deposits in segregated mineral land in the Choctaw and Chickasaw Nations, State of Oklahoma" (41 Stat. L. p. 1107), and of the improvements thereon, which is hereby expressly authorized, and for other work necessary to a final settlement of the affairs of the Five Civilized Tribes, $5,000, to be paid from the proceeds of sales of such tribal lands and property: *Provided*, That not to exceed $2,000 of such amount may be used in connection with the collection or rents of unallotted lands and tribal buildings: *Provided further*, That the Secretary of the Interior is hereby authorized to continue during the ensuing fiscal year the tribal and other schools among the Choctaw, Chickasaw, Creek, and Seminole Tribes from the tribal funds of those nations, within his discretion and under such rules and regulations as he may prescribe: *Provided further*, That for the current fiscal year money may be so expended from such tribal funds for equalization of allotments, per capita and other payments authorized by law to individual members of the respective tribes, tribal and other Indian schools under existing law, salaries and contingent expenses of the governor of the Chickasaw Nation and chief of the Choctaw Nation and one mining trustee for the Choctaw and Chickasaw Nations at salaries at the rate heretofore paid, and the chief of the Creek Nation at a salary not to exceed $600 per annum, and one attorney for the Choctaw, Chickasaw, and Creek Tribes employed under contract approved by the President under existing law: *Provided further*, That the expenses of any of the above-named officials shall not exceed $1,000 per annum, and that no tribal money shall be available for the salaries or expenses of tribal school representatives: *And provided further*, That the Secretary of the Interior is hereby empowered, during the fiscal year ending June 30, 1925, to expend funds of the Choctaw, Chickasaw, Creek, and Seminole Nations available for school purposes under existing law for such repairs, improvements, or new buildings as he may deem essential for the proper conduct of the several schools of said tribes.

Mr. CARTER. Mr. Chairman, I have an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. CARTER: Page 21, line 22, after the word "exceed," strike out "$1,000 per annum" and insert in lieu thereof "$1,500 per annum for chiefs and governor and $1,000 per annum for the tribal attorney."

Mr. McKEOWN. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. Does the gentleman from Oklahoma yield

Mr. CARTER. I yield.

Mr. McKEOWN. I have an amendment to offer. I will say to my colleague, if he will yield to me, my amendment strikes out the word "Chickasaw" in line 19 and inserts, after the word "officials" in line 22, on page 21, the language "other than the Governor of the Chickasaw Nation."

Mr. CARTER. Let that amendment be reported, in order that we can see what it does.

The CHAIRMAN. The Clerk will report the amendment for information.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 21, line 19, after the word "Choctaw," strike out "Chickasaw," and the second amendment offered by Mr. McKEOWN, page 21, line 22, after word "officials," insert "other than the governor of the Chickasaw Nation."

The CHAIRMAN. The Chair understands that this amendment is not an amendment to the amendments of the gentleman from Oklahoma [Mr. CARTER].

Mr. McKEOWN. I offer mine for the amendment of the gentleman. It does not interfere with anything, except in one particular.

Mr. CARTER. If the gentleman from Oklahoma [Mr. McKEOWN] wishes to be heard first, that is satisfactory to me.

The CHAIRMAN. The gentleman from Oklahoma [Mr. CARTER] believes that the amendment of his colleague is a substitute for his own amendment?

Mr. CARTER. I could not hear it well enough, Mr. Chairman, to tell.

Mr. McKEOWN. I would like to be heard on this.

Mr. BEGG. Mr. Chairman, I make the point of order that it is not a substitute.

The CHAIRMAN. The Chair has not examined it.

Mr. BEGG. The amendment of the gentleman from Oklahoma [Mr. CARTER] was an amendment of the committee as well.

Mr. CARTER. It has reference to an expense account.

Mr. McKEOWN. My amendment does the same thing, only it eliminates the governor of the Chickasaw Nation, and I think I can see a good reason why it should not apply to him.

