Congressional Record

PROCEEDINGS AND DEBATES OF THE SIXTY-EIGHTH CONGRESS
FIRST SESSION

SENATE

WEDNESDAY, *May 14, 1924*

(Legislative day of Tuesday, May 13, 1924)

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

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

The PRESIDENT pro tempore. The principal clerk will call the roll.

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

Bayard	Curtis	Heflin	Robinson
Brookhart	Dial	Johnson, Calif.	Sheppard
Bruce	Fernald	King	Smith
Cameron	Fess	Lodge	Sterling
Capper	Frazier	Oddie	Trammell
Caraway	Gooding	Overman	Wadsworth
Copeland	Harris	Ransdell	Warren
Cummins	Harrison	Reed, Pa.	

Mr. CURTIS. I wish to announce that the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. MCLEAN], the Senator from North Carolina [Mr. SIMMONS], and the Senator from New Mexico [Mr. JONES] are attending a meeting of the Finance Committee.

I also announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent on account of illness. I will let this announcement stand for the day.

I also desire to announce that the Senator from Ohio [Mr. WILLIS] is detained on official business.

I also wish to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], the Senator from New Hampshire [Mr. KEYES], and the Senator from Indiana [Mr. RALSTON] are attending a meeting of the Committee on Agriculture and Forestry.

I also announce that the Senator from New Hampshire [Mr. MOSES], the Senator from Washington [Mr. JONES], and the Senator from Montana [Mr. WHEELER] are attending a meeting of a special investigating committee of the Senate.

I also announce that the Senator from California [Mr. SHORTRIDGE], the Senator from Pennsylvania [Mr. PEPPER], the Senator from Colorado [Mr. PHIPPS], the Senator from South Dakota [Mr. NORBECK], the Senator from Florida [Mr. FLETCHER], the Senator from Wyoming [Mr. KENDRICK], the Senator from Virginia [Mr. GLASS], and the Senator from Mississippi [Mr. STEPHENS] are attending a meeting of the Committee on Banking and Currency.

The PRESIDENT pro tempore. Thirty-one Senators have answered to the roll call. There is not a quorum present. The clerk will call the roll of absentees.

The principal clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Bursum	Neely	Pittman	Watson
McKellar			

The PRESIDENT pro tempore. Thirty-six Senators have answered to their names. There is not a quorum present.

Mr. ROBINSON. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Ashurst	Edge	Reed, Mo.	Walsh, Mass.
Ball	Ernst	Shipstead	
Broussard	Harreld	Swanson	

Mr. ROBINSON. Mr. President, I inquire how many Senators have responded to their names.

The PRESIDENT pro tempore. Forty-six Senators have answered to their names.

Mr. ROBINSON. I move that the Sergeant at Arms be directed to compel the attendance of absent Senators.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas that the Sergeant at Arms be directed to compel the presence of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms is directed to compel the presence of absent Senators.

The following Senators entered the Chamber and answered to their names:

McLean and Johnson of Minnesota.

Mr. ROBINSON. Mr. President, I move that the Senate adjourn until 12 o'clock.

The motion was agreed to; and (at 11 o'clock and 37 minutes a. m.) the Senate adjourned until 12 o'clock meridian.

SENATE

WEDNESDAY, *May 14, 1924*

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

Our Father, we turn our thoughts to Thee. Thou knowest us better than any others can possibly know us. We seek from Thee guidance in the many duties which come. Enable us to see Thy face continually, and may we be glad to do Thy will, fulfilling every purpose of Thy grace in connection with responsibilities which are so arduous. We ask in Jesus' name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, May 13, 1924, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

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

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

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

Adams	Fernald	Lodge	Shipstead
Ashurst	Fess	McKellar	Shortridge
Bayard	Fletcher	McKinley	Simmons
Borah	Frazier	McLean	Smith
Brandegee	Gerry	McNary	Smoot
Brookhart	Glass	Moses	Spencer
Broussard	Gooding	Norbeck	Stanfield
Bruce	Hale	Norris	Stephens
Bursum	Harreld	Oddie	Sterling
Capper	Harris	Overman	Swanson
Caraway	Harrison	Pepper	Trammell
Colt	Heflin	Phipps	Wadsworth
Copeland	Howell	Pittman	Walsh, Mass.
Cummins	Johnson, Minn.	Ralston	Walsh, Mont.
Curtis	Jones, N. Mex.	Ransdell	Warren
Dale	Jones, Wash.	Reed, Mo.	Watson
Dial	Kendrick	Reed, Pa.	Wheeler
Dill	Keyes	Robinson	Willis
Edge	King	Sheppard	
Ernst	Ladd	Shields	

Mr. CURTIS. I wish to announce that the junior Senator from Wisconsin [Mr. LENROOT] is absent owing to illness. I ask that this announcement may stand for the day.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 3933) for the purchase of the Cape Cod Canal property, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

Mr. ROBINSON presented a memorial of sundry citizens of Reyburn and vicinity and Hot Springs County, Ark., remonstrating against any increases in the rates in the parcel-post service, which was referred to the Committee on Post Offices and Post Roads.

Mr. CAPPER presented a resolution of the District Woman's Home Missionary Society of the Methodist Episcopal Church of Coats, Kans., protesting against amendment of the national prohibition act, which was referred to the Committee on the Judiciary.

Mr. JONES of Washington presented a petition of sundry citizens of Sylvan, Wash., praying an appropriation to enable the United States to participate in the forthcoming international conference for the suppression of the narcotic traffic, which was referred to the Committee on Foreign Relations.

Mr. WARREN presented petitions of sundry citizens of Green River, Wyo., remonstrating against the passage of the so-called Howell-Barkley railway labor bill, which were referred to the Committee on Interstate Commerce.

Mr. JOHNSON of Minnesota presented the petition of Art E. Granlund and 184 other citizens of Mille Lacs County, Minn., praying the imposition of higher tariff duties on butter and butter products so as to protect the home market, which was referred to the Committee on Finance.

He also presented petitions of H. P. Bengtson and 35 other citizens of Yellow Medicine County; of A. V. Hare and 25 other citizens of Pennington County; and of S. A. Syresson and 47 other citizens of Scambler Township, all in the State of Minnesota, praying for the passage of the so-called McNary-Haugen export corporation bill, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by Pacific Post No. 290, the American Legion, William Courtney commander, favoring the passage of the so-called Johnson bill for the relief of disabled veterans of the World War, which were referred to the Committee on Finance.

He also presented the petition of A. G. Sanford and 55 other citizens, members of Gopher Local, No. 205, International Brotherhood of Blacksmiths, Dropforgers, and Helpers, of Minneapolis, Minn., praying for the passage of the so-called Howell-Barkley railway labor bill, which was referred to the Committee on Interstate Commerce.

He also presented the petition of Fred Schmidt and 188 other patients of United States Veterans' Hospital No. 68, of Minneapolis, Minn., praying for the passage of the so-called Johnson bill for the relief of disabled veterans of the World War, which was referred to the Committee on Finance.

He also presented the memorial of Matt Johnson and H. R. Hicks and 295 other citizens of Grand Marais, Cook County, Minn., remonstrating aginst the passage of the so-called Fuller bill, providing for the enlargement of the Superior National Forest, which was referred to the Committee on Public Lands and Surveys.

He also presented a resolution adopted at a mass meeting of citizens held at Grand Marais, Cook County, Minn., protesting against the passage of the so-called Fuller bill, providing for the enlargement of the Superior National Forest, which was referred to the Committee on Public Lands and Surveys.

REPORTS OF COMMITTEES

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 976) for the relief of Lyn Lundquist, reported it without amendment and submitted a report (No. 534) thereon.

Mr. STERLING, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 6482) authorizing the Postmaster General to contract for mail messenger service, reported it with an amendment and submitted a report (No. 535) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 1005) 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, reported it with amendments and submitted a report (No. 536) thereon.

BILLS INTRODUCED

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

By Mr. SMITH:

A bill (S. 3305) to renew and extend certain letters patent; to the Committee on Patents.

A bill (S. 3306) to amend section 21 of the act entitled "An act making apropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1897, and for other purposes," approved May 28, 1896, as amended; to the Committee on the Judiciary.

By Mr. RANSDELL:

A bill (S. 3307) for the relief of E. L. F. Auffurth and others; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3308) granting an increase of pension to Mary A. Helm; to the Committee on Pensions.

GASPARILLA ISLAND MILITARY RESERVATION, FLA.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 3276) authorizing the sale of real property no longer required for military purposes, which was referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENT TO RIVERS AND HARBORS BILL

Mr. HARRIS submitted an amendment providing for the examination and survey of an extension of the intracoastal canal system from New Orleans, La., to Apalachicola River, Fla., and deepening and maintaining a channel up the Apalachicola and Chattahoochee Rivers to Columbus, Ga., of sufficient depth to permit economical operation of self-propelled barges, intended to be proposed by him to House bill 8914, the rivers and harbors authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. LODGE submitted an amendment providing that additional taxes amounting to $74,657.70, together with all penalties and other charges thereon, assessed by the Treasury Department against the estate of Charles L. Freer, deceased, late of Detroit, Mich., which estate has been closed, the executors discharged, and the residue paid over to the Smithsonian Institution as an endowment for the Freer Gallery of Art, presented to the Nation by the said Charles L. Freer, be canceled and the Treasury Department be authorized and directed to remit any further taxes, penalties, or charges which may hereafter be found due from the said estate, intended to be proposed by him to the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

INVESTIGATION OF FEDERAL FARM LOAN SYSTEM

Mr. HOWELL submitted the following resolution (S. Res. 223), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the President of the Senate pro tempore is authorized to appoint a special committee of three members, which shall investigate the Federal farm loan system and the Federal Farm Loan Board and report its findings, together with recommendations for corrective legislation. The committee is authorized to hold hearings, to sit during the sessions and recesses of the Sixty-eighth Congress, and to employ a stenographer at a cost not to exceed 25 cents per hundred words. The committee is further authorized to send for persons and papers; to require by subpœna the attendance of witnesses, the production of books and documents; to administer oaths; and to take testimony.

The expenses of the committee shall be paid from the contingent fund of the Senate.

TERMS OF DISTRICT COURT IN WYOMING

Mr. WARREN. The Senate last night passed the bill (H. R. 4445) to amend section 115 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary." It appears that there is an error in it which should be corrected. I therefore enter a motion to reconsider the vote on its passage, and move that the House be requested to return the bill to the Senate.

The motion was agreed to.

HOUSE BILL REFERRED

The bill (H. R. 3933) for the purchase of the Cape Cod Canal property, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

PRESIDENTAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed acts and a joint resolution of the following titles:

On May 9, 1924:

S. 2902. An act authorizing the acquiring of Indian lands on the Fort Hall Indian Reservation, in Idaho, for reservoir purposes in connection with the Minidoka irrigration project.

On May 13, 1924:

S. 2392. An act authorizing an appropriation to indemnify damages caused by the search for the body of Admiral John Paul Jones;

S. 2998. An act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Tex., in cooperation with the United States of Mexico; and

S. J. Res. 104. Joint resolution requesting the President to invite the Interparliamentary Union to meet in Washington City in 1925, and authorizing an appropriation to defray the expenses of the meeting.

WAR DEPARTMENT APPROPRIATIONS

Mr. WADSWORTH. Mr. President, I move that the Senate proceed to the consideration of House bill 7877, the War Department appropriation bill.

Mr. ROBINSON. I assume that if the Senator from New York would ask unanimous consent to proceed at once to the consideration of the War Department appropriation bill, there would probably be no objection to his request. Pending his request, if he chooses to make it, however, I desire to submit a brief statement.

Mr. WADSWORTH. I will withdraw my motion, and request unanimous consent that the Senate proceed to the consideration of House bill 7877, the War Department appropriation bill.

BUSINESS OF THE SENATE

Mr. ROBINSON. Mr. President, the Senate recessed yesterday afternoon until 11 o'clock this morning. When the Senate met, the Senator from Kansas [Mr. CURTIS] suggested the absence of a quorum and a quorum failed to respond. It then became necessary to move that the Sergeant at Arms be directed to request the attendance of absent Senators. After that motion had prevailed and the Sergeant at Arms had been busy for half an hour, a motion was made to direct the Sergeant at Arms to compel the attendance of absent Senators. At 20 minutes of 12 o'clock I made a motion that the Senate adjourn until 12 o'clock, and that motion prevailed.

I made the motion in order to emphasize the absurdity, when a large majority of the Senators are busy attending committees, of undertaking to hold a session of the Senate at other than the regular hour when the Senate is expected to meet.

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

Mr. ROBINSON. I yield to the Senator from Kansas.

Mr. CURTIS. I wish to state that if the Sergeant at Arms had called the Committee on Finance he would have found there were three Senators in attendance upon that committee who would have come to the Chamber immediately to make up the quorum. The committee room was not called. I had announced the absence of four Senators who were attending the meeting of the Finance Committee. One of those Senators came into the Chamber and answered to his name, and the other three would have come if they had been notified that their presence was required.

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

Mr. ROBINSON. I wish to continue my statement for just a moment. I want to finish it.

It is an absurd practice to undertake to have all the Senate committees in session and to have the Senate itself trying to do business at the same time. If it is necessary for committees to meet in the morning, I suggest that the Senate should meet at the regular hour. We have arranged for a night session tomorrow night, and we have been holding night sessions for some time. Why is it thought desirable to arrange for a recess until 11 o'clock, to request Senators to meet here at that hour, and then consume the time until 12 o'clock securing the attendance of a quorum? It wastes an hour's time of 96 Senators. It is an absurd practice. The Senate ought to meet at 12 o'clock, or the Senate committees ought not to be in session if the Senate meets earlier than 12 o'clock. The truth of the matter is that the time of the Senate would be conserved if we arranged for the business of committees to be conducted on certain days and for the Senate to meet on other days when the committees were not in session. I suggest to the majority that hereafter, if they arrange for meetings of the Senate earlier than 12 o'clock, they discontinue their committee meetings, so the Senate may transact business.

Mr. NORRIS. Mr. President, I want to say just a word on the subject touched upon by the Senator from Arkansas. I have just come into the Chamber from a meeting of the Committee on Agriculture and Forestry.

The Committee on Agriculture and Forestry have had under consideration since the reconvening of Congress the question of Muscle Shoals. We have had, of course, extensive hearings on various bills pertaining to other questions related to agriculture and have spent a great deal of time on them.

The Committee on Agriculture and Forestry, I venture to say without fear of successful contradiction, when their hearings are finished will present to the country and to the world the greatest amount of useful evidence and testimony on the question of water power that has ever been gotten together anywhere since the dawn of civilization.

I make this assertion, and I want any member of the Committee on Agriculture and Forestry to dispute it right now if he does not agree with me, that there have never been hearings on the subject of water power or any other subject where the testimony on the average has been more closely confined to the subject at issue and upon which the committee is called to pass. There has never been an instance where the testimony has been more illuminating and more to the point. We find a great clamor on the part principally of those who favor the acceptance of Mr. Ford's offer, and I say this without any criticism, because I agree with them that the question ought to be settled. They claim that the committee should report and that the Senate ought to act; and yet in all the testimony which has been produced before the committee there have been but two witnesses who have for five minutes of the time diverted and brought in a lot of irrelevant testimony, and both of those witnesses were in favor of the acceptance of Mr. Ford's offer.

The testimony has been educational. It has been enlightening. It is a subject, when gone into in any detail, that is almost like fiction. The possibilities of what can be done at Muscle Shoals, which is one of the key points to the whole country, and particularly to the South, are almost beyond human imagination. Personally I have no interest in it and neither have my people except as citizens of our common country. We are not through. We have been in session every day until 12 o'clock, and while there is a demand, which I think is justified to some extent, that we report before this session draws to a close, I wish to say that we can not do it if we are going to be compelled to close those hearings and to come to the Senate at 11 o'clock. That will be out of the question; it will be a physical impossibility. I think we are doing more good and will be able to do more good for the country at large and for the South in particular by going on and exhausting the subject and hearing everybody who has anything of value to say on every bill which has been presented, including my own bill, which provides that the Government shall retain all the property and through a governmental corporation administer it as well.

Mr. SHIELDS. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SHIELDS. I am glad to hear, as I understand the Senator, that the hearings will be concluded and a report will be made by the committee during the present session; at least, it is the opinion of the Senator at this time that that can be done.

Mr. NORRIS. Yes, sir; that is what we are all trying to do.

Mr. SHIELDS. I hope the report will be made in time for action at the present session of Congress.

Mr. NORRIS. I hope so.

Mr. SHIELDS. Mr. President, I am very much interested in this project. I am anxious, and I have been anxious for many years, for the completed development of the Muscle Shoals, and by a general water-power bill. Soon after I came to the Senate in 1914 or 1915, I made an effort to accomplish that purpose, but the measure was killed in the other House, I believe, after the Senate had twice passed it. I will ask the Senator from Nebraska if he can advise me how much has the Government spent in the construction of the dams at Muscle Shoals?

Mr. NORRIS. The Government has spent somewhere in the neighborhood of between $130,000,000 and $150,000,000 on the project.

Mr. SHIELDS. That amount has already been expended?

Mr. NORRIS. Yes; not in the dams alone, however, but also in the other properties that the Government owns there.

Mr. SHIELDS. Such as the construction of the nitrate plant and the steam plant?

Mr. NORRIS. Yes.

Mr. SHIELDS. What is the estimate of the amount it will take to complete the work?

Mr. NORRIS. It is estimated that Dam No. 2, which is now about three-fourths completed, will cost from $49,000,000 to $51,000,000, and that Dam No. 3 will cost from $25,000,000 to $27,000,000.

Mr. SHIELDS. Is it estimated that it will cost that much in addition to what has already been spent?

Mr. NORRIS. No; I mean that will be the total cost.

Mr. SHIELDS. I thought I misunderstood the Senator. How much will be required to complete Dam No. 2?

Mr. NORRIS. Speaking generally, in round numbers, about one-fourth of $50,000,000.

Mr. SHIELDS. Then, it will require from $12,000,000 to $15,000,000?

Mr. NORRIS. Yes.

Mr. SHIELDS. And already about $130,000,000 or $135,000,000 has been expended there?

Mr. NORRIS. Yes.

Mr. SHIELDS. Does the Senator from Nebraska find any disposition or feeling in Congress, in either House, or is there any disposition in the country to suspend that work and leave it uncompleted in its present condition, regardless of whom it may be leased to?

Mr. NORRIS. There has been some propaganda to that effect, but, in my judgment, it is absolutely, completely, and totally unfounded. I would not think of such a thing as consenting to abandoning that property now. There might have been a question at the beginning whether or not we should enter upon the work, but we have entered upon it; we have spent the people's money in its prosecution; and there is only one thing to do, and that is to complete it, whatever disposition may afterwards be made of the property.

Mr. SHIELDS. In about what time is it likely to be completed, in view of the progress which is now being made?

Mr. NORRIS. It is expected that Dam No. 2 will be completed in a year from the next coming July, and that it will take from three to five years to complete Dam No. 3.

Mr. SHIELDS. The completion of Dam No. 2 will enable the lessee, whoever he may be, to begin the manufacture of nitrates and other fertilizers and otherwise to utilize the power?

Mr. NORRIS. Oh, yes. I did not intend to speak of this matter, but since the Senator has asked about it and since he so creditably, in part, represents the great State of Tennessee in this body, I wish to say that this very day I had my attention called to what I was told was propaganda being circulated that we were likely to quit; that those who are opposed to the Ford offer wanted to quit; that the development of the Tennessee River by dams that ought to be built, as well as these two, would never be undertaken; and that the improvement of the navigation of the Tennessee River would not be undertaken. I want to state to the Senator that there is not any foundation of truth whatever for that kind of propaganda or statement, I do not care who makes it.

The Ford proposition, for instance, as well as the propositions of all the other bidders, does not contemplate the building of a single storage dam outside of Dams No. 1 and No. 2. Such a proposition is not contained in any bill.

The bill which the committee has before it, and which, in my judgment, has behind it a majority of the committee, provides for the survey and development of the Tennessee River, completely, from source to mouth, as to flood-water control, as to navigation, and as to power development.

I only rose to say, Mr. President, that while, of course, I know that this question has two sides, if the Senate wants to meet at 10 o'clock or 11 o'clock in the morning, and to require the attendance of Senators, we shall, of course, have to obey; but, if we do, we shall have to suspend operations in the committee; and I think it would be almost a crime to do that.

The PRESIDENT pro tempore. The Senator from New York [Mr. WADSWORTH] asks unanimous consent that the Senate proceed to the consideration of the military appropriation bill. Is there objection?

Mr. HEFLIN. Mr. President——

The PRESIDENT pro tempore. The Senator from Alabama.

Mr. HEFLIN. I have no objection to the request of the Senator from New York.

Mr. WADSWORTH. Then, might we not have the bill laid before the Senate, Mr. President?

The PRESIDENT pro tempore. The Chair hears no objection to the request of the Senator from New York, and it is so ordered.

WAR DEPARTMENT APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes.

Mr. WARREN. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. HEFLIN. I yield to the Senator from Wyoming.

Mr. WARREN. Mr. President, we are falling behind in the matter of passing the appropriation bills. I hope that the appropriation bill now before the Senate will not be delayed beyond the early portion of to-day, but I think hereafter we shall have to meet evenings and possibly this evening, particularly in view of what my friend, the Senator from Arkansas [Mr. ROBINSON] has said. As it seems to be inconvenient to meet earlier in the morning, probably we shall have to resort to evening sessions in order to expedite the consideration of the appropriation bills. We ought to be here at 11 o'clock promptly; the business of the Senate makes a meeting at that hour necessary.

Mr. HEFLIN. Mr. President, in response to the statement of the Senator from Nebraska [Mr. NORRIS] regarding the hearings that are now proceeding before the Committee on Agriculture I wish to say that these hearings have been going on for weeks, and some very interesting facts have been brought out. Much of the testimony, however, has covered practically the same ground. While suggestions are being made by some of the witnesses, probably, that other witnesses have not made, yet, in the main we have reached that point where, in my judgment, the hearings should be speedily brought to a close.

It has been more than two and a half years since Mr. Ford was invited to make a bid for Muscle Shoals. The Muscle Shoals project had been abandoned; the cofferdams were washing away; the House committee that went down to inspect and investigate the project reported that it ought to be abandoned as junk. Then Mr. Ford, in company with Mr. Edison, went down to see Muscle Shoals, came back, and in response to the invitation of the Government made an offer. For months and months his was the only offer pending; but as soon as the combined power companies discovered that Henry Ford might get Muscle Shoals and they be defeated in their purpose of getting it ultimately they commenced to make bids. That there is a combination between some if not all of these companies to prevent Henry Ford from acquiring Muscle Shoals I have not the slightest doubt. I believe that almost anyone who attended the hearings day by day would be convinced that there is concert of action between some of those representing the various companies, all working together for the good of each other and all against Henry Ford.

Henry Ford is entitled to know whether or not his bid is going to be accepted. Two and a half years have come and gone since the Government invited him to bid. The House, I believe, has twice passed a bill accepting his offer. The Senate has had the bill for quite a while, and it is now before the committee and has been there several weeks.

I say again, Mr. President, I want to see the hearings speedily brought to a close. I do not want to do anybody an injustice; I want everybody to be heard whom it is necessary or desirable to hear; but two and a half years is a long time to consider a matter like this, and two and a half years is a long time to keep in suspense a man who has made a bid, as Mr. Ford has. I submit to the Senate and to the country that, whether his bid is going to be accepted or not, he is entitled to have the Senate determine the question; and I want to appeal to the Senator from Nebraska, who is very much interested in this power question and always has been, although he favors one view of the question and I favor another, in a spirit of justice to Mr. Ford to expedite consideration by the committee so that we may have some kind of action by the Senate before we adjourn and so that Mr. Ford may know whether he is going to get Muscle Shoals or whether he is not going to get Muscle Shoals. He is entitled to know that.

If the Senate does not want him to have Muscle Shoals, it ought to say so by its vote. So I hope that the Senator from Nebraska will help us to expedite matters and hold witnesses to the issue directly involved and speed up the hearings as much as possible, and let us get through this week, if possible, and act on these measures and bring out all of them—I would not object to that—and let the Senate itself say which one of them it will accept.

So far as I am individually concerned, representing the sentiment of the people of Alabama, as I believe I do, who are over-

whelmingly in favor of the Ford offer, as is the whole South, I may say I should regret to see an adjournment until a vote has been had upon this question.

I shall vigorously oppose anything looking toward adjournment until the Senate has an opportunity to vote on the Ford offer.

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

The PRESIDENT pro tempore. The Senator from Idaho.

Mr. GOODING obtained the floor.

Mr. REED of Missouri. Mr. President——

Mr. GOODING. I yield to the Senator from Missouri.

Mr. REED of Missouri. Had the Senator been addressing the Senate in a speech that is not yet concluded?

Mr. GOODING. Yes; but I will yield to the Senator on this subject.

Mr. REED of Missouri. Under those circumstances I do not want to interfere with the Senator. I wanted to discuss the Pittman amendment.

Mr. GOODING. That is before the Senate and I shall be very glad to have the Senator discuss it.

Mr. NORRIS. Mr. President, with the permission of both Senators, I should like to say just a word.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. GOODING. I yield.

Mr. NORRIS. I want to say just a few words in reference to what the Senator from Alabama [Mr. HEFLIN] has said. If the Senators are not going to discuss that subject, will they be kind enough to let me do that?

Mr. GOODING. I yield, Mr. President.

Mr. HARRISON. Mr. President, may I say, too, that after the Senator has discussed the matter I desire to say merely a word about the proposition now pending—not the long-and-short-haul proposition?

Mr. NORRIS. Mr. President, it is so often asserted that Muscle Shoals was abandoned; and yet when we get down to the whole truth of the matter we find, as the Senator from Alabama says, that a committee of the House recommended its abandonment. On the other hand, the Senate passed a bill providing for the continuation of the work under way there and the completion of the plant. So it is not correct to say that Muscle Shoals has been abandoned. I know that neither the Committee on Agriculture and Forestry nor other Members of the Senate outside of the committee ever for one moment conceded that it was abandoned, notwithstanding the action taken by the House committee.

I join with anybody in wanting to get this matter settled just as soon as possible. I want it settled, if possible, at this session of Congress; but let me ask the Senator from Alabama [Mr. HEFLIN] and the Senator from Mississippi [Mr. HARRISON], both of whom favor the Ford proposition, whether they can call to mind a single instance, with the exception of the two I have mentioned, where time has been wasted? I am not even criticizing those, because those things creep in; but Major Stalman, a Ford advocate, and the man who followed him, a Ford advocate, devoted most of their time to issues that had nothing to do with Muscle Shoals. Outside of that, I want to ask these Senators if there has been any time wasted?

I know that as chairman of the committee I have received applications from all kinds of people who wanted to be heard, and when I found out that they wanted to talk about something else, or that they had a side issue that they wanted to air, I did not call them. I want to permit everybody, including Mr. Ford, to have all the time he wants to explain his proposition, as long as he sticks to the text.

The Senator has said that, in his judgment, there is a combination of other bidders. Of course I can not say as to that. I can only say that not a scintilla of evidence has been produced before the committee that there is, either directly or indirectly, any such combination. The Senator from Alabama is on the committee. He has an opportunity to bring it out if there is such a thing. I should be glad to have it done. I do not believe there is. As far as my idea of the disposition of Muscle Shoals is concerned, I do not care whether there is a combination or not; I do not want them to have it.

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

Mr. NORRIS. I yield.

Mr. McKELLAR. As I understood the Senator a few moments ago, he said that he thought a report would be made by June 1. Do I understand the Senator to say, also, that he is in favor of a vote on the question at this session?

Mr. NORRIS. Why, of course I am in favor of it.

Mr. McKELLAR. I think it ought to be passed on, and I hope there will be a vote at this session.

Mr. NORRIS. There is one thing, Mr. President, that has been just a little exasperating. Senators say, "Do you want to get a vote at this session?" and I say "Yes"; and the question comes over and over, "Are you going to report as soon as possible?" and I say, "Yes; I am doing everything I can to expedite it"; but the very questioning sometimes appears to me to be an intimation that I am not trying to do that.

If there is anybody on the committee or off of it who has any such information, let him produce it. The committee ought to know about it. I have done the best I could to be absolutely fair, whether the witness agreed with me or not; and, personally, I do not agree with very many of the witnesses as to what ought to be done with Muscle Shoals. That, however, does not preclude me, I think, from giving them a full and fair hearing.

Mr. REED of Missouri. Mr. President, I wish to discuss the Pittman amendment briefly; but since this other question is before the Senate—a question on which I intend to address the Senate later—I shall simply say this:

The disposition to surrender to any one citizen, however good he may be, however wise he may be, however public-spirited he may be, a great public work in which the Federal Government has invested many millions of dollars and to make that surrender upon the theory that this particular individual is in some way a general guardian of the public and the private interests of the people of the United States is, in my opinion, the limit of absurdity. Mr. Ford should be dealt with exactly as any other citizen of the United States. His contract should be shown to be a contract beneficial to the people of the United States and the most beneficial that can be offered.

Mr. NORRIS. Mr. President, may I interrupt the Senator there? I should like to call his attention to the fact that Mr. Ford is the only bidder of all the bidders who has refused to come before the committee in person and explain his bid.

Mr. REED of Missouri. Very well. That does not alter the situation. He should be dealt with on business principles, no matter how good he may be—and he is so good that he can be nominated by the Democratic Party and please it, and then indorse a Republican President the next day and please him. He can do other strange and peculiar things, and, to use a slang phrase, "get away with it." Nevertheless, we must deal on business principles, for, even if he were as good as some people think he is, he is not going to live forever, and the contract we propose to make and which will run for more than a hundred years will have to be carried out by somebody other than Mr. Ford.

There is a disposition to say, "Give it to Henry Ford, and he will do the business." Against that sort of theory I most earnestly protest in the name of common sense. Besides, sir, I do not believe that any man who, when he gets into a financial pinch, will unload upon his agents against their will millions of dollars' worth of his products and compel them to go to the banks and raise money to advance on automobiles and tractors they never ordered, and who, having unloaded these articles upon the agents and compelled them to go to the banks and borrow the money and advance it to him, then refuses to protect them on the price of the article he compelled them to take but cuts the price, is such an archangel of purity and disinterestedness as some other people would have us think.

When this Government comes to deal with Henry Ford it had better deal with him as a shrewd, keen business man and protect itself. I do not say that to speak with harshness of Mr. Ford; but I have been looking around during my lifetime for one of these infallible and absolutely disinterested creatures, and I am still in the same condition of doubt that poor, old Diogenes was when he started out with his lantern. My quest is equally with his a failure.

I have no hesitancy in saying that with the amount of money the Government has put into this great public work the Government ought to complete it; and while I do not believe in the Government being in business at all, I believe it ought to hold it. Then I believe it ought to make an arrangement to wholesale the power under such conditions as will bring to the people of this country the benefits that all of us would like to see realized. That kind of operation will not put the Government in business in the offensive sense in which the term is usually employed.

We have had a good deal of trouble with Muscle Shoals. We have put a lot of money into it, and I want to see that money conserved. I am growing more and more of the opinion as time goes on that the great fundamental resources of this country which are necessary to furnish power to public or

quasi-public service institutions to enable them to furnish heat, light, and power to the people of the United States as a whole should be kept as nearly as possible within complete public ownership and control.

Mr. KENDRICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Wyoming?

Mr. REED of Missouri. I do.

Mr. KENDRICK. I want to ask the Senator if he understands that Muscle Shoals as a water power is second only in this country to Niagara Falls?

Mr. REED of Missouri. I have heard that statement made, and I have no reason to doubt it at the present time.

Mr. KENDRICK. And does not the Senator believe that to deliver that water power to any individual or corporation other than under the water power act would have the effect of destroying that act? Does not the Senator believe that it would completely, or almost completely, nullify the water power act?

Mr. REED of Missouri. I think it would greatly impair it.

Mr. President, it was disclosed on the floor of the Senate the other day, in the debate on the tax bill, that some great corporations escaped the payment of surtaxes either by themselves or by their stockholders by accumulating enormous reserves, and that among others Mr. Ford had accumulated something like $265,000,000 in cash, and that by holding it and not distributing it the surtaxes of himself and other stockholders were enormously reduced. I do not speak of that to deal harshly with Mr. Ford, but it illustrates the fact that "though on pleasure he is bent, he has a frugal mind." He looks after, or some of his skillful employees look after, his business pretty keenly, and I think that in figuring with the Federal Government he has not been figuring for the benefit of the man who wants fertilizer. His heart has not been bleeding over the poor farmer who wants to make his fields rich, and to do it with cheap material. He has been thinking about the dividends that will flow to Henry Ford, and he has the right to do that; but, upon the other hand, we, dealing for the people of the United States, must look after the interests of the people of the United States.

This twaddle and folderol and froth indulged in over Henry Ford, to use another slang expression, simply makes me tired. If he has ever done anything great for his country, I do not know it.

Mr. ASHURST. Mr. President——

Mr. REED of Missouri. If John D. Rockfeller were engaged in the automobile business and were doing exactly what Mr. Ford is doing, the common opinion in this country would be that he was cutting prices to destroy all the other automobile companies of the country to create a great monopoly. Gentlemen would be standing here on their hind legs roaring until the stumps out there in the old Potomac River would bob up and down, as those gentlemen denounced John D. Rockefeller.

Mr. ASHURST. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Arizona?

Mr. REED of Missouri. I yield.

Mr. ASHURST. I am interested in what the Senator is saying, because I had a letter last week from a constituent appealing to me very pathetically to be sure to vote to give Muscle Shoals to Henry Ford, as Mr. Ford, so my friend says, would "make nitrates for the farmers." I scrutinized the Ford proposition closely, and I find to my surprise that Mr. Ford does not pledge himself and does not agree to make fertilizers. If I am wrong about that, I should like to be set right.

Mr. HARRISON. Mr. President——

Mr. HEFLIN. The Senator is entirely wrong.

Mr. ASHURST. I am willing to be enlightened. Applying my scrutiny to the Ford proposition, as submitted to me, I find that Mr. Ford does not agree to make fertilizers. As a matter of law, there is nothing in the contract compelling him to make fertilizers.

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

Mr. REED of Missouri. I yield.

Mr. KENDRICK. My interpretation of the contract is that Mr. Ford agrees to make 40,000 tons of nitrates each year, providing he can make 8 per cent on the production.

Mr. REED of Missouri. That is a very modest profit for him to make. Mr. President, I simply threw in those remarks concerning Muscle Shoals because the spirit moved me at this moment to make them.

I want to say a few words to the Senate in regard to the Pittman amendment, the long and short haul amendment. That question has been before the Senate ever since I have been a Member of the Senate, and I say in the inception that there is no question but that the problem of railroad rates is one of the most difficult and intricate with which the human mind has ever undertaken to grapple. There are so many considerations which enter into the question of the making of rates and of permitting the transportation lines to live that none of us can say with absolute certainty that we are able to devise a plan for just and equitable rates in all cases. But this much we certainly know, that every railroad in the United States is a common and public carrier; that there is exercised on behalf of it the powers of eminent domain, whereby it is enabled to take the property of the private citizen for its own use, and that that is justified because it is a public highway, and as it is a public highway it exists for the common benefit of all of the people of the land, always, of course, subject to its just right to fair compensation for services rendered.

Starting with the premise that the railroads are public highways, existing for the common benefit of the public, it follows that any condition or any system of rates so devised as to build up one section of the country at the expense of another section of the country is inequitable, unjust, and utterly indefensible.

Any community of the United States is entitled to the benefits of its natural advantage, and no law is a just law which levies upon that community a tribute for the support, the maintenance, and the emolument of some other portion of the Republic.

Mr. President, when the railroads were practically without governmental supervision they inaugurated a system of meeting competition or, if there was no competition, of building up a particular section of the country, in the hope of thereafter reaping profits from it, and that system embraced frequently the hauling of freight to the favored community for less than the actual cost of the haul. In order to make up the disadvantage for the losses thus sustained an enormously unjust tribute was levied upon other sections of the country which were not so favored by the railroads. So it came about that communities and States and entire sections of the country were, by the arbitrary action of those who managed the public highways of the country, discriminated against, while other sections were specially favored.

That was, of course, an unjustifiable and an iniquitous system, because it placed the destiny of the people in the hands of a few men who controlled the public highways, not for the general public good but for the special good of certain communities, to the end that the transportation lines might reap some special benefit for themselves.

When the Interstate Commerce Commission was created it was expected that those evils and enormities would be abolished, and that a system of transportation rates favorable alike to all sections of the country, justly and fairly arranged, would take the place of the system which had been inaugurated by selfish interests for selfish purposes, but from that day to this we have been struggling with the Interstate Commerce Commission and have found it about as difficult of management as the powers which formerly controlled the railroads, and I have sometimes thought more difficult of management.

Mr. McKELLAR. Mr. President, I was very much interested in what the Senator was saying about building up certain communities. I was wondering if what he had to say in that regard applied to communities situated on natural waterways.

Mr. REED of Missouri. I do not wish to be diverted from the line of thought I am pursuing at this moment, but I will try to answer the Senator's question a little later.

Under the old system, and under the system as perpetuated by the Interstate Commerce Commission, it frequently happened that goods could be shipped—and I speak of this as only one illustration—from New York or St. Louis or Kansas City or other intermediate points clear to the Pacific coast, through the city of Denver or the city of Salt Lake or others of the western towns or cities, and then shipped back cheaper than they could be shipped to one of these towns and unloaded on the direct passage west.

I do not care how much verbal chicanery or intellectual legerdemain may be indulged in, that sort of system can not be justified. It means literally the economic and commercial murder of the interior points, for every man who knows anything about rates understands that upon rates of transportation depends the development of a country. Given an advantage of a few cents a ton, or a few mills per hundred pounds, upon goods that are to be shipped, the locality having that advantage can gather to itself factories and industries and wealth. Change the conditions against it, and that city or town can be made substantially a whistling post, its development arrested, and the entire country dependent upon it correspondingly injured.

Freight rates or transportation rates are the key to the industrial development of any part of the country. An unjust

freight rate militates against and constitutes a robbery of entire communities, and may constitute a despoliation of the peoples of entire States, for the freight rate is added, in the end, to the prices paid by the consumers. If, for instance, the State of Utah, or the State of Idaho, or the State of Colorado, or the State of Missouri has an unjust freight rate, it follows that every one of the inhabitants in those States is taxed on everything he consumes and which has to be shipped, and that tax constitutes a burden upon him which he pays for the benefit of the citizen of some favored part of the United States.

That is an intolerable condition, and it ought not to be allowed to continue. The long-and-short-haul provision has been before the Congress many times. The Senator from Nevada [Mr. PITTMAN] yesterday recited its history. In verification of what he then said I recall that at the time the bill providing that there should not be more charged for a long haul than for a short haul was before the committees of Congress, it was insisted that the words "except under special conditions" should be inserted and that that would be a full protection to the public and yet allow the Interstate Commerce Commission in some rare and exceptional cases to provide against what might otherwise prove to be calamitous. It is also true, as said by the Senator from Nevada, that the Interstate Commerce Commission seizing upon that clause has to all intents and purposes perpetuated the system exactly as it was before the amendment was adopted, and the clause to which I referred, "except under special conditions," was inserted at the request of the Interstate Commerce Commission.

The truth is the Interstate Commerce Commission has so often plainly by its rulings defeated the purpose of the legislation of Congress that I am getting in the humor to ask that the commission be abolished. It seems to be impossible to get the commission to move when it is necessary to have prompt action to save the situation. It seems to me that it is about as thoroughly controlled by the railroads as the boards of directors of the several roads are controlled by the great financial interests which furnish their capital. I have no warfare to make upon railroads, but I say that the sooner the railroads conclude to adopt the policy of absolutely fair, just, and impartial dealings with the public, the sooner they will make friends and the sooner they will make for prosperity.

The Senator from Tennessee [Mr. MCKELLAR] asked me—and I regret that he has left the Chamber—what effect the amendment would have where there is water competition?

I hold to the theory that every locality is entitled to the benefit of its natural advantages. If it is located where water traffic is available, it is entitled to that advantage and no one should take it away. If another locality is situated close to a market it is entitled to that natural advantage, and no law and no ruling of the tribunal should take away that advantage. So that if a city is located, as is New York or New Orleans, upon the ocean or immediately accessible to the ocean no one should try to frame freight rates to disadvantage those cities merely because they have water advantages. Neither should there be a law enacted nor a system inaugurated which would deny to any part of the country such advantages as it may have by closer proximity to the market than other places which happen to have the benefits of water transportation. Either one of these artificial interferences with natural conditions and advantages is unjustifiable.

Upon the other hand, because a city or country may have the benefit of natural water transportation and another community may not have the benefit of water transportation, it is equally unjustifiable to levy a tribute in the form of freight rates upon the community which is deprived of water transportation for the purpose of giving to the place that already has the natural advantage of water transportation the additional and artificial advantage created by law, one which it does not possess naturally, but which is conferred upon it by arbitrary action.

Such a course can not be justified. Moreover such a course does not make for the good of the country. The symmetrical development of all parts of our country is a policy of wisdom which no man ought to doubt.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED of Missouri. I yield.

Mr. KING. The Senator can understand, I think, the resentment—perhaps I have used too strong a word—the feeling that they have been discriminated against, the feeling of exasperation upon the part of some of the interior portions of our country which are denied access to water, when they see enormous appropriations for rivers and harbors and then find those discriminations by the railroads against them as the result of which it is absolutely impossible for any industrial or economic development to occur.

Mr. REED of Missouri. Answering the question now with special reference to river transportation, the towns along the great rivers of our country, just as the towns along the great seacoasts of the country, are entitled to the natural advantage they have through the existence of the waterways, and a proper development of the waterways is justifiable because as a result of the expenditure of a comparatively small amount of money an enormous traffic can be carried upon the waters. That is only giving them the natural advantage to which they are entitled. But going along with that there certainly should not be a scheme which deprives the dry-land town, if you please, of its right to be treated the same as the water town so far as freight rates are concerned. I may be criticized for saying that because I live in one of the towns that has the benefit of a river, and that I hope to see improved.

But let us see whether the making of equitable freight rates and the abolition of the custom of levying too high freight rates upon one part of the country for the benefit of others will not result in benefit even to river transportation. I have not the figures here, but the astonishing fact exists that the railroads which parallel the Mississippi River, running, speaking generally, from the North to the South across our country, are carrying freight on those parallel lines for a rate which I think is less than one-quarter of the average rate charged over the United States. I shall be glad to get those figures and put them in the RECORD. What does that mean? It means that because the river is there, although only half improved, the railroads in order to get that freight have cut their rates. The result naturally was that when they first inaugurated that system they destroyed the river transportation and continued to destroy river transportation by the maintenance of that character of rates. There are certain kinds of freight, and the kinds are very widely diversified, that can be carried upon those rivers. It can be carried there without the destruction of the railroads. No one with any common sense wants to destroy the railroads. The whole country can be developed by virtue of the cheaper freight rates that come through river transportation.

Now, let me say that those rates thus made upon that river are not confined in their benefits to the lines along the river. Those who are in charge of the boat lines upon the Mississippi River have been fighting and struggling with this same Interstate Commerce Commission to get it to compel the inauguration of just joint rates between the boat lines and the railroads touching the river points. They have had one of the most uphill fights ever waged. It has seemed to me that the Interstate Commerce Commission has acted in a manner wholly unjustifiable in the matter of inaugurating joint rates. But the boat lines have practically succeeded, and the result is that the benefit of the lower freight rates upon the Mississippi River has inured to communities and States hundreds of miles removed from the river, for whenever we can establish a system of boats that will carry freight as cheaply from St. Louis to New Orleans and then can establish joint rates the great States lying to the west and northwest can claim the advantage of those joint rates and get the same advantage from river traffic that the towns along the river receive, or approximately the same advantage.

But we have had a policy which seems to me to be merely stubborn, if not worse. I can illustrate that. There is a boat line operating Government-owned boats on the Mississippi River and also on the Warrior River. The boat line on the Mississippi River, although there are bars across the river, and although transportation is sadly interfered with—and, by way of parenthesis, I will say that every interference could be removed by the expenditure of a few million dollars—has actually made money, and with proper capital it can be made a very profitable enterprise. It has been carrying freight at 80 per cent of the charge of the railroads, although the competition it meets is that of the railroads which have already cut their rates to the bone in order to hold the traffic against the boats.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. REED of Missouri. I yield.

Mr. PITTMAN. Right on that point, I wish to say a word. The Senator from Missouri has already said that these Government barges, if they desire a part of the traffic, can not charge over 80 per cent of what the railroads charge.

Mr. REED of Missouri. They do not charge over 80 per cent of what the railroads charge.

Mr. PITTMAN. They can not do it successfully, it is held, because of the more expeditious moving of freight by rail, we will say——

Mr. REED of Missouri. I think they do it in order to get the business.

Mr. PITTMAN. I also call the attention of the Senator to the fact that the rates on the railroads with which they are now competing are only 58 per cent of the average charge of the railroads somewhere else. The Senator says that these barges are commencing to make money. I think he is right that they can make money, but here is the point: At the present time the discriminations of the railroads are not at the maximum; the fear is not so much for existing conditions but that the Interstate Commerce Commission will grant all of these applications to lower still further the rates at competitive points; and when that happens, the boats go out of business. In other words, Mr. President, I say to the Senator from Missouri that no careful concern can go into business under existing conditions when they are threatened with a reduction of competitive rates by the railroads below a point at which their boats can make money. That threat is pending with the Interstate Commerce Commission to-day in the form of applications. Those applications will be granted if the criterion established by the Interstate Commerce Commission is not abolished by this amendment.

Mr. REED of Missouri. Mr. President, the Senator from Nevada has stated the case very well. I was diverted, however, from the particular thing I was going to say. I have spoken of the Mississippi River. On the Warrior River, where the equipment was inadequate and other conditions somewhat adverse, the Government agency operating a line of boats found itself confronted with this situation: The railroads refused to establish joint rates; and frequently, where the boat haul was ten times the rail haul, the railroads took from 75 to 80, and I believe in some instances even 90 per cent of the total tolls collected. When that case was brought before the Interstate Commerce Commission—a case which seemed to appeal for immediate relief and drastic action—the commission held the case for many months, finally laid down some general rules, and then told the parties to get together and agree.

I am becoming completely and utterly disgusted with the Interstate Commerce Commission. I repeat, I am not here contending as an enemy of railroads. The railroads we must have, and they must be allowed to earn an adequate return or they will cease to exist, and certainly they will cease to make improvements. They must be fairly and justly treated; but because we should fairly and justly treat the railroads is no reason why we should allow injustices to be perpetrated upon vast sections of this land and communities milked for the benefit of other communities or for the building of certain terminals in which the railroads are particularly interested.

Let us settle this question upon its merits and in accordance with the principles of equity. I say no man on earth can justify hauling freight through a town hundreds and perhaps thousands of miles and then hauling it back at a cheaper rate than it could be hauled on the direct route and unloaded. That is a waste of time, a waste of energy, and a manifest wrong. There is no sense in building up one community at the expense of another. There is no sense in undertaking to foster railroads, to the total destruction of water transportation or to its injury, any more than there would be sense in a farmer feeding his horses more than they needed to eat and allowing his cattle to starve to death, or a man looking after one business and pouring into it unnecessary moneys and allowing another branch to go bankrupt. Particularly is this unjustifiable when we have regard to the fact that the railroads of the country are merely the highways of the people, and that the people have the right to fair, just, and equitable treatment, regardless of the particular portion of the country in which they live, and at the same time the roads are entitled to live and to make a decent return upon their just investment.

There has been a great deal said here in the way of attacking the railroads that can not be justified when the facts are thoroughly thrashed out, and there have been some criticisms that are, of course, just. The Pittman amendment, in my judgment, is in the right direction. Whether it goes far enough or not we can only determine upon trial, for it may be that the ingenuity of the Interstate Commerce Commission will again find some means by which it can nullify an act of Congress.

Mr. GOODING. Mr. President, it is indeed gratifying to find a Senator within whose State great cities are located who insists on a square deal for all the people of the State which he represents. The great city of St. Louis has been benefited by the violation of the fourth section by receiving cheaper freight rates than other communities in the great State of Missouri; but the Senator from Missouri [Mr. REED] in this instance, as he always does, stands for an American principle, for if there is anything that the American people demand it is a square deal for all. When a railroad hauls freight 2,000 miles or 3,000 miles, in some cases, for a less charge than they make for a shorter haul—and they are asking to extend that practice now—it is unfair and unjust and must be and is un-American. So I repeat it is reassuring to know that in this fight for a square deal for the people who live in the interior States of the Union, and especially for the people who live in the interior States of the West, the able Senator from Missouri is championing their cause.

Mr. President, I wish to call the attention of the Senate to the profile map of the Monongahela River, which I have had placed on the wall. I first saw this map at one of the interesting hearings on Muscle Shoals before the Agricultural Committee of the Senate. I was so much impressed with the great work that the Government has done on the Monongahela River in making possible transportation for low-priced basic materials that I asked Mr. E. G. Waldo, a civil engineer employed by the Tennessee River Improvement Association, for the loan of this map. The map indicated to my mind the opportunity that lies before the American people for the development of water transportation.

Railroads cross the Monongahela River at eight different points, but there are no violations of the fourth section in that immediate territory, and the result is that in 1920 upon this river there were carried 24,000,000 tons of coal and coal products. It is carrying on an average now something like 18,000,000 tons a year. It has been a mighty factor in making Pittsburgh one of the great steel centers of the world.

This is a Government project, and what a story it tells! There are 15 different locks on the Monongahela River which are operated by the Government itself. In 1889 the Government purchased these locks from the Monongahela Navigation Co., a private concern. The length of the river that is in operation is 130 miles. The Government paid for the locks and improvements of the river at the time $4,300,000, and since then has expended something like $6,000,000 for the operation and maintenance of those locks. No toll is charged upon this river. I suspect that the steel companies of Pittsburgh have been the beneficiaries of this Government expenditure.

Mr. President, it seems strange to me that this Government will spend $10,000,000 in the purchase and operation of a river project for the transportation of freight, and at the same time through its organization, the Interstate Commerce Commission, deny to the people of the Western States and the Southern States a chance to have water transportation, by permitting railroads to charge a lower freight rate for the longer haul than for the shorter haul where they come in competition with water transportation, so that the boats have been driven off of the rivers in the South and have been partly driven out of the Panama Canal and our coastwise routes.

It is strange, is it not, that a policy that is right for the East is not just as right for the people of the South and the people of the West? Yet that does not seem to be the case at the present time.

I was impressed with this map because some day the Government will build a reservoir somewhere near the headwaters of this river, and the floods on that river, that at times do a great deal of damage, causing loss of property and loss of life, will be under complete control.

I am familiar with and understand very fully what flood control means, for in our Western States many of our great rivers now are controlled through a reservoir system which not only holds and controls all the flood water but holds all the water that flows down those rivers the year around. Flood control in this country is going to be one of the simplest and easiest problems that we have to meet. I live on an irrigation project in my own State, that controls and holds all the water that flows down the river and that furnishes water for the irrigation of something like 100,000 acres of land. So the problems of flood control in this country are simple.

If it had not been for this Government project in 1920, when they carried down the Monongahela River 24,000,000 tons of freight—the year when we had the railroad congestion and blockade—the steel plants of Pittsburgh would have been forced to close down. The West is not asking the Government to go out there and develop a project like that and spend its money. I am glad that the Government has done this, because it has demonstrated the necessity of what to my mind is more essential for America than any other one thing is before this country to-day, and that is adequate transportation. Without it this country will be forced to come to a standstill. It is going to be

impossible to build enough railroads to carry the low-priced farm products and the low-priced basic materials of the country, nor can we compete for the trade of the world if we are forced to transport all of those cheap products over the long hauls to market. By every right the coal from the coal mines and the wheat from the wheat fields, where it is possible, should be permitted to seek the nearest water transportation; but this Government policy has forced practically all of the farmer's wheat to be shipped east over a long haul of railroads, that are manned by the most expensive labor in all the world, and in that condition freight rates are necessarily high.

Mr. President, the World War brought us a new world. We have in this country to-day the highest cost of production of any country on earth. Wages here are higher than in any other country, anywhere from 75 to 300 per cent higher. When Germany comes back to normal, with its cheap cost of production as against the high cost of production in this country, unless we do something to move the low-priced farm products and the low-priced basic materials to the furnace and the factory and the market we shall be unable to compete successfully; for the competition for the trade of the world in the future, as I see it, is going to be keen and sharp and severe. We have been prosperous in this country only because the balance of trade has been in our favor. From the beginning of the war up to last year we had a balance of trade in our favor of something like $21,000,000,000, three times as much as we had in all the preceding years since the foundation of this Government was laid; but last year, 1923, our imports exceeded our exports by only $370,000,000. Up to the 1st of September of 1923 the balance of trade was against us in this country; and even with the high protective tariff that we have in this country, with the cheap cost of production there is in foreign countries, I do not believe that it is going to be possible to have a balance of trade in our favor. I believe this country is facing the most dangerous period in its history; and yet we go along blindly and permit the railroads to increase freight rates, the peak of which was 78 per cent above pre-war freight rates, and the present level is 55 per cent above the pre-war level, without any thought or consideration for the future of transportation in this country. The railroads are not keeping pace with the development of commerce. As I showed in my remarks yesterday, there has been only a little over 100 per cent of an increase in miles of tracks in this country in the last 33 years, while at the same time there has been 443 per cent of an increase of traffic in this country.

Only three years ago, I think, some of the railroads put an embargo on perishable fruits from California. They refused to handle them. They were so congested with transportation, if you please, that they would not accept this class of freight at all, and they were only moved by the Interstate Commerce Commission to accept it.

Mr. President, I hope Senators will give this map a little attention, and see what is possible on every other river in the United States, and see what will be possible with the development of that river in the development of electric power.

The Government is now considering building at this point a power plant that will develop something like 50,000 horsepower. It will pay back to the Government all of its expenses in a few years and all of the money that it has paid out for operation. We can generate in this country on our great rivers more power than any other country in the world with the exception of Africa, and it will have to be developed in order to make possible cheaper production all along the line, and we can not commence that work any too soon.

I am ready to go along with the development of Muscle Shoals, Mr. President. I am ready to go along with the building of the St. Lawrence ship canal. It will bring the Atlantic Ocean a thousand miles farther inland. I am ready to go along with the development of the Mississippi and all the rest of the great rivers of the country; but before I do that, Mr. President, I want to know that the money that this Government expends in that development can not be destroyed by the railroads by permitting them to haul freight on the longer hauls cheaper by more than 100 per cent in some cases than on the shorter hauls; and until I can be assured that this policy is not going to be continued I am not going to vote for any appropriation for rivers and harbors.

Now, Mr. President, I want again to take up some of these discriminations and violations of the fourth section of the interstate commerce act. I want to take up again the violations on wool.

The present freight rate on wool in bales in carload lots from San Francisco to Boston, a distance of 3,300 miles, is $1.50 a hundred. The rate on wool in bales from Salt Lake City, Utah, to Boston, a distance of 2,553 miles, is $2.36 a hundred. Although the distance from Salt Lake City, Utah, is 744 miles shorter than the distance from San Francisco, the rate on wool per hundred is 86 cents more than it is from San Francisco.

The rate on wool in bales from Reno, Nev., to Boston, a distance of 3,055 miles, is $2.38½ a hundred. While the distance from Reno to Boston is 245 miles shorter, yet the rate from Reno to Boston is 88½ cents higher than it is from San Francisco.

I come now to violations of the fourth section on the Santa Fe Railroad.

The present rate on wool in bales in carload lots from San Francisco to Boston, a distance of 3,578 miles, is $1.50 a hundred. The rate on wool in bales from Prescott, Ariz., to Boston, a distance of 2,939 miles, is $2.44½ a hundred. The distance from Prescott, Ariz., to San Francisco is 639 miles. So the haul from Prescott to Boston is 639 miles shorter, and yet they will pay a rate of 94½ cents a hundred more on wool than the rate from San Francisco.

Violations on wool on the Northern Pacific: The present freight rate on wool in bales by carload lots from Seattle to Boston, a distance of 3,352 miles, is $1.50 a hundred. The rate from Spokane, a distance of 2,953 miles, is $2 a hundred.

The rate on wool in bales from Fargo, N. Dak., to Boston, a distance of 1,700 miles, is $1.47½ a hundred. Although the distance from Fargo, N. Dak., is 1,652 miles less than the distance from Seattle to Boston, the rate is only 2½ cents less.

On the Great Northern the wool rate is the same as on all the transcontinental railroads, $1.50 a hundred. From Grand Forks, N. Dak., to Boston, a distance of 1,768 miles, the rate is $1.53 a hundred. The distance from Grand Forks, N. Dak., is 1,455 miles less than the distance from Seattle. Yet they are paying 3 cents a hundred more on wool than the people of Seattle.

PROPOSED VIOLATION OF THE FOURTH SECTION ASKED FOR BY THE SOUTHERN PACIFIC

On dry goods in carload lots from Chicago to San Francisco by the way of the Illinois Central, New Orleans, and Southern Pacific, a distance of 3,408 miles, the present freight rate is $1.58 per hundred. The railroads have asked the Interstate Commerce Commission for a rate from Chicago to San Francisco of $1.10 per hundred.

From Chicago to Greenville, Miss., on the Illinois Central, a distance of 747 miles, the present rate is $1.10 per hundred.

If this application is allowed by the Interstate Commerce Commission, the people at Greenville, Miss., will pay the same rate as the people of San Francisco, although the haul will be 2,661 miles longer than to Greenville, Miss.

From Chicago to Amesville, La., a distance of 931 miles, the rate on dry goods in carload lots is $1.58 per hundred. The present rate to San Francisco is $1.58.

At the present time the people of Amesville, La., and at all points west on the Southern Pacific are paying the same freight rates on dry goods as those in San Francisco pay. If this fourth section violation is allowed to the Southern Pacific, the people of Amesville, La., will continue to pay a freight rate of $1.58 per hundred on dry goods, but the people of San Francisco will pay a rate of $1.10 a hundred for a haul that is 2,477 miles longer than the haul from Chicago to Amesville, La.

On horseshoes in car lots from Chicago to San Francisco, a distance of 3,408 miles, the present rate is $1 per hundred. The railroads have asked the Interstate Commerce Commission for a rate from Chicago to San Francisco of 75 cents per hundred.

From Chicago to Schriever, La., a distance of 976 miles, the present rate is $1 per hundred.

If this application is allowed by the Interstate Commerce Commission, the people of Schriever, La., will pay the same rate as do the people of San Francisco, although the haul will be 2,432 miles longer than to Schriever, La.

From Chicago to Sugarland, Tex., a distance of 1,208 miles, the rate on horseshoes in carload lots is $1 per hundred. The present rate to San Francisco is $1 per hundred.

At the present time the people of Sugarland, Tex., and all points west, on the Southern Pacific, are paying the same freight rate on horseshoes as is paid at San Francisco. If this fourth section violation is allowed the Southern Pacific, the people of Sugarland, Tex., will continue to pay a rate of $1 per hundred on horseshoes, but the people of San Francisco will pay a rate for a haul that is 2,200 miles longer than the haul from Chicago to Sugarland, Tex., of 75 cents.

Here are some proposed violations of the fourth section asked for by the Santa Fe Railroad: On dry goods in carload lots from Chicago to San Francisco, a distance of 2,540 miles, the present rate is $1.58 a hundred. The same application has been made

by all the transcontinental railroads. They are asking for a reduction to $1.10 a hundred.

If these violations are allowed from Quenemo, Kans., the people of that city will continue to pay $1.58 a hundred on carload lots, which is the present rate to San Francisco, but San Francisco will have $1.10 a hundred, while Quenemo will be paying $1.58, although the haul is 2,017 miles longer from this Kansas town to San Francisco than it is from Chicago to Quenemo.

On ammunition in carload lots from Chicago to San Francisco, a distance of 2,540 miles, the present rate is $1.40 a hundred. The railroads are asking for a rate of $1 a hundred.

Mr. KING. Will the Senator yield?

Mr. GOODING. I yield.

Mr. KING. The Senator has just alluded to the rate which the railroads are asking now from Chicago to San Francisco of $1.10. I presume there is no accompanying proposal that they will reduce the rates charged upon freight shipped from Chicago to intermediate points. They are going to maintain the same high levels of rates which now exist from Chicago to all intermediate points?

Mr. GOODING. Yes; that is correct.

Mr. KING. So, of course, they would build up Chicago, perhaps, and San Francisco or the port towns at the expense of all the intermediate sections.

Mr. GOODING. That is the object of it, of course, together with the idea of destroying water transportation, which is the primary object. That has been the struggle, and on the side of the railroads has been this Government, represented by the Interstate Commerce Commission, and its work has been complete.

All these violations, which cover 50 commodities, are applications, as far as freight reduction is concerned, to Pacific coast terminals. No point on this side that I am aware of gets any reduction at all. It means, of course, a destruction of our jobbing interests in the interior country. We will not be able to serve our own people in the simplest way.

Mr. KING. Has the Senator before him any of the rates showing the highest levels to any intermediate point between Chicago and San Francisco?

Mr. GOODING. The highest points?

Mr. KING. The highest level upon any of those 50 articles, if the Senator has the rates before him. If not, I do not want to interrupt the orderly arrangement of his remarks. I presume the highest rate between Chicago and San Francisco at some intermediate point would be very much in excess of the $1.10 which they are now asking as the rate from Chicago to San Francisco.

Mr. GOODING. The highest level reached at the intermediate point is the present Pacific coast rate of $1.58, which is blanketed back from the Pacific coast to Ogallala, Nebr., which is 820 miles west of Chicago.

The figures I have show that 48 per cent is the greatest reduction they are asking for. I have not all the figures in connection with this application before me at this time, however.

From Chicago to Raton, N. Mex., a distance of 1,008 miles, the rate on ammunition in carload lots is $1.40 a hundred. The present rate to San Francisco is $1.40 a hundred. If the rate is reduced, of course the people in San Francisco will have a rate of $1.10, while the people of Raton, N. Mex., will continue to pay a rate of $1.40 a hundred. The haul from Chicago to San Francisco is 1,444 miles longer than it is from Chicago to Raton.

On bolts in carload lots from Chicago to San Francisco, a distance of 2,540 miles, the present rate is $1 a hundred. The railroads are asking for a reduction to 75 cents a hundred. From Chicago to Newton, Kans., on the Santa Fe, a distance of 636 miles, the present rate is 75 cents a hundred. If this application is allowed the people of Newton will be paying the same price the people of San Francisco pay, although the haul to San Francisco is 1,904 miles longer than it is to Newton, Kans.

From Chicago to Dalies, N. Mex., a distance of 1,306 miles, the rate on bolts in carload lots is $1 a hundred. If this application is allowed the people at that point will continue to pay $1 a hundred, while the people of San Francisco will have a rate of 75 cents a hundred. At no place at any intermediate point do the railroads propose to reduce a single rate from the present rates which they have in effect.

Mr. DILL. Mr. President——

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

Mr. GOODING. I yield.

Mr. DILL. If these rates were granted and the net revenues of the railroads were not sufficient to meet the payment of interest on the bonded indebtedness, the next application would be to increase the rates to the interior. Would not that be the natural result?

Mr. GOODING. Not at all. If the railroads would permit the Senator's great State to develop in the interior, and all the rest of the interior Western States to develop, they would have to double-track their lines to take care of their business.

Mr. DILL. I do not think the Senator understood my question.

Mr. GOODING. Yes; I understood the Senator's question. I am coming to a more direct answer to it. The controversy at the present time is over about 2 per cent or less of the business of the railroads that is now going through the Panama Canal. There is no doubt, in my judgment, that if the rates are reduced to San Francisco the railroads will not earn as much money as they are earning at the present time with the rates they have in force. That is not the object at all. The object is to do just what the transcontinental railroads have always said they would do, and that is, if possible, to make it so that pond lilies would grow in the channels of the Panama Canal. There is no question about what the railroads are fighting for—a monopoly.

Mr. DILL. But if there should be a raise in rates, necessarily, under present conditions, the application would be to raise the rates to the interior points and not to the coast or water points.

Mr. GOODING. That is what this has the effect of doing.

Mr. DILL. That is what I understood.

Mr. GOODING. It lowers the rates to the coast points. I think most of the merchants of the country take the position that they are not so much interested in what the freight rate is as that they shall not have any discrimination or that some other merchant in some other town shall not have a lower freight rate than they have. Of course, the merchant is able to pass the freight on to the consumers. The farmers are interested in lower freight rates on farm products, for he pays the freight going and coming—he is not able to pass it on. With the high freight rates which we are forced to pay over the long haul to eastern markets, agriculture in the Senator's State and mine and all the interior States of the West is not even getting a fighting chance.

The Government made two horizontal increases in freight rates. They increased the rates on all low-priced farm products with the exception of wheat and livestock. The first increase made by Director of Railroads McAdoo was 25 per cent. When the Interstate Commerce Commission made its increase from 25 per cent to 40 per cent, and 33⅓ per cent as between different zones, it did not make any distinction at all as to low-priced farm products. The result is that we have to-day low-priced farm products in the West in some cases paying 3,000 per cent higher freight rates according to its value than some of the manufactured articles of the East, for the maintenance and upkeep of the railroads.

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

Mr. GOODING. I am glad to yield to the Senator from Wyoming.

Mr. KENDRICK. Can the Senator tell us, in view of this request, if permission to lower the freight rates at competing points with water transportation should be granted, whether there was any general request made by the railways a year or two ago to reduce the freight rates on farm products that could not be moved to market without such a reduction? Does the Senator recall any instance in which the railroads appealed to the Interstate Commerce Commission for permission to lower the rates in order that the farm products might be moved to market?

Mr. GOODING. I have no knowledge of any such application on the part of the railroads. I do know that President Harding tried very hard to get the Interstate Commerce Commission and the railroads, when the reduction of 10 per cent was made, to give that 10 per cent reduction to farm products and the low basic materials of the country, and that six members of the Interstate Commerce Commission refused to do it, five voting for it, and the railroads refused to give any reduction or to give the 10 per cent reduction to farm products and the basic materials that were suffering from the horizontal increase of freight rates that had been made.

Mr. KENDRICK. In fact, the Senator does not know that in many instances and in many localities in the West it was found impossible to move farm products to market because of the prohibitive rates, and a great many of the products were therefore allowed to waste because of the impossibility to market them?

Mr. GOODING. In my own State thousands of carloads of potatoes could not be moved to market.

Mr. KENDRICK. The same was true in my State.

Mr. GOODING. At times it was pretty hard, with the low prices of some kinds of livestock, to move it to market. This year my people were not able to move the finest red apples that grow in America without paying in advance the freight rates. Trains of refrigerator cars of prunes passed up the valley of the Snake River that brought back to the railroads $36,000 in freight rates, but not a penny to the prune grower. He had to guarantee the freight rates and pay any loss, and yet they would not reduce the freight rates. When agriculture was suffering, the wheat growers of the West appealed to the Interstate Commerce Commission for a reduction of freight rates, but one of the commissioners said, "Why do they want to grow wheat if they can not make a living? Why do they not grow something else?" Another one of the commissioners said, "Why don't they get off the farms if they can not make a living there?" This Government is responsible for the condition of the wheat growers and the condition of the farms, but that is the expression we get from the Interstate Commerce Commission. I am sorry to say—I am going to say it, however—that a majority of them are just mere tools for the railroad corporations. I think a thorough investigation would prove that beyond the question of a doubt.

Many of the farmers are forced to grow wheat because they can not grow anything else. They have no machinery to grow anything else. Prosperity has been destroyed. My God, they have not been able in some States to buy a mere plain coffin to bury the dead of their families, and yet the Interstate Commerce Commission, to which we appeal, says, "Why don't they grow something else or why don't they get off the farms?" when they have, without any consideration at all or any investigation, increased the freight rates 33⅓ per cent.

Now, when we talk to them about reduction of freight rates they say it will take years to bring it about.

When Mr. McAdoo was appointed director of railroads he made a horizontal increase in three days after he was appointed, of 25 per cent, but he made exception as far as wheat and livestock were concerned and provided that no increase on wheat should be more than 6 cents a hundred, and that no rate on livestock should be increased more than 7 cents a hundred. Even a schoolboy understands that low-priced farm products can not bear the increase, where the freight rate is already high, as does the manufactured article. The railroads have always given some consideration heretofore to what a product would bear to carry it to market. They have usually taken all it would bear to carry it to market, or so nearly so at least that there has not been much left for agriculture in the past. When the Government forced freight rates on the farmer that were 65 per cent of an increase, they destroyed the American farmer and destroyed his prosperity everywhere, and made it impossible for him to ship many of his products to market. All we ask in Idaho—and my State is only 350 miles from tidewater—is an opportunity to go to tidewater with our cheap farm products; but with their policy of excessive freight rates, we are forced over the long haul to the eastern market.

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

Mr. GOODING. Certainly.

Mr. ASHURST. The Senator's speech is able and penetrating, and I agree with him so fully that, although I know I will mar the symmetry of his speech, I can not resist making the observation at this time that the dwellers in the city complain seriously and justly about the high prices of farm products. Now is an opportunity for the representatives of the dwellers in the cities to in some way help equalize the rates so that the farmer may bring his produce to the city at a reasonable rate.

The Senator's speech is one of the most valuable contributions he has made to the public service. I almost envy him the ability and courage he displays in making it. He is saying things that ought to have been said long ago. I hope that those who come from the large cities, where they must have every morning a fresh supply of food for their subsistence, will give consideration to this important question of at least equalizing the rates.

My State, strange, is noted not only as a metal-producing State but as an agricultural State. We have a great opportunity in the southwest to become an agricultural country, but we are paralyzed and strangled by the unjust discrimination inhering of the so-called long-and-short haul. We are anxious to sent the cantaloupe to the tables of the East. We are anxious to send other agricultural products to the East, but the long-and-short haul and its vicious and unjust discrimination makes it practically impossible to do so.

Mr. GOODING. I thank the Senator for his kind words. There have been occasions in my life when I wished that my early training or occupation might have been along different lines. When I had wanted to express myself so that I might be understood, I have sometimes wished that I might have been a lawyer, but those were only passing fancies with me. I am glad that my life has been that of a farmer and stock grower out in the great open, out in the mighty West. I do have in presenting this question a feeling so deadly in earnest that possibly if I had the early training of the Senator from Arizona and his ability I might make myself better understood.

Mr. ASHURST. I reciprocate the kind words of the Senator, but the Senator need not fear that the words will be misunderstood. They are good, plain, strong English words, and there will be no person in this country who will fail to comprehend them because they are so plain and so strong that he who runs may read.

Mr. GOODING. I thank the Senator again. I want to get back to the observation the Senator made about dwellers of the cities. None are more interested in the prosperity of the farmer and in seeing that he has reasonable freight rates than are the dwellers of the cities—the men who work for day pay—because the farmer has been the best customer of their toil. No class of people in America or any place in the world spend money more freely than do the American farmers. They want to live, to educate their children, and to have the same opportunities that the people have who follow other occupations in the country. But if the time shall ever come in this country when the farmer is driven back to the old gray mare to go to market and those who live off of the toils of the farmer are able to honk him off of the road with their limousines, then we shall have reached the end of this civilization.

What I am fighting for are freight rates without discrimination. This is vital to the American citizen who tills the soil and who has made this country the mightiest country in all the world. He has been the pioneer of America. He has blazed the trail; he has cut away the great forests; has built our roads; has subdued the desert; has made a thousand blades of grass grow where none grew before; and has made it possible for those who followed him in after years to enjoy peace, prosperity, and happiness in the great West; but now he is confronted by an application for freight rates, which, if granted, will give his competitor 1,000 or 2,000 miles farther toward the Pacific coast cheaper transportation than he is privileged to enjoy. It is un-American; it is a crime against civilization; and there is no doubt in my mind that, properly presented, it would be decided to be unconstitutional.

I desire at this point to refer to some violations on the Northern Pacific Railroad. On dry goods in carload lots from Chicago to Seattle, a distance of 2,314 miles, the rate is $1.58 a hundred. The rates on dry goods are all $1.58 per hundred at the present time. From Chicago to Detroit, Minn., on the Northern Pacific, a distance of 613 miles, the present rate is $1.10 a hundred. If this application is allowed, the people of Detroit, Minn., will be paying $1.10 per hundred, the same as the people at Seattle, although the distance is 1,700 miles longer than it is to Detroit, Minn.

From Chicago to Steele, N. Dak., a distance of 812 miles, the rate on dry goods in carload lots is $1.58 a hundred, the same as it is to Seattle at the present time. If the application of the railroads be allowed, the people in this town of North Dakota will continue to pay $1.58 a hundred and all the people west, in North Dakota and Montana, will be paying $1.58 a hundred, while the people of Seattle will be receiving a carload lot of dry goods for $1.10 a hundred.

Mr. President, I have a number of similar illustrations, comprising but few, however, of those which might be cited. With the permission of the Senate, I ask to have them incorporated in the RECORD at this point in my remarks.

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

The matter referred to is as follows:

PROPOSED VIOLATIONS OF THE FOURTH SECTION ASKED FOR BY THE NORTHERN PACIFIC

On soap in carloads from Chicago to Seattle, Wash., a distance of 2,314 miles, the present freight rate is $1.25 per hundred.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of $1 per hundred.

From Chicago to New Salem, N. Dak., a distance of 889 miles, the present rate is $1 per hundred.

If this application is allowed by the Interstate Commerce Commission, the people of New Salem, N. Dak., will pay the same rate as the people of Seattle, although the haul will be 1,425 miles longer than to New Salem, N. Dak.

From Chicago to Sentinel Butte, N. Dak., a distance of 1,027 miles, the rate on soap in car lots is $1.25 per hundred.

The present rate to Seattle is $1.25 per hundred.

At the present time the people of Sentinel Butte, N. Dak., and all points west on the Northern Pacific are paying the same freight rate on soap as Seattle. If this fourth-section violation is allowed the Northern Pacific, the people of Sentinel Butte, N. Dak., will continue to pay a freight rate of $1.25 per hundred on soap, but the people of Seattle will pay a rate for a haul that is 1,287 miles longer than the haul from Chicago to Sentinel Butte, N. Dak., of $1.25 per hundred.

On roofing material on car lots from Chicago to Seattle, Wash., a distance of 2,314 miles, the present freight rate is $1.10 per hundred.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to Seattle of $0.90 per hundred.

From Chicago to South Heart, N. Dak., on the Northern Pacific, a distance of 996 miles, the present rate is $0.90 per hundred.

If this application is allowed by the Interstate Commerce Commission, the people of South Heart, N. Dak., will pay the same rate as the people of Seattle, although the haul will be 1,318 miles longer than to South Heart, N. Dak.

From Chicago to Beach, N. Dak., a distance of 1,036 miles, the rate on roofing material in carload lots is $1.10 per hundred.

The present rate to Seattle is $1.10 per hundred.

At the present time the people of Beach, N. Dak., and all points west on the Northern Pacific are paying the same freight rates on roofing material as Seattle. If this fourth-section violation is allowed the Northern Pacific, the people of Beach, N. Dak., will continue to pay a freight rate of $1.10 per hundred on roofing material, but the people of Seattle will pay a rate for a haul that is 1,278 miles longer than the haul from Chicago to Beach, N. Dak., of $1.10 per hundred.

FOURTH SECTION VIOLATIONS BY THE ILLINOIS CENTRAL

On dry goods from Chicago to Meridian, Miss., a distance of 712 miles, the freight rate is $1.82 per 100.

The railroads have asked the Interstate Commerce Commission to be permitted to make a rate from Chicago to New Orleans, a distance of 912 miles, on dry goods in carload lots of $1.53½ per 100.

If this application is allowed by the Interstate Commerce Commission, the people of Meridian, Miss., will have to pay for a 200-mile shorter haul than the haul from Chicago to New Orleans, a freight rate of 28½ cents more per 100 pounds.

The present rate on dry goods in carload lots from Chicago to San Francisco, a distance of 3,408 miles, is $1.58 per 100.

The present rate to Meridian, Miss., a distance of 712 miles, is $1.82 per 100.

Although the haul from Chicago to Meridian, Miss., is 2,796 miles shorter, the people of Meridian pay 34 cents per 100 more.

The railroads have asked the Interstate Commerce Commission to be permitted to make a rate of $1.10 per 100 from Chicago to San Francisco.

If the commission permits them to make a rate of $1.10 per 100, the people of Meridian, Miss., will have to pay for a haul that is 2,796 miles shorter, a freight rate of 72 cents more per 100.

PROPOSED VIOLATION OF THE FOURTH SECTION ASKED FOR BY CHICAGO, ROCK ISLAND & PACIFIC, AND SOUTHERN PACIFIC

On dry goods in carload lots from Chicago to San Francisco, a distance of 2,760 miles, the present freight rate is $1.58 per 100.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to San Francisco of $1.10 per 100.

From Chicago to Willard, Kans., on the Rock Island, a distance of 601 miles, the present rate is $1.10 per 100.

If this application is allowed by the Interstate Commerce Commission, the people of Willard, Kans., will pay the same rate as the people of San Francisco, although the haul will be 2,159 miles longer than to Willard, Kans.

From Chicago to Haviland, Kans., a distance of 749 miles, the rate on dry goods is $1.58 per 100.

The present rate to San Francisco is $1.58 per 100.

At the present time the people of Haviland, Kans., and all points West on the Rock Island and Southern Pacific are paying the same freight rate on dry goods as San Francisco. If this fourth section violation is allowed the Rock Island and Southern Pacific, the people of Haviland, Kans., will continue to pay a freight rate of $1.58 on dry goods, but the people of San Francisco will pay a rate for a haul that is 2,011 miles longer than the haul from Chicago to Haviland, Kans. of $1.10 per 100.

On bolts and nuts, in carload lots, from Chicago to San Francisco, a distance of 2,640 miles, the present freight rate is $1 per 100.

The railroads have asked the Interstate Commerce Commission for a rate from Chicago to San Francisco of 75 cents per 100.

The present rate from Chicago to Lebanon, Kans., on the Rock Island, a distance of 704 miles, is 75 cents per 100.

It this application is allowed by the Interstate Commerce Commission, the people of Lebanon, Kans., will pay the same rate as the people of San Francisco, although the haul will be 1,836 miles longer than to Lebanon, Kans.

From Chicago to Brewster, Kans., a distance of 868 miles (on the Rock Island) the rate on bolts and nuts in carload lots is $1 per 100.

The present rate to San Francisco is $1 per 100. At the present time the people of Brewster, Kans., and all points west on the Rock Island and Southern Pacific are paying the same freight rate on bolts and nuts as San Francisco.

If this fourth-section violation is allowed the Rock Island and Southern Pacific, the people of Brewster, Kans., will continue to pay a freight rate for a haul that is 1,772 miles longer than the haul from Chicago to Brewster, Kans., of $1 per 100.

Mr. GOODING. Mr. President, at the present time not all the transcontinental railroads are making a fight for the privilege to violate section 4 of the interstate commerce act. They have asked for it, but there has been a division among them because, after all, some of them at least understand that they are only building up coast points at the expense of the interior; that they are building up great cities which sooner or later, beyond a doubt, will ship most of their merchandise on the ocean through the Panama Canal. They are building up great cities where they will come in competition with other railroads and must divide the business. No thought or consideration has been given on the part of the railroads to the development of their own territory, over which they have a monopoly.

Mr. President, I have here a short letter from Mr. Kenney, vice president and director of traffic of the Northern Pacific Railroad, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

[W. P. KENNEY, vice president and director of traffic]

GREAT NORTHERN RAILWAY CO.,
Seattle, Wash., July 26, 1921.

(Personal.)

Mr. EDWARD CHAMBERS,
Vice President, Santa Fe System, Chicago, Ill.

MY DEAR MR. CHAMBERS: There is intense feeling regarding request of the railroads for fourth-section relief.

I have been in Spokane and around the coast. There seems to be but little interest on the coast, while in Spokane and other inland cities the merchants are up in arms because they understand the railroads will file the request for fourth-section relief, and my own opinion is that our filing this request for fourth-section relief will alienate all of the intermediate shippers, who, as Mr. McCarthy says, do not care what the rate is so long as they are on equality with their competitors.

If we are ever going to fix up rates, such as you and I discussed, to apply terminal rates at intermediate points as maximum, we should, if we can do so, avoid the necessity for filing an additional fourth-section application at this time, because our filing such application will be to signal for a general attack on our rates by the intermediate States, and I think we had better be prepared to apply every domestic rate as the maximum at intermediate points. If not and we get fourth-section relief we are going to merely build up people that will continually try to break down our rates through water competition while the intermediate jobber, who wants to be friendly and stay with us, will be less able to meet the competition from the coast.

A general attack on our intermediate rates as to their reasonableness, such as the grain rates from Montana, wool rates, livestock rates, etc., that will be precipitated by fourth-section application on our part, will lose us much more than we can gain by any relief we will secure through such application.

I have certainly reached the conclusion that if we buck the intermediate sentiment we will lose much revenue in the interior, much more than we will gain on the coast, and we will finally get an inflexible long-and-short-haul clause that will cause us a great deal of worry and trouble in the future.

Yours very truly,

W. P. KENNEY.

Mr. GOODING. Mr. President, the letter just read from the desk was secured by the Interstate Commerce Commission or its representatives in its investigation into the propaganda of commercial clubs and great cities and of the railroads themselves to force fourth-section violations upon the country. At this point I conclude my remarks.

Mr. BROOKHART obtained the floor.

Mr. BRUCE. Mr. President——

Mr. BROOKHART. Does the Senator from Maryland desire to proceed at this time?

Mr. BRUCE. I thought the Senator from Idaho [Mr. GOODING] had the floor. I had not observed that the Senator from Iowa had taken the floor.

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

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Iowa yield to the Senator from Nevada?

Mr. BROOKHART. I yield.

Mr. PITTMAN. It is apparent that there is not a quorum in the Chamber, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The roll will be called.

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

Adams	Edge	Lodge	Sheppard
Ashurst	Fess	McKellar	Smith
Ball	Frazier	McKinley	Stanfield
Borah	Gooding	McNary	Sterling
Brandegee	Hale	Moses	Swanson
Brookhart	Harris	Neely	Trammell
Broussard	Harrison	Norris	Wadsworth
Bruce	Heflin	Oddie	Walsh, Mont.
Butler	Johnson, Calif.	Overman	Warren
Cameron	Johnson, Minn.	Phipps	Wheeler
Capper	Jones, Wash.	Pittman	Willis
Copeland	Kendrick	Ransdell	
Dial	Keyes	Reed, Mo.	
Dill	Ladd	Robinson	

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present.

Mr. BROOKHART. Mr. President, the proposed amendment has but one object, and that is to prevent a lower charge for a long haul than for a short haul over the same route and in the same direction. Since, under the law, rates must be compensatory, and since these low rates to points competitive with water transportation have been adjudicated to be compensatory, I assume, and shall discuss this proposition from the standpoint, that this amendment means a reduction of rates to intermediate points. It will not be of great value to the farmers unless it does mean a reduction of rates.

The first question to which I shall address myself is, who shall be benefited by this amendment, and who shall be injured, assuming that each, according to his personal interest, will be for it or against it?

I think, in the long run, when every phase of the matter is figured out and fully considered, that there will be nobody against it except those who believe in a monopoly of transportation. Perhaps there was a time when the city of St. Louis believed that the low rates put in by the railroads for the specific purpose of destroying the river traffic would be a good thing for that city. Perhaps some of them, seeing the temporary advantage, took that view; but after the river transportation was destroyed, and the boats had ceased to move, and traffic had practically ended on the river, and the rates were then raised, that sentiment changed.

I know from personal contact with the people of St. Louis recently that at this time they are entirely opposed to any scheme of rate-discrimination that will destroy river traffic; and any temporary advantage that might at one time, and did at one time, accrue to them from that policy of the railroads, is now long since past and gone.

The same argument will apply to the cities on the Atlantic seaboard. Transcontinental rates have been put in, and are proposed now to be put in, for the purpose of destroying the Panama Canal traffic in the same way that the river traffic was destroyed. There might result a temporary advantage to New York and to Norfolk and to Charleston and some of the other cities on the Atlantic seaboard, and to some extent a corresponding benefit to the Pacific seaboard cities; but as soon as the railroads have accomplished their purpose of monopoly in transcontinental traffic and have again raised the rates to those points the temporary advantage will be not only quickly lost but quickly outbalanced by the disadvantages that result from this monopoly.

I therefore assume that each Senator will consider this question in its full aspect; that each Senator will figure it out not as a temporary matter for a local result but as a permanent matter for its national result. Upon that basis I think that every city and every State should favor this equalization of railroad rates, and that every citizen should favor it, unless it be that small group of citizens that are interested in a railroad monopoly of transportation.

A recent report of the Director General of Railroads said that there were some 768,000 people in the United States who owned railroad stocks. If that be true, that is less than three-quarters of 1 per cent of our people who have any direct interest in this railroad monopoly, and many of those in that membership would be loyal to the public interest against any little benefit that might result to them personally.

With this general idea in view and upon the theory that this amendment will reduce the intermediate rates, and that it ought to reduce the intermediate rates, I shall proceed to a discussion of this question. I want to point out some of the larger facts which indicate that not only these rates but all railroad rates ought to be reduced. I want to discuss the big proposition as well as to the specific question relating to the long-and-short-haul proposition.

In the first place, I assert that the railroads can and should reduce their rates because their valuation is not now and never has been the $19,000,000,000 that has been fixed by the Interstate Commerce Commission. I want to present a theory of valuation which I think deserves the serious consideration of the Congress of the United States, especially at this time, when agricultural values have been so completely broken down.

These 768,000 people who own the railroads of the United States do not own locomotives. They do not own ties. They do not own steel rails. They do not own coaches. They do not own freight cars. They do not own terminal stations, either freight or passenger. What those people own are certificates of stock; and the only other people in the United States who have a direct interest in the ownership of railroads are the bondholders, and of course they own bonds. These certificates of stock are the property of these people, and they have a value; and I want to say, and put it of record, that the value of those stocks and bonds, the actual properties owned by these people, on any market that has ever been created in the United States, never has exceeded $12,000,000,000; it does not now exceed $12,000,000,000; and I insist that that market value of these securities is the maximum value upon which they are entitled to a return.

I have some authorities upon this question that I desire to present in the record of the Senate. I have here American Railroads of date March 13, 1922. This is a bulletin published by the authority of the Association of Railway Executives, 61 Broadway, New York. This publication, on the date I have mentioned, printed a speech of Mr. C. W. Barron before the Economic Club upon this question of railroad transportation.

Mr. Barron is the owner of the Wall Street Journal, and in that speech Mr. Barron said:

> The railroads of the United States, as you know, have been capitalized at $20,000,000,000. They could not be duplicated for $30,000,000,000. They are selling for $12,000,000,000.

Which means, and which is true, that upon the markets you could buy all the stock and all the bonds representing all the value of all the railroads in all the United States at $12,000,000,000, and the people owning those stocks and bonds would get every cent of value they had in their ownership, and more than they ever actually invested in those stocks and bonds.

In the next place, I wish to quote from Mr. Theodore H. Price, the editor of Finance and Commerce, speaking before the Retail Lumber Dealers' Association of Nebraska, at Omaha, on February 15, 1923. In discussing this question Mr. Price said:

> Taking up the capital investment first, it may not be generally known that, although the Interstate Commerce Commission has accepted a valuation of $18,900,000,000 for the railroad properties of the country, in construing the provisions of the Esch-Cummins bill the aggregate market value of all the railroad stocks and bonds outstanding is rather less than $12,000,000,000.

These statements are from as high and well-informed financial authority as we have in this country. I myself have made a partial check of this situation. I checked the values of the stocks and bonds of 35 roads, and, taking the market value and the percentage, it is my judgment, too, that this estimate of $12,000,000,000 for the total value of all these properties is high enough.

Is it an unsound theory that we should take that value as a basis of the return upon the railroads? If we do take that value, it means that $7,000,000,000 of water was legalized under the provisions of the transportation act, and that we must pay a return upon that $7,000,000,000 now of 5½ per cent.

Up jumps some financier and says, "It is unsound to take those as a basis of value." If it is unsound, it is for this reason—that it is too high—and that the stock and bond markets have been manipulated. This is the maximum value, then, that would be sound from the standpoint of the people of the United States.

Surely the owners of the railroads can not complain about the market value of their securities as a test for fixing the real valuation of the railroads. They themselves have created

that market. They buy and sell those stocks and those bonds upon the market. Therefore they have no argument and no reason for not accepting this as a sound basis of value.

At times that market has been manipulated. At times stocks have been advanced far beyond their value by speculation. Bonds have also been advanced far beyond their value, because I find that the bonds of these railroads are watered as well as stocks. While that is true, and while it would not do for us to take some particular road of which the stock values have been manipulated by speculation and use that as a test, still, as a matter of fact, it has only been a small percentage of this whole volume of stock that has been manipulated at any one time.

That small percentage does not change the grand total of twelve billion very much, and throughout the entire history of the railroads stocks and bonds have, in fact, in their market value been nearer to the actual value of the properties than any other index.

It is said that you can not use that as a test. It is said that a lot of other elements must be considered, and it is also true that the Supreme Court of the United States, in the old, original case of Smyth *v.* Ames, laid down a rule including several other elements of value. I think it might be well at this time to refresh the record with the doctrine laid down by the Supreme Court in that leading case. I will read a portion of the opinion of the court, as follows:

> It can not, therefore, be admitted that a railroad corporation maintaining a highway under the authority of the State may fix its rates with a view solely to its own interests, and ignore the rights of the public. But the rights of the public would be ignored if rates for the transportation of persons or property on a railroad are exacted without reference to the fair value of the property used for the public or the fair value of the services rendered, but in order simply that the corporation may meet operating expenses, pay the interest on its obligations, and declare a dividend to stockholders.
>
> If a railroad corporation has bonded its property for an amount that exceeds its fair value, or if its capitalization is largely fictitious, it may not impose upon the public the burden of such increased rates as may be required for the purpose of realizing profits upon such excessive valuation or fictitious capitalization; and the apparent value of the property and franchises used by the corporation, as represented by its stocks, bonds, and obligations, is not alone to be considered when determining the rates that may be reasonably charged. What was said in Covington & L. Turnpike Co. *v.* Sandford, 164 U. S. 578, 596, 597 (41: 560, 566, 567), is pertinent to the question under consideration. It was there observed:
>
> > "It can not be said that a corporation is entitled, as of right, and without reference to the interests of the public, to realize a given per cent upon its capital stock. When the question arises whether the legislature has exceeded its constitutional power in prescribing rates to be charged by a corporation controlling a public highway, stockholders are not the only persons whose rights or interests are to be considered. The rights of the public are not to be ignored. It is alleged here that the rates prescribed are unreasonable and unjust to the company and its stockholders. But that involves an inquiry as to what is reasonable and just for the public. * * * The public can not properly be subjected to unreasonable rates in order simply that stockholders may earn dividends. The legislature has the authority, in every case where its power has not been restrained by contract, to proceed upon the ground that the public may not rightfully be required to submit to unreasonable executions for the use of a public highway established and maintained under legislative authority."

There is much more general discussion to the same effect, but I will find a part of the opinion, if I may, which points out the specific things which are considered in making up a reasonable rate. I read:

> We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanction must be the fair value of the property being used by it for the convenience of the public. And, in order to ascertain that value, the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses, are all matters for consideration, and are to be given such weight as may be just and right in each case. (U. S. Supreme Court Repts., 167–170, Smyth *v.* Ames, marginal pp. 545, 546, 547.)