The CHAIRMAN. On a casual examination of the amendment offered by the gentleman from Oklahoma [Mr. McKEOWN] it does not seem to be at all like the one offered by the gentleman from Oklahoma [Mr. CARTER]. It may be held in abeyance until the amendment of the gentleman from Oklahoma [Mr. CARTER] is disposed of.

Mr. McKEOWN. My amendment does what his does.

Mr. Chairman, addressing myself to the chairman of the committee, I was going to say this: In order to try to keep the thing balanced up, I was introducing an amendment that would strike out the word "Chickasaw," and excepts the governor of the Chickasaws, so that this bill would not take any money out of the funds belonging to the Chickasaw Tribe for an attorney, but would leave $1,000, as you have placed it there, for expenses for the other governors, because the amount of their estate is not as large as that of the Chickasaws.

The Chickasaw governor has never been appointed by the Government of the United States. His appointment and election were effected by the Chickasaw people. He is the only governor of the Five Civilized Tribes that has never been recognized as an official of the United States. He was elected to the office of governor by his own people, and his money was appropriated by the legislature of his own nation and approved by President Roosevelt, and that arrangement has been acquiesced in all these years. The Chickasaw people can get along without having to pay out money for an attorney, and have their governor, who has saved them $20,000,000 in taxation alone through his own efforts.

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

Mr. McKEOWN. Yes.

Mr. ABERNETHY. I assume that the gentleman's amendment is an important amendment. It is not pro forma?

Mr. McKEOWN. No; it is not pro forma.

Mr. ABERNETHY. Does not the gentleman think we ought to have more folks here to consider it?

Mr. McKEOWN. I am trying to appeal to the committee. This money does not go out of the Treasury of the United States. I want to explain that this money does not come out of the Treasury of the United States. This money is the money of the Chickasaw people lying in the Treasury of the United States. This governor is the only governor of the Five Civilized Tribes who is not an officer of the United States, but he is still an officer of that tribe, duly elected by his people. His salary

and expenses have been fixed by the legislature of the Chickasaw Tribe, and approved by the President of the United States, and that action has never been repealed, and it has been acquiesced in all this time.

I do not ask to change any other matter that the committee has fixed; only that applying to the governor of the Chickasaw Nation. I would leave the language as written in there, "as otherwise provided." I am not asking to take a dollar out of the Treasury of the United States. I am asking for nothing but what has been the practice heretofore.

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

Mr. McKEOWN. Yes.

Mr. BEGG. What is the gentleman's argument for making one above the other?

Mr. McKEOWN. The argument is this: The Creek Nation has only $229,000 in the Treasury of the United States, or property of that value, whereas the Chickasaws have some $12,000,000. Here is what this amendment will do, as the committee has reported it: It will leave this governor in such position that he will not be able to come here and present the matters of his nation and of his people to the Congress of the United States except at his own expense.

Mr. BEGG. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BEGG. If the gentleman's argument is sound and he wishes to pay him more than the others because his tribe is richer, then the differentiation is not nearly great enough.

Mr. McKEOWN. The proposition is this: The gentleman will realize that this money is the Indians' money; the money of the tribe, and is not the money of the United States.

Mr. BEGG. I appreciate that.

Mr. McKEOWN. His people have never protested; they still want him to come here and represent them. Now, here is an illustration of it: The Seminole Tribe of Indians has no chief and no governor, so that a Seminole Indian who lives down here at some place has to rent a place at $8 a month in order to be able to subsist himself and be able to watch legislation in behalf of his tribe.

Mr. HASTINGS. My colleague does not want to make a misstatement, and I think he is in error about that. The Seminoles do have a chief, who has been appointed, as the record will show.

Mr. McKEOWN. I beg the gentleman's pardon. She was only appointed for a day, and because she would not sign away the property of the Seminole Tribe they took her out of her office, and the Seminole people are back of her now because she refused to sign away the property of the Seminole Nation when it became known that there had been great oil discoveries down there.

Mr. HASTINGS. I beg my colleague's pardon. I know that the Seminole country is in my colleague's district, but I was over there at the time this chief was installed, and I did not know about the removal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKEOWN. I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. McKEOWN. I will say to my colleague that I did not mean to be disrespectful to him.

Mr. HASTINGS. I understand that.

Mr. McKEOWN. But she was taken out of office because she refused to sign the deeds for the property that had been sold without any notice to these people, and I glory in the courage she had to stand up for her people; but because she did so she was taken out of office. So this is the situation we now have: That these people are unable to contract for services, they are unable to make a contract, so what are you going to do? Are you going to tie them down? It is their own money; it is not the money of the United States; it is the money of the Indian people themselves, and no protest from anywhere has come to the effect that this man should not have reasonable expenses with which to come to Washington to present the complaints of his people and save the individual tribesmen this trouble and this expense instead of out of the funds of the tribe.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. HOWARD of Oklahoma. You say they took her out of office. Who took her out of office?

Mr. McKEOWN. Well, the bureau that put her in; that is what took her out. The Indians did not take her out, but they are still with her.

That is the situation. I am simply asking you to give this governor what he has always had in the past, and I am not trying to interfere with the chairman of the committee as to the other people.

Mr. CARTER. Mr. Chairman, the difference between the amendment offered by my colleague [Mr. McKEOWN] and the amendment offered by myself is this. My amendment proposes a limitation on the expense account of all three chiefs at $1,500 per annum, while the amendment of my colleague seeks to continue the Chickasaw governor's annual expense account with no limit whatever, while enforcing a limitation of $1,000 on the annual expenses of the Choctaw and Creek chiefs.

In our investigation of this item your committee found that the expenditures from tribal funds for these tribal officials for the last fiscal year amounted to some $53,000 or $54,000. This we deemed excessive, so we questioned the bureau officials as to what reductions might be made without injury to the service. The result was the item carried in the bill providing for three chiefs at the salaries heretofore fixed by their tribal council and our attorney for the three tribes, limiting the expense account of each to $1,000 per annum. Upon reflection, we came to the conclusion that perhaps we had cut the expense account of the chiefs of the tribes a little too much, and that they should have $1,500 per annum.

Mr. McKEOWN. Will my colleague yield there?

Mr. CARTER. Yes; I will yield.

Mr. McKEOWN. Under the present law the amount is regulated by the department which knows and understands the necessities of the situation. Under the present law, I want to understand if it is the purpose of the gentleman to take away from these governors and chiefs the right to come up here to Washington to present matters to the Congress, which would be at the expense of the tribal fund and not at the individual expense of the Indian. Does not my friend think it is more to the betterment of the Indian situation that they come at the expense of the tribe and not at their personal expense?

Mr. CARTER. My colleague asks a question and then answers it himself. Certainly, if we did not think it might be necessary for this chief and the other chiefs to come to Washington we would not agree to an expense account of $1,500. The committee has agreed to increase the expense account to $1,500 per annum.

Mr. McKEOWN. Will my colleague yield?

Mr. CARTER. Yes.

Mr. McKEOWN. Under the present arrangement, which has been very satisfactory so far——

Mr. CARTER. If I may suggest right there, it has been very satisfactory with the single exception that it cost the tribes about $54,000 last year, and many of the members of the two tribes object very seriously to it. My friend is very much mistaken when he thinks that no serious protest has come about these expenses. My desk is simply cluttered up now with letters protesting about some of these expenses, and if he will just let me use a little more of my own time he will see that I am trying to do the fair thing by the chiefs and all other members of these tribes. All three of these chiefs are good business men; so are all these other tribal officials good people. I presume they are all performing their duties in a conscientious and honest manner. Governor Johnston, of the Chickasaws, has devoted the best years of his life to this work.

Mr. ABERNETHY. Will the gentlemen yield?