Those are the specific elements of the reasonable rate as it must be considered and established by the Interstate Commerce Commission when it is regulating rates for railroads operated by private corporations.

In that method of establishing rates is included the value of the stocks and bonds. However, that is only one of the elements, and these other elements are considered in determining this rate.

Now, however, there is a different theory or policy which I desire to present in connection with this question of valuation. If this valuation can be reduced by $7,000,000,000 legally and rightfully, it is easy to see that not only these intermediate rates but the whole rate structure can be reduced, and this is the proposition.

I think everybody who has studied the railroad question has reached this conclusion, that there must be a combination of these roads into systems, which will end a large part of the competition, especially of the petty competition, which exists at this time. Personally I do not believe in the theory of competition in transportation at all. I believe it is vicious and always works to the disadvantage of the public.

If it be true that these roads should be combined into systems, then the Congress has the right to combine them by condemnation of the stocks and the bonds. If the Interstate Commerce Commission, in fixing this $18,900,000,000 value, has correctly interpreted the law as laid down in Smyth against Ames, then we have two ways of doing it—one by accepting a value of that kind, the other by proceeding directly against the value of the stocks and the bonds.

We do not need to proceed against the bonds; they can be paid when they become due, and there is no necessity of their condemnation; but if we proceed against the stocks, we will take them at their fair market value, which will reduce the whole value of these roads to less than $12,000,000,000. Every owner of stocks in the United States would get every dollar that his property is worth.

I have seen the railroads come through my State. I have seen them take farms for use in railroad construction. They took those farms at their fair market value, and that was all there was to it. The same rule should apply when we must unite the roads into systems to bring about further economy in the transportation system of the people of the United States. If we follow that rule, then we could adopt the amendment and could reduce all the intermediate rates until they fall below the terminal rates which have been established by the exceptions under the law.

I desire to place in the RECORD the holding of the Supreme Court upon the question of the right to condemn stocks and bonds. That has been decided without dissent by a unanimous decision of the Supreme Court. The case is reported in Two hundred and third United States Supreme Court Reports, at page 231, Charles K. Offield, plaintiff in error, *v.* New York, New Haven & Hartford Railroad Co., defendant in error. I shall not take the time to read the opinion, although it is not long. It is by Mr. Justice McKenna. I will read only the latter part of it, as follows:

> (1) The power of the State to declare uses of property to be public has lately been decided in Clark *v.* Nash (198 U. S. 361; 49 L. ed. 1085; 25 Sup. Ct. Rep. 676) and in the case of Strickley *v.* Highland Boy Gold Mining Co. (200 U. S. 527; 50 L. ed. 581; 26 Sup. Ct. Rep. 301). These cases exhibit more striking examples of the power of a State than the case at bar. In the first case the statute of the State permitted an individual to enlarge the ditch of another to obtain water for his own land; in the second case the statute authorized the condemnation of a right of way to transport ore from a mine to a railroad station. In the first case it was said that the public policy of the State, declaring the character of use of property, depends upon the facts surrounding the subject. In the second case it was said, commenting on the first, "it proved that there might be exceptional times and places in which the very foundations of public welfare could not be laid without requiring concessions from individuals to each other upon due compensation, which, under other circumstances, would be left wholly to voluntary consent."
>
> The case at bar does not need the support of such broad principles. The ultimate purpose of defendant in error in the case at bar is the improvement of the New Haven & Derby Railroad, which "connects (we quote from the opinion of the supreme court of errors, 77 Conn. 419, 59 Atl. 511) at New Haven on the east with four, and at its western terminals with two, important railroad lines owned by the plaintiff (defendant in error) and forms a link in an all-rail route between Boston and the West, which is the only one controlled by the plaintiff, and the only one of any kind controlled by it over which goods can be transported with assured dispatch in all weathers and at all seasons." In this purpose the public has an interest, and to accomplish it the court applied the statute. The court observed: "To

develop this route so as best to serve the public interest requires the laying of additional tracks on the New Haven & Derby Railroad and other extensive and very costly improvements. The lessor company has neither means nor credit whereby this can be effected on advantageous terms. The plaintiff could and will effect it, and at much less cost, if it can acquire the two outstanding shares of the stock of the lessee. They are owned by the defendant, who refuses to agree on terms of purchase."

(2) The contract which it is contended was impaired is the lease of the New Haven & Derby Railroad by defendant in error. The lease is for a period of 99 years from July 1, 1892, at a rental of 4 per cent per annum upon the capital stock, together with the payment of taxes, assessments, and interest upon the funded debt. Associated with this contention there is another, more general, to the effect that the statute impairs the contract rights of plaintiff in error as a stockholder of the New Haven & Derby Railroad Co. We do not find it necessary to give precise and separate discussion to these contentions. They seem to us to be but parts or incidents of the contention that the stock is sought for a private use. If they are not incidents of that, they are answered and opposed by the case of Long Island Water Supply Co. *v.* Brooklyn (166 U. S. 685, 41 L. ed. 1165, 17 Sup. Ct. Rep. 718). Whatever value the lease gives the shares of stock will be represented in their appraisement.

Therefore, the court not only holds for the power of condemning stocks, but leases or any other form of contract that would interfere with the public interest in this kind of a case. Under that situation the Congress of the United States is now at this point. Shall we consolidate the railroads into systems under a valuation that will place them at about $20,000,000,000, thereby taking into that value all sorts of theories, estimates, and calculations which are not based upon actual investment or upon facts, but based upon the opinions of experts who have opinions without limit; or shall we base that value upon the stocks owned by 768,000 people in the United States and pay them directly what their stocks are worth? If we do that thing, we squeeze $7,000,000,000 of water out of the valuation, and we end the return that must be paid forever upon that valuation. By doing that we would be able not only to adopt this amendment and to reduce the intermediate rates that are higher than the rates in competition with water transportation, but we would be able to reduce the whole rate structure of the United States. We would do no damage and no wrong to any owner of any interest or any right in any railroad whatsoever. We would do exactly what we have done in every condemnation proceeding in all the States and in all the United States for that matter.

The next proposition I desire to discuss is this: If the value be established at $12,000,000,000, what is a reasonable return upon it? I assert that 5¾ per cent is an unreasonable return. It is unreasonably high, and I have some facts and a theory which I desire to present to the Senate which would reduce that return under any fair conditions to something like 3½ or 4 per cent. I base my theory upon the average increase of wealth in the United States, as a result of all labor in the United States, as a result of all earnings of capital in the United States, and as a result of all unearned increment in the United States added together.

The percentage that would represent all of those things would be the maximum that any stabilized capital ought to earn. It is more than the maximum that any stabilized capital should earn, because capital is not entitled to all that the people of the United States can produce. There should be some sort of division when we come to figure the total earnings. I think the theories of figuring out a reasonable return have been based upon the unreasonable returns that have been taken by the power of monopoly in institutions like the Steel Trust and the Oil Trust and the Henry Ford trust and those great combinations that have ruled the matter of profits in our country.

On this question I desire to present to the Senate a recent bulletin of the Department of Commerce, which gives the values of all property in the United States for the years 1912 and 1922. It also goes back to the years 1904, 1900, and previous years. In 1912 the total value of all property in the United States was $186,209,664,000. From those figures, in the next 10 years the value increased to $320,803,862,000. I took the first figures and figured them at 5 per cent, compounding or adding in the interest at the end of each year, because the 5 per cent, if that be the rate, would be added each year. When I got through I found that 5 per cent almost represented the entire advance. A slight fraction over 5 per cent is all the wealth increase that all the people and all the capital and all the property advance in the United States are able to produce in a period of 10 years.

Mr. NORRIS. Mr. President, will the Senator give that 10-year period again? I have forgotten the date.

Mr. BROOKHART. From 1912 to 1922. If Senators desire to figure other periods, I will give the figures for 1904 and 1900 because the rate does not change very materially over any of the periods. The figures for 1904 are $107,104,194,000 and for 1900 the figures are $88,517,307,000.

Mr. NORRIS. That is a period of only four years.

Mr. BROOKHART. Yes; but it only figures between 5 and 6 per cent anywhere along the line, as I recollect it.

This is a great economic fact that has received but little consideration in framing the laws that should govern our economic institutions in the United States. Profits are allowed to run wild, and the profits that go highest and wildest are those that are controlled by business that is the most stable. Stable business certainly has no right to a profit above the average earnings of all the people and of all properties. There may be some other lines of business that are a greater risk that would be entitled to some consideration upon that theory, but the whole proposition is that all of the earnings of the people are entitled to more weight in figuring up a reasonable return than is any other consideration.

Mr. NORRIS. Mr. President, may I ask the Senator from Iowa a question?

Mr. BROOKHART. Yes.

Mr. NORRIS. In the totals which he is stating, does he include the so-called "unearned increment"?

Mr. BROOKHART. Absolutely; and that ought not to be included in a railroad valuation. I will discuss that in a moment.

Furthermore, while these figures show only a 5 per cent increase in property in all the United States year by year, here is the comment of the Secretary of Commerce upon these figures:

> It should be borne in mind that the increases in money value are, to a large extent, due to the rise in prices which has taken place in recent years, and so far as that is the case they do not represent corresponding increases in the quantity of wealth.

Therefore, the actual wealth or property increases have probably been much less than the 5 per cent which is figured out in this case.

Under that situation, what is a fair return upon a railroad property, which is one of the best stabilized properties now in the United States under the present transportation act? It is stabilized by a command in the law directing the Interstate Commerce Commission to levy rates upon the people of the United States high enough to yield the railroads a return of 5¾ per cent on their adjudged value. Five and three-fourths per cent is an unreasonable return upon their property. There are $10,000,000,000 of bonds now in that valuation that are only yielding about 4½ per cent; and nobody has ever explained to me or given to me a reason why there should be an extra return of $150,000,000, a bonus, as it were, upon that bonded portion of this capital.

What about the "unearned increment"? Should it be added to railroad valuation in any case? It is said that a farmer has a right to the advance in the value of his farm, and, therefore, it is asked, why should not a railroad have the right to the advance in the value of its property; but is that a fair comparison? What is the difference in the comparison? The farmer has no law and no board that fixes prices for his products high enough so that he can collect operating expenses, all taxes, and all depreciation, and then have a return of 5¾ per cent in addition upon the full value of his farm, and 50 per cent of water added.

There is no such law surrounding any business except the business of the public utility, but the public utility has that law, as decided in the Smyth-Ames case, which I have just read. Even before the enactment of the transportation act the public utility had the right under the common law and under the Constitution to a reasonable return, which was, in effect, a guaranteed return. It had the right to levy rates high enough to yield such a return and to compel the public to pay those rates. Since the farmer and other business have no such law and no such right, there is a different situation as to "unearned increment" presented when it relates to public utilities and when it relates to private business.

I maintain that the public utility has no right to a law that will give it a guaranteed return; then, in addition, charge up and add to its capitalization a speculative increase in the value of its property; and then charge the public which created that increase rates high enough to get a return upon that speculative value. So far as railroads are concerned, there is no jus-

tice in the capitalization of "unearned increment." Perhaps we can not correct what has happened in the past, though to some extent we can by the condemnation of the stocks and bonds; but two or three billion dollars' worth of those stocks and bonds would have no value in them at all to-day had not the "unearned increment" in the real-estate values grown up under them and given them a value.

Some say if this method of condemning the stocks and bonds were adopted it would mean Government ownership of the railroads. What if it did? Government operation during the war was a good deal cheaper than the operation which followed after the railroads were turned back. The McAdoo management of the railroads, which I have always condemned, was nearly a billion and a half dollars cheaper than the private management which immediately followed it. I desire to put the figures in the RECORD at this point. I quote from Statistics of Railways for the year 1919, which was the last year of Government operation of the railroads and within two months of the end of Government operation. I find on page 50 of that report that the total operating expense of all three classes of roads for that year was $4,569,029,750. Two months later the roads were turned back to the so-called efficient private ownership, and for the next 10 months of that year they were operated under private ownership. What happened to the operating expenses in that time? Did they decrease under the efficiency of private ownership? Did it cost the people of the United States less to operate the roads? Here we have a comparison for two years, the best two years for the purpose of comparison in the history of the railroads, for during those two years traffic and other conditions were more nearly equal than in almost any other two years that can be mentioned. How much were the operating expenses reduced under the so-called efficiency of private management? Here are the figures. The Statistics of Railways for the year 1920, to December 31 of that year, on page 43, show that the total operating expenses for that year were $6,054,933,684. Senators can subtract those two amounts for themselves and see that, instead of the operating expenses decreasing under this efficient private management, they increased $1,485,000,000.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. BROOKHART. Yes.

Mr. NORRIS. I was called out of the Chamber for a moment and I lost to some extent the connection, but, as I gather, the last figures the Senator has quoted represent the operating expenses under private management for only 10 months?

Mr. BROOKHART. Yes; for only 10 months.

Mr. NORRIS. While the other figures the Senator read just previously as to operation under Government control represented 10 or 12 months?

Mr. BROOKHART. Twelve months. The figures I have given were for the whole 12 months in each case, but 2 months of the 12 in the last figures were under Government operation, being the months of January and February. If the roads had been in private management throughout the whole period of the 12 months the showing would have been worse.

During 6 months of those 10 there was a Government guaranty, which was paid out of the Treasury of the United States. The law guaranteed the roads this return during that time. I asked the Interstate Commerce Commission for a statement of how much was paid out to make up these expenses, and I have the statement here, dated May 12, 1924. The total is $505,857,512.70, and it is estimated that the balance due under the section is $30,142,487.30. Those two items added together make exactly $536,000,000, representing funds paid to the railroads by the Government of the United States. Yet when the Agricultural Committee tries to obtain a little appropriation of $200,000,000 to assist agriculture in its present distressed condition, those who advocate that plan are denounced as an outfit of socialists and anarchists and bolshevists. No one denounced in those terms the men who advocated taking $536,000,000 out of the Treasury of the United States to guarantee to the railroads a return of 6 per cent upon a fictitious valuation, $7,000,000,000 of which was watered.

That is not all the Government has done for the railroads. While we are upon the question of paternalism I wish to point out that paternalism and socialism and anarchism and all the other isms which the representatives of the farmers and the common people are accused of advocating are very reasonable things when they are advocated by a lot of Wall Street anarchists.

In addition to the cash amount paid to the railroads under the law the Interstate Commerce Commission was authorized to take out of the Treasury $350,600,657 of loans to the railroads. These gigantic amounts of Government aid have been granted to the railroads at different times, although their total real valuation is only $12,000,000,000. In addition to that there is held uncertified nearly $100,000,000 more for the purpose of such loans. The secretary of the commission gives me the figures as $97,335,425.

Mr. NORRIS. What is that item, I should like to ask the Senator? I wish he would explain that item.

Mr. BROOKHART. That is loans under the revolving fund. It is headed:

> The following statement shows, as of April 30, the status of the revolving fund of $300,000,000 created by section 210 of the transportation act.

So right now we have that system of paternalism in operation to take care of the railroads and to protect the profits of the owners of railroad stocks—not only three-quarters of 1 per cent above the average earnings of all the people of the United States and of all the property of the country, but upon a valuation that is $7,000,000,000 or $8,000,000,000 higher than you could purchase the property for right now in the markets of the United States.

That is not quite all that we have done under our system for transportation in our history. I want to mention at least one other matter of paternalism that has been done by the Government for the railroads of the United States, and that is the land grants to the railroads.

I notice that this document went out of print suddenly. I had a hard time to find it, but I finally got a copy of it. It was printed first in 1915. It is entitled:

> Statement showing land grants made by Congress to aid in the construction of railroads, wagon roads, and so forth, together with data relative thereto.

It was prepared by the Department of the Interior, by A. A. JONES, First Assistant Secretary.

Mr. WARREN. That is the senior Senator from New Mexico.

Mr. BROOKHART. Our Senator JONES?

Mr. NORRIS. Yes; that is our Senator JONES.

Mr. BROOKHART. Then there is not any doubt but that it is right.

Mr. NORRIS. At least, nobody here would dare dispute it.

Mr. BROOKHART. No.

Then what do we find? We find that there has been given to the railroads in land grants 158,293,376.84 acres. That is more than 4½ times the size of the State of Iowa; and one-fifth of the State of Iowa was given away in those grants.

The present value of that land is far more than the total value of all the railroads in the United States, and at the value at which they held it then it was more than the amount of money that they put into the railroads of the United States.

I was up in New York not long ago. I was talking to a crowd of those financiers who juggle the railroads for their own private profit, and after I had finished talking there was a series of questions. One of those chaps stood up and said to me: "You are unfair to the railroads." He said: "I was out in your State when land was worth $5 an acre."

Mr. WARREN. I was there when it was worth $2.50 an acre.

Mr. BROOKHART. He said: "We built a railroad along beside that land, and it became worth $150 an acre." Then I said to him, "Yes; Iowa is the best agricultural spot in this big, round world. It produces one-tenth of all the foodstuffs in all the United States. There is not another spot of ground on this earth as large as Iowa, as near square as Iowa, with as little waste land and as rich soil and as great production as the State of Iowa; and we gave one-fifth of that princely domain to the railroads. Not only that, but we voted taxes upon towns and upon townships, and we voted bonds on counties, and we built those roads, and after we built them you owned them back here in New York."

In spite of all that the Government and the people of the United States have done for transportation——

Mr. NORRIS. Mr. President, may I interrupt the Senator before he leaves the subject of giving lands to the railroads?

Mr. BROOKHART. I yield.

Mr. NORRIS. Does this document to which the Senator has referred give the number of acres by States and localities?

Mr. BROOKHART. It does by railroads and in detail as the grants are made.

Mr. NORRIS. I do not want to interfere with the outline of the Senator's remarks, but I think it would be interesting if he would give us some of those details. For instance, how much land was given to the Union Pacific, and how much of that was in the State of Nebraska, and how much in Colorado?

Mr. BROOKHART. I doubt whether it is divided by States, because the grants, I think, were not made by States.

As to the main line of the Union Pacific, I find this:

STATEMENT SHOWING LAND GRANTS MADE BY CONGRESS TO AID IN THE CONSTRUCTION OF RAILROADS, WAGON ROADS, CANALS, AND INTERNAL IMPROVEMENTS, TOGETHER WITH DATA RELATIVE THERETO, COMPILED FROM THE RECORDS OF THE GENERAL LAND OFFICE.

Chronological No. 41:

Date of grant.—July 1, 1862 (12 Stat. p. 489).

Route of road.—From a point on the one hundredth meridian of longitude west from Greenwich, between the south margin of the valley of the Republican River and the north margin of the valley of the Platte River, in the Territory of Nebraska, to the western boundary of Nevada Territory; also from a point on western boundary of Iowa to the one hundredth meridian aforesaid.

Extent of grant in place.—Odd sections within 10 miles on each side of road.

Extent of indemnity limits.—No indemnity.

Grantee.—Union Pacific Railroad Co.

Subdivisions of grant and present owners.—No subdivision. Union Pacific Railroad Co.

Additional legislation affecting but not increasing grant—

July 3, 1866 (14 Stat. p. 79). Authorized company to locate and construct its road from Omaha westward by the best and most practicable route without reference to the initial point on the one hundredth meridian previously provided by law.

July 26, 1866 (14 Stat. p. 367). Grants right of way through military reservation and authorizes the President to set apart lands for depot purposes.

April 10, 1869 (16 Stat. p. 56). Provides for the protection of the interests of the United States in the Union Pacific Railroad Co. for a common terminus of the Union Pacific and Central Pacific roads at or near Ogden.

May 6, 1870 (16 Stat. p. 21). Fixes the point of junction of the Union Pacific and Central Pacific Railroad Cos.

June 20, 1874 (18 Stat. p. 111). Amends section 15, act of July 2, 1864, and provides for a penalty for a refusal of the company or any officer or agent thereof to use and operate the Pacific railroads as a continuous line and a mode of enforcing said penalty.

May 7, 1878 (20 Stat. p. 56). Provides for a sinking fund, etc.

June 24, 1912 (37 Stat. p. 138). Legalizing conveyances of rights of way.

Date of definite location—

First 100 miles west of Omaha, October 24, 1864. Date of withdrawal: December 16, 1863; December 22, 1863; December 16, 1864; and December 19, 1864.

First 100 miles west of Omaha, November 4, 1864.

One hundred miles west of Omaha to Salt Lake, June 25, 1865. Date of withdrawal: December 18, 1867, and December 28, 1867.

Second 100 miles west of Omaha, January 19, 1866. Date of withdrawal: February 6, 1866.

Second 100 miles west of Omaha, June 29, 1866. Date of withdrawal: August 21, 1866.

Third 100 miles west of Omaha, July 23, 1866. Date of withdrawal: None.

Third 100 miles west of Omaha, March 30, 1867. Date of withdrawal: June 26, 1867, and April 21, 1871.

Fourth 100 miles west of Omaha, March 14, 1867. Date of withdrawal: June 26, 1867.

Fourth 100 miles west of Omaha, January 6, 1868. Date of withdrawal: November 6, 1869; December 21, 1870; April 21, 1871; and November 8, 1873.

Fifth 100 miles west of Omaha, January 6, 1868. Date of withdrawal: November 6, 1869; December 21, 1870; November 8, 1873; August 9, 1870; April 17, 1871; and May 11, 1872.

Sixth 100 miles west of Omaha, January 6, 1868. Date of withdrawal: November 6, 1879; November 8, 1873; August 9, 1870; April 17, 1871; and May 11, 1872.

Seventh 100 miles west of Omaha, July 2, 1868. Date of withdrawal: August 9, 1870, and April 17, 1871.

Eighth 100 miles west of Omaha, October 21, 1868. Date of withdrawal: August 9, 1870, and April 17, 1871.

Ninth 100 miles west of Omaha, October 21, 1868. Date of withdrawal: August 9, 1870, and April 17, 1871.

Tenth 100 miles west of Omaha, April 28, 1869. Date of withdrawal: August 9, 1870; April 17, 1871; May 15, 1869; April 6, 1870; April 22, 1872; and October 16, 1873.

Eleventh 100 miles west of Omaha, April 28, 1869. Date of withdrawal: August 9, 1870; April 17, 1871; May 15, 1869; April 6, 1870; April 22, 1872; and October 16, 1873.

Date of restoration of indemnity lands—No right of indemnity.

Condition of grant—Not adjusted.

Estimated area of grant, in acres—12,119,671.63.

Number of acres certified or patented to June 30, 1914—11,933,776.09.

Length of road, in miles—1,038.68.

Miles of road completed within time prescribed—1,038.68.

Miles of road completed after time prescribed—None.

Miles of road uncompleted at date entire road should have been completed—None.

Miles of road uncompleted September 29, 1890—None.

Remarks—Extends from the Missouri River at Omaha, Nebr., to a junction with the Central Pacific Railroad in the northwest quarter of northeast quarter section 1, township 6 north, range 2 west, Utah, 5.11 miles north of the town of Ogden. See act of May 6, 1870. The Central Pacific Railroad Co., however, leases and operates the road between the point of junction and Ogden, 5.11 miles, the running connections being made at the latter point. Company received bonds for 1,038.68 miles.

Chronological No. 41a:

Date of grant—July 2, 1864 (13 Stat. p. 356).

Route of road—From a point on the one hundredth meridian of longitude west from Greenwich, between the south margin of the valley of the Republican River and the north margin of the valley of the Platte River, in the Territory of Nebraska, to the western boundary of Nevada Territory; also from a point on western boundary of Iowa to the one hundredth meridian aforesaid.

Extent of grant in place—Odd sections within 20 miles on each side of road.

Extent of indemnity limits—No indemnity.

Grantee—Union Pacific Railroad Co.

And here is the total:

Estimated area of grant in acres, 12,119,671.63.

Number of acres certified or patented to June 30, 1914, 11,993,776.09.

I will say to the Senator that I have some recent information, which I have not yet checked, that the Union Pacific now owns, as a result of that grant, lands and natural resources that are worth more than its road, and is carrying them on its books at the original valuation to avoid taxation.

Mr. President, I think there has been no economic policy in the history of the world that has gone so far from the rights of the people as our economic policy with reference to transportation. It has been said that this system gave us railroads speedily, and a speedy development of the country. I deny that conclusion. I want to say that this system has retarded the development of the country just exactly as the cost-plus contracts retarded the building of the cantonments during the war. If we had gone about this matter in a proper way and handled it in the interest of the public, instead of turning it over into the hands of a few great financiers who were reaching out for their own personal profit, the results would have been speedy, and they would have been much better for the development of the whole country, and in addition this discrimination in rates, at which the amendment under consideration strikes, never would have been developed.

It has been said that this system of building our railroads gave us lower rates. I have read in newspapers hundreds of times that American freight rates were the lowest in the world.

I want to place the statement in the RECORD, and I stand ready to demonstrate it beyond possible denial that American freight rates have been the highest in the world for the same service.

A freight rate is made up of two elements. One is the terminal expense of loading and unloading. The other is the movement. In the United States that is divided about half and half. The terminal expense costs about as much as does the movement on the road. The average haul in the United States, as I find from consulting the 1921 table, was 304 miles. That is the longest average haul in the world, unless it be in Canada. Taking that longer haul and comparing it with the shorter hauls of other countries, they were able to get a per-ton-mile rate for the United States that was lower than in other countries. The average haul in Germany before the war was 68 miles, so that there was nearly five times as much terminal in the German haul as there was in the American haul, and yet by comparing them as though the service were the same they reached the conclusion that the American rate of about three-quarters of a cent per ton-mile was lower than the German rate of one and a quarter cents per ton-mile. Then I took their rules for figuring terminal expenses, and I figured out the terminal expense per ton in the United States, and I found that the terminal expense alone was more than the whole German rate, terminal move-

ment and all. So that under this sort of a juggling of figures we have proceeded under the theory that we have the best service and the best rates, when in fact we have no such thing. We were charged the highest rate, and in comparison our service was not equal, when the propositions were properly compared.

Most of this does not bear directly on the proposition in issue before the Senate at this time, but indirectly it has an important bearing, because we have reached the time when we must consider all of these questions with reference to the whole economic problem, and when we consider it in that way we must have all of the big facts upon which this economic situation is justly based. We must take into consideration the relative situation of agriculture and of other business and of transportation.

Agriculture is the greatest business in the United States. The property value of agriculture, under the 1920 census, was over $78,000,000,000. Since then the deflation has reduced it. It has gone down perhaps to $60,000,000,000, but while agriculture has been deflated the artificial value put upon the railroads continues. It has not been deflated one cent, and the added investments have been added to it, so that the present value exceeds the value at first fixed by the Interstate Commerce Commission.

The railroads have been sustained by this paternalistic law, which maintains their value for them whether times are good or bad. The value of the Steel Trust properties and of the Oil Trust properties have been maintained because the Government of the United States, through a paternalistic tariff, has permitted them to establish prices for their products which maintain their profits regardless of what may be the condition of agriculture or of other lines of business.

Mr. WADSWORTH. Is there a tariff on petroleum?

Mr. BROOKHART. I could not answer the Senator's question.

Mr. WADSWORTH. My attention was directed to the assertion of the Senator that the oil companies' values are sustained by a tariff.

Mr. NORRIS. The Steel Trust, he said.

Mr. WADSWORTH. The Senator referred to the oil companies.

Mr. BROOKHART. I may have included the oil companies, and there may be some tariff on some of the oil products. I think there is.

Mr. WADSWORTH. If so, I would like to have my attention called to it.

Mr. BROOKHART. At any rate, I know in some instances the combinations may not need a tariff. The situation as to location and everything else may be such that they can organize their combinations and levy their profits upon the people of the United States regardless of whether they are right or wrong.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Iowa yield to the Senator from Ohio?

Mr. BROOKHART. I yield.

Mr. FESS. Does not the tariff apply to farmers just as it does to the others?

Mr. BROOKHART. No; it does not apply to farmers, because the situation is different. The farmer is not enabled by the tariff to fix his price at Pittsburgh, plus freight, as the Steel Trust does, and he never has been able to.

Mr. FESS. How does the manufacturer fix his price through the tariff in any different way from what the farmer can fix his price with the same tariff in operation?

Mr. BROOKHART. Is the Senator familiar with the Steel Trust cost-plus system of fixing prices at Pittsburgh?

Mr. FESS. No; the Senator is not.

Mr. BROOKHART. I will tell him about it, then. When the Steel Trust wants to fix the price, it figures up what it will charge at Pittsburgh. It does not ask anybody what the price is in Liverpool, or in London, or in Hamburg, or any place else. It figures it out at Pittsburgh. For 15 years before the war the Steel Trust put a price on steel rails at $28 a ton. There was an $8 tariff on rails. If you bought rails at Gary, Ind., or Pueblo, Colo., or anywhere else, they added the freight from Pittsburgh to the point where those rails were made, although the rails were not shipped from Pittsburgh at all.

Mr. FESS. Will the Senator yield?

Mr. BROOKHART. That is the Pittsburgh plus theory. I yield.

Mr. FESS. What do the independent steel manufacturers do, those who handle a little more than 50 per cent of the steel production of the United States?

Mr. BROOKHART. They trail right along after the trust, and if they did not, they would be smashed. They do not dare do otherwise.

Mr. FESS. In other words, one fixes the price for all?

Mr. BROOKHART. Practically so. That is the practical result. I checked up those prices for five years on rails—and those rails are paid for largely by farmers in freight rates—and at the time I priced steel rails in Canada, at Winnipeg, they paid more than a thousand miles of freight and sold the rails at $20 a ton in Winnipeg. I checked the prices in Europe, and found that the manufacturers paid the freight across the ocean and sold the rails at $20 a ton.

Mr. NORRIS. May I interrupt the Senator there?

Mr. BROOKHART. Certainly.

Mr. NORRIS. The Pittsburgh plus system does not apply merely to rails. It applies to all steel products.

Mr. BROOKHART. That is true.

Mr. NORRIS. And that same system applies to building material. Just to illustrate, let us say that a manufacturer in Chicago sells rails to a builder in Omaha; the price of those rails includes the freight charge from Pittsburgh to Chicago, although as a matter of fact, they never saw Pittsburgh and never were east of Chicago. There is no question about that. It is a question as to which the Federal Trade Commission made complaint against the steel people, and issued an order against them, stating that it was an unfair practice. That is in court now, under an injunction pending against the Federal Trade Commission, to prohibit them with going on with the case.

Mr. BROOKHART. The tariff enabled them to do that. Without the tariff they could not have done that with steel.

Colonel Rumsey, of St. Louis, Mo., who is heavily interested in mining, told me that he bought his steel supplies for his mines in Mexico for prices 20 per cent lower, on an average, than he bought them in the United States, buying them from the same company.

Mr. FESS. Will the Senator yield there?

Mr. BROOKHART. I yield.

Mr. FESS. Was that steel of the same style, or of a different style, which is sold at a cheaper rate in the foreign market?

Mr. BROOKHART. It was the same thing in every respect.

Mr. NORRIS. It might have been a different style, but it was sold by the ton. If it was a lighter rail it did not cost so much, of course, but it was sold by the ton.

Mr. FESS. It is a very common thing for American manufacturers to sell a style abroad that is different from what we use here. For example, the locomotives that were supplied to Russia by our country were not the same locomotives we use here, and therefore they could be sold at lower prices.

Mr. BROOKHART. But the steel bars which Colonel Rumsey bought for his mines were the same as those he bought in this country, and described them to me as exactly the same articles. He said all kinds of such articles cost him in Mexico an average of 20 per cent less.

The farmer has no rights under the tariff. He has no possibility of doing those things. His price is fixed at Liverpool by the markets of the world; and I want to say right now that the protective system is on trial. I say that the farmers of the United States are going to have some arrangement so that their prices will be fixed at cost of production plus a reasonable profit, or something will happen to the tariff system in the United States.

Mr. FESS. Mr. President, does not the Senator believe that the price of a farm product, the same as the price of any other product is determined, not by the fixing of a price, but by the demand and the ability to meet the demand?

Mr. BROOKHART. I do not believe demand has anything to do with any protected industry's price in the United States, I believe it is fixed by the tariff and by combinations behind the tariff.

Mr. FESS. Then why does it not apply to the farmer?

Mr. BROOKHART. Because the farmer's price is fixed by the surplus which he must sell abroad.

Mr. FESS. Why is the manufacturer's price not fixed by the surplus?

Mr. BROOKHART. Because they do not care. The surplus is a small amount, and they have control of it. Our surplus is not under our control. It is under the control of certain trusts and exporters.

Mr. FESS. I fear the Senator's view is going to increase the surplus, and his remedy is going to be worse than the disease.

Mr. BROOKHART. There is always some economic theory by which you try to get around doing anything for the farmer if you can; but you are not going to get around it this year

and get away with it. Something is going to happen unless they get, not a promise of relief, but a law which will relieve the farmers in this situation.

Mr. FESS. I fear that if the Senator has his way something will happen to the farmers.

Mr. BROOKHART. Something has happened to them under the Senator's way of doing business down here, and that is bankruptcy. That is what the Senator's system has done for them.

Mr. FESS. Is the decrease in the production of wheat from 9 bushels per acre to 6 bushels per acre in the Northwest due to the tariff, or due to the Government, or due to anything we do here?

Mr. BROOKHART. It is due to several different things. It has nothing to do with the point we are discussing.

Mr. FESS. I think it has very much to do with it. We are talking about inadequate freight rates.

Mr. BROOKHART. The Senator is in favor of the protective tariff for industrial enterprises in the United States, is he not?

Mr. FESS. I am in favor of the protective tariff to the degree of making up the difference in the cost of labor here and in the country with which we compete.

Mr. BROOKHART. The Senator always puts it on the basis of labor, and takes it on the basis of profit. Is that right?

Mr. FESS. The profit goes to labor; certainly.

Mr. BROOKHART. The profit as I figure it out does not go to labor.

Mr. FESS. The Senator figures it out wrong.

Mr. BROOKHART. Let me give the Senator the figures. I have the figures on profits.

Mr. FESS. Suppose we had no tariff upon an article which is imported from Germany to-day; with Germany working at the inflated price of the mark for about one-fifteenth of what our American workmen work for, what would be the effect?

Mr. BROOKHART. The effect would be that the Germans would destroy our industrial institutions.

Mr. FESS. Precisely; that is right.

Mr. BROOKHART. I have been a protectionist all my life, but I have not been a protectionist for the Steel Trust as a specialty. I am not a protectionist on the theory that we will protect a few and let the many suffer, and that is the situation in which we find ourselves now.

Mr. FESS. The Senator and I agree on that, that we are not protectionists for any special interest. The Steel Trust, as a matter of fact, has less protection than most of the industries of the country. In fact, the tariff has been reduced on steel products for the last 30 years, as the Senator knows.

Mr. BROOKHART. Yes; but it was too high at the beginning and too high at the end.

Mr. FESS. The Senator would say that the oil industry is one of the greatest trusts. There is no tariff upon oil.

Mr. BROOKHART. On oil products?

Mr. FESS. Some products——

Mr. BROOKHART. I thought so.

Mr. FESS. As to some products in which labor is involved, there is a tariff to protect labor.

Mr. BROOKHART. We will see about labor in a moment.

Mr. NORRIS. Mr. President, the theory of the protective tariff does not imply that some industries ought to have any tariff at all. The thorough protectionist, as I conceive him to be, believes that articles which we can manufacture better and cheaper than they can be made anywhere else on earth ought to be on the free list. A protectionist does not necessarily demand a tariff on everything. Where we are producing and exporting an article to the balance of the world, and selling it in competition with the balance of the world, no protectionist would ask that a tariff be placed on such an article, no matter what it might be.

Mr. FESS. Mr. President, does the Senator say that we would need to have protection on an article that could be produced to the point of exporting it?

Mr. NORRIS. I thought I made myself clear. It is true there might be an instance here and there where temporarily we would export, even in cases where we ought to have a tariff. I concede that; but I am speaking now of a general rule——

Mr. FESS. I agree with the Senator——

Mr. NORRIS. A general proposition. As I conceive protection, we ought to have no tariff on things in which we can under ordinary, reasonable, fair conditions compete with the entire world, and which we can send all over the world and sell all over the world.

Mr. FESS. Not if we can do it without the protection; but if we have an industry like the refining of sugar, for instance, as to which under proper protection we could ultimately become an exporting country, the tariff should not be taken off because we have reached the point where we can export, because as soon as we did that the competition with the old country would put us back where we were before, unless we reduced the recompense of our labor.

Mr. NORRIS. I think there is a good deal in what the Senator said, but, again, the protectionist does not believe in putting a tariff on things that we can not produce here unless he does it purely for revenue—for instance, on coffee. We would agree on that.

Mr. FESS. Yes.

Mr. NORRIS. There might be articles—and sugar might be one of them—where there would be an honest disagreement as to whether we were prepared and qualified to produce them to the limit of our consumption. The Senator has given an instance where I think there might be an honest disagreement. If we can produce the sugar and do not have to make the tariff too high to do it, and can develop it, we ought to do it. We could produce bananas in this country if we made the tariff high enough and grew them in glass houses, but no protectionist would stand for a scheme of that kind. Under ordinary natural conditions can we do it?

Mr. FESS. I used the sugar illustration because a former Secretary of Agriculture said we had 278,000,000 acres of ground in this country that is sugar land, and I presume with that acreage we could produce all the sugar we need and supply a good portion of the world demand. I think the Senator from Nebraska and I are agreed on the fundamental statement of the principle that he mentioned a moment ago.

Mr. BROOKHART. But I am not agreed to the proposition that we are entitled to set up a protective tariff system that will enable any line of capital in the United States to earn more in the way of dividends and profits than the people of the United States can produce. That is the basis from which I start. I pointed out—I do not know whether the Senator from Ohio was present or not—that 5 per cent a year in the last 10 years represented all the wealth increase of all the brains and all the muscle and all the capital and all the everything else that contributes to property increase.

Mr. FESS. I do not think I agree with the Senator.

Mr. BROOKHART. I think we have gone wild in having a corporation system that has enabled them to levy and to charge profits upon us, charging them as a tax, a tax without representation, just as surely as was the tax on tea that sent us into the Revolutionary War.

Mr. FESS. Does the Senator mean we ought not to stimulate, through a protective tariff, an industry to the point where we go beyond supplying our own needs and can supply other portions of the world?

Mr. BROOKHART. I do not mean any such thing, but I mean that the profits on that business should not be turned to a few men at a rate in excess of what the people of the country can produce in profits. That is special privilege. I want to say to you that if all the increase from all the wealth and all the unearned increment only amounts to 5 per cent a year, then capital is not entitled to 5 per cent. When the banks charge 7 and 8 and 10 per cent upon money loaned they are not entitled to charge it. They are taking more than they are entitled to in this economic situation. When the Steel Trust and the Oil Trust and these other fellows who are combined in the trusts of the country take these gigantic profits and these enormous stock dividends which they are taking, and to which they are not entitled, they are taking them out of the sweat and labor of the farmers and the common people of the United States. When the railroads under this law are able to charge 5½ per cent upon a valuation, and that valuation has $7,000,000,000 of water in it over and above what we could buy all the stocks and all the bonds for, representing all the value at this moment, then I say to you that such an economic situation can not continue. That is what is the matter in the country.

Mr. FESS. Oh, the Senator does not mean that all the stocks that are issued in an industry are to measure all the value of that industry, does he?

Mr. BROOKHART. No; I certainly do not, nor in the case of the railroads.

Mr. FESS. In other words, the stocks and bonds of the railroads do not represent what the railroads are worth. Does the Senator mean that?

Mr. BROOKHART. If the Senator had been in the Chamber during my discussion of the matter, he would have found out what I mean. No; I do not mean that. I said the stocks represented mostly water and they do not represent value at all. I referred to the total value of the railroads. I fix that total

value because we could buy all the stocks and bonds right now for less than $12,000,000,000 if we got them at present market value.

Mr. FESS. I am as much interested in the reduction of freight rates as is the Senator from Iowa. As a member of the committee I have been studying the problem very carefully. How is the Senator going to reduce the income of the railroads if he does not reduce the cost of operation? In reducing the cost of operation, how much of the tax is he going to take off? How much of labor is he going to reduce? How much of operating expenses is he going to take off? Where is he going to take it all off?

Mr. BROOKHART. I am going to take $7,000,000,000 of water out of the value to start on, and there is $400,000,000 of revenue to start with. In the next place I am going to stop the capitalization of some $300,000,000 of unearned increment that no public utility should have any right to capitalize. In the next place I am going to stop the return on the bonded portion of the capital over and above the interest rates on the bonds, which now on $10,000,000,000 is less than 4½ per cent. In the next place I am going to stop the graft of the subsidiary companies that are making all the supplies for the railroads, which amounts to $300,000,000 or $400,000,000 a year. With those items I am going to reduce freight rates in the country by more than $1,000,000,000 without reducing the wages of any man that works.

Mr. FESS. The Senator has made a statement I do not understand. I do not know whether other Senators understand it or not. I am asking how he is going to reduce the cost of operation, and he says he is going to take $7,000,000,000 of water out of the stock.

Mr. BROOKHART. Yes; and that takes $400,000,000 out of operation.

Mr. WADSWORTH. But it has nothing to do with operation. The Senator is speaking of cost of operation.

Mr. BROOKHART. Under this law they get 5¾ per cent upon the valuation, and I am going to reduce that valuation until the return we must pay on it will be $400,000,000 less a year.

Mr. FESS. The Senator has made a statement. Will he indicate by the ledger that marks the amount of money he takes in and the amount he pays out, wherein he is cutting?

Mr. BROOKHART. I have just figured out a billion dollars of it and over, by ledger or any other way the Senator wants to figure. If the Senator can not add $400,000,000 on capital and $300,000,000 on unearned increment and $150,000,000 of excess return on the bonded portion of the capital, and then $300,000,000 or $400,000,000 graft in the furnishing of supplies, and take all of those out of the costs, all of which are added in operating expenses now, I can not help him to understand the situation.

Mr. WADSWORTH. Operating expenses?

Mr. BROOKHART. Yes.

Mr. WADSWORTH. Dividends are not a part of operating expenses. I beg the Senator to think that over a moment.

Mr. BROOKHART. I do think it over, and I know what I am talking about. Under this law we are required to pay 5¾ per cent, and that is operating expense.

Mr. MOSES. Oh, no. That is the limitation. That is not a guaranty.

Mr. FESS. That is merely the maximum. It is not a guaranty.

Mr. BROOKHART. The Senator said it is not a guaranty, and yet the law commands the Interstate Commerce Commission to levy rates upon me and upon the farmers and the people of the country high enough to yield that return upon a valuation which is, as fixed in the beginning, $18,900,000,000.

Mr. FESS. If it commands it, why has it not been done?

Mr. BROOKHART. There is a power sometimes even beyond the czar, and when they deflated the farmers so that they did not have the money to pay it they could not collect it, but they have collected every dollar they could. If prosperity should return so they could collect it, they would collect every dollar of it now.

Mr. FESS. It is simply a matter of permission to the Interstate Commerce Commission, and the commission has never exercised it.

Mr. BROOKHART. The commission had it all in its power. It raised the rates until it destroyed agriculture or contributed largely to the destruction of agriculture. It raised them to a point beyond which they found out the returns were declining, and then they quit raising them. The people did not have the money to pay them.

Mr. President, in view of the questions by the Senator from Ohio [Mr. FESS], I am going to put into the RECORD some figures in relation to the profits of the manufacturing industries and of the wages of labor. I have before me the bulletin of the Department of Commerce on manufactures for the year 1919. On page 3 of that publication, I find that in that year there was capital employed in manufactures amounting to approximately forty-four and one half billion dollars; that the wage earners employed averaged 9,096,372; that they received in wages ten and a half billion dollars, approximately, which means approximately $1,100 each. In the year of the highest wages and the high tide of prosperity in the United States, I find that the total value of manufactured products was nearly sixty-two and a half billion dollars. I find that that value was increased by manufacture over $25,000,000,000. Subtracting the wages of workers, the salaries of the officers, the rent, the taxes, the fuel, the power, and other items, I find that there was left $9,324,000,000, or 21 per cent upon that whole amount of nearly forty-four and one-half billion dollars invested.

During the same year the farmers, with a valuation of $78,000,000,000, only had a gross value in their production of about $14,000,000,000. They had a less percentage of earnings for all their work and the work of their families and children and hired men than any other industry. There never has been a time when profits have been proportioned rightly. There never has been a time when those who were in the big combinations were not able to make excessive charges upon the other people of the United States.

Mr. KING. Mr. President, will the Senator from Iowa permit an inquiry at that point? I desire to ask a question for information.

Mr. BROOKHART. I yield.

Mr. KING. The statement has often been made that the Railroad Administration under the management of Mr. McAdoo raised the wages of the employees of the railroads to altitudinous heights entirely disproportionate to the wages which were paid in other lines of industry. I will ask the Senator if it is not a fact that the wage increase then made was on an average less than 25 per cent, that there have been two increases in wages since Mr. McAdoo's administration, and that even now the wages of the railroad employees in many departments are much lower than in other lines of industry?

Mr. BROOKHART. As I recollect the percentages, the wages of railroad labor were raised less than were wages generally. I recollect one raise in wages after Mr. McAdoo retired from the management of the railroads. Then, of course, there has been a big reduction in wages, I think to the extent of about $552,000,000 or something like that, since the railroads were turned back to their owners. Considering the risk of the employees, and all of the matters connected with the railroad service, railroad wages are not substantially higher than are any other wages in the country even at this time.

Mr. President, in reference to this situation, I desire to have printed in the RECORD an editorial from the Des Moines Register of last Sunday. It covers the question of the returns to the farmers, to the railroads, to the banks, and to business generally in a very fair-minded way. It points out the disjointed situation as to agriculture and the reasons why it is time for the industrial world to wake up and see that agriculture shall join in the partnership of prosperity. I think, Mr. President, that the prosperity of which we read so much can not much longer continue, with agriculture in the depressed condition in which it is at the present time.

The PRESIDING OFFICER. Without objection, the editorial referred to will be printed in the RECORD.

The editorial is as follows:

[From Des Moines Sunday Register, Sunday, May 11, 1924]

WHY NOT FACE IT?

The Register republishes this morning on this page a most interesting showing of America's enormous financial gains out of the war.

From paying interest abroad before the war of $300,000,000 a year we have now coming from abroad about $700,000,000 a year, a net change of $1,000,000,000 a year.

Even with all our travel abroad and with all our purchases abroad the net balance is in our favor. We are receiving more than we are spending. The gold is still being shipped to us to meet balances.

And yet at this very time, with this enormous shift of the world's wealth to America, farms are being foreclosed all over the West, banks heavily loaned to farming are in distress, renters are walking off their farms without a dollar, and hundreds of thousands are flocking to the industrial centers to earn day wages.

How does it happen that just when America is becoming the wealthiest nation of the world an occupation that concerns one-third of our people and furnishes our basic supplies is, figuratively speaking, on the rocks, with nobody suggesting a way out that promises any sort of equalizing of benefits, or if somebody is suggesting an equalizing of

benefits the suggestion is immediately hailed as a violation of the "economic law" and of "the law of supply and demand"?

On the face of it there is something wrong with the organization of the industrial community when a nation that gains so rapidly in wealth finds one-third of its people, in its most basic employment, not only not holding their own but actually losing out.

There is no "economic law" and no "law of supply and demand" to account for any such disproportion of benefits. For if the mere laws of nature were alone at work manifestly no such disproportion could come. It is the organization of society, the stabilization of industries, the control of markets, of banking, of railroading, that is at the bottom of the ups and downs of business. In the old days the artisan shared with the farmer. Why in this post-war period has that not happened to the organized trades? Anybody who answers that question will answer the larger question.

At the close of the war we were threatened with an invasion of European goods at bankrupt prices. What was Congress at once asked to do? To erect a tariff wall for the express purpose of keeping the American market above the world market, for the express purpose of enabling the manufacturer to sell at a high price at home and dispose of his surplus abroad at what he could get for it.

But the moment somebody suggests that this same American market be kept for the farmer, at the same level of prices the manufacturer has, the farmers' surplus to be sold abroad at what it will bring, at once it is denounced as paternalism, State socialism, an interference with the natural laws of trade.

Now, why should the farmer be left to the world market and asked to listen to ancient platitudes about the natural laws of trade, when we are so prompt to move if the manufacturer is threatened? Why should the manufacturer be a national concern, for whom half the time of every Congress is taken adjusting tariffs, when the farmer is more distressed by world competition than the manufacturer?

If everybody would consider frankly what is involved in the creation of the Federal reserve banking system, we should have the American judgment on organized national efforts to sustain business, for the creation of the Federal reserve system was in direct violation of everything the standard economists say about the present situation. Fortunately, the debate has been heated enough and prolonged enough to permit everybody to know precisely what was involved.

The struggle for some national organization of banking was in Jackson's day, and for a generation was defeated by the determined State-sovereignty notions of "Old Hickory." The same plea was made then for the individual initiative of the local bank, for freedom from Government interference. Even when the Federal reserve system was forced in Congress everybody recalls how individual banks resisted it, how thy complained after it was organized over being forced to sustain it with cash capital and with deposits, much against their inclination. The Federal reserve banking system was in direct violation of the "economic law" and the "law of supply and demand" as preached to the farmer. Without any question whatever it was the handling of interest rates by the Federal Reserve Board that brought on such violent deflation and forced the farmers to such ruinous liquidation.

And yet the common judgment of the people is that if the Federal reserve system had not been instituted when it was, individual banking would not only not have seen us through the war, individual banking would not have got us started in the war. We should have been financially flat before we were well along to any big organized effort of any sort.

Coming back to the question why the farm is flat when the country is so suddenly rich in assets, we are just where we should have been if, with all our wealth, we had not had a national organization of bank credit for the war. The farm has been left to the "natural laws of trade" when everything else has been organized to resist the ups and downs of the natural laws of trade, the very men who lecture the farmer the most to "grin and bear it" being the ones who have been first to get the Nation organized and stabilized at the other end.

Now, there is one of two courses. We can either retrace our steps of stabilization and let every tub stand on its own bottom in the business world, under an unlimited competition of the natural laws of trade. Or we can go ahead with stabilization by taking all our great interests in under the same tent cover. The one course we can not pursue much longer with safety is to put one-half of our big business in under the tent cover of national organization and legislative protection and leave the other half out to meet the cold blasts of world competition without shelter.

It is fully time for the economists to be honest with themselves and face the situation.

Mr. JOHNSON of Minnesota. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. JOHNSON of Minnesota. Judging from the editorial appearing in this morning's Washington Post, the farmers are all right. The writer of the editorial calls attention to the fact that just as soon as the farmers of South Dakota get their crops in they make tours to Florida, California, and other places.

Mr. BROOKHART. If there is any editorial page in the country that I would consign to the realms of concentrated ignorance all the time, it is that of the Washington Post.

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

Mr. BROOKHART. I yield.

Mr. NEELY. Is that because of the Senator's particular love for the owner, Ed McLean, or because of the character of the propaganda that the newspaper conducts?

Mr. BROOKHART. It is because of both.

Mr. President, in connection with the editorial from the Des Moines Register I also ask to have printed in the RECORD a statement entitled "America's financial strength," from the Manchester Guardian, the statement being referred to in the editorial from the Des Moines newspaper. The figures given in that statement indicate some of the prosperity that has gone to other lines of business and that has been denied to agriculture.

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

The matter referred to is follows:

AMERICA'S FINANCIAL STRENGTH

(By Sir George Paish in Manchester Guardian Commercial)

The net sum of $294,000,000 of gold imported into the United States last year was somewhat larger than the $238,000,000 of gold imported in 1922, but in 1923 America's new foreign investments were reduced to $300,000,000 from $600,000,000 in the previous year, and allowance must be made for this. Still the fact remains that in 1923 America had a favorable balance of $600,000,000 after meeting all outgoings, and that she received payment for this sum half in gold and half in foreign securities.

The reason for the ability of America to maintain her exchange at gold parity is thus obvious. She has no difficulty in selling all the produce and goods she needs to sell in order to buy what she requires, and, as her requirements are not equal to her sales, she is able to make large foreign investments and to import great sums of gold. How greatly America's exports have exceeded her imports since 1914 will be obvious from the following:

America's foreign trade since 1915

Year	Exports	Imports	Exports over imports
1915	$2,716,000,000	$1,674,000,000	$1,042,000,000
1916	4,272,000,000	2,197,000,000	2,075,000,000
1917	6,227,000,000	2,628,000,000	3,599,000,000
1918	5,839,000,000	2,946,000,000	2,893,000,000
1919	7,750,000,000	3,904,000,000	3,846,000,000
1920	8,080,000,000	5,278,000,000	2,802,000,000
1921	4,485,000,000	2,509,000,000	1,976,000,000
1922	3,831,000,000	3,112,000,000	719,000,000
1923	4,165,000,000	3,789,000,000	376,000,000
9 years	47,365,000,000	28,089,000,000	19,276,000,000

The interest accruing to America upon her foreign investments has, during the whole of this period, more than taken care of her tourist expenditures, gifts to friends, and other invisible imports, and more than the whole of the favorable trade balance has been invested in foreign securities or has been received in gold. The total amount of securities, both American and foreign, purchased abroad in these nine years is about $20,000,000,000 over and above the receipt of $2,000,000,000 in gold. Prior to the war America employed foreign capital to the extent of about $6,000,000,000, upon which the annual interest charge to be paid abroad by her exports was about $300,000,000 per annum. The greater part of this foreign capital has now been repaid by America, and over and above this America now possesses some $15,000,000,000 of foreign securities, bringing to her an income of about $700,000,000 per annum, or a turnover from interest payable to interest receivable of nearly $1,000,000,000 per annum.

Mr. BROOKHART. Mr. President, the amendment under consideration will help a little, but only a little; it will help somewhat to equalize and to lower freight rates and will assist agriculture to that extent. I yield the floor, Mr. President.

Mr. WADSWORTH. Question!

Mr. BORAH. What is the question?

Mr. WADSWORTH. The bill is before the Senate as in Committee of the Whole and open to amendment.

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

The PRESIDING OFFICER. The absence of a quorum being suggested, the roll will be called.

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

Adams	Dill	Lodge	Reed, Pa.
Ashurst	Edge	McKellar	Robinson
Ball	Fess	McKinley	Sheppard
Borah	Frazier	McLean	Simmons
Brandegee	Gooding	McNary	Smith
Brookhart	Harris	Moses	Smoot
Bruce	Heflin	Neely	Spencer
Cameron	Johnson, Calif.	Norbeck	Sterling
Capper	Johnson, Minn.	Norris	Swanson
Caraway	Jones, N. Mex.	Oddie	Trammell
Copeland	Jones, Wash.	Overman	Wadsworth
Cummins	Kendrick	Phipps	Walsh, Mont.
Curtis	Keyes	Pittman	Warren
Dale	King	Ralston	Wheeler
Dial	Ladd	Ransdell	Willis

Mr. CURTIS. I desire to announce that the Senator from California [Mr. SHORTRIDGE], the Senator from Pennsylvania [Mr. PEPPER], the Senator from Nebraska [Mr. HOWELL], the Senator from Virginia [Mr. GLASS], the Senator from Florida [Mr. FLETCHER], and the Senator from Mississippi [Mr. STEPHENS] are attending a meeting of the Committee on Banking and Currency.

The PRESIDING OFFICER. Sixty Senators having answered to ther names, a quorum is present.

Mr. ODDIE. Mr. President, I desire to say a few words by way of indorsement of the amendment upon the long-and-short-haul clause offered by my colleague [Mr. PITTMAN].

Our State, Nevada, has suffered severely for many years because of freight conditions and the uncertainty existing at the present time regarding them. The Intermountain States are practically all in a similar position. Our enterprises, manufacturing and commercial, must be stimulated. They have been throttled to an extreme, with the result of holding back our growth and prosperity to a very serious extent. It is unfair, uneconomic, and unjust. The growth of our Intermountain States can hurt nobody. It will benefit the whole United States, and especially the Pacific coast. The more business that is developed there the larger and the more prosperous the population and the greater the benefits that will come to the whole Pacific coast.

I refer to the action of George Washington before the Revolution, as outlined in a letter of his to England written about that time, in which he criticized the British for their attitude toward the Colonies, an attitude of suppression, an attitude which tended to hold down the growth of their industries. He suggested that if that were changed and the manufacturing and various other industries in the Colonies were allowed to prosper and grow, it would result in greater business to England. The policy he complained of is similar to that followed by the railroads and the Pacific coast toward the Intermountain States. England later changed her policy toward her Colonies in this particular and they then started to grow and prosper. The more the Intermountain States grow the more their prosperity will be reflected in increased business throughout the country. The manufacturing States of the East will benefit very largely by their growth and development.

I can see very plainly that the railroads themselves will benefit by this amendment in the end. The more business we have in the Intermountain States the more prosperous they will be and the more business the railroads will have. It is not a case where they should try to figure merely on the dollars and cents profits on the existing business and conditions. They should look to the future.

Years ago, when the Atlantic Coast States were the only ones in the Union, business began gradually growing and expanding to the West. If the policy that is now being pursued by the opponents of this amendment had been followed at that time, we would not have had any Middle West or West.

Mr. President, I want to see this amendment adopted, and I want to see it considered in an economic way. My colleague [Mr. PITTMAN] has gone into the legal and other aspects of this matter very thoroughly. The Senator from Idaho [Mr. GOODING] has gone into the business end of it in a very able manner. I simply want to add my voice of approval to this amendment, and to say that if it should be agreed to we will have an era of prosperity in the Intermountain States which will reflect itself on the whole United States. We have a class of people out there who have braved the elements, who have pioneered, and who are entitled to at least a living chance to get ahead; which they do not have to-day. I hope this amendment will be agreed to.

Mr. KING. Mr. President, may I inquire of the able Senator from Massachusetts whether it is his intention to have an executive session this evening?

Mr. LODGE. It is the desire to have an executive session before the Senate adjourns or takes a recess.

Mr. EDGE. Mr. President, it seems that we have reached somewhat a state of impasse on the pending bill. I do not want to do anything in the world to obstruct its passage; quite the contrary. There is some other important legislation, however; and I should like to ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 1889, the postal salary readjustment bill.

Mr. KING. Mr. President, it would take too long to consider that.

Mr. WARREN. Of course, I object to that.

The PRESIDING OFFICER. There is objection.

Mr. LODGE. Mr. President, I do not wish to interfere with the plans of the Senator in charge of the bill. Whenever it is agreeable to him I shall be glad to move an executive session.

Mr. WADSWORTH. Mr. President, perhaps I may be permitted to make a very brief observation.

On Monday at 2 o'clock the War Department appropriation bill was handed down as the unfinished business. The consideration of the text of the bill was completed by 3.30 that afternoon. Since then the discussion has proceeded upon a subject which has not yet been presented to the Senate in the form of an amendment or in any other form.

We have now discussed this matter the equivalent of three days. Regardless of our opinion of the merits of the amendment which we are informed will at some future time be offered to the bill, I think it proper to remind Senators that thus far only two of the great appropriation bills have passed both Houses and have been sent to the White House. The delay upon this bill, of course, has the effect of banking up behind it not only the appropriation bills which have not yet reached the Senate as a body at all but also other measures of great importance and of great interest to many Members of the Senate; and I include in that category the so-called farm-relief legislation. We have conflicting ideas as to that, and there are several bills pending on that question. The bill which the Senator from New Jersey [Mr. EDGE] has just endeavored by unanimous consent to bring before the Senate is another bill which attracts the favorable attention of a good many Senators; and if one should go through the calendar which is still unacted upon, one would find many, many bills of great interest to Senators and of great importance to the country.

Mr. President, I have no special liking for night sessions. I have engagements, as other Senators have them, which I shall find it exceedingly difficult and embarrassing to break; but we are confronted with a situation which we can not ignore. If I may be permitted to express myself in such fashion, either this amendment should be offered and the Senate allowed to act upon it, or it should not be offered.

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

Mr. WADSWORTH. I yield.

Mr. GOODING. I want to say to the Senator that, so far as I am concerned, I am trying to find out whether or not we need any appropriation for rivers and harbors in this country. If we are going to destroy the opportunity for their use, it seems to me it is a waste of money to appropriate money to develop further our rivers and harbors—that is, to the extent provided for in this bill.

Mr. WADSWORTH. All the Senator has to do is to move to strike out the appropriation for rivers and harbors which is contained in this bill, and I think probably he would be the only Senator who would vote in favor of it.

Mr. KING. No; I shall vote for it, too.

Mr. GOODING. I hope the Senator will not try to throttle debate here.

Mr. WADSWORTH. Why, Mr. President, there is no means that I could employ that would throttle debate. If I could throttle debate, I would have done it two days ago. There have been three days of debate on something that is not before the Senate at all.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. WADSWORTH. I yield.

Mr. PITTMAN. The matter is just as much before the Senate as it would have been if it had been presented as an amendment. It has been presented by the Senator from Nevada, it has been printed, it is on the desk of every Senator. They all know what they are discussing. They all know that whenever the discussion is completed the amendment is going to be offered, that it is going to be acted on, that a point of order will be made, and that the minute the point of order is made the debate will cease to be on

the merits of the matter and will be on the parliamentary situation.

As I stated to the Senator from New York when we started, my reason for that was simply this, and nothing else, that I desired that this subject, which I conceive to be of great importance—and some other Senators think so, too—should be understood by the Senate. I feel that it will be better understood through the procedure I have taken than it would have been understood if the debate had instantly gone off on a parliamentary point. That was my sole reason for the action I have taken.

I want to say to the Senator that I have not participated in any filibuster on this question, and I do not think any other Senator has participated in a filibuster on it. I am perfectly conscious of the fact that I have spoken at length. I did not try to do so, however. I was dealing with statistics which bear on this question, and I quoted only a very few of those. The Senator from Idaho [Mr. GOODING] has also been dealing with essential facts bearing on the question.

I stated before to the Senator—whether I stated it to him on the floor or privately I do not remember—that it was a subject which was going to be discussed not for the purpose of delay but that Senators who are intensely interested in this question and believe it is of an extremely important character were desirous that those Senators who had not participated in the study of the question before the committee which had it in charge might at least understand the subject.

Mr. WADSWORTH. Mr. President, I have entire sympathy with the Senator in wanting this subject understood, and I appreciate its great importance; but if I may be permitted to say so, I think the reasonable and indeed the more expeditious way to get a decision on the question upon its merits is to permit the War Department appropriation bill to pass and go to conference, and then, if the supporters of the measure so desire, move to take up the bill, which is now on the calendar. If there is a sufficient number of votes to attach it to the War Department appropriation bill, where everybody admits it does not belong at all, then there is a sufficient number of votes to take it up and pass it.

But the trouble in the situation is that by attempting to attach it to the War Department appropriation bill the question is thrown into a parliamentary tangle and becomes a parliamentary issue rather than a question of the merits of the bill; and if the proponents of this measure desire the quickest possible effective action by the Senate, why not move to put the measure before the Senate? That is apparently not their intention. They intend to propose it as an amendment to the Army appropriation bill, and it will be subject to a point of order.

Mr. DILL. Mr. President, how many times previously have the river and harbor appropriations been placed on the War Department appropriation bill?

Mr. WADSWORTH. For the last three years, since the rules of the House of Representatives were changed.

Mr. PITTMAN. May I answer just two statements made by the Senator, in his time?

Mr. WADSWORTH. I would be very glad to have the suggestions of the Senator.

Mr. PITTMAN. The Senator has stated, in the first place, that the simple method is, if we have a measure we want enacted, to take up the bill and pass it. That suggestion would be entirely sound and past contravention if this were the only body in the Congress; but it happens that nothing becomes a law until it has passed both branches of Congress. Consequently, in considering it we have to consider the parliamentary situation in two bodies.

Mr. WADSWORTH. I have that in mind, too; with some experience along that line.

Mr. PITTMAN. I have no doubt whatever that we can pass it in the form of a bill through the Senate, and I am perfectly confident, from the debates that have taken place here in the past, that this body is entirely in favor of this proposition. But, mind you, I am also conscious of the fact that the rules of the House, and the parliamentary proceedings in that body, make it possible and very probable that it would never come on the floor of the House out of the committee. That is one reason why I have pursued this policy. If it were earlier in the session, it might be different; but it is not.

Mr. WADSWORTH. Perhaps we might discuss it from the practical standpoint. I have had experience in conferences between the Senate and the House, and under the rules as to conferences and conference reports, House conferees have taken one steady, consistent stand on legislation attached by the Senate to general appropriation bills, and that is this, that they will not even discuss the matter.

Mr. PITTMAN. That is a very unfortunate thing.

Mr. WADSWORTH. They will not even discuss it. They say that it is in such direct violation of every rule of the House that they will not even take it back to the House. I have run up against that myself. That is their general attitude toward legislation attached by the Senate to a general appropriation bill.

Suppose we could persuade the House conferees on the War Department appropriation bill to submit this matter to the House for special instructions; thereupon the supporters of this measure in the House would find themselves confronted by the obstacle of the House rules and the tradition of the House, who have declared again and again in the last five years that they will not permit the Senate to force down their throats legislation attached by the Senate to an appropriation bill.

Mr. President, I say in all sincerity that the supporters of this measure are picking out the most difficult way to get it enacted. They are summoning up in its path every conceivable objection which can be found in the House rules and in the traditions and the pride of the House. The House simply will not accept it.

The quick and proper method, I say in all humility to those who are managing this proposition, as I assume, is to pass through the Senate in regular fashion the bill on the calendar dealing with the long and the short haul clause and send it to the House. I remind the Senator from Nevada that the other body has amended its rules at the present session providing for a method of discharging a committee from the consideration of a bill.

The responsibility is with the Senators who are supporting this measure, and who, in my humble judgment, are selecting the most difficult way they could possibly find in order to get their legislation enacted.

Mr. PITTMAN. I thank the Senator for his advice. I realize perfectly he would like to help those who are advocating this amendment.

Mr. WADSWORTH. Mr. President, the observation of the Senator draws from me an observation in turn. I will vote to bring the Senator's bill before the Senate.

Mr. PITTMAN. That is a very good idea, but I am afraid the Senator's support in the Senate will not help us very much in the House. If the Senator could use his great influence with the leaders of the House to get an assurance for us that it would be brought on the calendar in the House, it would be very valuable assistance.

The Senator tells us of the difficulties of passing legislation through the House. It is an unfortunate situation when one of two bodies which must pass on laws assume that they may regulate the method of procedure in the other branch of Congress. That thing is intolerable. The House may regulate the presentation of amendments in the House. They have a right to do that. But this thing is certainly going beyond its natural jurisdiction when it states the method of amending a bill in the Senate, and if we have come down to the point where no matter what this body desires to adopt as a parliamentary procedure we can not adopt it unless it is the parliamentary procedure of the House, then we should abolish our rules altogether and adopt the rules of the House.

We should ask the House when we might change our method of amending bills, because we can not amend them in any other way than that which is agreeable to them. We might as well try that situation out.

Mr. WADSWORTH. It has been tried out before several times.

Mr. PITTMAN. But this is a delightful time to try it out now. I say to the Senator right now that there are those here in this body who think so seriously of this legislation—and I have tried to convince them that I do—that we do not see the necessity for the appropriation of money for the Panama Canal if they are going to uphold in Congress a law permitting the Interstate Commerce Commission to drive half of the ships off the Panama Canal. We do not see the necessity of appropriating money to make navigable the inland waterways of the country if Congress at the same time, with knowledge covering 30 or 40 years, is going to sit supinely by and permit one of its agents, the Interstate Commerce Commission, to misconstrue the laws of this body to such an extent as to make those appropriations useless.

I am in favor of improving the inland waterways and the harbors of this country and maintaining the Panama Canal, but I am not in favor of appropriating the money solely for the purpose of expending it. If it is not in aid of navigation and if it does not result in navigation, it is a waste of the money of the people of the country. And when you say that another body than this will tell us how we may legislate in this body, how we may amend our bills in this body, when we

shall, and when we shall not, I say it is time to try the question out, and for one, if this body sees fit to attach any amendment to the bill, I am willing to try it out with the House, and if they insist upon controlling our methods of legislation in this body, say "The responsibility for lack of legislation is on you and not on us."

Mr. NORRIS. Mr. President, I want to say only a word. I may want to discuss this matter at length later.

For a great many years two things have been taking place both in the House and in the Senate. Ever since I have been in public life the question of the long and the short haul in a commerce law has been a live one and always agitated. Time and again Congress has thought, or I have presumed they thought, for I did, that the law was amended so that an evil, which, it seems to me, must be conceded to be a great evil, would be remedied, but each and every time by some hook or crook or legerdemain or decision or manipulation what Congress thought had become a remedial piece of legislation became nothing, not worth the paper on which it was written, and we still have the question unsettled. That has been with us for 20 years. The injustice has been pointed out continually.

Another thing which has been with us has been the river and harbor appropriation bill. Quite a large number of Members of the Senate and of the House have been fighting river and harbor appropriation bills. I have joined with them myself on several occasions; and the thing that moved me, and I suppose it has influenced everybody else in the same attitude, was the fact that we were appropriating millions of dollars—yes, hundreds of millions—for the improvement of our rivers, to make them navigable, just to see them drift full of sand and never be used, and the people get no benefit out of them.

That has been the principal reason why I have opposed river and harbor bills in the past. I have seen the money of the taxpayers thrown into these streams and no good come from it because of the evil that existed, and which we have tried to cure by changing the long-and-short-haul clause to prevent the railroad companies from putting the boats out of commission on the rivers by rates that were too low, and when they got the boats off raising the rates again. As long as the men who were otherwise engaged in river transportation knew that was possible they simply abstained from going into it, and our rivers do us no good.

Mr. DILL. Mr. President——

Mr. NORRIS. I yield to the Senator from Washington.

Mr. DILL. The Senator from New York [Mr. WADSWORTH], in answer to a question by me, said the river and harbor appropriations had been included in the War Department appropriation bill for the last three years, since the House rules were changed. I am not familiar with the changes in the rules of the House, but I am familiar with what happened to river and harbor bills in the House previous to the change in the rules. The fact was that they were killed by votes in the House, if not in the Senate also. It looks to me like this is a method to drag in appropriations for rivers and harbors by attaching them to the War Department appropriation bill. If we are going to drag in appropriations for rivers and harbors, we ought to drag in legislation also that will have some controlling effect upon the value of the rivers and harbors.

Mr. NORRIS. My attitude on the appropriation proposed in the pending bill with reference to rivers depends a great deal upon what happens to this amendment. I am not willing to be a party to appropriating money to build up our rivers and then see the money literally thrown away. On the other hand, I believe most sincerely that we can afford to appropriate public money for the improvement of our rivers and making them navigable if we will protect the navigation on them after we have done that. The amendment under consideration is intended to do that, and I think will do it.

Therefore, so far as I am concerned, if there are enough Senators who feel as I do, if the amendment or something like it is not put on the bill, I am ready to go into any kind of a fight against the part of the bill relating to appropriations for rivers and harbors. I think they ought to be cut away down if we are going to keep this amendment out. To my mind, the amendment involves a fundamental principle of transportation. While I know that a great many people are opposed to that kind of legislation, I do believe that they are moved, perhaps unconsciously, by selfish interests of the different localities of the country. A favored spot, a favored city, a favored harbor, a favored market, under present conditions built up at the expense of the people who live in the interior of the country, away from those favored spots, naturally, if selfishness prompts them, are opposed to this kind of legislation. I think it is a serious proposition. I do not ask that the legislation be passed. I must abide by the majority vote of the Senate and the House, but I think that we are entitled to a fair, square, honest vote on the proposition.

Mr. PITTMAN. Mr. President, I would like to have the attention of the Senator from New York [Mr. WADSWORTH]. I want to say that I am just as anxious to get the matter disposed of as is the Senator. The only difference in the matter is that the Senator said he would cut off the debate if he could, while I would not do that. There are Senators who have announced to me a desire to discuss the question. One of them is the Senator who has just entered the Chamber, the chairman of the Committee on Interstate Commerce, Mr. SMITH. I think very probably he is as familiar now with this subject as anyone in the Senate. He was chairman of the committee that reported out the bill which is the foundation of the amendment.

There are other Senators here who are especially interested in the matter. They have stated that they want to discuss it. They are as much interested as I am and have as much right to discuss it. They probably are more familiar with it than I am and certainly can present it better than I have done. Therefore I say, as I have said frankly all the time, as soon as those who desire to discuss it are ready to quit discussing it, I will present the amendment.

I will state to the Senator now that from information I have at the present time from those who desire to speak, I do not think there will be over probably two or three hours more discussion. That, of course, is a rough guess; but knowing those who are going to speak, that is my opinion. I feel perfectly confident that I can present the amendment to-morrow and then let it take its parliamentary course. That is the way I feel about it. It would seem that way to me now.

Mr. WADSWORTH. Would the Senator entertain a suggestion that an hour to-morrow be fixed at which debate on the proposed amendment shall cease and the amendment shall be introduced and the question of parliamentary procedure decided without further debate?

Mr. PITTMAN. I am hardly in a position to do that, for the sole reason that I have not conferred with those who are supporting the matter. I only speak for those whom I know said they desire to discuss it. If there is no objection made by anyone here, I would state this—because I have no way of knowing their thoughts on the subject—that I will present the amendment at some hour that might be agreed on to-morrow, which would practically throw the debate directly on the parliamentary situation.

Mr. WADSWORTH. So far as I may make an agreement, it would be only binding upon myself.

Mr. PITTMAN. That is all I can do now.

Mr. WADSWORTH. I would be willing to enter into some satisfactory agreement, say, to cease debate at 4 o'clock to-morrow.

Mr. GOODING. Mr. President, I do not think it is possible to reach any agreement.

Mr. WADSWORTH. Would the Senator be willing to agree to conclude debate on this particular matter by 5 o'clock to-morrow afternoon?

Mr. GOODING. Not until I shall have consulted with those whom I know want to speak on the subject, which I have not done. I may be able to answer the Senator to-morrow at 12 o'clock possibly, but before entering into an agreement on the matter I must consult with those whom I know want to discuss it. Just how long they will want to talk I do not know. I still have some observations that I desire to make.

Mr. WADSWORTH. Does the Senator think at this moment that it would be impossible to reach a unanimous-consent agreement?

Mr. GOODING. I am sure of that.

Mr. PITTMAN. Does not the Senator from Idaho think we can get through the main speeches to-morrow and let me submit the amendment and let it be considered on the parliamentary feature of the matter?

Mr. GOODING. That might be possible, but I have not consulted any of the Senators as to the time they may desire to take. Probably we can do that, but it would be out of place to enter into an agreement at this time. It seems to me the whole matter might well go over until to-morrow. I do not think we can come to an agreement to-night.

Mr. PITTMAN. As I said, as soon as the main speeches shall have been made on the proposition, so that the discussion from that time on will be purely a parliamentary discussion, I want to present the amendment. I understand the Senator from New York will make his point of order at the time I submit the amendment and from that time the discussion will be purely on the parliamentary question. That seems to be the situation in which we find ourselves at this time.

Mr. WARREN. Mr. President, I do not think there is any disposition to cut off proper debate at any time, but it seems to me that the Senate must either meet promptly in the morning, or it must run its business into the night hours, or it must cease some of this important debate—I will admit that it is important—if we expect to adjourn in ordinary season this year. Think of the spectacle of the Senate of the United States taking in the usual way a recess until 11 o'clock in the morning and assembling here without a quorum and having the Sergeant at Arms and his employees running in every direction for Senators and, finally, compelling the leader of the minority on the other side of the Chamber to move an adjournment until 12 o'clock. This could have been done on either side of the Chamber, so far as that is concerned, and it was the only proper thing we could do. But I think the spectacle to the country and the show we made of ourselves is putting us in the position that if we will not come here and get to work, and if we will not stay here at night and work, we will be accused of filibustering, and we can not expect otherwise. I do not accuse the Senator from Nevada of that, or any other Senator, but the country will believe it, and we will soon have to believe it ourselves. I will have to believe it, so far as I am concerned, because I know we can get here in the morning if we like, and I also know that we can stay here at night, whether we like it or not.

I am perfectly ready, so far as I am concerned, to come to any reasonable agreement as to the time to-morrow or to-morrow night, or whenever it can be arranged, when the amendment shall be submitted and voted on. Of course, as I said, I am going to yield to whatever the Senate wants to have done. I am always ready to take its orders, but I still say, and I think it will not be disputed by my friend from Nevada, that we either "ought to fish or cut bait," to use the farmer's phrase. We ought to be here to talk or here to act, or else say that we can not and recess for a few days or for a week until we shall finally be able to work.

Mr. PITTMAN. I thoroughly agree with the Senator, and that is exactly what the Senator from Arkansas [Mr. ROBINSON] said this morning, that we ought to fish or cut bait." The Senator, of course, said he did not accuse me of not being here this morning. I want it affirmatively known that I was here this morning. I also want it said for the benefit of the Senator from Idaho [Mr. GOODING] that at 11 o'clock this morning he was standing in front of his map with his pointer in his hand, ready to finish the speech upon which he was engaged yesterday.

Mr. WARREN. I hope the Senator from Nevada will not take what I said as being personal to any of those who have occupied the time of the Senate. In fact, I honor them for their punctuality and being here all the time and saying what they have to say. But it is those who have nothing to do apparently with legislation who ought to loan us at least their presence in the morning to answer the roll call. They ought not to leave it to those who do the work to be compelled to run after them to get them here so that they will join us in simply having a roll call.

Mr. PITTMAN. I am willing to come here at any hour in the morning that may be decided to be the proper hour. I think if we could have gotten a quorum at 11 o'clock this morning we would have been quite a bit further ahead than we seem to be now.

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

Mr. PITTMAN. I yield the floor.

Mr. NORRIS. I take it that what the Senator from Wyoming said does not apply to those who were here. It must apply to those who were not here. I was not here, so it must apply to me as one, and yet I think I was doing more work than the average Senator from 6 o'clock this morning until 12 o'clock, when I did get here.

The Committee on Agriculture and Forestry are crowded and condemned on the one hand because they do not finish their work. They can not finish their work if the Senate requires their attendance here, and you can "fish or cut bait" on that proposition just as you have a mind to do.

I am accused half the time, at least inferentially, on the one side by saying: "Here, we want to get this Muscle Shoals business out of the way," and I am asked about every 15 minutes if I am still going along with it, and on the other hand condemned because I am not here in the Senate Chamber. Senators can take their choice. If the Senate, on the one hand, wants to stop the hearings of the committee, it of course has the power to do it, and it can compel by arrest the attendance of Senators here; but I do not want anybody to insinuate that those who are working night and day on a proposition of as great importance as any one of the bills which we are now discussing, even though I do regard this as a very important proposition, are not doing their best to get the Muscle Shoals matter ready for the Senate, or are idling away their time by any means.

Mr. WARREN. Mr. President, will the Senator allow me to interrupt him?

Mr. NORRIS. There is no other committee of the Senate—I except none and I defy anyone to successfully contradict it—that has done as much work during this session of the Senate as has the Committee on Agriculture and Forestry.

Of course all the members of the committee are never there at one time, but there are a few there, and the chairman is always there, and we try conscientiously to do what we can. There are some other committees in much the same position. I see the Senator from North Dakota [Mr. LADD] in his place. He is chairman of the Committee on Public Lands, which is carrying on an investigation. The fact is, Mr. President, that nobody can be in two places at one time, and he ought not to be expected to be. I protest against the Senate meeting at 11 o'clock unless it first directs that the committees, particularly the committee of which I have the honor to be the chairman, shall cease work. When the Senate orders us to quit we have to obey; but I am not going, on the one hand, to be accused of delaying legislation pending before that committee, and on the other hand, to be condemned because I am there trying to push the work of the committee and to keep it going just as rapidly as it can possibly be pushed along.

Mr. WARREN. Mr. President——

Mr. NORRIS. I yield to the Senator from Wyoming.

Mr. WARREN. Mr. President, the able Senator from Nebraska has stated the case very well as to the committees meeting in the morning. I honor the committees for so doing and for carrying forward their work, and that is why I say if we can not meet earlier in the morning—and I never have asked the Senate to meet at 11 o'clock in the morning, as I remember, certainly I have not done so lately—we should have sessions in the evening.

I alluded to the fact that the pending appropriation bill ought to be drawn to a conclusion to-day, in order to indicate to the Senate that it ought to remain in session to-night, and I wish the Senate might remain in session to-night. It seems to me to be necessary, with all the committee work which it is necessary to do, that opportunity should be given for them to conclude their work, and that could be done by having the Senate meet at the usual time, and then sitting in the evening. I hope the Senator will remember that the committee of which I have the honor to be chairman, is one of the committees which is busy every morning. We ought to have time for the work of the committees and also sufficient time to keep matters moving along in the Senate as smoothly as possible.

Mr. NORRIS. Mr. President, I should like to see the business of the Senate move along. I would not object to a reasonable limitation on debate in the Senate; but I think we ought to face the fact that, unless we do put some limitation on debate here, it will be an impossibility for the Senate to adjourn at the time when a good many Senators say it is going to adjourn, namely, early in June. It can not be done, Mr. President, unless some drastic method is adopted, several of which I have suggested. Either we must stop the committees in their work, or we must make up our minds that we are not going to get through by the 7th day of June. I wish we could adjourn on the 1st of June; it means more to me than to most Senators to be compelled to remain in Washington during the hot weather; but I want to say to you frankly, Mr. President, that, however much we may desire to do it, however delighted we might be if it could be done, I have reached the conclusion that it is an impossibility, and we might just as well face the inevitable. We can not finally adjourn then, but we will have to stay here longer.

Mr. LADD. Mr. President, I think I owe it to the Committee on Public Lands to make a brief statement. The Committee on Public Lands has been in session practically every day since the 20th of last November. The room in which we are holding the committee hearings, the "marble room," so called, in the Office Building, has no bell connections with the Senate, so that we know nothing about whether there is a call for a quorum or whether the Senate is in session. We might not come if there were a bell; but, at least, if there were a bell we would know when there was a call for a quorum. If that room is to be used for committee hearings in the future, there should be some provision for notifying Senators who are working in committee there as to when their presence is required in the Senate Chamber.

Mr. WARREN. Mr. President, I am very glad that there have been brought out the facts and circumstances which have been developed from the statements made this evening. I understand that many Senators have engagements for to-night, and I understand further from the Senator who is particularly in charge of the proposed amendment to the pending bill that other Senators are not ready to go on to-night. So I think that the better course would be to take a recess until 12 o'clock to-morrow, unless some Senator desires to discuss further the pending question.

Mr. LODGE. I should like an opportunity to have a short executive session.

Mr. WARREN. I suggest that when the Senate completes its session to-day it take a recess until to-morrow at 12 o'clock noon.

SENATOR BURTON K. WHEELER

Mr. BORAH. Mr. President, I desire to submit the report of the special committee authorized under Senate Resolution 206 to investigate the charges against Senator BURTON K. WHEELER. This report is signed by four members of the committee. The Senator from South Dakota [Mr. STERLING] reserved the right to file separate views. I submit the report for reading and printing, and later shall discuss it upon the floor.

The report (No. 537) was read and ordered to be printed, as follows:

[Senate Report No. 537, Sixty-eighth Congress, first session]

SENATOR BURTON K. WHEELER

Mr. BORAH, from the special committee authorized to investigate charges against Senator BURTON K. WHEELER, submitted the following report pursuant to S. Res. 206:

On April 9, 1924, the Senate passed the following resolution:

> "*Resolved*, That a committee consisting of five Members of the Senate be appointed by the President pro tempore to investigate and report to the Senate the facts in relation to the charges made in a certain indictment returned against Senator BURTON K. WHEELER in the United States district court for the State of Montana."

That thereafter the President pro tempore of the Senate appointed Senators WILLIAM E. BORAH, CLAUDE SWANSON, THOMAS STERLING, T. H. CARAWAY, and CHARLES L. MCNARY as a special committee to make the investigation authorized by the foregoing resolution.

The charge against Senator BURTON K. WHEELER, and which charge your committee was authorized to investigate, arises under and by virtue of section 1782 of the Revised Statutes of the United States. That statute reads as follows:

> "No Senator, Representative, or Delegate, after his election and during his continuance in office, and no head of a department or other officer or clerk in the employ of the Government, shall receive or agree to receive any compensation whatever, directly or indirectly, for any services rendered, or to be rendered to any person, either by himself or another, in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter or thing in which the United States is a party, or directly or indirectly interested, before any department, court-martial, bureau, officer, or any civil, military, or naval commission whatever. Every person offending against this section shall be deemed guilty of a misdemeanor, and shall be imprisoned not more than two years, and fined not more than $10,000, and shall, moreover, by conviction therefor, be rendered forever thereafter incapable of holding any office of honor, trust, or profit under the Government of the United States."

The Supreme Court has construed this statute particularly in the case of Burton v. the United States, 202 U. S. p. 344.

Under this statute an agreement to receive compensation for services rendered, or to be rendered, before any department, court-martial, bureau, officer, or any civil, military, or naval commission is made an offense; the receiving of compensation in violation of the statute whether pursuant to a previous agreement or not is also made an offense. In other words, if a party agrees to receive compensation for such services he is guilty under the statute; or if he receives compensation without any previous agreement, he is also guilty of an offense. This statute in no way prohibits or interferes with a Member of Congress from appearing before any department, court-martial, bureau, officer, or any civil, military, or naval commission, provided he does so free from any agreement to receive compensation, or without receiving compensation therefor. The sole question which your committee was authorized to investigate, therefore, was: Did Senator WHEELER agree to receive compensation, directly or indirectly, for services rendered, or to be rendered; or did he receive compensation for services rendered, or to be rendered, relative to his appearance or services before any department, court-martial, bureau, officer, or any civil, military, or naval commission?

Your committee finds:

First. That during the months of January and February, 1923, after his election to the Senate, Senator WHEELER entered the employ of Gordon Campbell as his attorney, the said contract of employment including the firm of lawyers under the name of Wheeler & Baldwin.

Second. That, according to the terms of employment by which he entered the service of Campbell as his attorney, the said firm of Wheeler & Baldwin was to receive a retainer's fee of $10,000 per annum; that $2,000 thereof was paid January 9, 1923, and $2,000 thereof on February 16, 1923, and that the balance is still unpaid.

Third. That it was fully understood and agreed between all parties to said contract of employment that the services of Senator WHEELER and his firm related alone to the litigation then pending, or to be brought, in the State courts of Montana, said Campbell being at that time interested in a number of lawsuits, some 19 or 20 at least in number.

Fourth. That said BURTON K. WHEELER did not at any time agree to receive compensation for services before any department, court-martial, bureau, officer, or any civil, military, or naval commission, at Washington, and did not at any time receive compensation for such services before any department, court-martial, bureau, officer, or any civil, military, or naval commission.

Fifth. That, on the other hand, the sole contract of employment which he had with Campbell related to matters of litigation in the State courts of Montana; that Senator WHEELER did not at any time appear for said Campbell, or his companies, before any of the departments in Washington under agreement to receive compensation, and did not at any time receive compensation for any appearance or services rendered before said Government departments.

In conclusion, the committee wholly exonerates Senator BURTON K. WHEELER from any, and all, violation of section 1782 of the Revised Statutes of the United States, and finds that he neither received or accepted, or agreed to receive or accept, any compensation whatever, directly or indirectly, for any services rendered, or to be rendered, to any person, either by himself or another, in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter or thing in which the United States was a party, or directly or indirectly interested, before any department, court-martial, bureau, officer, or any civil, military, or naval commission whatever.

The committee further states that in its opinion Senator WHEELER was careful to have it known and understood from the beginning that his services as an attorney for Gordon Campbell, or his interests, were to be confined exclusively to matters of litigation in the State courts of Montana, and that he observed at all times not only the letter but the spirit of the law.

WM. E. BORAH.
CHAS. L. MCNARY.
CLAUDE A. SWANSON.
T. H. CARAWAY.

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.

RIGHTS IN SYRIA AND THE LEBANON

In executive session this day, the following convention was ratified, and, on motion of Mr. LODGE, the injunction of secrecy was removed therefrom:

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to its ratification, I transmit herewith a convention, signed by the plenipotentiaries of the United States and France at Paris on April 4, 1924, respecting the rights of the two Governments and their respective nationals in Syria and the Lebanon, over which a mandate was conferred upon the Government of France.

CALVIN COOLIDGE.

THE WHITE HOUSE, *April 28, 1924.*

THE PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States and France with respect to the rights of the two Governments and their respective nationals in Syria and the Lebanon, over which a mandate was conferred upon the Government of France, signed at Paris on April 4, 1924.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,
Washington, April 25, 1924.

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND FRANCE REGARDING THE MANDATE FOR SYRIA AND THE LEBANON

The President of the United States of America and the President of the French Republic.

Whereas by the treaty of peace concluded with the allied powers Turkey renounces all her rights and titles over Syria and the Lebanon; and

Whereas article 22 of the covenant of the League of Nations in the treaty of Versailles provides that in the case of certain territories which as a consequence of the late war ceased to be under the sovereignty of the states which formerly governed them mandates should be issued and that the terms of the mandate should be explicitly defined in each case by the council of the league; and

Whereas the principal allied powers have agreed to intrust the mandate for Syria and the Lebanon to France; and

Whereas the terms of the said mandate have been defined by the Council of the League of Nations, as follows:

ARTICLE 1. The mandatory shall frame, within a period of three years from the coming into force of this mandate, an organic law for Syria and for the Lebanon.

This organic law shall be framed in agreement with the native authorities and shall take into account the rights, interests, and wishes of all the population inhabiting the said territory. The mandatory shall further enact measures to facilitate the progressive development of Syria and the Lebanon as independent states. Pending the coming into effect of the organic law, the government of Syria and the Lebanon shall be conducted in accordance with the spirit of this mandate.

The mandatory shall, as far as circumstances permit, encourage local autonomy.

ART. 2. The mandatory may maintain its troops in the said territory for its defense. It shall further be empowered, until the entry into force of the organic law and the reestablishment of public security, to organize such local militia as may be necessary for the defense of the territory and to employ this militia for defense and also for the maintenance of order. These local forces may only be recruited from the inhabitants of the said territory.

The said militia shall thereafter be under the local authorities, subject to the authority and the control which the mandatory shall retain over these forces. It shall not be used for purposes other than those above specified save with the consent of the mandatory.

Nothing shall preclude Syria and the Lebanon from contributing to the cost of the maintenance of the forces of the mandatory stationed in the territory.

The mandatory shall at all times possess the right to make use of the ports, railways, and means of communication of Syria and the Lebanon for the passage of its troops and of all materials, supplies, and fuel.

ART. 3. The mandatory shall be intrusted with the exclusive control of the foreign relations of Syria and the Lebanon and with the right to issue exequaturs to the consuls appointed by foreign powers. Nationals of Syria and the Lebanon living outside the limits of the territory shall be under the diplomatic and consular protection of the mandatory.

ART. 4. The mandatory shall be responsible for seeing that no part of the territory of Syria and the Lebanon is ceded or leased or in any way placed under the control of a foreign power.

ART. 5. The privileges and immunities of foreigners, including the benefits of consular jurisdiction and protection as formerly enjoyed by capitulation or usage in the Ottoman Empire, shall not be applicable in Syria and the Lebanon. Foreign consular tribunals shall, however, continue to perform their duties until the coming into force of the new legal organization provided for in article 6.

Unless the powers whose nationals enjoyed the aforementioned privileges and immunities on August 1, 1914, shall have previously renounced the right to their reestablishment, or shall have agreed to their nonapplication during a specified period, these privileges and immunities shall at the expiration of the mandate be immediately reestablished in their entirety or with such modifications as may have been agreed upon between the powers concerned.

ART. 6. The mandatory shall establish in Syria and the Lebanon a judicial system which shall assure to natives as well as to foreigners a complete guarantee of their rights.