Mr. CARTER. In just a moment. The Choctaw chief, Will Harrison, is a good lawyer, as the gentleman from Oklahoma, perhaps, knows, and is capable of earning considerable money at the practice of his profession. He has devoted considerable time to his duties as chief. He may be called here, perhaps, during this session, and maybe the next session, and in order that his expenses might be taken care of, along with those of the Chickasaw chief, we have provided a maximum allowance of $1,500 for each. The expenses of the Chickasaw Governor Johnson for last year were only $1,985, while the expenses of the Choctaw chief for last year were $2,176. The expenses of the Choctaw chief were greater by $200.

Mr. HASTINGS. And the next session will be a short session of Congress.

Mr. CARTER. Yes.

Mr. McKEOWN. Will my colleague yield for a question?

Mr. CARTER. Let me yield first to the gentleman from North Carolina.

Mr. ABERNETHY. May I make this suggestion: It is about quitting time now, and probably by morning you gentlemen, who represent these various Indian interests, can get together, so we can vote without having to divide up our attention between you.

Mr. CARTER. There is not much difference between us, and I think we can get together now if the gentlemen will let us alone for just a moment.

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

Mr. CARTER. I ask for two minutes more.

The CHAIRMAN. The gentleman from Oklahoma asks for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. McKEOWN. I would like to ask the gentleman this question, if it is the purpose of the committee to deprive the governor of the Chickasaw Nation of his secretary and deprive him of his traveling expenses while traveling away from Oklahoma up to Washington. As I understand, the present situation is he has had $1,800 which he may use after he leaves Oklahoma. This is the Indians' own money and I would like to have some reason why the committee assumes to change the present law.

Mr. CARTER. This is the Indians' money but the Federal Government is the administrator of the fund. It is a trust fund and should be handled with just as strict accountability as the Government's own funds. We have no more right to squander the Indians' funds than we have to squander our own. Now I have stated to the gentleman that we have no intention whatever of trying to deprive the tribe of that which they should have in the continuation of their legitimate business. If the gentleman will read the hearings he will find that the Bureau of Indian Affairs, while not recommending this, said these reductions could be made and it would provide the things necessary for the service. We are providing an expense account of $1,500 for all?

My friend would take out one chief, the governor of the Chickasaws, whom I have known since I was a little boy, and provide him an unlimited expense account. He is one of the best friends I have among my own people, and I would like to favor him, but we must be fair to all and treat them all alike. We do not think we have cut the expense account to a point below where it will permit the governor of the Chickasaws and the chief of the Choctaws to render efficient service. We have cut out the private secretary. The chief of the Choctaws and the Creeks had no private secretary for the past few years. We were advised that this could be done without injury to the service, and, as far as I know, Governor Johnson is making no serious objection to cutting out the secretary and the interpreter.

Mr. McKEOWN. How does the committee propose to take care of the Indians' interests when you are requiring them to pay an attorney to represent three nations, when the Chickasaw Nation has a large claim against Choctaw Nation, and to be in a position where he could not represent any of them?

Mr. CARTER. We take the best authority available, the Indian Bureau, who said that in a short time one tribal attorney could attend to the affairs of all three tribes.

Mr. McKEOWN. Would the gentleman have any objection to striking out the Chickasaws, because that nation does not want to pay an attorney?

Mr. CARTER. The Chickasaw Nation will simply be called upon to pay its pro rata part, and instead of spending $54,000 from the Chickasaw and Choctaw funds for the next year, they will be called upon to expend only $18,000, which will leave the balance to be divided per capita among the Choctaws and the Chickasaws. I do not believe the Chickasaw citizens in the gentleman's district will make any serious objection to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

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

Mr. McKEOWN. What about my amendment?

The CHAIRMAN. The gentleman's amendment was not in order at the time, and was read for information.

Mr. CRAMTON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 5078, the Department of the Interior appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. COOPER of Wisconsin, at the request of Mr. FREAR, and by unanimous consent, was given leave of absence for to-day on account of sickness.