Respect for the personal status of the various peoples and for their religious interests shall be fully guaranteed. In particular the control and administration of Wakfs shall be exercised in complete accordance with religious law and the dispositions of the founders.

ART. 7. Pending the conclusion of special extradition agreements, the extradition treaties at present in force between foreign powers and the mandatory shall apply within the territory of Syria and the Lebanon.

ART. 8. The mandatory shall insure to all complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality. No discrimination of any kind shall be made between the inhabitants of Syria and the Lebanon on the ground of differences in race, religion, or language.

The mandatory shall encourage public instruction which shall be given through the medium of the native languages in use in the territory of Syria and the Lebanon.

The right of each community to maintain its own schools for the instruction and education of its own members in its own language, while conforming to such educational requirements of a general nature as the administration may impose, shall not be denied or impaired.

ART. 9. The mandatory shall refrain from all interference in the administration of the councils of management (conseils de fabrique) or in the management of religious communities and sacred shrines belonging to the various religions, the immunity of which has been expressly guaranteed.

ART. 10. The supervision exercised by the mandatory over the religious missions in Syria and the Lebanon shall be limited to the maintenance of public order and good government. The activities of these religious missions shall in no way be restricted nor shall their members be subjected to any restrictive measures on the ground of nationality, provided that their activities are confined to the domain of religion.

The religious missions may also concern themselves with education and relief, subject to the general right of regulation and control by the mandatory or of the local government in regard to education, public instruction, and charitable relief.

ART. 11. The mandatory shall see that there is no discrimination in Syria or the Lebanon against the nationals, including societies and associations of any state member of the League of Nations as compared with its own nationals, including societies and associations, or with the nationals of any other foreign state in matters concerning taxation or commerce, the exercise of professions or industries, or navigation, or in the treatment of ships or aircraft. Similarly there shall be no discrimination in Syria or the Lebanon against goods originating in or destined for any of the said states; there shall be freedom of transit, under equitable conditions, across the said territory.

Subject to the above, the mandatory may impose or cause to be imposed by the local governments such taxes and customs duties as it may consider necessary. The mandatory, or the local governments acting under its advice, may also conclude on grounds of contiguity any special customs arrangements with an adjoining country.

The mandatory may take or cause to be taken, subject to the provisions of paragraph 1 of this article, such steps as it may think best to insure the development of the natural resources of the said territory and to safeguard the interests of the local population.

Concessions for the development of these natural resources shall be granted without distinction of nationality between the nationals of all states members of the League of Nations, but on condition that they do not infringe upon the authority of the local government. Concessions in the nature of a general monopoly shall not be granted. This clause shall in no way limit the right of the mandatory to create monopolies of a purely fiscal character in the interest of the territory of Syria and the Lebanon, and with a view to assuring to the territory the fiscal resources which would appear best adapted to the local needs, or, in certain cases, with a view to developing the natural resources either directly by the state or through an organization under its control, provided that this does not involve either directly or indirectly the creation of a monopoly of the natural resources in favor of the mandatory or its nationals, nor involve any preferential treatment which would be incompatible with the economic, commercial, and industrial equality guaranteed above.

ART. 12. The mandatory shall adhere, on behalf of Syria and the Lebanon, to any general international agreements already existing, or which may be concluded hereafter with the approval of the League of Nations, in respect of the following: The slave trade, the traffic in drugs, the traffic in arms and ammunition, commercial equality, freedom of transit and navigation, aerial navigation, postal, telegraphic, or wireless communications, and measures for the protection of literature, art, or industries.

ART. 13. The mandatory shall secure the adhesion of Syria and the Lebanon so far as social, religious, and other conditions permit, to such measures of common utility as may be adopted by the League of Nations for preventing and combating disease, including diseases of animals and plants.

ART. 14. The mandatory shall draw up and put into force within 12 months from this date a law of antiquities in conformity with the following provisions. This law shall insure equality of treatment in the matter of excavations and archeological research to the nationals of all states members of the League of Nations.

1. "Antiquity" means any construction or any product of human activity earlier than the year 1700 A. D.

2. The law for the protection of antiquities shall proceed by encouragement rather than by threat.

Any person who, having discovered an antiquity without being furnished with the authorization referred to in paragraph 5, reports the same to an official of the competent department shall be rewarded according to the value of the discovery.

3. No antiquity may be disposed of except to the competent department unless this department renounces the acquisition of any such antiquity.

No antiquity may leave the country without an export license from the said department.

4. Any person who maliciously or negligently destroys or damages an antiquity shall be liable to a penalty to be fixed.

5. No clearing of ground or digging with the object of finding antiquities shall be permitted, under penalty of fine, except to persons authorized by the competent department.

6. Equitable terms shall be fixed for expropriation, temporary or permanent, of lands which might be of historical or archæological interest.

7. Authorization to excavate shall only be granted to persons who show sufficient guaranties of archæological experience. The mandatory shall not, in granting these authorizations, act in such a way as to exclude scholars of any nation without good grounds.

8. The proceeds of excavations may be divided between the excavator and the competent department in a proportion fixed by that department. If division seems impossible for scientific reasons the excavator shall receive a fair indemnity in lieu of a part of the find.

ART. 15. Upon the coming into force of the organic law referred to in article 1, an arrangement shall be made between the mandatory and the local governments for reimbursement by the latter of all expenses incurred by the mandatory in organizing the administration, developing local resources, and carrying out permanent public works, of which the country retains the benefit. Such arrangement shall be communicated to the Council of the League of Nations.

ART. 16. French and Arabic shall be the official language of Syria and the Lebanon.

ART. 17. The mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the council as to the measures taken during the year to carry out the provisions of this mandate. Copies of all laws and regulations promulgated during the year shall be attached to the said report.

ART. 18. The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

ART. 19. On the termination of the mandate, the Council of the League of Nations shall use its influence to safeguard for the future the fulfillment by the Government of Syria and the Lebanon of the financial obligations, including pensions and allowances, regularly assumed by the administration of Syria or of the Lebanon during the period of the mandate.

ART. 20. The mandatory agrees that if any dispute whatever should arise between the mandatory and another member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it can not be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the covenant of the League of Nations.

Whereas the mandate in the above terms came into force on September 29, 1923; and

Whereas the United States of America by participating in the war against Germany contributed to her defeat and the defeat of her allies and to the renunciation of the rights and titles of her allies in the territory transferred by them, but has not ratified the covenant of the League of Nations embodied in the treaty of Versailles; and

Whereas the Government of the United States and the Government of France desire to reach a definite understanding with respect to the rights of the two Governments and their respective nationals in Syria and the Lebanon;

The President of the United States of America and the President of the French Republic have decided to conclude a convention to this effect and have nominated as their plenipotentiaries:

The President of the United States of America.

His excellency, Mr. Myron T. Herrick, ambassador extraordinary and plenipotentiary of the United States of America to France.

And the President of the French Republic:

M. Raymond Poincaré, senator, president of the council, minister of foreign affairs.

Who, after communicating to each other their respective full powers, found in good and due form, have agreed as follows:

ARTICLE 1

Subject to the provisions of the present convention, the United States consents to the administration by the French Republic, pursuant to the aforesaid mandate, of Syria and the Lebanon.

ARTICLE 2

The United States and its nationals shall have and enjoy all the rights and benefits secured under the terms of the mandate to members of the League of Nations and their nationals, notwithstanding the fact that the United States is not a member of the League of Nations.

ARTICLE 3

Vested American property rights in the mandated territories shall be respected and in no way impaired.

ARTICLE 4

A duplicate of the annual report to be made by the mandatory under article 17 of the mandate shall be furnished to the United States.

ARTICLE 5

Subject to the provisions of any local laws for the maintenance of public order and public morals, the nationals of the United States will be permitted freely to establish and maintain educational, philanthropic, and religious institutions in the mandated territory, to receive voluntary applicants and to teach in the English language.

ARTICLE 6

Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above unless such modification shall have been assented to by the United States.

ARTICLE 7

The present convention shall be ratified in accordance with the respective constitutional methods of the high contracting parties. The ratifications shall be exchanged at Paris as soon as practicable. The present convention shall take effect on the date of the exchange of ratifications.

In witness whereof the respective plenipotentiaries have signed this convention and have affixed thereto their seals.

Done in duplicate at Paris the 4th day of April, in the year 1924.

[L. S.] (Signed) MYRON T. HERRICK.

RECESS

Mr. WARREN. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Thursday, May 15, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 14, 1924

POSTMASTERS

ALABAMA

Minnie W. O'Hara to be postmaster at Hurtsboro, Ala., in place of S. A. Borom. Incumbent's commission expires June 4, 1924.

Alden M. Wallace to be postmaster at Tuskegee, Ala., in place of B. C. Gibson, resigned.

ALASKA

William J. Shepard to be postmaster at Cordova, Alaska, in place of C. H. Scheffler. Incumbent's commission expires June 4, 1924.

ARKANSAS

Robert A. Choate to be postmaster at Tuckerman, Ark., in place of R. A. Choate. Incumbent's commission expires June 4, 1924.

Bertha E. Millian to be postmaster at Lexa, Ark., in place of B. E. Millian. Incumbent's commission expires June 4, 1924.

CALIFORNIA

Clyde W. Holbrook to be postmaster at Venice, Calif., in place of J. C. Barthel. Incumbent's commission expired February 11, 1924.

Earle R. Hawley to be postmaster at Stockton, Calif., in place of E. R. Hawley. Incumbent's commission expires June 4, 1924.

Chauncey P. Wright to be postmaster at San Pedro, Calif., in place of C. J. Adair. Incumbent's commission expired February 11, 1924.

Louis P. Miller to be postmaster at Rio Vista, Calif., in place of L. P. Miller. Incumbent's commission expires June 4, 1924.

George W. Nygren to be postmaster at Parlier, Calif., in place of G. W. Nygren. Incumbent's commission expires June 4, 1924.

William C. Werry to be postmaster at Palo Alto, Calif., in place of W. H. Kelly. Incumbent's commission expires June 4, 1924.

Marion W. Bessom to be postmaster at Lawndale, Calif., in place of M. W. Bessom. Office became third class April 1, 1924.

Flora H. Vaughn to be postmaster at Earlimart, Calif., in place of F. H. Vaughn, resigned.

John H. B. Speer to be postmaster at Delano, Calif., in place of R. M. Wilbur, resigned.

COLORADO

James L. Allison to be postmaster at Woodmen, Colo., in place of J. L. Allison. Incumbent's commission expires June 4, 1924.

George Haver to be postmaster at Eckley, Colo., in place of George Haver. Incumbent's commission expires May 21, 1924.

Irving P. Beckett to be postmaster at Craig, Colo., in place of I. P. Beckett. Incumbent's commission expires June 4, 1924.

CONNECTICUT

John A. Ayer to be postmaster at Saybrook, Conn., in place of R. D. Burns. Incumbent's commission expires June 5, 1924.

Clarence L. Clark to be postmaster at Lyme, Conn., in place of C. L. Clark. Incumbent's commission expires June 5, 1924.

William T. Crumb to be postmaster at Jewett City, Conn., in place of D. F. Finn. Incumbent's commission expires June 5, 1924.

James F. Holden to be postmaster at Forestville, Conn., in place of J. F. Holden. Incumbent's commission expires June 5, 1924.

Edward S. Coulter to be postmaster at Essex, Conn., in place of E. S. Coulter. Incumbent's commission expired April 9, 1924.

IDAHO

Lester J. Holland to be postmaster at Shelley, Idaho, in place of O. P. Jensen. Incumbent's commission expires June 5, 1924.

Charles J. Shoemaker to be postmaster at Sand Point, Idaho, in place of D. C. D. Moore. Incumbent's commission expires June 5, 1924.

Floyd E. Reynolds to be postmaster at Richfield, Idaho, in place of F. E. Reynolds. Incumbent's commission expires June 5, 1924.

Hugh D. Stanton to be postmaster at Kendrick, Idaho, in place of J. F. Brown. Incumbent's commission expires June 5, 1924.

Albert E. White to be postmaster at Payette, Idaho, in place of A. E. White. Incumbent's commission expires June 5, 1924.

Frank Dvorak to be postmaster at Aberdeen, Idaho, in place of Frank Dvorak. Incumbent's commission expires June 5, 1924.

ILLINOIS

Harry L. Dean to be postmaster at Witt, Ill., in place of T. W. Daly. Incumbent's commission expires June 4, 1924.

Anna J. Arthur to be postmaster at Lovejoy, Ill., in place of A. J. Arthur. Office became third class April 1, 1924.

Laura A. Gregory to be postmaster at Willisville, Ill., in place of L. A. Gregory. Incumbent's commission expires June 5, 1924.

Simon K. Lewis to be postmaster at Utica, Ill., in place of John Gilchrist. Incumbent's commission expires June 5, 1924.

Christian Andres to be postmaster at Tinley Park, Ill., in place of Christian Andres. Incumbent's commission expires May 28, 1924.

Henry H. Pierce to be postmaster at Royalton, Ill., in place of H. H. Pierce. Incumbent's commission expires June 5, 1924.

Harry Hutchins to be postmaster at Rockton, Ill., in place of W. W. Sloan. Incumbent's commission expires June 5, 1924.

August Kalkitz to be postmaster at Red Bud, Ill., in place of Albert Schrieber. Incumbent's commission expires June 5, 1924.

Jessie A. Livingston to be postmaster at Livingston, Ill., in place of F. A. Thomure. Incumbent's commission expires June 5, 1924.

Andrew R. Tarbox to be postmaster at Gibson City, Ill., in place of A. R. Tarbox. Incumbent's commission expires June 4, 1924.

John H. Stolle to be postmaster at Evansville, Ill., in place of C. D. Pautler. Incumbent's commission expires May 28, 1924.

Frank G. Robinson to be postmaster at El Paso, Ill., in place of F. G. Robinson. Incumbent's commission expires May 28, 1924.

Edwin C. O'Brien to be postmaster at Barry, Ill., in place of E. C. O'Brien. Incumbent's commission expires May 28, 1924.

Francis W. Craig to be postmaster at Apple River, Ill., in place of W. H. Smith. Incumbent's commission expires June 5, 1924.

Lottie M. Jones to be postmaster at Antioch, Ill., in place of L. M. Jones. Incumbent's commission expires June 5, 1924.

INDIANA

Warren B. Johnson to be postmaster at Owensville, Ind., in place of F. W. Boren. Incumbent's commission expires June 5, 1924.

Walter C. Farrell to be postmaster at Middletown, Ind., in place of W. C. Farrell. Incumbent's commission expired May 6, 1924.

IOWA

Jesse A. Stump to be postmaster at Wellman, Iowa, in place of D. F. Kirkpatrick. Incumbent's commission expires June 5, 1924.

Clair A. Sodergren to be postmaster at Wayland, Iowa, in place of Jacob Wenger. Incumbent's commission expired March 22, 1924.

Hazel A. Coltrane to be postmaster at Stockport, Iowa, in place of Gustavus Anderson. Incumbent's commission expired March 22, 1924.

William H. Ward to be postmaster at Ryan, Iowa, in place of W. H. Ward. Incumbent's commission expires June 5, 1924.

Frank E. Moravec to be postmaster at Oxford Junction, Iowa, in place of F. E. Moravec. Incumbent's commission expired August 5, 1923.

Charles E. L. See to be postmaster at Laurens, Iowa, in place of C. E. L. See. Incumbent's commission expires June 4, 1924.

John F. Dicus to be postmaster at Griswold, Iowa, in place of R. A. Donahoe. Incumbent's commission expires June 5, 1924.

Lloyd S. Meyers to be postmaster at Columbus Junction, Iowa, in place of L. S. Meyers. Incumbent's commission expires June 4, 1924.

William W. Jamison to be postmaster at Brighton, Iowa, in place of A. J. Johnson. Incumbent's commission expired March 22, 1924.

Charles G. Wiley to be postmaster at Bonaparte, Iowa, in place of C. G. Wiley. Incumbent's commission expires June 4, 1924.

Patience Felger to be postmaster at Afton, Iowa, in place of Patience Felger. Incumbent's commission expires June 4, 1924.

KANSAS

Eldon C. Newby to be postmaster at Randolph, Kans., in place of J. E. Leach. Incumbent's commission expires June 4, 1924.

George F. Gibson to be postmaster at Lyons, Kans., in place of B. C. Peterson. Incumbent's commission expired October 11, 1923.

Sherman F. Lull to be postmaster at Linn, Kans., in place of M. L. Hoerman. Incumbent's commission expires June 4, 1924.

James L. Reeves to be postmaster at Gridley, Kans., in place of J. L. Reeves. Incumbent's commission expires June 4, 1924.

Merton M. Fletcher to be postmaster at Glasco, Kans., in place of C. T. Butler. Incumbent's commission expires June 4, 1924.

Herbert L. Fryback to be postmaster at Colby, Kans., in place of W. J. Taylor. Incumbent's commission expired May 6, 1924.

KENTUCKY

Carley O. Wilmoth to be postmaster at Paris, Ky., in place of J. W. Payne, resigned.

Edgar Renshaw to be postmaster at Hopkinsville, Ky., in place of J. E. Moseley, removed.

LOUISIANA

Lillian P. Witherow to be postmaster at Lake Providence, La., in place of L. P. Witherow. Incumbent's commission expires June 2, 1924.

MAINE

Lawrence H. Allen to be postmaster at South Windham, Me., in place of W. K. Foster. Incumbent's commission expires June 5, 1924.

Gustavus A. Young to be postmaster at Island Falls, Me., in place of G. A. Young. Incumbent's commission expires May 18, 1924.

Carleton E. Young to be postmaster at Winterport, Me., in place of C. E. Young. Incumbent's commission expires May 18, 1924.

MASSACHUSETTS

Charles W. Swift to be postmaster at Yarmouth, Mass., in place of C. W. Swift. Incumbent's commission expires June 4, 1924.

Wendell F. Gurney to be postmaster at Whitman, Mass., in place of Martin Ratigan. Incumbent's commission expires June 4, 1924.

Nancy S. Harley to be postmaster at South Hanson, Mass., in place of N. S. Harley. Incumbent's commission expires June 4, 1924.

Walter B. Currier to be postmaster at South Acton, Mass., in place of W. B. Currier. Incumbent's commission expires May 28, 1924.

Herbert E. Buxton to be postmaster at Shrewsbury, Mass., in place of H. E. Buxton. Incumbent's commission expires May 28, 1924.

Joseph L. McGrath to be postmaster at Sharon, Mass., in place of J. L. McGrath. Incumbent's commission expires June 4, 1924.

Charles H. Sawyer to be postmaster at Northampton, Mass., in place of P. F. Brown. Incumbent's commission expires June 4, 1924.

MICHIGAN

Frank N. Green to be postmaster at Olivet, Mich., in place of Thomas Maveety. Incumbent's commission expires June 4, 1924.

Arthur G. Stone to be postmaster at Niles, Mich., in place of F. W. Richter. Incumbent's commission expires June 4, 1924.

Adrian J. Westveer to be postmaster at Holland, Mich., in place of W. O. Van Eyck. Incumbent's commission expires June 4, 1924.

Edwin L. Groger to be postmaster at Concord, Mich., in place of E. L. Groger. Incumbent's commission expires June 4, 1924.

MINNESOTA

Hans P. Becken to be postmaster at Hanska, Minn., in place of H. P. Becken. Incumbent's commission expires May 28, 1924.

MISSOURI

Isaac P. Hopkins to be postmaster at Edgerton, Mo., in place of I. P. Hopkins. Incumbent's commission expires June 5, 1924.

MONTANA

Thomas E. Devore to be postmaster at Whitehall, Mont., in place of T. E. Devore. Incumbent's commission expired May 10, 1924.

Robert Parsons to be postmaster at Sweetgrass, Mont., in place of Robert Parsons. Incumbent's commission expires May 28, 1924.

NEBRASKA

May Roberts to be postmaster at Nemaha, Nebr., in place of May Roberts. Office became third class April 1, 1924.

Orin J. Schwieger to be postmaster at Chadron, Nebr., in place of B. A. Brewster, removed.

Margaret M. Anderson to be postmaster at Stromsburg, Nebr., in place of M. M. Anderson. Incumbent's commission expired April 9, 1924.

Harry B. Clayton to be postmaster at Central City, Nebr., in place of E. H. Bishop. Incumbent's commission expired April 9, 1924.

Edward F. Farley, jr., to be postmaster at Bancroft, Nebr., in place of X. Y. Zuhlke. Incumbent's commission expires June 4, 1924.

NEW HAMPSHIRE

William T. Lance to be postmaster at Meredith, N. H., in place of G. F. Sanborn. Incumbent's commission expires June 5, 1924.

Leston F. Eldredge to be postmaster at Durham, N. H., in place of Samuel Runlett. Incumbent's commission expires June 5, 1924.

Thomas H. Dearborn to be postmaster at Dover, N. H., in place of G. H. Sherry. Incumbent's commission expires June 5, 1924.

NEW JERSEY

Harry B. Mason to be postmaster at Pompton Lakes, N. J., in place of J. F. Beardsley, deceased.

Lyle W. Morehouse to be postmaster at Little Falls, N. J., in place of J. T. Steel, resigned.

Charles Herrmann to be postmaster at South River, N. J., in place of Clara Mark. Incumbent's commission expired March 2, 1924.

NEW YORK

William P. McConnell to be postmaster at Marlboro, N. Y., in place of Herbert McMullen. Incumbent's commission expired July 21, 1924.

Lulu B. Morehouse to be postmaster at Marathon, N. Y., in place of A. L. Slate. Incumbent's commission expired May 6, 1924.

NORTH CAROLINA

Perry T. Roane to be postmaster at Kelford, N. C., in place of P. T. Roane. Office became third class April 1, 1924.

Stella Taylor to be postmaster at Efland, N. C., in place of B. A. Clark. Office became third class January 1, 1924.

NORTH DAKOTA

Benjamin L. Anderson to be postmaster at Grenora, N. Dak., in place of B. L. Anderson. Incumbent's commission expired January 23, 1924.

OHIO

Fred M. Hopkins to be postmaster at Fostoria, Ohio, in place of Roscoe Carle. Incumbent's commission expired February 24, 1924.

Olive G. Randall to be postmaster at Hubbard, Ohio, in place of S. E. Denison, removed.

Frank J. Eckstein to be postmaster at Salem, Ohio, in place of G. H. Mounts. Incumbent's commission expired May 10, 1924.

Charles R. Finnical to be postmaster at Newton Falls, Ohio, in place of J. B. Beard. Incumbent's commission expires June 4, 1924.

John W. Kramer to be postmaster at Maumee, Ohio, in place of J. W. Kramer. Incumbent's commission expires June 2, 1924.

Hosea A. Spaulding to be postmaster at Delaware, Ohio, in place of W. E. Haas. Incumbent's commission expires June 4, 1924.

OKLAHOMA

Fred Godard to be postmaster at Wellston, Okla., in place of Fred Godard. Incumbent's commission expires May 18, 1924.

Clifton J. Owens to be postmaster at Mill Creek, Okla., in place of C. J. Owens. Incumbent's commission expires May 18, 1924.

PENNSYLVANIA

Howard S. Kiess to be postmaster at Blossburg, Pa., in place of M. C. Bermingham. Incumbent's commission expires June 5, 1924.

PORTO RICO

Moises Jordan to be postmaster at Utuado, P. R., in place of Moises Jordan. Incumbent's commission expires May 28, 1924.

Jose M. Alcover to be postmaster at Arecibo, P. R., in place of J. M. Alcover. Incumbent's commission expires May 28, 1924.

Carlos F. Torregrosa to be postmaster at Aguadilla. P. R., in place of C. F. Torregrosa. Incumbent's commission expires June 4, 1924.

SOUTH DAKOTA

William R. Amoo to be postmaster at Morristown, S. Dak., in place of W. R. Amoo. Incumbent's commission expires May 28, 1924.

TENNESSEE

Herschel H. Tatlock to be postmaster at Covington, Tenn., in place of R. H. Green. Incumbent's commission expires June 4, 1924.

TEXAS

William H. Tarter to be postmaster at Roxton, Tex., in place of R. C. Lattimore. Incumbent's commission expires June 4, 1924.

Abundio Contreras to be postmaster at Riogrande, Tex., in place of Abundio Contreras. Incumbent's commission expires June 4, 1924.

Mike O. Sharp to be postmaster at Denison, Tex., in place of H. L. Piner. Incumbent's commission expires June 4, 1924.

UTAH

William S. Anderson to be postmaster at Moroni, Utah, in place of W. S. Anderson. Incumbent's commission expires June 4, 1924.

VERMONT

Reginald W. Buzzell to be postmaster at Newport, Vt., in place of D. R. Stetson. Incumbent's commission expires June 5, 1924.

VIRGINIA

Nannie L. Curtis to be postmaster at Leehall, Va., in place of N. L. Curtis. Incumbent's commission expired April 13, 1924.

WEST VIRGINIA

Earle Reger to be postmaster at Weston, W. Va., in place of Earle Reger. Incumbent's commission expires June 5, 1924.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14, 1924

POSTMASTERS

CALIFORNIA

Frances W. Brown, Montrose.
Myrtle H. Turner, Reseda.
Ralph R. Merritt, Tehachapi.
Ellen M. Gholson, Tennant.

COLORADO

Thomas F. Beck, Aspen.
John C. Kessenger, Limon.
Erman D. Acton, Oak Creek.

CONNECTICUT

Frederick W. Foster, Short Beach.

FLORIDA

Edward O. Sawyers, Zolfo Springs.

ILLINOIS

Oscar N. De Forde, Alma.
John H. Lawder, Campbell Hill.
Harry V. Popejoy, Cropsey.
Willis G. Hodge, Ina.
Charles J. Rohde, Lena.
Irene L. Ford, Mahomet.
Lyle E. Wilcox, McLean.
Louis A. Willman, Metamora.

IOWA

Charles H. Cookinham, Ayrshire.
William E. Clayman, Conrad.
James W. Duckett, Corwith.
Calvin C. Knoll, Gilmore City.
Perry D. Burke, Gladbrook.

KENTUCKY

Edna W. Morin, Alexandria.
John F. Graves, Arlington.
Herbert E. Brown, Brandenburg.
Annie M. Thomas, Cadiz.
Bryant H. Givens, Caneyville.
John M. Burkholder, Crofton.
Nannie J. Wathen, Irvington.
Henry C. Hurst, Jackson.
Gertrude Berry, La Center.
J. Whit Wingo, Lynnville.
Ella M. Geddes, Pippapass.
Anna E. Fuqua, Rockvale.
Thomas B. Rhoades, Sturgis.

LOUISIANA

Robert H. Staples, Castor.

MISSOURI

Walter L. Meyer, Auxvasse.
Milton C. Terry, Carterville.
Robert J. Smith, Miller.
Ezra L. Plummer, Seneca.

NEBRASKA

Leah P. Rice, Harrison.
Louis A. Rice, Wilsonville.

NEVADA

William E. Dalton, Gerlach.
Louis H. Ulrich, Hawthorne.
John W. Christian, Pioche.

NEW JERSEY

Francis M. Denver, Blackwood.
Rachel E. Berger, Ringoes.
George A. Yewell, Yardville.

NEW MEXICO

George H. Disinger, Hillsboro.

OREGON

William P. Skiens, Burns.
Henry W. Bahringer, Dundee.
Charles Royse, Spray.

RHODE ISLAND

Marion A. Smith, Conimicut.

SOUTH DAKOTA

Arthur W. Siegele, Herreid.
Thomas C. Burns, Mitchell.

TENNESSEE

William G. Leach, Huntingdon.
Haggai M. Miller, Mountain City.
Alvin L. Henderson, Tracy City.

TEXAS

Sudie Gaut, Arp.
Charles F. Palm, Carrizo Springs.
George H. Fricke, Cat Spring.
Lenora A. Rudder, Coahoma.
Lee M. Feagin, Colmesneil.
Charles W. Ford, Gatesville.
Thomas C. Hood, Lyford.
Robert W. Bourland, Marathon.
Edgar Lewis, Mesquite.
Fred N. Bland, Orangefield.
Charles A. Qualls, Post.
Mabel E. Kennedy, Rockport.
Cynthia M. Martin, San Augustine.
Raymond G. Hirth, San Juan.
Manton W. Williams, Sinton.

WASHINGTON

William G. Meneice, Carson.
Thomas D. Johnson, Cosmopolis.
Hugh E. Osborn, Longmire.
Rose M. Illy, Uniontown.

WEST VIRGINIA

Lawrence Barrackman, Barrackville.
Aileen J. Calfee, Eckman.
Gertrude Smith, Oak Hill.
Harry A. Pettigrew, Pursglove.

WYOMING

Mrs. Bert Williams, Cumberland.

WITHDRAWALS

Executive nominations withdrawn from the Senate May 14, 1924

POSTMASTERS

PENNSYLVANIA

John W. Hawes to be postmaster at Renton, in the State of Pennsylvania.

RHODE ISLAND

Marion A. Smith to be postmaster at Conimicut, in the State of Rhode Island.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *May 14, 1924*

The House met at 12 o'clock noon, and was called to order by the Speaker.

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

O Love Divine, keep us in the ways of Thy precepts lest we fail; lead us and shield us lest we falter. Great is our need, but greater far is Thy loving power. Remind us, O Lord, that no good thing dost Thou withhold from him who walks uprightly. In every way may we so value this life that we may realize that it is but an echo of the life eternal. This day may our thoughts be pure, our words clean, our labor wise and helpful. Forgive us if we are selfish; rebuke us if we are untrue; recall us if we go estray; and cleanse us from all secret faults. For Jesus's sake. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Welch, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 381) to amend section 2 of the act entitled "An act to provide for stock-raising homesteads and for other purposes," approved December 29, 1916 (39 Stat. L. p. 862).

The message also announced that the Senate had passed with amendment the bill (H. R. 6207) authorizing and directing the Secretary of War to transfer to the jurisdiction of the Department of Justice all that portion of the Fort Leavenworth Military Reservation which lies in the State of Missouri, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia, and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Butternut Street, and for other purposes, and asked a conference with the House on the disagreeing votes of the two Houses thereon and had appointed Mr. BALL, Mr. JONES of Washington, and Mr. KING as the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 4445) to amend section 115 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary," in which the concurrence of the House of Representatives was requested.

The mesage also announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1785. An act to amend an act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, and acts amendatory thereof;

S. 2287. An act to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Shore Line;

S. 2932. An act to quiet the title to lands within Pueblo Indian land grants, and for other purposes; and

S. J. Res. 103. Joint resolution authorizing expenditure of the Fort Peck 4 per cent fund now standing to the credit of the Fort Peck Indians, of Montana, in the Treasury of the United States.

The message also announced that the Senate had passed the following order:

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 4445) to amend section 115 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary."

SENATE BILLS AND JOINT RESOLUTION REFERRED

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

S. 2287. An act to permit the Secretary of War to dispose of and the Port of New York Authority to acquire the Hoboken Shore Line; to the Committee on Military Affairs.

S. 1785. An act to amend an act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, and acts amendatory thereof; to the Committee on the District of Columbia.

S. 2932. An act to quiet the title to lands within Pueblo Indian land grants, and for other purposes; to the Committee on Indian Affairs.

S. J. Res. 103. Joint resolution authorizing expenditure of the Fort Peck 4 per cent fund now standing to the credit of the Fort Peck Indians, of Montana, in the Treasury of the United States; to the Committee on Indian Affairs.

ORDER OF BUSINESS

Mr. McKENZIE. Mr. Speaker, this is Calendar Wednesday. I understand that there are scheduled about two hours of speeches on various subjects to-day, and inasmuch as the Committee on Military Affairs has a number of rather important bills—not great bills, but important to the service, both the National Guard and the Regular Army—I hope that there will be no extensions asked for further time on this day, which should be given to the consideration of bills from the Committee on Military Affairs.

INTERNATIONAL COURTS

The SPEAKER. By a special order the gentleman from Pennsylvania [Mr. WATSON] is entitled to address the House for 15 minutes.

The gentleman from Pennsylvania is recognized.

Mr. WATSON. Mr. Speaker, I rise pursuant to my request to speak on the international courts, where nations may settle disputes either by arbitration or judicial procedure.

First, I purpose to outline the history of the two courts, in order more clearly to emphasize my belief, that through the philosophy of progression a court can and will be established to meet the approval of all nations.

Arbitration was practiced among the ancients in the disposition of civil cases. The Permanent Court of Arbitration of modern times was established in 1899. Nicholas, the Czar of Russia, initiated the peace conference which was held in the city of The Hague in 1898, and at The Hague the court was instituted and there maintained its seat.

The United States was numbered with many signatory powers that ratified the court. The group created a list of 100 names, from which are selected three or five arbitrators to decide a dispute that may arise between its members. Each case has different arbitrators, "hence the impossibility of arriving at a jurisprudence capable of developing international law." The first case was arbitrated in 1902. It involved a question between the United States and Mexico relative to boundary lines of certain territory. The decision was accepted by both countries and thus the controversy ended in peace. The result interested Andrew Carnegie, which prompted him to offer to the commissioners of the court a fund to establish a law library. While the proffer was in abeyance, Mr. Carnegie advised that his gift of $1,500,000 be applied for the erection of a building to house the court in place of a library, and thus the "Carnegie Foundation" was realized, known as the Palace of Peace.

The issue as to the site was settled when the city of The Hague donated the Royal Park, a tract of 15 acres located in the heart of the city. Two hundred and sixteen competitive designs were submitted. The one adopted presented a building 160 feet long, of Norwegian granite, columns of gray stone, and stately towers, all of which mark the edifice with inspiring dignity.

By a resolution of the commissioners in the conference of 1907, all nations were privileged to present materials and objects of art. The city of The Hague gave the grand marble staircase; the United States, a group of statuary; England, stained glass windows; Japan, silk tapestry and furniture; France, paintings and Gobelins; other nations, rich pieces of decoration. A noted horticultural engineer beautifully laid out the grounds with ornamental lakes, fountains, perennial plants, rose and flower gardens. These, with a background of old and majestic trees, present a peaceful charm.

Attempt was made in the 1907 conference to establish with the Permanent Court of Arbitration a permanent court of arbitral justice, by electing judges for a stated term, drawing salaries, and being always ready to respond to the invitation of powers desiring to submit a difference to their judgment. This failed because the great and small powers were unable to agree upon a method of selecting the judges. After the armistice the League of Nations was created, from which eminated the Court of International Justice, which is also located in the Palace of Peace.

Article XIV of the league provides that the council shall formulate a plan for the establishment of the court, which was submitted to the league and adopted December 13, 1920. The council and the assembly, two organizations of the League of Nations, within their prescribed power, elected for a period of nine years, 11 acting and 4 deputy judges. The rules of the court relative to practice are similar to those of the Supreme Court of the United States. The nations submitting their differences must file an agreement with the registrar, that the decision of the court shall be the decision of the parties in suit. There is no appeal, but either contestant may file an application for revision. The session commences June 15 each year and ends when the calendar is cleared.

The court was formerly restricted to the members of the league. The rules, however, have been modified to admit every nation, and have been broadened to cover all international disputes.

The jurisdiction of the court was originally confined to—

(a) The interpretation of a treaty;

(b) Any question of international law;

(c) The existence of any fact, which, if established, would constitute a breach of an international obligation; and

(d) The nature or extent of the reparation to be made for the breach of an international obligation.

The docket indicates a gradual increase of cases, and it is significant that not one has been entered in the court of arbitration since the organization of the court of justice.

The United States may appeal to the World Court for settlement of differences with other nations, but as the United States can not name the judges nor be assessed to maintain the court without membership, of course the United States would not submit issues to the court. Therefore, the question, Shall the United States become a member of the World Court? Member-

ship would not draw the United States into the League of Nations, nor place it under obligation to accept its covenants.

Primitive man was governed by the unwritten law that permitted the stronger to prevail over the weaker, and "the strength of the arm won over the strength of the mind." The evolution of law marks the progress of civilization. As life of ease forges its way into human conduct, the desire for war gradually dies away in the advance stage of society, where the heart of man softens toward his fellow being.

One code of law can not be framed to apply to all nations, but one court can be organized to settle differences that may arise between nations. Habits of the peoples of the earth are growing similar, resulting from modern sciences by which thought may be quickly transmitted around the world and articulated sounds be waved across the Atlantic. Thus human society appeals for peace, public economy, higher morale, and legislation to be in accord with the age. People rebel against the enactment of new laws, as they are looked upon as taking away the common-law rights of liberty. Therefore we find opposition to the World Court. As an illustration, history relates a story that when Varus failed in his expedition to Germany, where Rome had enforced the laws of her country, a German warrior meeting one of the Roman jurists thrust a sword into his heart, saying: "Viper, hiss again if you can."

The International Court has been founded and it will remain. Under Article XIV of the covenant, the functions of the court are of a twofold nature—judicial and advisory. Its judicial functions are defined as follows:

> The court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it.

The advisory functions are founded upon the last phrase of the article.

> The court may also give an advisory opinion upon any dispute or question referred to by the council or by the assembly.

It has required the age of man to perfect the civil tribunals as they are to-day. Courts with new jurisdiction, laws to neutralize the imperfections of old ones, and commissions are created almost daily throughout the world to meet the requirements of civilization and the density of population. The Court of International Justice has been established only since September, 1922, permanently, however, regardless of the opinion of political students to the contrary, and as its calendar becomes crowded new branches of the court will be ordained.

The method of electing judges, the objections that facts are not developed by a jury, and that the judges have or have not international interest in the disputes are questions that can be adjusted at the will of man, as similar ones have in the gradual formation of the civil tribunals. A nation that has not accepted the optional clause concerning the court's compulsory jurisdiction in disputes with another nation need not go to the World Court but to arms if preferable. The International Court of Justice is a stride forward. It will not eliminate wars to-morrow, but it will arrest the vigor for wars, which may in time bring universal peace. [Applause.]

REPEAL OF SECTION 15A OF THE TRANSPORTATION ACT

The SPEAKER. The gentleman from Nebraska [Mr. SHALLENBERGER] is recognized for 30 minutes.

Mr. SHALLENBERGER. Mr. Speaker and gentlemen of the House, I obtained leave last week to address the House for 30 minutes to-day to discuss railroad rate legislation, particularly the repeal of section 15a. I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. SHALLENBERGER. Further, I would like first to be permitted to proceed uninterrupted, and then later I shall be glad to answer questions.

I am glad to state to the House that we are at last to have hearings before the Committee on Interstate and Foreign Commerce on section 15a. The bill concerning which I am about to address you at this time has been for two years and four months pending before that committee, and so far no hearings have been ordered upon it. But this morning, the very morning when I am to address you on the bill, a resolution was passed by the Committee on Interstate and Foreign Commerce to have hearings on section 15a. The program of committee hearings on 15a does not in any way lessen the necessity for filing the discharge petition at the Clerk's desk. We need not hope because hearings are to be held, we will get a chance to vote upon the repeal of section 15a, because of any action by the Committee on Interstate and Foreign Commerce. The hearings do not mean that we are to have a favorable report on the bill from the committee. I do not believe that the membership of the House believes that as that committee is now organized we shall receive a favorable report on the bill. The fact that hearings will be had does not mean that the bill will be favorably reported by the House committee, and the bill will not be considered in the House without a rule from the Committee on Rules, and the membership of the House knows that we can not receive a favorable report on the bill from the Committee on Rules of this Congress.

This is the most important measure the Committee on Interstate and Foreign Commerce has before it upon the question of railroad rate reduction. I hope we may have consideration of it in the House before this Congress adjourns.

On May 7 I filed a motion in writing, as required by the rules of the House, to discharge the Committee on Interstate and Foreign Commerce from further jurisdiction of H. R. 5427, and asking for its immediate consideration by the House. This bill was introduced by the gentleman from Alabama [Mr. HUDDLESTON]. It provides for the repeal of section 15a of the interstate commerce act and declares unlawful advances in rates, fares, and charges authorized after the passage of the transportation act, which includes section 15a.

The transportation act was approved February 28, 1920.

The bill H. R. 5427 was first introduced by Mr. HUDDLESTON in the Sixty-seventh Congress and was referred to the Committee on Interstate and Foreign Commerce and remained there during the Sixty-seventh Congress and has been resting peacefully in possession of that committee along with many other bills relating to transportation problems.

It is evident to everyone at all familiar with the situation confronting this House at this time that if there is to be any action by this Congress upon the question of railroad rate legislation it requires immediate action and consideration to be effective.

It is the recognized intention of those who control the program of this Congress to adjourn some time next month.

So those who are favorable to this legislation find themselves confronted with the situation that they must endeavor to secure action through a motion to discharge the Committee on Interstate and Foreign Commerce or this session of Congress will end without attempting to grant any relief to the great basic industries that are suffering because of excessive transportation charges.

This is the first effort made in this Congress to secure relief from the excessive freight charges which have become an unbearable burden upon the basic industries of the country and more especially destructive to agricultural prosperity.

Section 15a is that portion of the transportation act which has received the most severe and constant criticism of any section of the bill. This section contains nearly all the evils which have brought public condemnation upon the so-called Esch-Cummins law. Section 15a was not in the transportation act of 1920 when that bill first passed the House.

It was forced upon the House from the conference committee and by reason of its addition to the measure many Members then refused to support it who had been favorable to the bill before.

There have been numerous bills introduced in this Congress for the repeal of section 15a itself or declaring unlawful the rates which have been established because of its provision and since its enactment.

As showing the strong demand for the repeal of section 15a and the wide opposition to it from different sections of the country, I want to read a list of the bills introduced in this session of Congress for the repeal or radical modification of this section of the transportation act.

Mr. GRAHAM of Illinois, a recognized leader both of his party and of the Congress, and a member of the Interstate and Foreign Commerce Committee, has introduced a bill to repeal section 15a.

Mr. MCLAUGHLIN of Nebraska has introduced a bill for the repeal of the entire transportation act of 1920, which includes 15a, so his bill also includes the section referred to in the Huddleston bill.

Mr. TILLMAN, of Arkansas, has introduced a bill to amend section 15a, making unlawful the advance in freight rates ordered after its approval.

Mr. VINSON, of Georgia, has introduced a bill amending section 15a, making unlawful the rates and charges ordered by the Interstate Commerce Commission under section 15a.

I also introduced a bill for the repeal of section 15a and section 19a, and that bill was referred to the Commerce Committee.

Mr. HUDDLESTON, of Alabama, introduced, on the 14th of January last, the bill which I have petitioned to have taken from the committee and immediately considered by the House.

This is a larger number of bills than have been introduced concerning any other one transportation question before the American Congress. Section 15a should be repealed for the reason that it contains fundamental provisions that are wholly wrong in public policy, both as to principles and practices.

First, it provides a cost-plus plan for determining the rates which the carriers shall be allowed to charge the public. It in effect commands the Interstate Commerce Commission to make rates high enough to earn 5½ per cent net upon all railroad property above the reported operating expenses, without regard to any other consideration.

The authorized per cent which the railroads are permitted to earn is 5½ per cent upon the determined value of all the railroads. Commissioner Esch, in hearings before the House Commerce Committee, stated that such a rule for fixing a fair return inevitably resulted in many railroads earning incomes far in excess of what any court would declare or permit as a just return upon the capital invested.

Section 15a makes the rule to determine the fairness of a rate the matter of the cost of the service alone, instead of also including the value of the service rendered and its effect upon the commerce of the Nation.

Section 15a makes it lawful for the principal railroad systems of the country, which carry the vast volume of traffic of the Nation, to tax the people through excessive freight rates and earn enormous and unfair percentages and profits.

This provision of the law is excused as necessary in order that poorly managed or weak and failing railroads may earn a profit in spite of all just economic law. The principle is unreasonable, unsound, and can not be justified under any of the recognized rules of economic justice or decisions of our courts prior to the enactment of this law.

The absolute unfairness and injustice of this rule was so apparent that the recapture clause was incorporated in the section while the bill was in conference. This clause provides that only one-half of the excessive and unfair rates which are taken from the people shall be retained by the railroads; the other part of the unfair earnings of the carriers is to be turned over to the Interstate Commerce Commission, upon the supposition that it may be used for the rehabilitation of railroads that are trying to keep out of the hands of receivers or courts of bankruptcy.

The recapture clause is as unfair in practice and principle as though a bank were permitted by law to charge its borrowers who were solvent and prompt in payment any usurious rate, no matter how high, in order that the bank might make good its losses upon its loans made to other borrowers who were insolvent or refused to pay.

Before the enactment of the transportation act including section 15a the courts had held that if it could be shown that a carrier was earning an unfair percentage of income upon its property investment because of excessive rates and charges the public was entitled to have such charges reduced sufficiently to leave the carrier only a just return.

Under that construction the unfair rates that the public is now compelled to pay to the railroads that carry the great bulk of the Nation's traffic would not be permitted by the courts. But section 15a makes injustice lawful.

Section 15a in paragraph 17 provides that no shipper shall be entitled to recover from the carrier upon the sole ground that any rate shall reflect a proportion of excess income to the carrier if a portion of the excessive charges is paid to the commission in the public interest under the provisions of this section.

In other words, if the percentage of earnings of a carrier is 20 per cent or 30 per cent, under the present law, the public is estopped from the plea that the rate is unjust and excessive since one-half of the robbery is to be paid to the Interstate Commerce Commission for its disposal.

The people of Nebraska or Iowa or Pennsylvania or any other State may be required to pay a rate that returns excessive and unfair profit to the carrier in those States, but they must endure the injustice because some bankrupt railroad in another State can be bolstered up by money taken from the pockets of the people of another Commonwealth.

It is because of the unfair and revolutionary provisions contained in section 15a, a few of which I have mentioned, that there has arisen a tremendous demand on the part of both producers and consumers from every quarter of the Nation insisting upon its repeal.

It was forced upon the House by the power of special interests fighting behind the prestige of a conference report, and the House should repeal it now that it knows the results of its unfair provisions.