EXTENSION OF REMARKS.

[Mr. THOMAS of Oklahoma and Mr. GARNER of Texas, by unanimous consent, were given leave to extend their remarks.]

ADJOURNMENT.

Mr. CRAMTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Friday, January 25, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

307. Under clause 2 of Rule XXIV, a letter from the president Board of Managers, National Home for Disabled Volunteer Soldiers, transmitting annual report of the Board of Managers, National Home for Disabled Volunteer Soldiers, fiscal year 1923, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BURTNESS: Committee on Interstate and Foreign Commerce. H. R. 4120. A bill granting the consent of Congress to the Greater Wenatchee Irrigation District to construct, maintain, and operate a bridge across the Columbia River; without amendment (Rept. No. 95). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. R. 646. A bill to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions, or commerce among the States or Territories or with foreign nations; without amendment (Rept. No. 96). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 5624. A bill authorizing the construction of a bridge across the Ohio River to connect the city of Benwood, W. Va., and the city of Bellaire, Ohio; without amendment (Rept. No. 93). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. S. 1634. An act to authorize the building of a bridge across the Lumber River in South Carolina, between Marion and Horry Counties; without amendment (Rept. No. 94). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 4808. A bill granting the consent of Congress to the construction, maintenance, and operation of a bridge across the Pearl River between the parish of St. Tammany in Louisiana and the county of Hancock in Mississippi; without amendment (Rept. No. 91). Referred to the House Calendar.

Mr. PARKS of Arkansas: Committee on Interstate and Foreign Commerce. H. R. 4984. A bill to authorize the Clay County bridge district, in the State of Arkansas, to construct a bridge over Current River; with an amendment (Rept. No. 92). Referred to the House Calendar.

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. H. R. 486. A bill to extend the time for the completion of the municipal bridge approaches, and extensions or additions thereto, by the city of St. Louis, within the States of Illinois and Missouri; with an amendment (Rept. No. 97). Referred to the House Calendar.

Mr. LYON: Committee on Rivers and Harbors. H. R. 4577. A bill providing for the examination and survey of Mill Cut and Clubfoot Creek, N. C.; without amendment (Rept. No. 98). Referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1779) granting an increase of pension to William A. Williams; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1788) granting a pension to Michael Bittner; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2806) for the relief of Emil L. Flaten; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

A bill (H. R. 5723) to repeal certain portions of the urgent deficiency appropriation act approved February 28, 1916; Committee on the Judiciary discharged, and referred to the Committee on the Civil Service.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BROWNE of Wisconsin: A bill (H. R. 6131) to amend a provision contained in the Indian appropriation act for the fiscal year 1917, approved May 18, 1916 (39 Stat. L. pp. 123–156), appropriating the sum of $95,000 to be used in addition to the tribal funds of the Stockbridge and Munsee Tribes of Indians in Wisconsin who are enrolled under the act of Congress of March 3, 1893; to the Committee on Indian Affairs.

By Mr. COLTON: A bill (H. R. 6132) to pension soldiers who were in the military service during Indian wars and disturbances, and the widows, minors, and helpless children of such soldiers; to increase the pensions of Indian war survivors and widows; and to amend section 2 of the act of March 4, 1917; to the Committee on Pensions.

Also, a bill (H. R. 6133) amending section 11 of the Federal highway act, approved November 9, 1921, providing for the construction of primary or interstate highways in certain public-land States, and also amending paragraph 4, section 4, of the act entitled "An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes," and prescribing limitations on the payment of Federal funds in the construction of highways; to the Committee on Roads.

By Mr. DOUGHTON: A bill (H. R. 6134) authorizing appropriations for the improvement of rural post roads, and for other purposes; to the Committee on Roads.

By Mr. McFADDEN: A bill (H. R. 6135) to extend for nine months the power of the War Finance Corporation to make advances under the provisions of the War Finance Corporation act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILLIAMS of Michigan: A bill (H. R. 6136) to establish a Federal cooperative marketing system for the orderly marketing of farm products; to provide for the inclusion within such system of local, State, and national cooperative marketing associations and to correlate their activities; to promote education and cooperation in the diversification, production, and marketing of farm products; to create the Federal cooperative marketing board and prescribe its powers and duties, and for other purposes; to the Committee on Agriculture.

By Mr. WILLIAMSON: A bill (H. R. 6137) to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes; to the Committee on Banking and Currency.

By Mr. JARRETT: A bill (H. R. 6138) to authorize the governor and the commissioner of public lands of the Territory of Hawaii to issue conveyances of certain lands to the Hawaii Consolidated Railway (Ltd.) for railroad purposes; to the Committee on the Territories.

By Mr. CHRISTOPHERSON: A bill (H. R. 6139) to regulate the issuance of securities by corporations engaged in or which may be organized to engage in foreign or interstate commerce and the sale of securities in foreign or interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVILA: A bill (H. R. 6140) to amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes"; to the Committee on Roads.

Also, a bill (H. R. 6141) to amend an act entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for the cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure," approved February 23, 1917; to the Committee on Education.

Also, a bill (H. R. 6142) amending an act for the promotion of the welfare of maternity and infancy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 6143) to purchase grounds, erect and repair buildings, for customhouse, offices, and warehouses in Porto Rico; to the Committee on Insular Affairs.

By Mr. FAIRCHILD: A bill (H. R. 6144) to amend an act entitled "An act in relation to the Japanese indemnity fund," approved February 22, 1883; to the Committee on Foreign Affairs.

By Mr. McFADDEN: A bill (H. R. 6145) to prohibit offering for sale as Federal farm loan bonds any securities not issued under the terms of the farm loan act, to limit the use of the words "Federal," "United States," or "reserve," or a combination of such words, to prohibit false advertising, and for other purposes; to the Committee on Banking and Currency.

By Mr. MILLIGAN: A bill (H. R. 6146) to provide for the dishonorable discharge of certain persons inducted into the Military Establishment who refused to perform the regular military duties or wear the uniform of the military forces of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 6147) providing for the placing of Government employees engaged in the enforcement of national prohibition under the civil service; to the Committee on the Civil Service.

By Mr. FENN: A bill (H. R. 6148) for acquiring a site at Thompsonville, in the town of Enfield, Conn., to be used for the erection of a public building thereon for the use and accommodation of the post office and other Government offices; to the Committee on Public Buildings and Grounds.

By Mr. SCHNEIDER: A bill (H. R. 6149) to enlarge, extend, and remodel the post-office building at Appleton, Wis., and to acquire additional land therefor if necessary; to the Committee on Public Buildings and Grounds.

By Mr. WOLFF: A bill (H. R. 6150) to provide for the erection of a public building in the city of Farmington, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. FULMER: A bill (H. R. 6151) for the purchase of a site and the erection of a post-office building in the city of Bishopville, S. C.; to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY: Joint resolution (H. J. Res. 154) to create a commission to consider the proposal of a central building for art and industry in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. O'CONNELL of New York: Memorial of the Legislature of the State of New York, to provide for the authorization and the necessary appropriation for the deepening of the Hudson River to the head of tidewater at the Federal dam at Troy, N. Y.; to the Committee on Rivers and Harbors.

By the SPEAKER (by request): Memorial of the Legislature of the State of Kentucky, urging that Congress appropriate sufficient funds to carry out the national defense 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. BEGG: A bill (H. R. 6152) to provide for the retirement as second lieutenant of Field Artillery in the Army of Cadet Frederick S. Warren; to the Committee on Military Affairs.

By Mr. BLOOM: A bill (H. R. 6153) granting a pension to Emily D. Budd; to the Committee on Invalid Pensions.