It hog ties the Interstate Commerce Commission by its provisions so that it is no longer free to determine what are just and fair rates both to the public and the carrier.

The commission must base the rate of return only upon the cost to the carrier without regard to the value of the service rendered or its effect upon the price of commodities or the other business interests of the Nation.

Under the mandate of 15a the Interstate Commerce Commission advanced railroad rates and charges so enormously that as a result commerce between the States is halted, all basic industries are declining, and agriculture is suffering as it has never suffered before.

The prospect of the soft-coal industry for the future is as black as the coal itself. The public refuses to buy coal because freight rates make the price prohibitive. As a consequence, the coal is piled up at the mine's mouth for the lack of markets and labor in the soft-coal regions is idle or working for short periods and at reduced wages.

Prices of all basic commodities are affected adversely because of unreasonable transportation charges. Profitable agriculture is rapidly being destroyed, and the farming regions of the West and Middle West are suffering more acutely at this time than any other section of the Republic.

But the contagion of bankruptcy brought on by the stagnation and destruction of the farming industry is creeping nearer and nearer to the States in the prosperous East that have yet escaped the blasting influences that followed from section 15a. But even the prosperous East is bound to suffer from its blighting effects sooner or later.

Commissioner Esch in a statement to the Interstate and Foreign Commerce Committee of the House states that in the eastern section railroad charges were 211 per cent above prewar charges.

Every day word is brought from the great agricultural valleys of the West that business conditions are becoming more and more unendurable. The people out there have lived up the profits they accumulated in happier times. When that condition comes to you in the East you will feel what the West has had so long to endure.

Because of the provisions of section 15a the Interstate Commerce Commission enormously advanced freight rates, effective August 26, 1920. In all the years prior to 1917 only once did the commission grant a general increase of railroad freight rates and that was only an advance of 5 per cent to the roads in one section of the country.

Yet in 1916 the railroads of the Nation earned a net return of over 6 per cent upon their total valuation. That was before the cost-plus plan of figuring net returns was authorized and inaugurated under section 15a of the Esch-Cummins law.

In 1917 an advance of 15 per cent was allowed to the railroads in the eastern division. In 1918 the Director of Railroads, Mr. McAdoo, advanced freight rates on all railroads under his control 25 per cent additional to that of 1917.

March 1, 1920, the railroads were returned to private control. On that date section 15a began to operate, and railroad operating expenses for the year 1920 showed an increase over that of 1919 of $1,406,755,525.

Under the provisions of section 15a the public were required to pay this enormous increase in expenses before the railroads would show any net earnings. The cost-plus plan of figuring profits nearly bankrupted the Government during the war, and the cost-plus plan of determining railroad income and rates has about bankrupted the producers and consumers of America.

The increase in freight rates granted by the Interstate Commerce Commission to the carriers, effective August 26, 1920, amounted to from 25 to 40 per cent above those already in effect when the railroads were returned to private control.

The amount of the increase as stated by the Interstate Commerce Commission was $1,528,000,000 per annum. Complaints became so loud because of this new burden put upon the public that a horizontal reduction of 10 per cent was ordered by the commission in 1922.

There have also been some reductions in rates upon wheat, coarse grains, and livestock, which were granted for the relief of agriculture in certain sections. But there still remain in force increases in rates under the order of August 26, 1920, above those in force prior to that order in an amount in excess of $1,000,000,000 per annum because of the requirements of section 15a.

Section 2 of the Huddleston bill provides that the rates and charges made effective since and including August 26, 1920, are declared unlawful. It is because of this provision of section 2 that I selected this bill as the one that would bring real

and immediate relief to the producers and consumers of the country if enacted into law.

The repeal of section 15a is a consummation devoutly to be wished. But such action is useless unless its repeal is followed by resulting relief. The repeal of the section should be followed by setting aside the rate advances which the act compelled the Interstate Commerce Commission to allow. That is just what the Huddleston bill provides for.

Discussing the Hoch bill for readjustment of railroad rates, Commissioner Esch said:

> The problem, of course, arises out of the command to the Interstate Commerce Commission under the transportation act to so arrange schedules, rates, fares, and charges as with honest, economical, and efficient management would produce 5½ per cent net upon the aggregate value of the carriers properly devoted to public use.

The Interstate and Foreign Commerce Committee has reported out the Hoch bill. That is a bill providing for an investigation in order to find out if we can not discover some way to relieve basic industries from unfair rates; but, gentlemen, I have little faith in investigations. I have generally found that when we want to stall upon something in Washington or want to put off action we call for an investigation. We had Commissioner Esch before us, as well as the director of traffic of the Interstate Commerce Commission, and in reply to an inquiry Commissioner Esch said that the investigation asked for in Mr. Hoch's bill would, in his judgment, take 10 years before it could be brought to a conclusion. Gentlemen, I do not expect to be here 10 years from now, so I would like to have some action upon this grave question before 10 years. [Applause.] Furthermore, gentlemen, I have found out that if you refer something to a commission for investigation and you give the commission plenty of money that commission will hold hearings until the money runs out. If I had my way, I would put over the doors of all these investigating committees empowered to investigate grave questions the same sign which Dante said he saw over the door to the inferno, "All hope abandon, ye who enter here." [Applause.]

Mr. HOCH. Will the gentleman yield?

Mr. SHALLENBERGER. Yes.

Mr. HOCH. The gentleman does not contend that the resolution which I introduced is limited to an investigation, does he?

Mr. SHALLENBERGER. No; I do not contend that.

Mr. HOCH. Does it not direct that these maladjustments be corrected?

Mr. SHALLENBERGER. It does.

Mr. HOCH. And is it not also true that the witness to whom the gentleman has referred did say that it might possibly take 10 years, but that subsequently he modified that statement by saying it might be possible to go through an entire survey of the freight structures and some relief given in the near future? Is not that true?

Mr. SHALLENBERGER. I agree with that. But the whole trend of the commissioner's testimony was that the bill which the gentleman from Kansas [Mr. HOCH] has introduced does not give any new power to the commission which the commission does not already have, but that it simply instructs them to hold an investigation, while I want some change in the law which controls and affects the commission's actions.

If the bill I am asking to be considered is enacted into law, it will result in an immediate reduction of at least $1,000,000,000 in freight charges. The provisions of the bill are so plain and easily understood that he who runs may read and understand them.

We made a fight last week for the enactment of a bill that will protect the interests and secure the rights of labor. What excuse can Members of this House offer to the producers and consumers of the Nation, who are suffering more at this time than any other class, if we do not invoke the same rule and make a fight for them?

Labor is organized and therefore is armed and prepared to fight for its rights. The farmer and the consuming public are not organized as they should be to secure their just rights from Congress. But I think we will find them organized at the polls in November, and they will hold every Member of this House responsible if they do not make a fight for them here and now, and they ought to do so.

It will not avail any Member to say he did not sign the petition because he did not understand the purposes and provisions of the bill. They are as plain as day and as certain as fate if enacted into law.

It is futile for Members to try to excuse themselves by saying it is too late to secure the passage of the bill at this session. We can still pass the bill if a majority are here who desire to do it, and we can not determine that unless we bring the matter to the test.

No Member can fairly claim that he is in favor of reducing railroad rates and charges and withhold his signature from the petition now upon the Clerk's desk. We can no longer dodge a great question since the adoption of the discharge rule.

The line is very clearly drawn, and all must take their stand upon one side or the other. The basic producers and the consuming public are all going to know where we stand upon the matter of securing relief from excessive railroad rates and charges.

Unless we revoke the rule of law established under section 15a the present high freight rates will remain in force, no matter how tremendous the fall in the value of commodities. Agriculture already has suffered such a decline in prices that the present freight rates are confiscatory.

Reduction of freight and passenger rates to a lower and more just level does not necessarily mean that the carriers shall therefore earn a smaller net annual income. The railroads must shape their business policy toward increasing the volume of transportation traffic rather than that of increasing charges upon a lesser or diminishing volume of freight business.

Labor costs will not trouble the railroad managers any more than they trouble Henry Ford if they will use the same sound principles of business management by which Mr. Ford has built up the greatest industrial property in the world.

American workmen are the highest-paid labor in the world. But America also dominates the world's markets with her products of mass production because American labor is the most efficient and economical, measured by the cost of production, of any labor in the world.

The bill is not revolutionary, nor does it involve any unfair or new principle of determining what shall constitute a fair railroad return.

The bill does not take away any power which the Interstate Commerce Commission now has. It only relieves them from the restrictions and obligations that section 15a has imposed upon them.

It leaves to the carriers all the advances that were granted to them before the war and during the war as war measures. It empowers the Interstate Commerce Commission to so adjust railroad rates, fares, and charges as they shall find to be just, reasonable, and in conformity with the value of the service rendered.

Members of Congress will find it difficult to convince their constituents that these terms and provisions are not fair and reasonable as to the public, the producer, the consumer, and the railroads.

Mr. Speaker, we have by law constituted the railroad systems of the Nation a great private monopoly. We then created the Interstate Commerce Commission as an instrumentality of the Government to protect the people from injustice and oppression by this nation-wide transportation monopoly.

But the transportation act has changed the powers of that commission into an instrument behind which and by whose order the railroad monopoly is permitted to prey upon the public, which it was before designed to protect.

The bill that I am asking to be considered will again put the Interstate Commerce Commission in a position to protect the public from charges and injustices that have become intolerable and indefensible. [Applause.]

Mr. CHINDBLOM. Will the gentleman yield?

Mr. SHALLENBERGER. Yes.

Mr. CHINDBLOM. Does the gentleman think that Congress would have the power, without an investigation and without hearings, to wipe off the schedule of rates now in force and declare excessive any rates greater than those which were in force on August 25, 1920?

Mr. SHALLENBERGER. Yes; I think Congress certainly has that power. I had that particular proposition put up to me when I was making my race for Governor of Nebraska, on the question of reducing passenger fares in Nebraska from 3 cents a mile to 2 cents a mile. The argument was made by those who opposed that action by legislative enactment, which is what I propose here, that it would not be sustained by the courts. I was charged then with not being a lawyer and advocating something unlawful; and, of course, I know that my questioner, the distinguished gentleman from Illinois, is a good lawyer. The Republican papers said, "You can lock that fellow from the short-grass country up in a room, give him paper and pen and ink and leave him there for a week, and he can not draft a law which will stand the test of the courts, nor the attacks of the learned lawyers the railroads will employ." My answer was, being a Democrat I was not expected to spell big words, but that I could read words of one syllable; that if I were empowered

to write such a law I would hunt around in the present law—which declared the maximum fare that the people of Nebraska would be required to pay was 3 cents per mile—and I would scratch out the word "three" and write in the word "two," and reenact the law; and I said I believed that the law would stand the test of the courts. Now, that is what we are in substance seeking to do here. We are striking out the excessive rates ordered because of the present law by declaring them unlawful. It may be interesting to you to know that we finally passed the 2-cent passenger fare law in Nebraska and put it upon the statute books. The committee that drafted the law in the legislature was composed of a number of distinguished lawyers like my friend from Chicago [Mr. CHINDBLOM]. They spent a month trying to draft a bill different in language from the one I had advocated, but finally they threw away all the bills the lawyers had drawn; they hunted around in the old act until they found the word "three," they scratched it out and wrote in the word "two," and reenacted it into law. It stood the test of the courts, and it gave the people of Nebraska the right to ride on the railroads at 2 cents for 11 years.

Mr. CHINDBLOM. How long ago was that?

Mr. SHALLENBERGER. That was in 1907, but the rate stood for 11 years. Mr. McAdoo first raised it to 3 cents during Government control of the railroads, and then under the Esch-Cummins law passenger fares were advanced to 3.6 cents per mile.

Mr. CHINDBLOM. Does the gentleman contend that a rate that was reasonable in 1907 or that was reasonable in 1920 is necessarily reasonable in 1924?

Mr. SHALLENBERGER. No; and this bill does not provide that. It simply provides that we shall declare unlawful the rates and advances made since the adoption of section 15a if we repeal the section. Section 2 of the bill I am advocating gives to the Interstate Commerce Commission the right to decide the very thing that the gentleman wants to have decided by it; but I want them to be free to act and not bound down and hog tied by this particular section of the transportation act.

Mr. CHINDBLOM. But we would be establishing rates by legislative enactment.

Mr. SHALLENBERGER. We are seeking to establish the fact that certain rates are unlawful and authorizing the Interstate Commerce Commission to determine by another rule the rates that the railroads may lawfully charge the public.

Mr. CHINDBLOM. But in the meantime the old rates will be in force.

Mr. SHALLENBERGER. No; they would not be in force, because I take it the Interstate Commerce Commission will obey the mandates of Congress, which would make them unlawful.

Mr. CHINDBLOM. They will have to take time to have hearings on the question of the rates.

Mr. SHALLENBERGER. There will be plenty of time to do that before we get this bill enacted into law; I know that.

The Huddleston bill (H. R. 5427) is as follows:

A bill (H. R. 5427) to repeal section 15a of the interstate commerce act and to restore rates, fares, and charges authorized prior to increases effective August 26, 1920

Be it enacted, etc., That section 15a of the interstate commerce act be, and the same is hereby, repealed.

SEC. 2. That hereafter all charges, rates, and fares of carriers subject to the interstate commerce act greater than were in force on August 25, 1920, shall be unlawful: *Provided*, That this act shall not operate to increase any rate, fare, or charge above what same was prior to its passage: *Provided further*, That the Interstate Commerce Commission shall hereafter have authority to change any particular rule, rate, fare, or charge which may be found not to be just, reasonable, and in conformity with the value of the service rendered.

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

Mr. LEA of California. Mr. Chairman, I desire to speak in opposition to the proposition of the gentleman from Nebraska [Mr. SHALLENBERGER], not because I am opposed to considering legislation upon this subject, but because of my belief that the bill he is supporting would deal with one of the most delicate and vital economic problems of America in a ruthless and in a destructive way.

The bill which he supports proposes to do two things, fundamentally. The first is to repeal section 15a. Section 15a of the interstate commerce act has 18 subdivisions. They deal with three or four important elements of our transportation problem.

In the first place it is that section of the law which defines the rules of rate making. It defines the basis of railroad charges against freight and passenger traffic. It is the provision that is responsible for the change from the old rule of "reasonable return" to the rule of the transportation act which is that of a "fair return" upon the aggregate value of the property involved.

I agree with the gentleman from Nebraska [Mr. SHALLENBERGER] that as a matter of principle the fair-return principle is objectionable. That was one of the reasons I voted against the transportation act. In my judgment that rule includes as elements of value charges which should not be placed against the shippers of the country. However, the question at this hour as to whether or not we shall change that principle is practically an abstract one. A repeal of that rule at this time would give no promise of practical benefits of value in any reasonable time. The abstract definition of the rule of rate making in the United States is not of immediate practical importance.

Section 15a also established the group system of rate making, which this bill would abolish. The group system of rate making is based on the candid admission that we have what are called "weak sister" railroads in this country that can not survive against open competition. Due to unsuccessful management or improvident investment at the beginning, they can not in competition with the efficient and successful road make a return that is sufficient to maintain themselves and serve the great communities where they operate. The group-rate system takes care of this situation.

In considering this question of the group system of rate making which this bill would so ruthlessly wipe from our transportation system I ask you to consider this point: There are many of these weak roads in this country that are to-day giving reasonably satisfactory service only because they are furnished this crutch by the transportation act. The group system of rate making deserves most careful consideration.

Section 15a contains the recapture clause. We frankly admit that when we make the rate high enough to sustain the weak roads we are compelled to fix a rate that gives an excessive return to the efficient and prosperous roads. As a means of taking care of that excess payment by the shippers of the United States the recapture clause provides that half of the income of carriers in excess of 6 per cent shall be paid to the Interstate Commerce Commission for the United States, to be used for certain specified purposes in aid of railroad equipment.

This bill would wipe out the recapture clause without providing what shall be done with the funds. At the present time something over $3,000,000 has been paid into the revolving recapture fund for the Government. The Supreme Court has recently held that provision constitutional. The Interstate Commerce Commission is now engaged in an effort to enforce it.

Another feature of section 15a provides that this fund of the Interstate Commerce Commission may be loaned to the railroads or it may use the fund to buy equipment which may be rented to the railroads. This feature also will be wiped out by this legislation.

Realizing how important section 15a, embodying these features, is to the transportation system of the United States, nevertheless that section is a minor consideration as compared with the second thing which this bill proposes to do, so far as immediate practical results are concerned.

The second purpose attempted to be accomplished by this bill is to provide that all rates and fares greater than those in existence on the 25th day of August, 1920, shall, by the enactment of this bill, be wiped off the books.

Any raise made subsequent to that time, regardless of how meritorious or how necessary it may be, is absolutely, by congressional action, wiped off the slate. The well-settled plan of railroad regulation adopted in this country is by a regulatory body—the Interstate Commerce Commission. Nobody has ever contended it was practical or possible for Congress to write the railroad rates from the floor of this House, yet the method proposed here would, in a few sentences, wipe the Interstate Commerce Commission out of the picture, and we would attempt to write railroad rates from this floor. We would make the wise use of its powers impossible without being able to do the work we made impossible for them.

Now, what is the result as a practical thing, and that is what we are interested in after all, and not the theory of it? This bill, if it became a law, would reduce the freight income of the railroads of the United States 12.81 per cent. More than $1 out of every $8 that the railroads are now receiving from freight would be taken away from them by one sentence of this bill when written into law. In addition to that the bill would take away from the railroads 15.86 per cent of the fares the railroads now collect. Now, to go a little further into what that means. In 1923 the railroads had a net operating income

of $977,000,000. This bill would take out of that $977,000,000 $774,000,000. Is there anybody that can defend this bill for one moment when they realize that $4 out of $5 of net operating returns of the railroads of the United States would be taken from them by this bill? Does that mean anything but destruction, chaos, and discouragement? That would leave the railroads of the United States an income out of their net operating income of only $203,000,000, which is less than the railroads have received in any year for many years past, even in the lean and most unfortunate years.

If you add to the $203,000,000 the nonoperating income, you would have a gross income of $469,000,000. Deduct from that interest and rentals which the railroads are paying and you would have an annual deficiency of $186,000,000 by writing this bill into law.

Let us get the background of the picture behind this legislation. In 1918 we took over the railroads into Federal control. The railroads were in bad condition. In 1918 the director of the railroads made a flat increase of freight rates of 25 per cent. The result was that the increased operating revenues of the railroads in 1919 amounted to $1,130,000,000. Following that action during Federal control the additional cost of operating the railroads was $1,548,000,000, or a total expense increase after the raise that the Federal administration made of $418,000,000.

During Federal control we were in effect subsidizing the railroads at the expense of the Federal Government. That became necessary to serve our war purposes. Outside of that subsidization they were in an insolvent condition. Out of the Treasury of the United States we gave the railroads a standard return, paying them $718,000,000.

Now to contrast the working conditions under Federal control with the present. If during the Federal control we had paid for the transportation of freight during that period the same rates that we were paying in March, 1923, the shippers and passengers of the United States would have paid the railroads $2,468,000,000 more than they did pay during the Federal control period. In other words, while the Federal control during the period of control cost the United States a billion and a quarter dollars, the higher freight rates following private operation were twice that amount, or $2,468,000,000, for the same amount of traffic.

What is the position since Federal control as to the financial condition of the railroads?

The operating revenue under the administration of the railroads since Federal control in 1919 has increased $1,172,000,000. The operating expenses have increased $524,000,000, making a net increase in the income over expenses of $648,000,000. The total increased expense has been $711,000,000, leaving a net revenue increase in 1923, as compared with 1919, of $462,000,000.

In 1920 we adopted the transportation act with the idea of giving the United States an adequate, self-supporting transportation system. We adopted the fair-return standard and the group system of rate making. In July, 1920, the Labor Board ordered an increase in the wages of labor of $618,000,000. The amount of the raise paid labor alone was greater than the total net operating income of the railroads in 1919. In order to produce the fair return and meet all the additional charges, the Interstate Commerce Commission divided the country into groups, as it had been authorized to do, and it made these raises of August 26, 1920. In the eastern division freight rates were raised 40 per cent; southern, 25; western, 35; and the mountain and Pacific, 25. Then what followed? All the country knows of the business depression. It so happened that with the raise in the railroad rates came a slump in prices, particularly the slump in the price of farm products. Then we had the worst conditions we could have in reference to transportation charges on industry. In 1921 there was a decrease in the volume of freight in the country of 25 per cent. The result was that the transportation act failed to make that fair return which the Interstate Commerce Commission had determined was necessary. Then, in 1921, reductions in rates began to be made. The Labor Board in 1921 and 1922 made a labor reduction of $450,000,000, with the result that in 1923 the total received by labor of the railroads was reduced to $161,000,000 above what it was during Federal control in 1919.

Beginning in 1921, there followed a series of piecemeal reductions in freight rates. I will not attempt to enumerate. Finally, on the 1st of July, 1922, the commission made an order that reduced freight rates approximately $1,000,000,000 in addition to all other reductions which had been made. It reduced the eastern rates 14 per cent, the western 13½ per cent, the southern, the mountain, and the Pacific 12½ per cent.

Incidentally, I would like to call attention to the proportionate effect upon some products of agriculture. The revenue that wheat, corn, and all grain gives to the railroads of the United States is less than 7 per cent of their income. The income on cattle, sheep, and hogs is less than 3 per cent of the revenue of the railroads of the United States. I do not say that with the idea of minimizing the importance of wheat, corn, cattle, sheep, and hogs, but to show its relation to the railroad schedules of the United States. Many of those reductions, in fact most of the reductions in 1921 and 1922, were established with the intention of relieving the agricultural situation.

Now, what is the proposition to-day? The net operating revenue in 1923, the most successful year since 1916, was $977,000,000, or an average of 5.02 per cent upon the estimated value of the railroad property. The cost of transportation for 1923 as compared with 1913 index figures is 154. The index number for all commodity wholesale articles was 150. The index figure of some of the great agricultural products in the United States is materially less than the index figure for freight transportation.

Mr. SUMMERS of Washington. Will the gentleman yield for a question?

Mr. LEA of California. Yes.

Mr. SUMMERS of Washington. The gentleman refers to the retail market, does he not, when he makes that statement?

Mr. LEA of California. All commodity prices.

Mr. NEWTON of Minnesota. That is wholesale.

Mr. LEA of California. Yes; all commodity prices.

Mr. SUMMERS of Washington. The wholesale agricultural price of farm commodities is far below the freight.

Mr. LEA of California. For some products, yes.

I would like to take a little broader view of this question. What is the transportation problem of the United States? The laboring man may say it is a question of higher wages between employee and employer. The stockholder may think it is a question of how much dividends he is going to get. The bondholder thinks it is a question of the interest on bonds. The shipper thinks it is a question of getting lower freight rates. The transportation problem of the United States is not that. It is all that and much more. These things are only incidental. The great transportation problem of the United States is the problem of America, one of her greatest and most vital problems. There is nothing more vital to the prosperity and the advancement of the United States than an efficient and economical transportation system.

We have in the United States 250,000 miles of railroads. Their length is sufficient to reach 10 times around the earth. It is sufficient to reach 80 times across the continent from the Atlantic to the Pacific. These carriers have freight cars sufficient to make six solid trains across the continent, consisting of 2,400,000 freight cars. The railroads represent an estimated investment of $19,000,000,000. They owe over $11,000,000,000. They employ 1,700,000 men.

They are the essential connecting link between the producer and the consumer. The farmer and the manufacturer depend upon them for an outlet for their products. The consumer depends on them for his supplies. The cost of transportation is part of every pound of food, clothing, and material purchased by the American consumer.

Look at the map of the United States. The Mississippi Valley, the great Central West, is the greatest producer of tonnage on this earth. Beyond the Rockies is our Pacific coast. We are dependent upon the railroad for many of our supplies, and it is by means of the railroad that we place our products in the centers of population, in the East, and in foreign markets. The relation of transportation to economic efficiency is probably more vital in the United States than in any other country in the world. We are the biggest consuming Nation; we have the greatest volume to transport; we have the greatest productive areas to be served by our railroads.

What have the American people a right to demand of their transportation system? The public of the United States have a right to two things—efficient service and reasonable charges. The present service is, at least, reasonably efficient. The question of securing more reasonable charges involves many considerations. At the present time it involves the question as to what should be the rule of rate making. Should we maintain the present rule, providing for a fair return on the aggregate value of the property held and used by the carrier in the service of transportation, or should we return to the old rule that rates must be reasonable? The "fair return" rule considers, primarily, the interest of the carrier and largely ignores inflated values or improvident investments in railroad properties.

The question of securing reasonable charges also involves the method and justice of the system of valuation of the properties

of the carriers and also the wisdom of the group system of rate making. In addition to this, efficient supervision or regulation of railway expenses is necessary to protect the public by preventing unwarranted expenses of various kinds being charged to expense accounts.

Congress can define the rule of rate making. It can prescribe the general principles to be followed in the valuation of railroads. It can determine the wisdom of maintaining, modifying, or repealing the present law, providing for the the group system of rate making. But the successful administration of all these features that most intimately affect the ultimate question as to whether or not we are going to secure reasonable rates depends upon the administration of the law by the Interstate Commerce Commission.

A slight knowledge of the duties and responsibilities of the Interstate Commerce Commission will convince anyone that its members have a very important and a very burdensome task, one that requires ability, patience, and great skill. Our transportation system is so great and so widespread in its ramifications that our rate structure must be handled with ability, courage, and skill.

From the standpoint of the investor in railroad properties, and ultimately from the standpoint of the people of the country, a reasonable return is essential to efficient service and reasonable transportation charges. We necessarily exercise regulatory power over railroad rates. We deny the railroad investor the right that we grant to other investors, to make unlimited profits for his capital. Depriving him of the advantage and attraction of an investment that may bring excessive returns, we must, in part at least, provide the advantage of a fairly certain return, though moderate in amount. The railroads of the country, as a whole, can neither give efficient service nor at reasonable rates unless they be maintained as going concerns on a profit-making basis. Without profits there is no inducement to the investor; there is no opportunity for betterments or expansion. The inevitable consequence of nonprofitable railroad property is poor service, deteriorating equipment, and excessive charges.

We might unreasonably cut down the revenue of the railroads and secure a continuance of satisfactory service temporarily, but our satisfaction from such a source would be temporary and ill-advised. The shipper needs cars, service, and promptness. The traveler needs comfort, safety, and reliability. These are advantages that come from going concerns and not from insolvent concerns.

Our transportation problem is yet in an uncertain stage. There are only three possible plans. We are going to have a nonregulated railroad, public ownership, or the present system of regulation. The nonregulated railroad has passed forever and will not again be the subject of practical consideration. Public ownership of railroads gives the advantage of unification of control and unified use and operation of facilities. It gives the advantage that would come from the unearned increment going to the public instead of the owners of railroad properties. Government ownership during the last 60 years would have given this advantage, inasmuch as many railroad properties have increased materially, due to increase of population and the railroad traffic that accrued.

However, so far no one has suggested any plan by which we could have Government ownership free of politics. The railroads will shortly have 2,000,000 employees. These men might easily be primarily interested in the political life of the Nation on questions concerning their own compensation and conditions of employment. No plan is known by which, with a popular government, we could free the management and operation of railroads from political influence of appalling consequences. Without a certainty of separation of government from railroads and politics I could not reconcile myself to Government ownership.

In the next few years we may be in the final test of our present system of regulation. The country must be confident that it can get efficient service at reasonable cost under the present system or it will probably turn to Government ownership, as undesirable as that appears to be. Has this popular form of government the ability, courage, and the skill necessary to properly control and regulate our great transportation system, assuring us efficiency and economy? We commit much of that problem to the Interstate Commerce Commission. Its success or its failure is closely related to the economic and political welfare of the future decades of our country.

The SPEAKER. The time of the gentleman has expired.

Mr. LEA of California. I ask the privilege of revising and extending my remarks.

The SPEAKER. The gentleman from California asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER. The gentleman from Kansas [Mr. HOCH] under order of the House is recognized for 20 minutes. [Applause.]

Mr. HOCH. Mr. Speaker and Members of the House, you have already heard two excellent speakers on this railroad subject. I appreciate that it is a rather technical subject, and perhaps you are not in a mood to hear further about it, but I offer in justification for taking any time of the House now the very great importance of the matter involved in the motion filed by the gentleman from Nebraska [Mr. SHALLENBERGER]. I want, if I may, simply to supplement what the gentleman from California [Mr. LEA] has said, and to call your attention to what seems to me to be the high points in the proposition that is involved in this motion to discharge the committee from the consideration of this bill, H. R. 5427, and bring that bill up on the floor of the House for action here upon the floor without hearings and without full knowledge of the facts. Now, this bill has two sections. The first section is a flat, unconditional repeal of section 15a. The second section automatically restores all freight rates that were in effect in this country at the close of Federal control. Now, I want to say a word or two in reference to the first—probably I may duplicate, but I shall endeavor not to do that—the repeal of section 15a. This section 15a contains two major propositions. The first one is the so-called rule of rate making. The second one of those propositions, which a good many people I find in this country do not know is included in section 15a, is a provision for the so-called recapture of excess earnings. Now, in reference to the rule of rate making, I will say to you frankly I have never agreed that as an economic principle the rule of rate making laid down in section 15a is sound, although I realize there are very plausible arguments in its support. Upon countless occasions I have voiced my objection in committee and outside committee with reference to the rule of rate making involved in section 15a.

I am sorry that there is not time now, and that this is not the place to go into a technical discussion of that rule of rate making; but let me say again that that rule of rate making is not a governamental guaranty. In fact, there has not been an act of Congress passed since I have been a Member of this House that has been so grossly misrepresented from one end of the country to the other as the act containing that rule laid down in section 15a. It is not a guaranty. Not a dollar has ever been paid or ever will be paid out of the American Treasury as a guaranty under section 15a.

Mr. CARTER. What is the difference to the people between having it paid out of the Treasury and paid by the people?

Mr. HOCH. The Interstate Commerce Commission is required to fix rates which, under honest, efficient, and economical administration—to quote the statute—will, in their judgment, earn a reasonable return on the investment. Certainly no one wants to deny the roads, under honest management and honest valuation, the opportunity to make a fair return, because obviously we can not maintain the railroads without that fair return. But if the railroad does not earn a fair return—and even in the last year, which was the most prosperous year to the roads since the act went into effect, they earned, the railroads as a whole, 5.2 per cent—there is no guaranty. Many roads have earned only 1 per cent or 2 per cent, and some have had no net earnings. No dollar has ever been taken out of the Treasury in any way to make up the 6 per cent to these roads, so that it is not a guaranty, and no claim has ever been made by a railroad that it is a guaranty, and no claim has ever been made upon the Government for a return on that basis. There is a considerable difference between a guaranty, under which a deficiency in revenues would be made up by the Government, and this provision, under which the Government or the people do not make up the deficiency and the railroads must bear it themselves.

Mr. CARTER. The gentleman in charge of the bill, Mr. Esch, admitted that it was a guaranty when he brought the bill into the House.

Mr. HOCH. The gentleman is mistaken about that. It is not a guaranty in any ordinary use of that term. And I say that, although, as I have said, I do not subscribe to the soundness of the provision. It is true that there was a guaranty in the railroad law previous to that. I do not say this as a partisan matter. Gentlemen will agree with me when I say that I seldom discuss partisan matters on this floor. But President Wilson when he took over the railroads put in a declaration for an actual guaranty to the railroads of a stand-

ard return for three years—and those years had been prosperous years for most railroads—and the Congress followed with the Federal control act, which continued and ratified that standard return. The transportation act passed by a Republican Congress continued that standard return for six months.

Personally I may say—although I perhaps ought not to stop to indulge in personal references—I was not a Member of Congress when the Federal control act was passed; but when the transportation act was passed we had a separate vote on the six months' extension of that guaranty, and I voted against it and have always been opposed to it. Under that guaranty there was paid directly out of the Federal Treasury for the 26 months of Federal control close to $2,000,000,000 as an actual guaranty, and those who misrepresent the transportation act of 1920 by calling it a guaranty should remember that there was an actual guaranty under the Democratic administration under which the operating expenses of the railroads were increased to a high level and no adequate increase of transportation charges were made to take care of that increase, and then they turned around and made up the deficiency out of the Federal Treasury. [Applause.]

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

Mr. HOCH. I can not yield; I am sorry.

The SPEAKER. The gentleman declines to yield.

Mr. HOCH. Now, then, so much for the rule of rate making. I would like to go into it further if I had the time, to show my objection to it. The second part of section 15a is this provision as to the recapture of excess earnings. That is a very debatable subject as a matter of governmental policy. I realize that. But certainly I would not want to vote for a flat, unconditional repeal of the recapture clause, which does take at least from these prosperous roads a part of their excess earnings for the benefit of transportation as a whole in this country.

I am surprised that anybody should come here and propose a flat, unconditional repeal of that part of section 15a which compels the prosperous roads to surrender half of their excess earnings.

Mr. CHINDBLOM. The gentleman will remember that the prosperous roads made a vigorous fight against this recapture clause.

Mr. HOCH. Yes. The prosperous railroads made a vigorous fight, as the gentleman from Illinois says, against this recapture clause. They went to the Supreme Court, and recently the Supreme Court sustained the constitutionality of the recapture clause.

The gentleman from Nebraska [Mr. SHALLENBERGER] says that no money has been paid in. Of course, that was an unintentional error. I have a letter here from the Interstate Commerce Commission of May 9, showing that there has already been paid into the Federal Treasury $3,286,000 in actual cash. That has all been turned in. That is only a small part of what already appears on the record as excess earnings. I want to say that some of the railroads, in my judgment, are indulging in indefensible practices in their effort to avoid showing excess earnings. Some of them are making unwarranted claims as to valuation, and some of them are indulging in overmaintenance of their roads, to avoid showing excess earnings. But are we, without testing that, without trying that, without going and bringing from those roads the earnings which they should rightfully surrender—are we to go on and repeal this recapture clause without reservation and without consideration of whether the principle of surrender of excess earnings should be maintained? What would happen to these claims, aggregating many, many millions of dollars, which the Federal Government now has upon records already made from these prosperous roads? And yet, gentlemen, by one stroke of the pen, without consideration in committee, without any effort to find out the exact situation, seek to come here and repeal that section and release all these railroads from claims aggregating many, many millions of dollars which the Federal Treasury now has upon the railroads.

How much time have I remaining, Mr. Speaker?

The SPEAKER. The gentleman has nine minutes more.

Mr. HOCH. The second part of the bill which we are asked to bring here without committee consideration is section 2, which automatically restores the freight rates which were in effect in this country at the close of Federal control.

Now, gentlemen, I come from a country where the burden of heavy freight rates has been grievous. I think members of the committee and others know that I have been somewhat active in seeking any possible measure of freight relief. I know that the proposal here is a seductive proposition, but I ask you as fair men to look that proposition squarely in the face. What do you propose to do? You propose by one act to wipe out all of the increased revenues of the railroads made necessary by the increase in operating costs, including the increases in labor costs. You leave all of the labor costs, and you leave all of the other operating costs of the railroads as they are, but you propose to simply wipe out the charges which the railroads make upon the public and from which alone they are able to meet these operating costs and these high labor costs.

I believe in good wages. I believe in maintaining a high standard of American living, and all of that, and I am not here discussing the question about labor costs, although I come from a country where the farmers have not fared as well, unfortunately, as the men employed upon the railroads.

Let me give you just a figure or two. During Federal control the operating expenses of the railroads in this country, comparing the last year of private control, 1917, with the last year of Federal control, 1919—the annual operating expenses of the railroads under Federal management were increased in one year $1,548,000,000. Of this amount, the increase in the pay roll alone amounted to $1,100,000,000. In addition to that increase in the labor costs of $1,100,000,000 during Federal control there was added in 1920 to the pay roll of the railroads an amount of $618,000,000. Now, I want to be entirely fair. Since that time this labor cost has been reduced about $450,000,000, which leaves a net increase since Federal control of $161,000,000 in labor costs alone. If you add that to the increase during Federal control——

Mr. BLANTON. The gentleman means $1,610,000,000?

Mr. HOCH. No; I mean $161,000,000 as the net increase since Federal control, but if you add that to the increases during Federal control it amounts to $1,261,000,000.

Now, then, I ask the gentlemen who come here in the interest of American labor—and I stand with them in all fair measures for American labor—whether it is in the interest of American labor to take from the railroads by one sweep all increases in operating revenues, out of which alone they can pay these increases in labor costs. [Applause.] I ask whether it is in the interest of the American farmer, as much as he needs cheaper transportation, and I ask whether it is in the interest of American labor to wreck these railroads by one fell swoop and bring them to a condition of insolvency? My friends, I do not believe that any man can fairly take those figures and come out of that consideration and say that this is a fair measure.

Mr. WEFALD. The farmers are insolvent.

Mr. HOCH. Does the gentleman desire the railroads also to be insolvent?

Mr. WEFALD. I say, the farmers are insolvent.

Mr. HOCH. And I ask the gentleman again whether he desires to make the railroads insolvent?

Mr. WEFALD. Does the gentleman desire the farmers to be insolvent?

Mr. HOCH. I do not, and I am willing to compare records with the gentleman or anyone else here in manifested desire to give relief to the farmers in any possible practical way. I think that one of the ways to bring about a better condition for the American farmers is, while we are reducing freight rates as much as can be done, at the same time to see that we do not destroy the transportation system of the country, upon which its prosperity depends as much as any other factor. [Applause.] I desire to see every legitimate industry in this country solvent.

The gentleman from Nebraska [Mr. SHALLENBERGER]—I think not intentionally, however—misstated the effect of the bill which I introduced some time ago, upon which we have had hearings, and which, I am glad to say, is now upon the calendar of this House. It is not merely, as he says, for an investigation, but it directs the Interstate Commerce Commission to readjust these freight rates and correct whatever inequalities exist. If I had the time I think I could show that there are many inequalities. I think the basic commodities, particularly agricultural commodities, are bearing an unfair share of the freight burden in this country, and I want an adjustment to be made sanely and fairly and made in such a way as not only to bring relief to the people who need relief but at the same time made in such a way as will make it possible to maintain an adequate system of transportation in this country, which I do not believe any sane man in his sane moments wants to destroy. [Applause.]

I want to say in this connection that there was passed in the Senate day before yesterday a resolution as to freight rates similar to mine. I have no personal pride in my resolution as to form, but I hope we may get consideration for a measure of that sort which I think is sane and fair and which attempts to give a measure of relief in connection with the freight burden. But I am opposed—and I think in his better moments every Member in this House is opposed—to discharging a committee from the consideration of a bill like this and bringing it upon the floor of this House without hearings

to develop the real facts, where every man knows a technical measure like this can not be fairly and properly drafted in the first instance. I am opposed to legislation in America by impulse. [Applause.]

Now, I might indulge in criticism. I have not always been satisfied with the speed made by the committee upon measures in which I was interested. I wonder if there are other gentlemen here who have at times, perhaps, been dissatisfied because committees of which they were members did not give as speedy consideration as they thought they ought to have to the particular measures in which they were interested. I have not always been satisfied. I have at times criticised, and perhaps sometimes too severely, the action of my own committee in some of these matters.

I am glad to say that we are to have hearings, beginning next week, on this subject, and if I had time I think I could show you that this committee is not subject to the extreme criticism that has been made upon the floor of this House.

We gave consideration, for instance—taking it from the railroad standpoint, from which the criticism has been made—recently to a very important measure introduced by the gentleman from Ohio [Mr. COOPER] with reference to the boiler-inspection service. That measure is now on the calendar with a favorable report, and I trust we may get action upon it. We have the freight rates resolution here which I have referred to and which, in my judgment, is a substantial, constructive effort to bring relief along these lines.

Mr. HUDSPETH. Will my colleague yield for a question?

Mr. HOCH. Yes.

Mr. HUDSPETH. Will my friend from Kansas give me some idea when the truth in fabrics bill will be reported out of this committee?

Mr. HOCH. I will say to the gentleman that hearings have just been completed upon that measure. A subcommittee has been named to put together the various bills—and there were 10 or 12 of them, involving all sorts of very complicated considerations—and draft a composite bill. That problem itself is not as simple as it seems at first blush. I have been a friend of that measure, but I want to say to you that after the hearings I do not think it is a matter so simple that we can pass it out without giving it thorough consideration.

Mr. HUDSPETH. I agree with the gentleman, but it has been pending for five years before the committee, I understand.

Mr. HOCH. I am glad a subcommittee has been appointed, and I trust we may get action upon a measure of that sort. [Applause.]

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

By special order of the House, the gentleman from Texas [Mr. CONNALLY] is recognized for 20 minutes.

THE CONGRESS OF THE UNITED STATES

Mr. CONNALLY of Texas. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent that his time may be extended 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House: The Congress of the United States is an institution that was established by the Constitution of our country. It is chosen at the ballot box by the people of the several States in the exercise of the most solemn and serious function of citizenship. It embodies the very essence of representative government and institutions. It should never lack a defender. An adherence to that conviction has led me to-day to speak, when some one other than I should lift up his voice here; some Member of the majority of this Congress, the Speaker or the majority leader, Mr. LONGWORTH, who wear honors conferred by the majority of this body.

Mr. COLE of Iowa. What is the majority?

Mr. CONNALLY of Texas. The gentleman from Iowa wants to know what is the majority. The majority is the most votes. The majority is the most votes that the Speaker got when he was elected Speaker and the gentleman from Ohio received when he was elected Republican floor leader. That is what a majority is.

Mr. COLE of Iowa. How often do we have it?

Mr. CONNALLY of Texas. I have answered the gentleman and I hope he will ask me something that calls for some information.

But neither of these gentlemen speaks, neither cares nor dares to speak. They who should stand forth as the champions of the Congress sit silent in their seats. They who wear the honors of the Congress, and who should pick up the insulting challenge hurled into the face of the Congress, sit in their seats without resentment and permit abuse of the Congress to go unrebuked. That is my warrant for taking the liberty of calling the attention of this House to a recent publication in the Literary Digest of May 10, entitled "Leading Americans Attack and Defend Congress."

The Digest is a journal of 1,500,000 circulation and it reaches and makes a strong appeal to an influential reading public, and containing as it does some of the most savage thrusts at Congress it broadcasts them throughout the United States.

The article to which I refer opens with the following:

Bolshevism and Congress were coupled as menaces to the American Nation at a conference of the American Bankers' Association in New York last week. "With such agencies at work in the country as Bolshevism and the present United States Congress, we have some job on our hands to maintain the integrity of the Nation and the security of her institutions," said the speaker, Mr. Orrin Lester, of the Bowery Savings Bank. "The worst thing we have is our American Congress," declared Elbert H. Gary, chairman of the United States Steel Corporation, addressing the annual meeting of stockholders a few days earlier.

Further along in the article the editor comments as follows:

The sharpest onslaughts against Congress seem to be made by spokesmen for business and finance—as illustrated by the words of Mr. Gary and Mr. Lester already quoted—among whom there seems to be a feeling that our legislators have hampered the advance of prosperity with partisan and unsettling investigations while neglecting to enact promised and essential measures.

And then Nicholas Murray Butler rises to remark:

If the record of the present House of Representatives is bad, and if that of the Sixty-eighth Congress as a whole is one that gravely disappoints every patriotic American, what is to be said of the exhibition of shameless contempt for the public interest and of ill-mannered scandal-mongering that is presented by the Senate?

The editor then observes:

From presidents of chambers of commerce all over the country comes a sharp fire of criticism against our national legislators. Failure to enact the Mellon tax reduction bill is a heavy count against Congress, in the opinion of many of the chamber of commerce presidents.

Mr. Speaker, those charges are more than an attack upon the present and temporary membership of this Congress. If that were all that these charges imply, I, a member of the minority, would not feel compelled to repel assaults on the Republican majority, with which I frequently disagree. But these assaults go much farther. They constitute a subtle attack upon the Congress as an institution, an attack upon representative government as contrasted with rule by bureaucrats and cabinets; and I propose to demonstrate to this House that these men who bring these charges are opposed to the rule of a representative assembly, but want this Government controlled by cabinets and bureaucrats. That I propose to do, speaking alone for myself and the splendid constituency that has honored me with a seat in this Chamber.

What are the counts in this indictment drawn by these gentlemen? The first count is that Congress has not enacted the Mellon tax plan; second, that Congress has investigated and exposed some of the most startling and sensational scandals that ever stained the annals of American official life.

I have said these denunciations constituted an attack on representative government, and why? Steel King Gary, Mr. Lester, of the Bowery Savings Bank, and others in the columns of the Literary Digest are angry because Congress has not enacted the Mellon tax plan. Gentlemen, are they angry because Congress has not reduced taxation? Oh, no. Are they angry because Congress has not deliberated upon this question in its sessions and in its committees? Oh, no. Are they angry because through the Houses have not been passed any bills reducing taxes? Oh, no; because Congress has already passed a bill through each Chamber lowering taxes; a bill that gives greater relief to American taxpayers than the Mellon plan; a bill that reduces the taxes of every taxpayer in the United States; a bill that took into account the ability to pay and gave the greater reduction to persons having an annual income of $50,000 or less, while the Mellon plan proposed to give the greatest reduction to persons with annual incomes of $50,000 or more. And so these men are not angry because Congress has failed to reduce taxes. But the bill which passed Congress was not the Mellon plan, and these men assail Congress because it did not tamely accept the dictates of the Secretary of the Treasury, because the Congress failed and refused to enact the Mellon plan without changing a word or altering a figure. These men are mad with rage because the Congress of the United States, the elected representatives of the people, chose

to exercise their constitutional function rather than to accept the dictates of a bureaucrat to pass a bill that was written in secret and thrown into this Chamber with the coarse demand that it be enacted just as it was written.