By Mr. BROWNE of Wisconsin: A bill (H. R. 6154) granting an increase of pension to Mary E. Buckley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6155) granting an increase of pension to Eliza J. Terry; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 6156) granting a pension to Mary P. Davis; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 6157) granting an increase of pension to Elvessa A. Zwickel; to the Committee on Invalid Pensions.

By Mr. CAREW: A bill (H. R. 6158) for the relief of Thomas G. Patten; to the Committee on Claims.

By Mr. CRAMTON: A bill (H. R. 6159) granting a pension to William A. Miller; to the Committee on Pensions.

By Mr. EDMONDS: A bill (H. R. 6160) for the relief of the Pacific Steamship Co., of Seattle, Wash.; to the Committee on Claims.

Also, a bill (H. R. 6161) for the relief of Jens Samuelsen and B. Olsen; to the Committee on Claims.

By Mr. GLATFELTER: A bill (H. R. 6162) granting a pension to Sarah J. Hellman; to the Committee on Invalid Pensions.

By Mr. GRAHAM of Illinois: A bill (H. R. 6163) granting a pension to Mary Anna Smith; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 6164) granting a pension to Albert B. Campbell; to the Committee on Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 6165) for the relief of Col. John H. Allen; to the Committee on Claims.

By Mr. JEFFERS: A bill (H. R. 6166) for the relief of Rosa L. Yarbrough; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 6167) granting an increase of pension to William Dotson; to the Committee on Pensions.

Also, a bill (H. R. 6168) granting a pension to Joseph Houser; to the Committee on Pensions.

Also, a bill (H. R. 6169) granting a pension to Joan O'Brien; to the Committee on Pensions.

Also, a bill (H. R. 6170) granting an increase of pension to Jacob Shank; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6171) granting a pension to Francis S. Reedy; to the Committee on Invalid Pensions.

By Mr. McKENZIE: A bill (H. R. 6172) granting an increase of pension to Emma C. Weinhold; to the Committee on Invalid Pensions.

By Mr. McNULTY: A bill (H. R. 6173) to remove the charge of desertion from the military record of Washington E. Hall, alias John Duffy; to the Committee on Military Affairs.

Also, a bill (H. R. 6174) granting a pension to Frances B. Eaton; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 6175) granting a pension to J. H. Patterson, alias James Hughes; to the Committee on Invalid Pensions.

By Mr. MORRIS: A bill (H. R. 6176) granting an increase of pension to Margaret Kirkpatrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6177) granting an increase of pension to Anna R. McAdams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6178) granting an increase of pension to Belle Parker Young; to the Committee on Pensions.

By Mr. OLDFIELD: A bill (H. R. 6179) granting an increase of pension to Henry P. Mooniehand; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 6180) granting an increase of pension to Carrie M. Flandreau; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6181) granting an increase of pension to Penina A. Wright; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 6182) authorizing the Secretary of Labor to permanently admit, under suitable regulations and requirements to be prescribed by him, Paula Patton, daughter of Hyman Patton, a citizen of the United States; to the Committee on Immigration and Naturalization.

By Mr. ROACH: A bill (H. R. 6183) granting an increase of pension to Geneva Beha; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 6184) for the relief of George C. Mansfield Co. and George D. Mansfield; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H. R. 6185) granting a pension to Katherine Thompson; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER: A bill (H. R. 6186) authorizing the Secretary of War to cause a preliminary examination and survey of Oconto Harbor, in the State of Wisconsin; to the Committee on Rivers and Harbors.

By Mr. STEPHENS: A bill (H. R. 6187) granting a pension to Mark T. Smith; to the Committee on Pensions.

Also, a bill (H. R. 6188) granting a pension to Elizabeth J. Waddell; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 6189) granting a pension to Mintie A. Ashton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6190) granting a pension to Evaline Kerr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6191) granting a pension to Merrick L. Miller; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 6192) granting a pension to Victor Walker; to the Committee on Pensions.

By Mr. WINTER: A bill (H. R. 6193) granting a pension to Annie E. Thompson; 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:

728. By the SPEAKER (by request): Petition of Wilmington Monthly Meeting of Friends, Wilmington, Del., urging Congress to put into effect the proposals embodied in the winning plan of the American peace award; to the Committee on Foreign Affairs.

729. Also (by request), petition of citizens of Lewiston, Me., asking for the repeal of all unfair war excise taxes; to the Committee on Ways and Means.

730. By Mr. BURTON: Petition of 250 residents of the city of Cleveland, requesting support of the measure now pending before Congress to amend the Volstead Act by permitting the manufacture and sale of beer and light wines; to the Committee on Ways and Means.

731. By Mr. CORNING: Petition of New York State Association of Real Estate Boards, approving Secretary Mellon's tax reduction plan; to the Committee on Ways and Means.

732. By Mr. CRAMTON: Petitions of H. B. Sibilla, president, and other employees of the J. A. Davidson Co., Port Huron, Mich.; Gus Hill, president, and other employees of the Moak Machine & Tool Co., Port Huron, Mich.; F. E. Beard and other citizens of Port Huron, Mich.; A. R. Ballentine and other residents of Port Huron, Mich.; C. C. Failing and other residents of Port Huron, Mich.; J. S. Reed and other residents of Port Huron, Mich.; John W. Stanley and other residents of Port Huron, Mich.; Geo. A. Ashpole and other residents of Port Huron, Mich.; to the Committee on Ways and Means.

733. By Mr. HAWES: Petition of the Missouri State Dairy Council, favoring the Purnell bill providing for an increased appropriation for agricultural experimentation; to the Committee on Agriculture.

734. By Mr. HUDSPETH: Petition of Highland Hereford Breeders' Association, indorsing Mellon tax reduction bill; to the Committee on Ways and Means.

735. By Mr. KIESS: Evidence in support of House bill 5994, granting a pension to John A. Odell; to the Committee on Invalid Pensions.

736. Also, evidence in support of House bill 5289, granting a pension to Lydia E. Kohler; to the Committee on Invalid Pensions.

737. By Mr. PHILLIPS: Papers to accompany House bill 6108, granting a pension to Mary Ellen McClaren; to the Committee on Invalid Pensions.

HOUSE OF REPRESENTATIVES.

FRIDAY, *January 25, 1924.*

The House met at 12 o'clock noon.

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

Blessed Lord, come Thou to our waiting hearts and minds. Forgive us everything that is unworthy of the holy name which we have taken upon our lips. As Thou hast set before us high and patriotic tasks, may we fulfill them worthily. Bless our whole family of citizens and may they not be led along false ways. Oh, come to our country in its questions, in its problems, and in its fears. Dispel all earth-born clouds and be gracious unto every State and every citizen under the folds of our flag. For Thy name's sake. Amen.

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

CHANGE OF REFERENCE.

The SPEAKER. The bill H. R. 4319, authorizing the conveyance of certain land to the city of Miles City, State of Montana, for park purposes, was accidentally referred to the Committee on Public Buildings and Grounds, when it very clearly belongs to the Committee on Public Lands. The chairmen of both these committees agree to the transfer. Without objection the Chair will change the reference from the Committee on Public Buildings and Grounds to the Committee on Public Lands.

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 bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 152. An act to authorize the county of Multnomah, Oreg., to construct a bridge and approaches thereto across the Willamette River, in the city of Portland, Oreg., to replace the present Burnside Street Bridge, in said city of Portland; and also to authorize said county of Multnomah to construct a bridge and approaches thereto across the Willamette River, in said city of Portland, in the vicinity of Ross Island.

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

H. R. 3679. An act authorizing the building of a bridge across the Peedee River in South Carolina;

H. R. 3680. An act authorizing the building of a bridge across Kingston Lake at Conway, S. C.; and

H. R. 3770. An act for the examination and survey of Dog River, Ala., from the Louisville & Nashville Railroad bridge