Of course, nobody is surprised that the United States Steel Corporation, that made fabulous profits during the war, that fattened off the woes and misfortunes not only of America but of the Allies, while the American people were pinching and sacrificing to buy bonds that were later sold at a discount; nobody is surprised that Judge Gary, the chairman of the board of that corporation, who directed its destinies during the war and who kept it down on the low sordid plane of greed while the spirit of America was lifted into the heights of exaltation; nobody is surprised that Judge Gary, now gorged with gains, with a debt of $20,000,000,000 and more hanging over the American people, is perfectly willing and desirous that Congress shall take a very large share of that burden off the owners of the Steel Corporation and thereby increase the great burden of debt which remains on the people of small and moderate incomes.

Nobody is surprised that Banker Lester, of the Bowery Savings Bank, whose profits come from the savings of the poor, is perfectly willing to have the taxes of himself reduced by a larger percentage than the tax of the poor upon whom he profits.

So I say this is a challenge to representative government because these gentlemen demand that this Congress accept the ukase of a Cabinet officer, that it shall not deliberate, but swallow speedily and quickly without examination of the contents, but noting only the label, the nauseous Mellon plan, prescribed by the Secretary of the Treasury and compounded in the secret precincts of his office.

Mr. BLACK of New York. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield.

Mr. BLACK of New York. I wonder if the gentleman noticed in the Literary Digest a column advertisement containing the announcement of the American Bankers' Association that could not possibly have any business reaction, and also that the Remington Typewriter Co. had a similar ad in the same number.

Mr. CONNALLY of Texas. I will state to the gentleman that I did not read the advertisements in the Digest, but I am sure his statement is correct as to that.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. CONNALLY of Texas. Certainly.

Mr. SANDERS of Indiana. As a matter of fact, the Literary Digest presented both sides of the question.

Mr. CONNALLY of Texas. I do not desire to spend much time on the Literary Digest. I am pointing out the individuals and their interests as quoted in the Literary Digest. What are these gentlemen disturbed about? They are angered because Congress did not constitute itself so many wooden men with so many wooden heads and register the will of the Secretary of the Treasury. They are angry not because we have not reduced taxes but because at the press of a button in the Secretary of the Treasury's office this Congress did not transform itself into so many automatons and register the will of a bureaucrat not elected to office but holding his tenure of office by appointment. I say that sentiment, whether it comes from Judge Gary, of the Steel Corporation, or Mr. Lester, of the Bowery Savings Bank, or Nicholas Murray Butler, president of Columbia University, or the man in the street, that kind of doctrine is a challenge to the very foundations upon which this institution of Congress rests. [Applause.]

What else do we find? They do not believe in popular government; they believe in Cabinet rule. They do not believe that Congress should regulate taxes, they do not believe that the fathers were wise when they placed in Congress the right to regulate taxes; they do believe that Mellon ought to regulate taxes and that Congress ought to merely go through some sort of a perfunctory confirmation of his decrees.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. CONNALLY of Texas. Certainly.

Mr. MOORE of Virginia. We understand, do we not, that the Mellon plan was drawn up before Congress met; that the Secretary did not take into his confidence any Member of the incoming Congress, and that so far as we are advised he did not consult with the prospective majority leader or any gentleman who constituted the majority side of the House?

Mr. CONNALLY of Texas. That is my information gained from rumor. I have no knowledge on that subject because I am not in the confidence of the gentlemen mentioned. But I will say this, it is to the credit of a Representative of the majority on the other side of the Chamber, the chairman of the Ways and Means Committee, that he had the courage to repudiate the methods of the Secretary of the Treasury in trying to force down the throats of Congress such a bill without consideration and without proper deliberation. [Applause.] Be it said to the credit of the majority leader, the gentleman from Ohio, that after making several unsuccessful attempts to swallow the Mellon prescription he had the good sense to compromise with some gentlemen on his side and first made quite an improvement by perfuming it and coloring it to make it more palatable and acceptable, and finally abandoned it altogether. [Laughter.]

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

Mr. CONNALLY of Texas. I yield.

Mr. BLANTON. Is it not a fact that in the end there was hardly a handful of Members who voted against the amended bill in the House?

Mr. CONNALLY of Texas. I do not know about the handful; there was a small minority.

Mr. BLANTON. About eight, I think.

Mr. CONNALLY of Texas. Now, gentlemen, this indictment has two counts in it. What is the second count in the indictment? The second count is that they "have hampered the advance of prosperity with partisan and unsettling investigations."

True, gentlemen, the advance of the prosperity of Sinclair and Doheny, the oil magnates, a prosperity at the expense of the American naval oil reserves, has for the time being been slightly hampered. [Laughter.] Partisan investigations, say these gentlemen. Partisan! Why, gentlemen, is it partisan to insist on public officials being honest, is it partisan to detect criminal guilt and insist that the guilty be punished? Is that partisan? When did it become partisan to protect public property? But partisan and unsettling investigations! Now, it is true that these investigations have been somewhat unsettling. For instance, they unsettled Attorney General Daugherty [laughter] and jolted him out of the Cabinet.

They unsettled the mind of the President to let out Secretary Denby after he had said that it was settled that he would not let him out. They forced proceedings to unsettle some settlements made by Secretary Fall with Mr. Doheny and Mr. Sinclair. And so these caustic critics and especially Doctor Butler are unhappy and outraged because the Congress has unmasked criminal conspiracy between crooked big business and crooked big politics. Now, what would have been the situation if we had had no investigation? Secretary Fall would not have been forced to plead his own crime to avoid testifying. Mr. Fall would have his $100,000 received from Mr. Doheny and his $25,000 from Mr. Sinclair and would be posing as a distinguished former Cabinet member. Mr. Doheny would have the oil reserves in California; Mr. Sinclair would have possession of Teapot Dome; Mr. Denby would be now in the Department of the Navy, leasing out, I suppose, the rest of the oil reserves to the same parties, because he has said that he would do exactly what he did over again if he only got the chance. And Mr. Daugherty would be conducting the affairs of the Department of Justice. Is that all of the picture?

Mr. STENGLE. No; Burns.

Mr. CONNALLY of Texas. Mr. Burns was merely a subordinate in the Department of Justice, but he would still be in office had Daugherty not been forced to resign.

Mr. COLE of Iowa. Why not mention McAdoo?

Mr. CONNALLY of Texas. I will mention him. This is a nonpartisan matter, you can see from the interruptions. [Laughter.] Every time anybody mentions politics there are some gentlemen on the Republican side who begin to have nightmares about McAdoo, and they dream dreams about McAdoo. McAdoo whatever he may have done, I do not know whether he has done anything wrong or not, has not been shown by the evidence to have violated any law or to have done any wrong. If he committed any wrong, even as to ethics, he committed it while he was out of office as a private citizen. He did not betray the property of the people of the United States nor barter the public confidence of the people of the United States in a Cabinet office for dirty gold. [Applause.]

Now, let us see. I want to go a little further here. What else? This is not the only story. If Fall and Doheny and Sinclair and Denby and Daugherty had not been disturbed, Judge Gary and Mr. Lester and Doctor Butler would be happy. They would be partially happy at least, partially happy if these investigations had not taken place. Now, what do we find? We find that these men right here again betray their preference for the rule of cabinets and bureaucracy over the rights and the power of the Congress. They do not want these Cabinet officials interfered with. They do not believe the Congress ought to investigate their doings.

Do you believe, or do they believe, that the bureaucrats of the Cabinet, appointed and not elected, should act either within the law or without the law, as they may choose? Do these gentlemen mean to proclaim to the country that the

people of the United States do not expect the Congress to protect their rights here in this Capital? Is it not the duty of Congress to investigate the dark places and find out the truth and drag out of their places those who betray the public trust and pull them out into the open places?

Mr. Speaker, the Congress ought to receive its instructions from the people, and the people alone; its investigations ought never to stop until every corrupt official is exposed; until every guilty man is punished. The American people believe in that doctrine. But Doctor Butler, Judge Gary, and the flock of critics in the Literary Digest do not accept that doctrine. They want the Congress to accept the dictates of Secretary Mellon, and want Congress to keep its hands off the investigation of the other bureaus. Fall was in the Cabinet, Daugherty was in the Cabinet, Denby was in the Cabinet, Mr. Mellon is still in the Cabinet. And these gentlemen rise and criticize Congress and want these Cabinet members to rule and want the Congress to stand aside. Doctor Butler, it should be said, complains of ill-mannered scandal-mongering in the Senate. It is possible Doctor Butler would not object to nice, refined, ladylike scandal-mongering, but he complains of "ill-mannered scandal-mongering." [Laughter.] It is only that particular kind and variety of scandal-mongering that seems to offend the delicate texture of his scholarly mind.

Mr. Speaker, the most amazing and remarkable thing about these shocking revelations is that any self-respecting element can look upon corruption in high office with complacency, if not toleration. Guilt is personal, it is true, but when it is condoned, when it is defended, it becomes more than personal. That any prominent man should condemn its exposure is alarming; it is a most distressing sign that his concept of public virtue is either subnormal or decayed. If this Republic shall ever perish, the forces of its destruction will be found in corruption and internal decay rather than in assault from without. The Goths and Vandals never, unresisted, trampled upon the prostrate Roman State until its once stern public virtue had become corrupted and its rulers and captains had fallen under the influence of gold and license.

And who are these men that assume the function of judging Congress? What sublimated beings are these? Whence do they derive this strange and occult wisdom that is superior to that of the makers of the Constitution? Why does the Digest place Judge Gary on the front page? Is it because he is a public benefactor? What distinguished service has he ever rendered to the public or to his generation? Is it upon that his fame depends, or does it rest upon the fact that he incarnates the sinister and sordid spirit of privilege and profiteering?

Now, what are these gentlemen's ideas about government? I have no doubt on earth that Judge Gary's idea of a proper substitute for Congress—because he says Congress is the worst thing we have; and if it is the worst thing we have, surely it ought to be destroyed—I have no doubt that Judge Gary's idea of a proper substitute for Congress would be a board of directors, with himself as chairman and all the other members of his own selection. I am satisfied that that kind of a governmental institution would function according to his idea of democracy.

Why, my friends, that is the same doctrine that every autocrat has embraced in one form or another from the old Egyptian King, Tutankhamen, of whom we have lately read, who made his subjects work 12 hours a day and bend their sweating backs to lift up a monument to their master, to Gary, who until recently worked his employees 12 hours a day to pile up profits for the masters of the Steel Corporation. Old King Tut got his monument because the law allowed him to take a certain toll out of the labor of his subjects, and Judge Gary gets his profits because the law allows him to lay a toll on the labor of every man who consumes steel products in the United States. Of course, Judge Gary would like to see his board of directors or some similar one running the Government of the United States.

Now, what does Doctor Butler say? What are his ideas about government? Doctor Butler made a speech several years ago and in it he said:

I have no time now to more than indicate where I believe the path of true political progress for our democracy leads. It leads, in my judgment, not to more frequent elections, but to fewer elections. It leads not to more elective officers but to fewer. It leads not to more direct public interference with political institutions but to less. It leads to a political practice in which a few important officers are chosen to relatively long terms of service, given much power and responsibility, and are then held to strict accountability therefor.

That is the idea of Nicholas Murray Butler as to democratic institutions. He at that time said he wanted to hold officers to a strict accountability. He must have changed his mind. Now he does not seem to want to hold them to strict accountability, at least not to Congress and to strict investigation. Set over against the words of Butler the words of James Bryce in discussing the development of "Modern democracies":

If we look back from the world of to-day to the world of the sixteenth century, comfort can be found in seeing how many sources of misery have been reduced under the rule of the people and the recognition of the equal rights of all.

And again:

Yet the rule of many is safer than the rule of one—as Cavour said, that however faulty a legislative chamber may be, an ante-chamber is worse—and the rule of the multitude is greater than the rule of a class. However grave the indictment may be brought against democracy, its friends can answer, "What better alternative do you offer?"

While the world has been moving forward toward democracy Doctor Butler has been moving backward toward oligarchy. He wants fewer elective officers. And do you know that out of the 500,000 officials and employees of the Federal Government only 533—the Congress and President and Vice President—are elected, while all the remaining half million men are bureaucrats and Cabinet heads and subordinates?

Mr. Butler no doubt believes in a rule by the President and by the Cabinet. You will recall that a few years ago he was a candidate for the nomination for President on the Republican ticket, an enterprise, if Democrats were moved by partisan considerations, in which we would look with great pleasure upon his success. He may still entertain that ambition. He may still run for the Republican nomination some day; and I want to observe that since the coming of woman suffrage the strength of Doctor Butler has greatly increased, because I understand that he now has the support of both himself and his wife in his candidacy for the nomination for the Presidency. [Laughter and applause.]

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

Mr. CONNALLY of Texas. Mr. Speaker, I ask for five minutes additional.

The SPEAKER. The gentleman from Texas asks for five minutes additional. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, if Congress is not to rule this country, if the laws of America are not to be enacted in these two Chambers that sit under this Dome, who is to rule? There is no one else to rule the Federal Government except the bureaus and the Cabinet in this city and elsewhere throughout the Republic—bureaus and cabinets who owe no direct responsibility to the people—bureaus and cabinets to whom Gary, Lester, and Butler hope to have easy and frequent access. Tyranny is the abuse of power whether by a king or a bureau—and the most despicable of tyrants is an arrogant bureau head. If Congress does not curb the demands of the bureaus, taxes will be vastly increased instead of decreased. It is the habit of bureaus to grasp more power, to increase the number of employees, and to intrude their authority farther and farther into the affairs of the citizen.

Gary and Lester and Butler may have received some inspiration for their utterances from high official sources. The President, like Gary and the rest, demanded that Congress accept the Mellon plan just as it was sent to the Capitol, and when Congress dared to legislate in fact and dared to investigate, he sneeringly referred to Congress in these words:

and the Congress or the legislative branch, which is supposed under the Constitution to be engaged in legislation.

And then after losing from his Cabinet Denby and Daugherty by the investigation route, he protested, in a message to the Senate, against an investigation of Secretary Mellon, after the Secretary had protested to him.

Mr. Speaker, whatever the source of these attacks, the functions of Congress must be maintained—the right of the Congress to investigate, a Democratic administration, or a Republican administration, must be vindicated. The Congress must not surrender its power to reduce taxes in the interest of all the people and cowardly submit to the demand of selfish interests.

Congress must first do its duty by doing right and then trust the public, when informed, when it learns the truth, to approve its course. If this Congress had adopted the Mellon plan and had not exposed public corruption, Gary and Butler would have thought it one of the best in our history. Gentlemen, so it is that we are confronted by this challenge by men of prominence

like Gary and Butler; a defiant challenge wherein they say that the worst thing we have is the Congress of the United States.

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

Mr. CONNALLY of Texas. Yes.

Mr. McSWAIN. Did he think it so bad that it ought to be adjourned for five years before they raised the protective tariff in 1921?

Mr. CONNALLY of Texas. Oh, no. The gentleman got what he wanted out of Congress in 1921, and that is the tariff bounty; and now he is perfectly willing for the Congress to adjourn until he hopes it will raise it another peg.

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

Mr. CONNALLY of Texas. Yes.

Mr. MacLAFFERTY. Why does not the gentleman comment on what Samuel Gompers and numerous other heads of labor organizations say in the Literary Digest? Some of their strictures are worse than those he has mentioned.

Mr. CONNALLY of Texas. I do not want to be diverted. Some well-informed men brag on Congress. [Laughter]

Let me say that when Judge Gary says that the American Congress is the worst thing we have on our hands he is but repeating the cry that comes down to us through six centuries of struggle toward liberty. Why, there will be Garys and Lesters and Butlers to scoff at a Congress they can not control as long as the contest between the people and the great covetous and selfish interests goes on.

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

Mr. CONNALLY of Texas. No. I have only two or three minutes.

The SPEAKER. The gentleman declines to yield.

Mr. CONNALLY of Texas. Gentlemen, in the olden time, in the year 1265, I believe it was, when the English Parliament was established, there were those who opposed its establishment. All the beneficiaries of royal favor were against it, all the court favorites were opposed to it, all of the cabinet denounced it, all who had the King's ear fought it. The cry of Judge Gary is but an echo of that same cry that they hurled at the doors of the Parliament of England. Judge Gary says the worst thing we have is our American Congress. I would remind Judge Gary that the worst thing that the beneficiaries of privilege had on their hands 600 years ago was the Parliament at Westminster. I would remind him that the worst thing that Charles I had on his hands was the Parliament of the English people. I would remind him that the worst thing that Louis XVI had on his hands was the States-General, the National Assembly, and the convention of the French people. And I would remind Judge Gary that the worst thing that George III had on his hands was the Continental Congress [applause], that led the people of the American Colonies to tear down the power and the majesty of a King and his court and build up the power of the American people [applause]; the Garys and Lesters and Butlers shall not tear it down. [Applause.]

The SPEAKER. The gentleman from Kansas [Mr. TINCHER] is recognized.

Mr. TINCHER. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. The gentleman from Kansas asks unanimous consent that his time be extended 10 additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. TINCHER. Mr. Speaker and gentlemen of the House, with a considerable portion of the address just delivered I am in accord. However, I believe that the best feeling Members of Congress can have is to so conduct themselves as to feel absolutely innocent when charges like the Literary Digest charges are flaunted in their faces. I do not think it makes much difference about the criticisms of Congress unless the criticisms are based on facts.

It is rather unfortunate that all the criticism that Congress is receiving now does not come from Butler and Gary. The people of this country were in thorough sympathy with Congress so long as they believed the investigations that were being made were made in the interest of the Government, and so long as they believed that we were seeking to clean house and punish the guilty I think the sentiment of the whole country was with Congress. But I do think that when it became apparent that certain men were called across the continent—like Al Jennings and this man, Means—and given headlines in the newspapers for a good many days, that the folks got to thinking whether it was true or not, and that was not confined to Gary and Butler. People got to thinking that there was a little politics in it and they became disgusted with the conduct of certain investigations. Whether the Congress could have protected itself by being fair with itself on that criticism is too patent for answer.

Now, I am seriously in favor of not having things about for which we can be criticized, and then if they criticize just let them go. But let us see what we are doing over here. There are some things which have been bothering me a little lately. I do not like to repeat. I have talked twice on this so-called Barkley bill, and I have been criticized for those speeches. I have examined them and examined them more, and I am not here to retract anything, but I am here for the purpose of emphasizing, if possible, some of the things I have already said.

I have in mind this morning a residence block out in a country county-seat town. On the corner of this block lives the pharmacist, a highly educated man about 45 years old, a man who has worked in the same store for 10 or 15 years. He gets $120 a month. He works six days a week, 10 or 12 hours, and then he goes to the store and fills prescriptions for the sick on Sunday. He is a respectable man, and he has gotten along some way on $120 a month. Next door to this pharmacist is the bank cashier. I have noticed recently that his hair is turning prematurely gray, because the struggle since the war has been an uphill one. He gets $125 a month, because this is in an agricultural section. He has not much prospect for a raise, and if he has any stock in the bank he has not gotten any dividends and will not receive any for some little time. Then, next in that block is the fireman who runs the train over to the main line. He will never be an engineer, they say, because there is some qualification he does not possess. Although he is a middle-aged man he will never be promoted to an engineer, but he gets $11.45 a day, and his working time is only about six hours, although he is on duty eight hours. Sometimes he is on duty a little longer and sometimes he gets in some extra time, but he is well paid for it, and $11.45 is his salary. Then, next is a widow. Her husband died about the time the war came on. They had two boys practically grown, and a little girl. They lived on a farm but they bought this little house in town so that she might send the children to high school, and she stayed there in the wintertime. One of the boys has married and the other brother lives with him out on the farm and they are working it, but she is still there in that house in order to send the little girl to high school, and I think she graduates this year. They have had to mortgage the farm since the war, in the farm-loan bank. Not because of mismanagement, but because of depressed prices, they have not been able to make a living on that 640 acres of land.

Then next is the grocery man, who had an invoice of $6,000 before the war. He worked hard 12 and 14 hours a day for six days in the week. He is a thrifty fellow, but things have not been well with him. I know he was out of debt just before the war, and I know he is in debt a little now. And so on around the block. The next man is the county treasurer, a reputable farmer who came in there and took the office of county treasurer because the neighbors love and respect him and know he is an honest man. His salary is $1,500 a year. There is no one in the block who gets half what the fireman gets, and yet here we are proposing a law which will take up all the remainder of the time of the American Congress, and it is proposed in obedience to the demands of the lobby over here which says that this Congress must spend the balance of its time in legislating for organized labor. Oh, yes; the statement was made openly—with the gallery full of his friends—by the gentleman from Alabama. He stood here and tragically declared that on this side is peace and on this side is war. The druggist, the banker, the pharmacist, and the widow have no lobby here. They can not maintain a newspaper in the city of Washington to publish the names of the Congressmen who do not obey their beck and call, and so clip this out and put it away for future reference.

Ah, my friends, I would rather have the feeling that the charge that I acted at the beck and call of that outfit was not true than to have all the magazines lay off in criticism. [Applause.] Their criticisms do not need to worry us if we do the right thing.

This morning we spent our time in debating whether we would discharge the Committee on Interstate and Foreign Commerce and take up another one of those bills. I do not know why, unless it is because we reported out a bill which we think will reduce freight rates on agricultural products. I think it is about time the folks at home had the right to believe that the pharmacist and ordinary fellow will have the same treatment in the American Congress as though they had lobbies down here standing at our doors every morning.

There is not a man in my district, farmer or business man, who is worth as much money to-day as he was when the Adamson law was passed. The Adamson law did make a joke of the American Congress. They took us by the throat—I was not here at the time, and I suppose if I had been I would have been in it, too—and said, "You must pass this law; we will have no other." And from that day to this they have felt that at any time just before a presidential election they can walk in and take the Congress by the throat and say, "You must pass this measure."

Ah, my friends, they ask you as the representatives of all the people to take the bill that their lawyers, high-priced men, spent weeks and months on, perfecting it from their standpoint, and vote blindly on it as a representative of all the people.

This block of residents is in every one of your towns, and I hope that every Member of Congress between now and next Monday——

Mr. WEFALD. Will the gentleman yield?

Mr. TINCHER. I do not yield to the gentleman.

I hope every Member of Congress will get in mind a picture of those people and will remember that they are entitled to our consideration here the same as though they had a newspaper to denounce you and a lobby to sit in the gallery and hiss or applaud you. [Applause.]

I think this is a happy morning, and let us start out now to stop such articles of criticism as appear in the newspapers, and the best way to stop them is to say that from now on every one of us is going to do what he believes to be right, regardless of what the lobby here tells us to do. [Applause.] If you do that, the Barkley bill will not last 30 minutes, because it is undoubtedly the most vicious legislation that anyone ever tried to thrust down the throat of an American Congress. It ignores the rights of everyone and attempts to legislate for a class—a class that you know has the best of it right now.

I thank you, gentlemen. [Applause.]

CALENDAR WEDNESDAY

The SPEAKER pro tempore. To-day is Calendar Wednesday, and the Clerk will call the roll of committees.

The Clerk called the Committee on Military Affairs.

AMENDMENT OF THE NATIONAL DEFENSE ACT

Mr. McKENZIE. Mr. Speaker, I call up H. R. 8886, a bill providing for sundry matters affecting the Military Establishment. This bill is on the Union Calendar, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that this bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I understand there is an amendment to be offered. There will be opportunity to offer amendments, I presume.

Mr. McKENZIE. Yes. If I may be permitted, Mr. Speaker, I wish to say to the membership of the House that this bill represents a conclusion reached by the representatives of the National Guard in conjunction with the officers of the Regular Army and the Secretary of War concerning little defects that exist in the present national defense act. The bill tends to equalize and put the National Guard on the same footing as the officers and men in the Regular Army, and I do not think there will be one objection to this bill. However, it will be read section by section, and if the Members feel they ought to offer any amendment, that opportunity will be given. My reason for doing this, I want to say, is because we have a great many bills from our committee and many of the Members have matters of great importance to them on the calendar, and I simply desire to expedite the work. I have no interest in any one of these bills above another, and I simply wish to expedite the work in order that the Members may get action on their bills which are pending.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 87 of the national defense act of June 3, 1916, as amended, be, and the same is hereby, amended by adding thereto the following proviso:

"*And provided further*, That property issued to the National Guard and which has become unserviceable through fair wear and tear in service, may, after inspection thereof and finding to that effect made by an officer of the Regular Army designated by the Secretary of War, be sold or otherwise disposed of, and the State, Territory, or District of Columbia, accountable, shall be relieved from further accountability therefor; such inspection, and sale or other disposition, to be made under regulations prescribed by the Secretary of War, and to constitute as to such property a discretional substitute for the examination, report, and disposition provided for elsewhere in this section."

Mr. McKENZIE. Mr. Speaker, I move to strike out the last word. I feel that in fairness to the membership of the House I ought to make a brief statement in connection with this bill in order that they may know the facts. I do not wish to mislead any Member of the House in connection with the proposed legislation.

Section 1 simply amends the national defense act, covering the disposition and the replacement of damaged property in the hands of the National Guard. Section 1 of this bill simply adds the proviso to both the Government and the National Guard and makes it satisfactory to both branches.

Section 2 of the national defense act is the section providing for the training of the National Guard. The amendment provides that several detachments may combine for drill, and so forth, and cures the defect in the law now held by the comptroller that in order to be entitled to Army drill pay, drills must be attended by all units of an organization. This simplifies the thing so that the National Guard can go on and do their training to great advantage over the present system.

Section 3 provides that the rates of pay shall be under the present laws governing pay, as approved by the act, and amends section 109 of the national defense act. It increases the number of possible drills from five to eight in any one calendar month. The purpose of this is that during the summer months there might be companies that could drill to greater advantage in wintertime than in the summer months, when they are busy; and this section takes care of that.

As a matter of fact, there is not anything in this bill that is revolutionary or does anything except put the National Guard practically on the same basis as the Regular Army.

The expense involved comes in section 6. It is estimated that this amendment will involve an additional expense of $60,000, but no additional appropriation will be requested for the year 1925.

That is about all there is to the bill.

The SPEAKER pro tempore. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk completed the reading of the bill.

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

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

AMENDING THE NATIONAL DEFENSE ACT

Mr. McKENZIE. Mr. Speaker, I call up the bill S. 2169, to amend in certain particulars the national defense act of June 3, 1916, as amended, and for other purposes, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. LaGUARDIA. I reserve the right to object.

Mr. McKENZIE. If the gentleman will permit, I will say that this bill includes a number of matters, some of which died on the calendar in the last Congress. It also has a provision affecting the detailing of all officers with troops, and it is limited to the Medical Department. The House might want to change that amendment of the committee, but I want to say that if this bill is permitted to be considered on the Union Calendar after the first section is read, the gentleman from New York [Mr. WAINWRIGHT], who reported the bill, will take the floor and explain the bill in detail.

Mr. BLANTON. Reserving the right to object, how much is this going to cost the Federal Treasury?

Mr. McKENZIE. So far as the section covering the increase in the percentage of noncommissioned officers, which is the same as it was a year ago, for we amended it in committee, it will be about one million and a half dollars.

Mr. BLANTON. How much will the whole bill cost the Government?

Mr. McKENZIE. I do not think there is very much in the other sections that will cost anything.

Mr. BLANTON. The gentleman from Illinois is a careful legislator, and he knows what a piece of legislation is going to cost before it gets behind him. How much is the bill going to cost the Federal Treasury?

Mr. McKENZIE. I have not the figures here.

Mr. WAINWRIGHT. If my friend will wait until I can explain the bill, I will give him the figures.

Mr. BLANTON. This is the idea—if this bill is going to cost a whole lot, it ought to be debated in the Committee of the Whole House, but if it is not, the membership will probably be willing to have it debated in the House.

Mr. McKENZIE. The first section which will cost money as I say will cost a million dollars and a half.

Mr. BLANTON. How much will the whole bill cost?

Mr. WAINWRIGHT. I have the figures here. I have not footed up the total, but I can give each item, and the gentleman can make his own computation. The first section provides for the increase in the number of noncommissioned officers and will not cost more than $1,575,000 estimated.

Mr. BLANTON. How much more each year thereafter?

Mr. WAINWRIGHT. That is the maximum that it can cost. It is represented that it will require no additional appropriation this year because there are funds available to take care of it. The personnel of the Regular Army is not up to maximum yet. In the second section there is no cost whatever; the third section no cost whatever. In the fourth section no cost, and the fifth section provides for the forage of animals owned and hired by the State. That may cost $50,000 if taken full advantage of.

Mr. BLANTON. Is the forage provided for them the year round?

Mr. WAINWRIGHT. I presume it would be for the year round because the horses being owned by the State are necessarily to be fed the entire year. These are animals for the National Guard owned by the State. There is a slight addition in the number of caretakers allowed to the heavier than air squadron, an increase of $25,000. Then there is one lieutenant colonel which will be provided for one of the ancient organizations of the State of Massachusetts, which is entitled to have him under the existing law. That will be $900.

Mr. BLANTON. The whole cost is within $2,000,000.

Mr. WAINWRIGHT. Well, within $2,000,000—I think $1,700,000.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois that this bill be considered in the House as in Committee of the Whole?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That hereafter the respective grade percentages prescribed in section 4 (b) of the national defense act of June 3, 1916, as amended, of the total authorized number of enlisted men shall not exceed seventy-nine one-hundredths of 1 per cent for the first grade, 2.17 per cent for the second grade, 2.99 per cent for the third grade, 10.11 per cent for the fourth grade, 9.5 per cent for the fifth grade, and 25 per cent for the sixth grade; and aforementioned section 4 (b) is hereby amended accordingly.

The committee amendments were read as follows:

Page 1, line 6, strike out seventy-nine one-hundredths of 1 per cent and insert "0.79 per cent."

Page 1, line 7, strike out "2.17" and insert "2.1."

Page 1, line 8, strike out "2.99" and insert "2.4."

Page 1, line 9, strike out "10.11" and insert "9.2."

The question was taken, and the amendments were agreed to.

Mr. McSWAIN. Mr. Speaker, I have another committee amendment, which I will offer now or at the proper time. Shall I offer it now?

The SPEAKER pro tempore. The gentleman can offer it when the gentleman from New York yields the floor.

Mr. WAINWRIGHT. There will be at least two committee amendments offered in the progress of the consideration of the bill.

Mr. McSWAIN. That is, we will take the amendments up in their order?

Mr. WAINWRIGHT. I am assuming that the committee amendments will be offered at their place in the bill.

Mr. McSWAIN. Very well.

Mr. WAINWRIGHT. Mr. Speaker and gentlemen, I will be as brief as I can in the explanation of the provisions of this bill. Section 1 proposes to amend section 4 (b) of the national defense act in so far as it divides into seven grades the enlisted personnel of the Army. In 1920 Congress adopted a new method for the grading of enlisted commissioned personnel, and they were divided into seven grades. The law specified the percentage for each grade, and that percentage determined the number and the sum total of those percentages making up the authorized enlisted strength of the Army.

Mr. MORTON D. HULL. Percentages of what?

Mr. WAINWRIGHT. Percentages of the total authorized enlisted strength of the Regular Army. Now, those percentages were based upon the experience then available and based also upon the enlisted strength of an Army of 280,000. In addition to the normal tasks of the noncommissioned officers of the Army——

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

Mr. WAINWRIGHT. I will.

Mr. BEGG. Will the gentleman explain just what these percentages do? Does it increase the number of officers in the Army or decrease them, or just what does it do?

Mr. WAINWRIGHT. I will come to that if the gentleman will permit me to make an explanation as briefly as I can in my own way, and I think I shall answer the question before I get through. Now, in addition to the normal tasks of the higher grades of the enlisted personnel, namely, the noncommissioned officers of the line of the Army, as you are all aware a large number are required for duties with the National Guard, with the schools, and with the Organized Reserves. Now, the reductions in the Army from 280,000 to 225,000, of course, has much reduced the number of noncommissioned personnel. The percentages by law, of course, remain fixed, and the tasks, irrespective of those in the line of the Army, have not only not decreased, but have increased. The reduction of the Army from an enlisted strength of 280,000 to 125,000 has resulted in a reduction of the noncommissioned officers of the Army of over 8,000.

This section proposes by changing the percentages, particularly the percentages in the four higher grades, to increase the noncommissioned personnel by 1,987. That increase will be in the first grade, master sergeants, 237; second grade, technical and first sergeants, 815; and the third grade, staff sergeants, 1,750, with a reduction in the fourth grade of duty sergeants of 375, making the net increase of noncommissioned officers of 1,987. The purpose of this increase is to enable the War Department to carry on successfully and efficiently the important duties involved in the training and instruction of the National Guard, the Organized Reserves, the civilian military training camps, the Reserve Officers' Training Corps, and other activities. It has been found that the number at present——

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

Mr. WAINWRIGHT. I ask unanimous consent to be permitted to continue for an additional 10 minutes.

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

Mr. LARSEN of Georgia. Will the gentleman yield?

Mr. WAINWRIGHT. I will.

Mr. LARSEN of Georgia. In this increased number of officers what cost does it involve?

Mr. WAINWRIGHT. I attempted to answer that question when propounded by the gentleman from Texas, $1,575,000. Now, the second section, unless there are some further questions in regard to the first, originally provided for a complete change in the law with regard to the duty of commissioned officers of the Army with troops, but there was so much objection to that that finally the committee determined that the only change that should be made in that regard should be in the Medical Corps in order to give the President authority to retain a medical officer at a hospital or other similar establishment for a period of more than four years if deemed desirable. Under the present law an officer is only permitted to remain away from duty with troops for four years, after which he must return to actual duty with troops. But the committee decided that a different situation was presented with regard to the Medical Corps; that it would be advisable to permit the President to retain at some of the medical establishments—let us say, for example, Walter Reed Hospital here in Washington—some of the distinguished surgeons who have been developed in the medical service of the Army.

Mr. BLANTON. Before the gentleman reaches it, and while the gentleman is generally discussing the bill, would he kindly explain section 9 to us?

Mr. WAINWRIGHT. I will propose an amendment to section 9, striking that from this bill because that is included, as I recall, in the bill just passed.

Mr. BLANTON. Section 109 will be stricken out.

Mr. WAINWRIGHT. I understand that section 9 has been incorporated in the bill just passed. If that is the case it will be stricken out of this bill, of course. Now, the authority——

Mr. LaGUARDIA. Do I understand the gentleman correctly to say that section 9 will be stricken out?

Mr. WAINWRIGHT. If it is included in the bill just passed as explained by the gentleman from Illinois [Mr. McKENZIE].

Now as to section 3 of the bill——

Mr. FROTHINGHAM. Does the gentleman mean section 9 or section 109?

Mr. BLANTON. Section 9, the last section of the bill.

Mr. WAINWRIGHT. I beg the gentleman's pardon. I thought he referred to "section 109."

Mr. BLANTON. Will the gentleman explain No. 9?

Mr. WAINWRIGHT. Yes; I will explain it when I get to it, if the gentleman will permit.

Mr. BLANTON. There was some question as to whether that section was in a bill that had been disapproved by the President. We want to know something about it before we reach it. Would the gentleman mind letting us know about the provisions in that section now?

Mr. WAINWRIGHT. If the gentleman will permit, I will be glad to explain it when we come to that section.

Section 2 provides that officers of the National Guard shall be commissioned in the Army of the United States. This is to remove an objection which the National Guard officers have to taking Reserve commissions. Up to this time not over 50 per cent of the National Guard officers have taken Reserve commissions. Thus there are not 50 per cent of them who would be available for Federal service in time of emergency. Now to obviate objections on that score, and in deference to the wishes of the National Guard, expressed in their national convention, also on the recommendation of a commission composed of officers of the Regular Army and of the Reserve and of the National Guard which met recently here in Washington under appointment from the Secretary of War, this provision is being proposed, which will result in all officers of the Reserve being commissioned, as they should be, in the Army of the United States, recognizing the fact that the basic, all-inclusive establishment is the Army of the United States in which the Regular Army, the Reserves, and the National Guard are merely components. So in Federal service the National Guard officer will receive, if he desires it—it will not be obligatory—in addition to his National Guard commission, which of course comes from the State, a commission from the President of the United States in the Army of the United States Reserves.

It is also provided in this section that the National Guard officer may hold this commission as long as he holds his National Guard commission, relieving him of the present provision of the law which limits the Reserve commission to five years, thus preventing the necessity of the National Guard officer being reexamined and recommissioned every five years.

Mr. BEGG. Mr. Speaker, will the gentleman yield to me?

Mr. WAINWRIGHT. Yes.

Mr. BEGG. I could not hear distinctly on account of the confusion in the Chamber whether the gentleman answered my question a little while ago or not. I want to ask it now in a little different way. This is to increase the number of commissioned officers to 1,987. Has that necessity arisen from the fact that so many officers have been promoted, and so many retired so that they could be promoted, and you have no vacancies now? Have so many commissioned officers been promoted that you have a lack now of the noncommissioned officers?

Mr. WAINWRIGHT. I thought I had made that clear. The reduction of the Army from 280,000 to 125,000 had resulted in the reduction of the noncommissioned officers by 8,000.

Mr. BLANTON. If the gentleman will yield, the gentleman from Ohio will understand this, that those 1,987 are additional noncommissioned officers added to the present establishment.

Mr. WAINWRIGHT. No. Let me correct the gentleman. This will in no way increase the authorized maximum of the Army.

Mr. BLANTON. I am not talking about that. I am talking about the present personnel as it exists now.

Mr. WAINWRIGHT. It would not increase by one man the personnel.

Mr. BEGG. Is not the situation this: That you have none now, and you must create some?

Mr. WAINWRIGHT. No; that is not the fact.

Mr. BEGG. I can not read anything else, either in the report or in this bill, than that men have been promoted from noncommissioned to commissioned officers, and then so many have been promoted out that you have a shortage of "noncoms" now.

Mr. WAINWRIGHT. No. I have never heard that feature of it referred to in any way in the discussion of this measure.

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

Mr. WAINWRIGHT. Yes.

Mr. McKENZIE In response to the gentleman from Ohio [Mr. BEGG], he has evidently forgotten that Congress legislated out of the Army several hundred commissioned officers a few years ago at the same time that we were cutting down the enlisted personnel.

Mr. BEGG. It was a hardship on them when we let them out.

Mr. BLANTON. I want to suggest to the gentleman from Ohio that he will remember that right after the war, when there was a reorganization, there were so many promotions that we did not have a second lieutenant.

Mr. McKENZIE. Yes. That is what has happened now.

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

Mr. WAINWRIGHT. Yes.

Mr. BEGG. I would like to have somebody who is frank tell all about it.

Mr. SPEAKS. This will not increase the enlisted personnel of the Army by one man. This will not increase the commissioned personnel of the Army in any particular. What is required and desired in this bill is to furnish some additional noncommissioned officers who can be sent out to the National Guard organizations.

Mr. BEGG. What became of the noncommissioned officers who were in the Army two years ago?

Mr. SPEAKS. I might say this: That two years ago, before the strength of the Army was increased to such a wide extent, there was an ample number of noncommissioned officers. But to-day we are sending out noncommissioned officers to the National Guard organizations in every State of the Union, and they are constantly clamoring for more, one in the gentleman's town, probably.

Mr. BEGG. Yes; and they will have one there if you pass this bill. It is a good place to spend the summer.

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

Mr. WAINWRIGHT. Yes.

Mr. McKENZIE. In order that the gentleman may get this clear in his mind I want to ask the gentleman from Ohio [Mr. SPEAKS] if this is not true, that when the Army was reorganized on the basis of 280,000, there were 0.6 of 1 per cent of the enlisted men put in the top grade. This bill provides for 0.79 of 1 per cent.

Mr. SPEAKS. Absolutely.

Mr. McKENZIE. When the Army was reduced, following the law, they had to reduce down the number of noncommissioned officers in that grade and in all the other grades, and they simply pushed them down from the top to the grades of first-class privates and privates. That is what happened.

Mr. SPEAKS. Now, one thing more. I want to confess that, in my judgment, we have too many major generals and brigadier generals and colonels and lieutenant colonels, but we have not too many of these noncommissioned officers and enlisted men. I say frankly that so far as the higher grades are concerned I would be willing to reduce the number at any time, and I have so stated on this floor. But in the case of these noncommissioned officers, we do not have enough. They are men of long experience and men who are required to perform important duties, and in many cases now a first-class private is required to perform duties which ought to be looked after by a sergeant or corporal.

Mr. TEMPLE. Will the gentleman yield?

Mr. WAINWRIGHT. I shall be glad to yield to the gentleman.

Mr. TEMPLE. Is it not true that the number of noncommissioned officers is a percentage of the enlisted personnel of the Army?

Mr. WAINWRIGHT. Absolutely.

Mr. TEMPLE. Is it not true also that there is considerable use for noncommissioned officers on service away from the enlisted personnel?

Mr. WAINWRIGHT. More use than ever.

Mr. TEMPLE. When we reduced the number of enlisted personnel we did not reduce the number of places outside the Regular Army service.

Mr. WAINWRIGHT. That is it exactly.

Mr. TEMPLE. Now, we need more men, but not for service with the enlisted personnel.

Mr. WAINWRIGHT. That is correct.

Mr. TEMPLE. When we reduced the number we did not reduce the number of these outside places; consequently six-tenths of 1 per cent of 280,000 will furnish more of the men available for outside work than six-tenths of 1 per cent of 70,000.

Mr. WAINWRIGHT. That is correct. The gentleman has made a more lucid statement than I could make. Section 4 simply provides that on reenlistment a man may be enlisted for one or three years. To-day reenlistments are limited to one year.

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

Mr. WAINWRIGHT. May I have another five minutes?

Mr. BLACK of Texas. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas that the gentleman have 10 minutes additional? [After a pause.] The Chair hears none.

Mr. BLACK of Texas. I want to ask the gentleman about section 9 of the bill.

Mr. WAINWRIGHT. I have not come to that yet.

Mr. BLACK of Texas. I thought the gentleman was discussing the bill generally.

Mr. WAINWRIGHT. No; I am attempting to explain each section. Now, section 5 provides that animals owned by the State and used exclusively for military purposes may be foraged out of Federal funds. It also provides for five additional caretakers for each of the heavier-than-air squadrons of the Aviation Service of the National Guard. This will mean one caretaker for each plane, whereas in the Regular Service there are two caretakers for each plane. As I have said, section 6 is to be stricken out of this bill because it is included in the bill just passed. The purpose of section 7 is simply to authorize, in time of peace, a lieutenant colonel, as well as a major, for a Massachusetts organization which has had this additional officer since the time of its organization in 1792. Section 8 provides that enlisted men should be paid for drills actually made and not limited merely to 60 per cent of the drills made during a month. Of course, the present provision of law was intended to induce greater regularity at drills, but the effect has been found to be just the reverse.

It should need no explanation or no justification that we should pay these men for drills actually made. Section 9 of the bill, as to which I have been interrogated, simply provides that when noncommissioned officers of the Army who served as commissioned officers during the World War are retired they may be retired as warrant officers, the highest grade of noncommissioned officers. The comptroller, or maybe it is the Judge Advocate of the Army, has ruled that only those who were discharged during the World War should be discharged as warrant officers. It should need no explanation that those men who served as commissioned officers during the World War who return to the service and who have been serving as noncommissioned officers should be retired with the highest possible grade of noncommissioned officers.

Are there any further questions with regard to this bill which any Member desires to ask?

Mr. CONNERY. Section 9 would merely cover the fact that a man who served during the World War as a noncommissioned officer and who stayed in the Army would receive his discharge on retirement as a warrant officer?

Mr. WAINWRIGHT. That is it exactly.

The SPEAKER resumed the chair.

The SPEAKER. The Chair suggests, if there is no objection, that the Clerk read the substitute instead of reading the sections stricken out.

There was no objection.

The Clerk read as follows:

SEC. 2. Add at the end of section 4c of the national defense act of June 3, 1916, as amended, the following sentence: "When in his judgment efficiency demands such action, the President is authorized to except officers of the Medical Corps from the provisions of this section requiring duty with troops of one or more of the combatant arms."

Mr. WAINWRIGHT. Mr. Speaker, I have a committee amendment to the amendment.

The SPEAKER. The gentleman from New York offers a committee amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment to the amendment offered by Mr. WAINWRIGHT: Page 4, line 6, add the following: "The appointment as Chief of Infantry, of Cavalry, of Field Artillery, or of Coast Artillery, of an officer of a grade above that of colonel shall create a vacancy in such grade, but shall not deprive the officer so appointed of the commission he otherwise holds in the Army: *Provided*, That the authorized total number of officers in the Army shall not be exceeded and that no officer serving as chief of any branch shall while so serving be appointed as a brigadier general. The President may at any time discharge the chief or any assistant chief of any branch from his office as such, and such officer when so discharged shall resume the position he would have occupied but for his appointment as such chief or assistant chief."

Mr. WAINWRIGHT. Mr. Speaker, taking the last provision first, this gives the President the right to discharge a chief or assistant chief of any branch. Under the present law the President has not that right, nor has anybody that authority, except, as I understand, Congress. It has seemed to our committee that the Executive should have that right.

The provision in the first sentence provides that if an officer is appointed above the grade of colonel in the four combat branches—the Infantry, the Cavalry, the Field Artillery, and Coast Artillery—a vacancy shall be created. Under the present law the appointment of an officer above the grade of colonel does not create a vacancy, and the consequence is that if a brigadier general is appointed as the chief of one of these arms we may get a major general, but we lose a brigadier general. This is proposed in order to enable the President and the Secretary of War to make the selections for chiefs of the combat branches from among those who should be best qualified, namely, brigadier generals, who have been selected on account of their superior ability and without sacrificing a brigadier general or reducing the number of brigadiers by making such appointment. Under the present law the practice is to appoint colonels so as not to lose a brigadier general. This will create no more brigadier generals and it will operate to avoid losing a brigadier general upon the promotion of a brigadier general to major general as chief of one of the combat branches mentioned.

Mr. BLANTON. Will the gentleman yield?

Mr. WAINWRIGHT. Certainly.

Mr. BLANTON. What is the gentleman going to do about the recommendation made by our colleague, the gentleman from Ohio [Mr. SPEAKS]? He said we had too many of them.

Mr. WAINWRIGHT. I know the views of the gentleman from Ohio [Mr. SPEAKS] with regard to those questions. I have heard them very often expressed in the committee, but I am sure General SPEAKS will agree with me that this will not increase the number of brigadiers.

Mr. BLANTON. But we all have confidence in the judgment of the gentleman from Ohio [Mr. SPEAKS], and he says we have too many brigadier generals, too many major generals, and too many colonels.

Mr. WAINWRIGHT. Oh, the gentleman from Ohio [Mr. SPEAKS] is for this proposition. There is no question about that.

Mr. BLANTON. I have not heard him speak for it, but I heard him, just a moment ago, speak against the policy and the principle of it.

Mr. WAINWRIGHT. Not against this proposition. May I say to the committee that this is the only proposition—I do not know whether this is going to help or hurt the proposition—that General Pershing has asked; and the only thing that General Pershing himself came before the committee and advocated strongly, stating that he considered it was vital that he should have this power in order that he might be able to appoint the best man he could find for chief of the four combat branches.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McKENZIE. Mr. Speaker, I move to strike out the last word in order that the gentleman from Kansas may ask a question; and I also want to ask the gentleman a question.

Mr. ANTHONY. I simply want to ask a question of the gentleman from New York to find out exactly what this provision does. It seems to me, in the first place, it creates additional colonels in the Army, because that is the class of officer from which these chiefs of branches will be appointed. You say that the appointment of a colonel to chief of a branch as major general shall create a vacancy. That means some other man can be promoted up to the grade that is vacated; is that right?

Mr. WAINWRIGHT. A brigadier is appointed a major general and chief of branch.

Mr. ANTHONY. Not always; he can be appointed from a colonelcy.

Mr. WAINWRIGHT. But assuming a brigadier general is appointed, this bill is to enable the appointment of a brigadier without the loss of the authorized number of brigadiers. For instance, a brigadier is appointed major general; that will create a vacancy in the list of brigadiers.

Mr. ANTHONY. And make the appointment of another brigadier possible.

Mr. WAINWRIGHT. Of course, a colonel will be appointed a brigadier and there will be promotion up the line. Of course, that will necessarily follow.

Mr. ANTHONY. Then in regard to the other language in the paragraph giving the President the authority to remove these chiefs of branches at any time, heretofore they have had a four-year tenure of office?

Mr. WAINWRIGHT. Yes.

Mr. ANTHONY. Does not this mean in substance that when the chief of a branch office differs in policy with anyone of higher authority his head would come off? Do you not think that would interfere with the exercise of free judgment on the part of the chief of a branch?

Mr. WAINWRIGHT. I do not think so. I think we should be willing to trust the President of the United States and the Secretary of War to justly exercise that authority. Let us take the other case. There may be some chief of a branch who may be very unsatisfactory for many reasons. As the law stands to-day, it is impossible for the President to get rid of such a chief of branch, as I understand it, without a resolution of Congress.

Mr. ANTHONY. Does not the gentleman know that when the legislation was passed creating these chiefs of branches it was done with the idea of getting men of long experience, experts, technical men at the head of these branches, so we could have the benefit of their judgment in the administration of the branches? If we provide they shall not have a four-year tenure of office and their heads can be chopped off at any time, these men will simply be the clerks of the higher authority and will not be able to exercise their own mature judgment in the administration of their branches.

Mr. WAINWRIGHT. I do not see why it should in any way interfere with the independence or the efficiency of the chief of a branch, but I do see how it would give the President this power—which I believe he should have—with regard to any officer so appointed.

Mr. ANTHONY. But the gentleman knows the President never exercises this power. This power is always exercised by the Chief of Staff or some officer who operates the War Department in his name.

Mr. McKENZIE. Will the gentleman yield to me a moment? I did not listen to the reading of your amendment, but does it include the provision that any officer serving as a chief of branch can not be promoted to the grade of brigadier general while so serving?

Mr. WAINWRIGHT. Yes; it does. I should have stated that. In the interest of saving time I overlooked that feature of the provision.

Mr. McKENZIE. I wish to say to the members of the committee that this is the situation: When General Pershing came to see about this matter, I said to him very frankly that in my judgment it was a 50-50 proposition so far as the Army was concerned, and the criticism made by the gentleman from Kansas [Mr. ANTHONY] is one of the criticisms that can be made. On the other hand, if the hands of the War Department are tied by getting an inefficient man detailed as chief of a branch, of course that is not good for the service. I can understand that, but here is what we want to protect. We want to legislate in the interest of the Military Establishment and not in the interest of individual officers, and for that reason the committee inserted a provision to prevent promotion while an officer is serving as chief of a branch. For example, a colonel under the law can be appointed chief of any of the branches, and while so serving he draws the pay of a major general. Now, while serving as major general in that capacity, he is in fact a colonel. If there is a vacancy in the grade of brigadier general, he could be transferred into the grade of brigadier general and made a brigadier general while serving as a major general, chief of a branch, and we feel this way about it, or at least I do, that the colonels in the Army at least ought to have a fair show, and it would not be fair to permit, under the law, the making of a colonel a major general, and while so serving as chief of a branch promote him into the vacancy created in the grade of brigadier general.

Mr. LAGUARDIA. What happens to the vacancy of the colonel?

Mr. McKENZIE. They fill it.

Mr. LAGUARDIA. Mr. Speaker, I rise in opposition to the amendment. I agree with the acting chairman of the committee that in legislation of this kind we want to legislate for the benefit of the Military Establishment and not for the individual. What is the result? The more power you concentrate in the Chief of Staff and the General of the Army, or nominally in the President, the more you promote the absolute control of the heads of these branches. I have had some experience very recently. When we had the military bill under consideration I called the attention of the House to the maneuvers at Panama where the aviation cooperated with the Coast Defense Corps and the Navy.

A report was submitted by the Army and the Navy. Where the report is we could not ascertain. When you asked one branch of the War Department they referred you to some other bureau. It is impossible to obtain any information of the result of those maneuvers to guide us in our work in legislating for the Army. Why is that? We got information unofficially. Some very interesting facts were learned as a result of the maneuvers. I gather information from various sources and yet we are unable to be officially informed. I often hear experts in the Army tell of startling facts, but they will add "I can not tell it officially." When you ask for information you are unable to get it, and if a report is submitted not in accordance with the ideas of the General Staff you can not get the facts. That is the condition that exists to-day. You can try as much as you like to legislate for the Army and improve the establishment, but you are up against the stubbornness of the General Staff. If there were more of a spirit of cooperation with us it would be better for the Army and better for the country. You undertake to provide for the heads of the branches. If a colonel is promoted to the head of one branch he takes the rank and pay of a major general. You want to fill that gap. Suppose he finishes his time as head of the branch, what becomes of him?

Mr. WAINWRIGHT. That is just what we want to get rid of, appointing a colonel; this is to enable the department to appoint a brigadier.

Mr. LAGUARDIA. But you fill the vacancy of the colonel. Suppose a new man is relieved after six months as the head of the branch of the Army, what happens?

Mr. WAINWRIGHT. He goes back as a brigadier and another brigadier is appointed in his place.

Mr. LAGUARDIA. If the gentleman believes that it will improve the establishment, make it more modern and businesslike, and produce better cooperation, I am for the gentleman's amendment.

Mr. WAINWRIGHT. General Pershing believes that it will add to the efficiency of the service and get better men for the extremely important positions of heads of these branches.

Mr. LAGUARDIA. The only recommendation we get from them for efficiency is promotion to a higher rank.

Mr. WAINWRIGHT. It does not affect the promotion of anybody except the promotion of the colonel to a brigadier to fill the vacancy.

Mr. CONNERY. If the gentleman will yield, in line with what General SPEAKS has just said, I want to say that at Camp Devens last summer the boys were all lined up and singing to the tune "We have no bananas," "Yes, we have no privates." [Laughter.]

Mr. BLANTON. Mr. Speaker, I think the gentleman from Kansas [Mr. ANTHONY] hit the nail on the head when he said they are going to commission a good many more colonels than we need; at least some additional ones. I am willing to follow our colleague from Ohio, General SPEAKS, because he knows, and he says we have now too many of the higher officers—too many colonels, too many brigadiers, and too many major generals.

I am reminded of what happened in my office the other day. A distinguished-looking gentleman came in, introduced himself as Colonel ———, a retired Army officer, and told me he wanted me to vote for the new retirement pay bill for Army officers. I asked him how old he was, and he said he was 63. He looked as young as I do, appeared to be in as good health as I am, and looked to be as strong and vigorous. He said he had been retired already two years, and said he was not getting enough money from the Government. I said, "How much do you receive, Colonel, from the Government of the United States?" He said, "I just receive $354 a month." I said, "You ought to be the happiest man on God's earth; you are just 63 years old, able-bodied, and in fine health, and you have been retired two years, and you are getting $350 every month of the year, and you are doing nothing on earth." Now, there are too many of that kind.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BOYLAN. Does the gentleman take into consideration the fact of what this gentleman has done in the past?

Mr. BLANTON. Oh, yes.

Mr. BOYLAN. That he has been under a good deal of a strain?

Mr. BLANTON. Not any more strain than the Members of Congress undergo. [Laughter.]

Mr. BOYLAN. That he has been under a strain that almost took life itself?

Mr. BLANTON. Perhaps.

Mr. BOYLAN. The gentleman does not compare the everyday, prosaic life of a Member of Congress with that of a colonel?

Mr. BLANTON. They do not live under half the strain of life that we do. According to our distinguished colleague from Ohio, General SHERWOOD, the death rate of the higher officers in the last war was not as great as the death rate of the membership of this House. [Laughter.]

Mr. WEFALD. Does the gentleman think that the colonel is on a par with the fireman the gentleman from Kansas spoke of?

Mr. BLANTON. The railroad fireman is well off, because he has got a job for life.

Mr. WEFALD. A colonel does not do half the work?

Mr. BLANTON. We must revise and reduce the retirement pay of officers in the Army and Navy and force them to contribute to their own retirement fund. They are getting too much retirement pay for the services they render. The idea of paying a retired man, able-bodied and in good health, at 61 years of age, the age at which this colonel retired, $350 a month, three-fourths of his pay and allowances!

Mr. CRAMTON. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. CRAMTON. Is the gentleman in touch with this equalization program the Navy is now reporting that will require retirement considerably sooner than at present?

Mr. BLANTON. Yes. And they will get that through. They will have some friend on the Naval Affairs Committee get up here—not the chairman of the committee but some particular friend—get up and offer from the floor an amendment, subject to a point of order; but the chairman will sit in his seat and not make the point of order against it, as in this case, and nobody in the House will know anything about it except the distinguished gentleman who introduces it, and it will pass.

Mr. CRAMTON. I understand they propose retirement at 62 instead of 64.

Mr. BLANTON. Yes; and nobody here will know anything about the gentleman's amendment except the gentleman himself.

Mr. WAINWRIGHT. I think every member of the committee knows.

Mr. BLANTON. Why did not the gentleman have the committee put it in the bill? Why did he wait until the bill came up and offer the amendment from the floor? Why did the chairman have to ask the gentleman so many questions about the nature of this amendment? Why did not he put his amendment in the bill?

Mr. CHINDBLOM. This committee is luckily not to be discharged.

Mr. WAINWRIGHT. I call the attention of the gentleman to the fact this bill passed the Senate.

Mr. BLANTON. The chairman could have killed this amendment with a point of oder, if he had made it.

Mr. JEFFERS. Mr. Speaker, I rise in opposition to the pro forma amendment for the purpose of asking a question of the gentleman from New York [Mr. WAINWRIGHT]. As I understand it, this amendment is simply for the purpose of making an adjustment in the law so that the heads of sections, under the present national plan of defense, can be provided for in an orderly way without disrupting the list of brigadier generals on duty in the field and otherwise. That is about all that it amounts to, is it not?

Mr. WAINWRIGHT. It is to appoint a brigadier general, staff service, without losing a brigadier general.

Mr. JEFFERS. From the field?

Mr. WAINWRIGHT. Let me again repeat. If this amendment is adopted and the bill is adopted it would not lead to an increased number of brigadier generals.

Mr. JEFFERS. Mr. Speaker, as I understand the amendment it is merely a remedial or perfecting amendment which is needed in conjunction with the present plan of national defense. For the first time in the history of the Nation we have had, since 1921, a comprehensive plan of national defense, for the proper functioning of which the Chief of Staff is responsible. Now, no plan as great as the present plan of national defense could be expected to be perfect or to function perfectly from the very beginning without proper adjustments and amendments from time to time, and here is a situation which the Chief of Staff has come up against and he needs this perfecting amendment, and since we are holding him responsible for the smooth working of this great plan, I think we ought to grant this perfecting amendment to the law.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. JEFFERS. I will.

Mr. LAGUARDIA. In keeping with the modernization of the Military Establishment as the gentleman suggests, does not the gentleman believe that this new General Staff and new establishment should keep pace with the times and so improve methods of warfare rather than to retard them for the sake of holding so many high ranking officials?

Mr. JEFFERS. Well, I think this is a step looking toward improvement. I think it is needed and I think it is clearly meritorious.

Mr. LAGUARDIA. Let us hope so.

Mr. JEFFERS. I do hope so and believe so, and therefore I am for the amendment, and hope it will pass.

Mr. BLACK of Texas. Mr. Speaker, since the question of retirement and retirement pay has been brought up, I want at this time to call attention to section 9 of this bill. Now, some of you will probably remember—those of you who were here in 1917—that the war risk insurance act when it was first brought before the Congress was written upon the central idea that compensation for disability should be paid according to the rank and pay of the officer and enlisted man, also that pay to the dependents of deceased officers and enlisted men should be graded in the same manner. Now, that was an unprecedented step on the part of the American Government. It was a new departure, and when the bill was before the House I drew a series of amendments which struck out the whole unequal and discriminatory percentage plan and followed the uniform policy that our Nation has always followed, to compensate the dependents of the deceased officer or enlisted man upon an equal footing, and the House by an almost unanimous vote adopted my whole series of amendments and the Senate accepted them and they were written into the law. Ever since then there has been one effort after another made to break down the decision of Congress at that time and engraft upon the law one exception after another, and several of them have already passed the House in first one way and then the other. Each such exception seems as a precedent for another. At the last session the Senate passed what is known as the Bursum bill, which if it had been adopted by the House would have put every officer who had incurred 30 per cent disability upon the retired list and would have paid him officer's retirement pay for the rest of his life.

Mr. LAGUARDIA. Will the gentleman yield there?

Mr. BLACK of Texas. Yes; I will yield to the gentleman.

Mr. LAGUARDIA. Does not the gentleman believe that all emergency officers who are disabled should receive the same retirement or compensation as the Regular Army officer who was disabled to exactly the same extent?

Mr. BLACK of Texas. The retirement act for Regular Army officers was written before I ever came to Congress. If I were rewriting the whole retirement act, if I had it in my power, I would make many changes in it. It is now entirely too burdensome to the taxpayers of the Nation and will become increasingly so as time goes on. The gentleman from New York will not get me to support one proposition because some Congress in the past enacted some other one which is not defensible.

The thing to do is to correct some of the mistakes of the present Army officers' retirement act and not multiply them by adding on more discriminatory features as section 9 of this present bill would do.

Section 9 ought to be stricken out of the bill. Congress did pass a law in 1920 for those enlisted men of the Regular Army who served as commissioned officers during the war and retired during the war because of disability. Congress passed a law allowing them to draw the retired pay of warrant officers. They were men retired during the war because of disabilities received during the war.

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

Mr. BLACK of Texas. Mr. Speaker, may I have five minutes more?

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. MCKENZIE. I ask unanimous consent, Mr. Speaker, that at the termination of the five minutes asked for by the gentleman from Texas all debate on this section and amendments thereto close.

The SPEAKER. The gentleman from Illinois asks unanimous consent that at the termination of five minutes all debate on this section and amendments thereto be closed. Is there objection?

There was no objection.

Mr. BLACK of Texas. There were 325 enlisted men of the Regular Army who were thus retired during the war and were

placed upon the retired list with the pay of warrant officers. But since the war and up to now there are 464 who have been retired, and they want to be put on the pay roll as retired warrant officers. That is the purpose of section 9; retired, if you please, since the war closed. There is no requirement that they are retired because of injuries received during the war; not at all. I do not know what they were retired for. The Members of this House do not know what they were retired for. All we know is that if we pass section 9 of this bill these 464 men will be immediately placed upon the retired list as warrant officers, and their retired pay will be increased $250 a year, and will add $120,000 per annum at the expense of the taxpayers. The committee itself admits that while that will be the first year's cost of section 9, they will not undertake to estimate how much it may cost and how large the increased expenditure may go in some future years.

Now, gentlemen, if we do not quit this extravagance in retired pay of Army officers and Navy officers and Government civilians; if we do not quit it, pretty soon everybody in the United States will be working for the Government. We who are not directly on the pay roll will be working for those who are on the pay roll. [Applause.] It is getting time we were bringing some check to bear on this retirement extravagance, and I am going to offer an amendment to strike out section 9 of this bill, and I hope my amendment will be adopted.

Mr. HULL of Iowa. Mr. Speaker, I have another amendment to offer.

The SPEAKER. The question is on agreeing to the pending amendment.

The amendment was agreed to.

The SPEAKER. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HULL of Iowa: Page 4, line 5, after the word "corps," insert "Ordnance Department and Chemical Warfare Service."

Mr. HULL of Iowa. Mr. Speaker, and gentlemen of the House, this amendment will not increase the commissioned personnel. It will not cost one penny. It is simply to correct and make possible something that is necessary in the Army organization. The Chemical Warfare Service to-day is practically all located at Edgewood Arsenal, in New Jersey, and to require them to send out with troops the personnel of that arsenal will destroy what you have of Chemical Warfare Service. As a matter of fact, it is a physical impossibility, because as your Army is organized at the present time they have not units out with the troops at all. It is a purely technical branch, which is and should be kept at Edgewood Arsenal. The same is true with respect to the Ordnance Department. That should be included with the Medical Department, as the amendment calls for.

Mr. LAGUARDIA. What does the gentleman's amendment do? Does it add to the Medical Department unit?

Mr. HULL of Iowa. No. It simply exempts the Medical Corps, the Ordnance Corps, and the Chemical Warfare Service from the provision which requires them to be sent out with the troops. It comes in on line 5 after the Medical Corps.

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

Mr. HULL of Iowa. Yes.

Mr. TILSON. I understand, so far as the Ordnance is concerned, that it is eminently proper that that should be so. I do not know so much about the Chemical Warfare. Has the gentleman conferred with the Army officers in regard to that?

Mr. HULL of Iowa. Oh, certainly. They asked for other branches to be exempted, which we refused to do. Our attention was called to the fact that it was a physical impossibility to comply with the present provisions of the law as to the Ordnance and Chemical unit, and so we ask it here.

Mr. TILSON. But the Chemical Warfare is a fighting service.

Mr. LAGUARDIA. The gentleman thinks that that is a correct amendment?

Mr. HULL of Iowa. Yes; I think it is all right.

Mr. BEGG. Mr. Speaker, I have an amendment that I want to offer after the Wainwright amendment is disposed of.

The SPEAKER. The amendment offered by the gentleman from Iowa [Mr. HULL] is pending. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. BEGG. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BEGG: Page 4, at the end of the Wainwright amendment, change the period to a colon and add the following:

"*Provided*, That in time of peace no officer of the Army shall be or remain detailed in the War Department more than five out of any period of seven consecutive years."

Mr. McKENZIE. I have no objection to letting that go to conference.

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

The amendment was agreed to.

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

The committee amendment was agreed to.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

SEC. 3. That said national defense act, as amended, be, and the same is hereby, further amended by inserting therein, immediately after section 37 thereof, a new section, to be known as section 38, in lieu of original section 38 struck out by section 31 of the amendatory act of June 4, 1920, and to read as follows:

"SEC. 38. Commissions of reserve officers: All persons appointed reserve officers shall be commissioned in the Army of the United States. Officers of the National Guard, federally recognized as such under the provisions of this act, who are appointed reserve officers under the provisions of section 37 of this act, shall be appointed for the period during which such recognition shall continue in effect and terminating at the expiration thereof in lieu of the five-year period hereinbefore prescribed, and in time of peace shall be governed by such special regulations appropriate for this class of reserve officers as the Secretary of War may prescribe."

Mr. LAGUARDIA. Mr. Speaker, I move to strike out the last word.

Mr. RAKER. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The gentleman from New York is recognized.

Mr. LAGUARDIA. Mr. Speaker, I am afraid the House did not realize the importance of the last amendment, that was just passed, and I believe the attention of the House ought to be called to it, because the older Members of the House will remember that it took many years of struggle in this House before you passed the law which required officers assigned to desk jobs to go back to troops every four years. The amendment which you have just passed destroys that law.

Mr. McKENZIE. Will the gentleman yield?

Mr. LAGUARDIA. Of course, I yield.

Mr. McKENZIE. I think the gentleman is entirely mistaken.

Mr. LAGUARDIA. I hope I am.

Mr. McKENZIE. The amendment offered by the gentleman from Ohio [Mr. BEGG] does not repeal the Manchu law, but the effect of it, as I understand it, would be this——

Mr. LAGUARDIA. It just changes it.

Mr. McKENZIE. No; it does not do that. It just takes in the officers who are now subject to the Manchu law and provides that they must also go out.

Mr. LAGUARDIA. If the gentleman pleases, the law now is that after four years of assignment an officer must be returned to troops—is not that correct?

Mr. McKENZIE. He can be reappointed.

Mr. LAGUARDIA. No; he must go back to troops.

Mr. McKENZIE. No. Take the Surgeon General of the Army.

Mr. LAGUARDIA. Let us except the Surgeon General and let us take the line officers. A line officer, after four years' assignment, is ordered back to troops. That is the law, and the amendment which you have just passed permits them to stay five years out of seven. And if that is not destroying the very purpose of the Manchu law, I do not know what it is.

Mr. BEGG. Does not the gentleman think he is a wee bit late in raising his criticism?

Mr. LAGUARDIA. I wanted to see the maneuvering and tactics that the chairman of this committee adopted.

Mr. McKENZIE. If the gentleman will yield, I will simply say to the gentleman from New York that if he will just contain himself until this law is finally written he will probably find out that the chairman of the committee has not been maneuvering for any other purpose than that of protecting the Military Establishment and the Government of the United States, and when we get through I think the gentleman will say it is a good job.

Mr. LAGUARDIA. I beg the gentleman's pardon. I thought we were legislating here. I do not know what else we are doing.

Mr. CHINDBLOM. No; we were legislating to go to conference.

Mr. LAGUARDIA. I think there has been too much of legislating in conference in the last few weeks. You will have a little taste of that when your tax bill comes back.

I hope the House will reconsider that, and when the bill is up for passage I am going to ask for a separate vote on that very important and vital amendment.

Mr. BLANTON. The gentleman's time for that has passed, because we are in the House now.

Mr. LAGUARDIA. Can we not have a separate vote on an amendment in the House?

Mr. BLANTON. No.

Mr. LAGUARDIA. Well, we will have to defeat it some way.

Mr. BEGG. The gentleman from New York does not know what it is all about yet.

Mr. LAGUARDIA. I do know what it is all about, and the gentleman from Ohio knows what it is all about.

Mr. HOWARD of Nebraska. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. HOWARD of Nebraska. I am so thoroughly impressed by the earnestness of the gentleman from New York in stating that this amendment practically kills the law which compels a fellow to take his heels off of a desk once every four years and go out in the field that I am almost inclined to say that there are not enough of us here to consider such an important proposition.

Mr. LAGUARDIA. I will say to my friend from Nebraska that it has been considered.

Mr. HOWARD of Nebraska. But we are going to vote upon it pretty soon, and we ought to have more, if that is the case, so, Mr. Speaker, I suggest the absence of a quorum.

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

Mr. HOWARD of Nebraska. Mr. Speaker, upon being more accurately advised concerning the situation, for the moment I withdraw the suggestion of no quorum. [Applause.]

Mr. LAGUARDIA. Mr. Speaker, the purpose for which I took the floor was to call the attention of the House to the method employed in certain sections of the country in commissioning officers in the reserve. Now, the backbone of our Military Establishment is the reserve, and I believe the gentlemen of the committee will agree with me on that.

It has come to my attention that in certain sections of the country capable, able, and efficient men who served in the World War, and with brilliant military records, are turned down, while men with certain influences, local, if you please, or departmental, in some cases, are appointed to high rank. I know of cases in New York City where men have been appointed to high rank without examination. I have a case in mind out in Ohio, in the gentleman's State [Mr. BEGG], of one of the most efficient young officers who served in the American Expeditionary Forces. Owing to local conditions that young man's application for a commission in the Engineer Corps was turned down.

The SPEAKER. The time of the gentleman has expired.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LAGUARDIA. And the excuse presented was so flimsy that it was ridiculous. This man served with me in the Aviation Service. He brought order out of chaos at aviation headquarters; he coordinated the whole service in France. He was awarded a distinguished-service medal; he was efficient in every sense of the word, and yet they turned him down on the pretext that he was not a civil engineer, when the greater percentage of the officers commissioned in the Engineer Corps are not civil engineers. One of them was a salesman, the other was a draftsman, and so on. I have the entire list.

If the War Department expects the cooperation of this House, and they ought to have it, of course, and if we are going to build up a reserve force in this country, the thing to do is to let the department know that we will not stand for the playing of favorites, for the selecting of these young officers through political or social influence, and that we expect them to maintain a high standard of efficiency in the reserve force and fairness and impartiality in the selection of the reserve personnel.

The trouble is, gentlemen, you are coddling these men and instead of making soldiers out of them you are making politicians out of them. You have just passed an amendment that will go a long way toward keeping these departmental politicians in Washington. Leave them here five years; and you talk about lobbies! Why, they will be around here lobbying all the time, and they will build up their little departmental cliques, and they will not run the department for the good of the Military Establishment, but according to their own views and their own comforts and their own interests.

I appeal to the House, and I want to say right now that I am going to follow up this case from Ohio, and if the department wants to make a test of it, I will show where men were appointed lieutenant colonels and colonels who were absolutely incompetent to hold the rank in case of an emergency. I do not object to a colonelcy being handed here and there for local reasons. That is all right. I suppose they have to do it, but I do say, in the main, they ought to give due credit to military record in the war, and they ought to give due credit to a man's age and his ability. I have complained to The Adjutant General about the case I have mentioned here, and I expect to follow it up. I do hope that in legislating for the reserve corps—and there is nothing more important to the national defense than our reserve force—we will at least so legislate as to build up a reserve force and not a departmental-military-political machine.

Mr. RAKER. Mr. Speaker, I rise in opposition to the pro forma amendment. Mr. Speaker, simply for expedition, I ask unanimous consent that I may print in the RECORD, so it will be in the RECORD to-morrow, proposed legislation and present law and a statement from the Secretaries of State, Commerce, and Labor relative to seamen.

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

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, does this request involve a large mass of material?

Mr. RAKER. I suppose it will cover about four or five pages.

Mr. LONGWORTH. What is the gentleman's object?

Mr. RAKER. The matter will be squarely before the House to vote on to-morrow.

Mr. LONGWORTH. The vote will be on accepting the conference report. It will not be a matter of going into all this detail.

Mr. RAKER. It will be discussed, and my purpose was to have the information in parallel columns so that the House might know the full situation and the status as to the laws that exist now and the proposed legislation.

Mr. LONGWORTH. Mr. Speaker, let me see what the gentleman intends to put in and perhaps later on I shall not object.

Mr. RAKER. I would have to go to the office and it will take me a couple of hours to get it ready. If the gentleman thinks it will delay the disposition of the matter I will forego the pleasure until after the conference report is through, but I want to get it printed in full before we get through.

Mr. MADDEN. I think the gentleman's presence here is very important on the matter we are considering now and the gentleman ought not to have to leave to go to his office, and therefore, I think, for the present I shall object.

Mr. BEGG. Mr. Speaker, I move to strike out the last word.

I do not expect to consume more than a couple of minutes. It does strike me that the gentleman from New York [Mr. LAGUARDIA] in his remarks might perhaps be easily misunderstood.

I do not know whether favoritism is shown in the selection of these commissioned officers of the reserve corps or not, but I do know that if we can not trust the Army to select the reserve officers on merit, then we had better begin to revise the Army, and the gentleman's remarks to me are such a common experience that I could not help but call attention to the fact that every time there is an appointment of any kind to be made that comes under the jurisdiction of a Congressman or otherwise, the defeated candidate for that particular office always says the selection was not fair.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BEGG. In referring to the gentleman's own State, he said a reserve officer from Ohio was turned down. I do not know whether he refers to a friend of mine who tried very diligently to get into the Army and could not qualify——

Mr. LAGUARDIA. Oh, this man had a great military record.

Mr. BEGG. Well, I said he could not qualify, and that is what I mean.

Mr. LAGUARDIA. Evidently we are not talking about the same man.

Mr. BEGG. He could not qualify to the point of being selected. That does not mean anything against the man. It simply means that those charged with the responsibility of selecting the officer were more impressed with some other candidate.

My good friends, I think with all the cries and criticism against the Government we are hearing on every side, and most of it

without foundation, we Members of the House ought to be very careful about charging the departments with being unfair, unless we have the goods to back it up. In the gentleman's example, it is just the gentleman's judgment against those authorized by law to select the various men in the Army, and I deplore the fact that we criticize destructively too many times on our own prejudice, and the populace read it in the RECORD and they go out and say that everything is wrong.

I do not make these remarks with any thought of criticizing or chastising my good friend from New York. I simply think we ought to be more careful.

Mr. WEFALD. Does the gentleman want to leave the inference that these men are appointed like postmasters are appointed?

Mr. BEGG. The gentleman from New York indicated that.

Mr. WEFALD. Are they appointed in that way?

Mr. BEGG. I do not know. I never went to the department and asked for the appointment of any man either in the Army or out of it.

Mr. LAGUARDIA. If the gentleman does not know how does he know that the complaints of the gentleman from New York are unfounded?

Mr. BEGG. Well, the gentleman from New York did not offer any evidence.

The Clerk read as follows:

SEC. 5. That section 90 of said national defense act, as amended, be, and the same is hereby, amended to read as follows:

"SEC. 90. That funds allotted by the Secretary of War for the support of the National Guard shall be available for the purchase and issue of forage, bedding, shoeing, and veterinary services, and supplies for the Government animals issued to any organization, and for animals owned or hired by any State, Territory, District of Columbia, or National Guard organization, not exceeding the number of animals authorized by Federal law for such organization and used solely for military purposes, and for the compensation of competent help for the care of material, animals, armament, and equipment of organizations of all kinds, under such regulations as the Secretary of War may prescribe: *Provided*, That the men to be so compensated shall not exceed five for each organization, except heavier-than-air squadrons, for each of which a maximum of 10 to be so compensated is hereby authorized, and shall, save as otherwise provided in the next succeeding proviso, be duly enlisted therein and detailed by the organization commander, and shall be paid by the United States disbursing officer in each State, Territory, and the District of Columbia: *Provided further*, That whenever it shall be found impracticable to secure the necessary competent enlisted caretakers for the material, animals, armament, or equipment of any organization from the duly enlisted personnel thereof, the organization commander may employ one civilian caretaker therefor who shall be entitled to such compensation as may be fixed by the Secretary of War."

Mr. ANTHONY. Mr. Speaker, I move to strike out the last word. I notice in section 5 provision is made for forage for animals of the National Guard aside from those owned by the Government to cover those hired by the Government. It developed during the hearings on the appropriation bill that the National Guard had quite a number of animals that were neither owned nor hired but were loaned to the guard. For instance, the Government animals are not sufficient to horse the entire company and in many instances residents in the locality have loaned animals to the Government, and they must be foraged at the Government's expense. That is right, and we appropriated a certain sum in the appropriation bill. It seems to me that in order to cover that in the law there ought to be a provision here to cover animals that are loaned. It is economy for the Government to have the animals loaned to the National Guard. I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 5, line 14, after the word "organization," insert "for animals loaned to the National Guard."

Mr. McKENZIE. I have no objection to that.

Mr. LAGUARDIA. I have an amendment to the amendment. At the end of the amendment offered by the gentleman from Kansas insert the words "*Provided*, The horses are used for no other purpose than military purposes."

Mr. McKENZIE. I can not accept that.

Mr. LAGUARDIA. You do not want to feed horses for joy riding, do you?

Mr. WAINWRIGHT. I think if the gentleman will read the section he will see that his amendment is unnecessary. It provides in lines 17 and 18 that all of the horses shall be used solely for military purposes.

Mr. CHINDBLOM. That is a limitation upon all of them.

Mr. LAGUARDIA. Then, why do you object to my amendment?

Mr. WAINWRIGHT. Because it is already in there and is not necessary.

Mr. LAGUARDIA. Mr. Speaker, let us have the whole provision read as it will appear with the amendment inserted.

Mr. McKENZIE. I ask unanimous consent that the sentence to which the amendment is offered be read as it will read when amended.

The Clerk read as follows:

SEC. 90. That funds allotted by the Secretary of War for the support of the National Guard shall be available for the purchase and issue of forage, bedding, shoeing, and veterinary services, and supplies for the Government animals issued to any organization, for animals loaned to the National Guard, and for animals owned or hired by any State, Territory, District of Columbia, or National Guard organization, not exceeding the number of animals authorized by Federal law for such organization and used solely for military purposes.

Mr. LAGUARDIA. I withdraw my amendment to the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Kansas.

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

Mr. McKENZIE. Mr. Speaker, section 6 has already been enacted into law in the bill H. R. 8886. Therefore I ask unanimous consent that the reading of section 6 be omitted and the section stricken from the bill.

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

There was no objection.

The Clerk read as follows:

SEC. 7. That pursuant to section 63 of the national defense act of June 3, 1916, as amended, the First Corps Cadets, antedating, and continuously existing in the State of Massachusetts since, the act of May 8, 1792, now designated as the Second Battalion, Two hundred and eleventh Artillery, Antiaircraft, Coast Artillery Corps, First Corps Cadets, Massachusetts National Guard, hereby declared to be such a corps as is defined in said section 63 for all the purposes thereof and now incorporated in the Organized Militia and a part of the National Guard of Massachusetts, shall be allowed to retain its ancient privileges and organization. Said First Corps Cadets is hereby further declared to be entitled to a lieutenant colonel in command, and a major second in command; and said officers, when federally recognized, shall receive, in accordance with the provisions of said national defense act, and the pay readjustment act of June 10, 1922, the pay of their respective grades: *Provided*, That nothing in this section or other provisions of law shall be deemed to be in derogation of any other ancient privileges to which said First Corps Cadets is entitled under the laws, customs, or usages of the State of Massachusetts.

Mr. LAGUARDIA. Mr. Speaker, I move to strike out the last word in order to ask the chairman of the committee a question. What are the ancient privileges that we are extending here?

Mr. WAINWRIGHT. The only ancient privilege in regard to this particular organization is the right of a battalion in time of peace to have two commanding officers, a lieutenant colonel and a major. The only object is that when they go out on maneuvers or training they may take along the lieutenant colonel as well as a major.

Mr. FROTHINGHAM. It is not only that but it is to attend the governor in certain ceremonies and to wear a certain uniform.

Mr. LAGUARDIA. Is it a serviceable uniform for field purposes?

Mr. FROTHINGHAM. It is absolutely. This organization not only served in the Civil War but in the late war, and the only change is that a battalion usually has a major for a commandant, but they want a lieutenant colonel. The Comptroller recognizes him as a major, and this is to do away with the ruling of the Comptroller General.

Mr. LAGUARDIA. Of course, in time of emergency if they were ordered in the field, they would be subject as other troops.

Mr. FROTHINGHAM. They are part of the National Guard, subject to federalization like other troops.

Mr. McKENZIE. This was written in the law, and the question was raised by the comptroller.

Mr. CRAMTON. If the gentleman will yield, with reference to the gentleman's historical statement I notice he omitted any reference to the War of 1812. Was that because this organization shared the common view of Massachusetts in that struggle? [Laughter.]

Mr. FROTHINGHAM. I did not think it would interest the gentleman.

Mr. JEFFERS. Will the gentleman yield for a question? Did the gentleman say two commanding officers?

Mr. WAINWRIGHT. They had a lieutenant colonel from the beginning. This section only applies to this organization, which has been in continuous existence since 1792, and this is one of the purposes of their organization so far as two commanding officers are concerned. This is the First Corps of Cadets of Massachusetts.

The Clerk read as follows:

SEC. 8. That the first paragraph of section 110 of said national defense act, as amended, be, and the same is hereby, amended to read as follows:

"SEC. 110. Pay for National Guard enlisted men: Each enlisted man belonging to an organization of the National Guard, other than enlisted men of the sixth and seventh grades, shall receive compensation at the rate of one-thirtieth of the initial monthly pay of his grade in the Regular Army, and each of those of the sixth and seventh grades shall receive compensation as is provided in section 14 of the pay adjustment act of June 10, 1922, for each drill ordered for his organization where he is officially present and in which he participates for not less than one and one-half hours, not exceeding eight in any one calendar month and not exceeding 60 drills in one year: *Provided*, That the proviso contained in section 92 of this act shall not operate to prevent the payment of enlisted men actually present at any duly ordered drill or other exercise: *Provided further*, That periods of any actual military duty equivalent to the drills herein prescribed (except those periods of service provided for in sections 94, 97, 99, and 101 of the national defense act, as amended) may be accepted as service in lieu of such drills when so provided by the Secretary of War: *And provided further*, That any enlisted man shall, under such regulations as the Secretary of War may prescribe, receive compensation under the provisions of this section for any drill had in accordance with such provisions where he is officially present and in which he participates for not less than one and one-half hours with a National Guard organization within the same State at a station other than his own, upon presentation of a certificate in form prescribed in said regulations from the organization commander to the commanding officer of the organization of which he is a member showing such drill participation."

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent that the numbers may be changed in the bill to conform with the striking out of section 6.

The SPEAKER. The gentleman from New York asks unanimous consent to change the numbers in the bill as indicated. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SEC. 9. That retired enlisted men of the Army heretofore or hereafter retired who served honorably as commissioned officers of the Army of the United States at some time between April 6, 1917, and November 11, 1918, shall be entitled to receive the pay of retired warrant officers of the Army; and retired enlisted men of the regular Navy and Marine Corps heretofore or hereafter retired who served honorably as commissioned officers, regular, temporary, or reserve, in the naval service at some time between the aforesaid dates, and who at the time of their retirement were members of the regular Navy or Marine Corps, shall be entitled to receive the pay of retired warrant officers of the Navy and Marine Corps, respectively: *Provided*, That such enlisted man retired prior to July 1, 1922, shall be entitled to receive the pay provided by law for retired warrant officers of equal length of service retired prior to that date, and that any such enlisted man retired subsequent to June 30, 1922, shall be entitled to receive the pay provided by law for retired warrant officers of equal length of service retired subsequent to that date: *Provided further*, That nothing in this act shall operate to prevent any person from receiving the pay and allowances of his grade, rank, or rating on the retired list when such pay and allowances exceed the pay to which he would be entitled under this act by virtue of his commissioned service.

Mr. BLACK of Texas. Mr. Speaker, I offer an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLACK of Texas: Page 10, line 16, strike out all of section 9, on pages 10 and 11.

Mr. BLACK of Texas. Mr. Speaker, awhile ago I called the attention of the House to the fact that if this section is adopted it will have the effect of engrafting one more exception to the general principle of the war risk insurance act, to the effect that the same payment should be made for disabilities incurred in the service to a private as is paid to an officer. I am not in the habit of trying to give the House any warning or undertake to offer any superior advice; but if this section remains in the bill you will find that it will be offered as a precedent to bring pressure upon the Committee on Military Affairs to report out the so-called Bursum bill, which provides that every man who served in the World War as a commissioned officer and who was disabled to the extent of 30 per cent shall be placed on the retired list and shall be retired at the rank that he held while in the service. Under that Bursum bill, if a man served as a captain and has a rating of 30 per cent disability he would be retired at a compensation of $150 per month for the rest of his life. Now, in the few remarks I made awhile ago I called your attention to the fact that 325, I believe it is, of these enlisted men who were actually retired during the World War were retired as warrant officers, and we are not seeking to disturb them; but 464 have been retired since the war closed, and the purpose of this section is to take up these 464 men and say, "Gentlemen, we will place you on the retired list as warrant officers and increase your retired pay $250 per annum," or a total expenditure of $120,000 a year. Now, gentlemen, before we do that let me submit this: We already have the most liberal and generous retirement law of any nation in the world. Is there a Member on the floor of the House who will dispute that fact?

Mr. WAINWRIGHT. If the gentleman will give way——

Mr. BLACK of Texas. In a moment. These 464 men have all been retired upon full retirement pay as enlisted men. Are we justified in adding this $120,000 to the already bended backs of the taxpayers? I ask you that.

The SPEAKER. The time of the gentleman has expired.

Mr. BLACK of Texas. I ask that I may have two more minutes, and then I shall yield to the gentleman from New York.

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

Mr. BLACK of Texas. I will yield to the gentleman from New York.

Mr. WAINWRIGHT. Let me give the gentleman this instance. I will give an actual instance of two noncommissioned officers of the Regular Army, both of whom were commissioned as majors, one in The Adjutant General's Department and one in the Quartermaster General's Department, both in combat divisions. One of them gets his discharge and is retired as a warrant officer. The other was not quite through with soldiering and elected to stay for five or six years, and when he comes to be retired, being then a master sergeant, he retires as a master sergeant. Does not the gentleman think it is fair he should have exactly the same pay, the same distinction, and the same recognition from his Government as the other man?

Mr. BLACK of Texas. Let me give the gentleman this answer by citing an example myself which I think will exactly cover the case. Congress passed an Army and Navy pay bill here two or three years ago. I thought it was unduly extravagant in some of its pay provisions and I voted against it. I had a few days ago an Army officer in my office, and he said, "I retired before that pay bill was passed, and I think you gentlemen ought to amend the law so as to go back and increase all our pay to equal all who have retired since the Army retirement act was passed." What does the gentleman from New York think about that? If we do that sort of thing there will never be any end to the drain on the Treasury.

The Bible says that broad is the way to destruction and many there be who travel it, and that narrow is the way which leads to life eternal and few there be that follow it.

The way to reduce taxation, and the only way, is the straight and narrow path of economy, and my experience is that few there be that travel it. The way to waste and extravagance is the broad highway of increased appropriations, and many there be that follow it.

The country is not going to get much relief from taxation until the situation is reversed.

Mr. QUIN. Mr. Speaker and gentlemen of the House, I am a member of this committee, and I have decided to say nothing except what I believe to be vital. This section 9 in the Senate bill is a great, big snake that slips in there for the purpose of giving a special privilege to a lot of men in the Army and Navy who call themselves warrant officers. This Congress has been just and fair, according to my construction, to the Regular soldiers of this last war; and those men in the Regular service should expect the law to be applied to their retirement just the same as if there had been no war.

Now they come up, because they happened to be in the Regular Army and Navy before entering into the World War, and ask a special privilege at the expense of the taxpayers of the United States. It is time for the Congress to take note of all these little apparently insignificant sections that creep into these measures. Already crowding around the doors of the Com-

mittee on Military Affairs there is a bunch of warrant officers who want to have their pay raised; great hordes of them; so much so that they actually come around and lobby for the provisions they desire. This is just another one of them.

They reported out here a bill to give a special privilege to officers who stayed in the Regular Army after the war is over, men who went into the war during the years 1917 and 1918 above 45 years of age, whereas the Committee on Military Affairs passed a bill, which became a law, providing that all of that age who stayed in the Army should not be retired because of physical disability on the pay of Regular Army officers. Yet that bill to favor those men who stayed in the service knowing they could not be retired on the Regular Army officer retirement pay is reported out to this House, and they expect you to pass it. So you see how they are edging up on you on all occasions.

Now, where do the taxpayers of the country come in? We must have some regard for the people who pay the taxes. If you go out and put on the retired list all those who happen to hold a job in the Army or Navy or in the civil service, you place them on the backs of the people who toil. I can not see a more pitiful picture than the farmer who toils in his fields all day, bowed down with his cares and his work, when I realize that he has a whole horde of Government Army officials and employees on his back.

This section 9 grants a special privilege that is not deserved to these men who held those positions, and when you vote for it, you vote to take out of the pockets of the laboring people of this country their hard-earned money to give to these people who have been well paid for their services in positions which they accepted themselves as their chosen pursuit in life. They were enlisted men in the Regular Army and Navy and Marine Corps, and when the United States entered the World War they were made noncommissioned officers. After the war they were demoted to privates, and now, as they retire as privates, you propose to retire them not on the retirement pay of privates but on the noncommissioned officer pay. It is wrong. This section involves an additional expense of $120,000 a year. Multiply that by 40 years and see what it amounts to. By and by we shall be in the hands of the Philistines. [Applause.]

Mr. BLACK of Texas. It will cost $120,000 the first year, and the committee itself says it does not know what it will cost in future years.

Mr. QUIN. Yes. It will just keep on growing as the number will grow. It is just like moss growing on a tree. It first starts on one limb, and then it spreads over other limbs, and before you know it the whole tree is covered. [Applause.]

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

Mr. QUIN. May I have two additional minutes?

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

There was no objection.

Mr. QUIN. I call on you, Members of the House, to strike out section 9. If you do not do that, we ought to kill the whole bill, although the balance of the bill is good, except the Begg amendment.

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

Mr. QUIN. Yes.

Mr. STENGLE. I believe the gentleman wants to be fair, and so far as he has gone on the other lines I am with him; but he made a misstatement a while ago when he said that the civil employees of this Government are a burden on the backs of the toilers. I want to inform the gentleman that they pay for their pensions, and they now have on hand a reserve fund of $40,000,000.

Mr. QUIN. They pay only part of it; but the rest of it comes out of the pockets of the taxpayers. Do you think there is a civil-service pension in this country where the employees pay it all themselves? That would be nothing but Government insurance. The taxpayers of the country are contributing largely to that fund. The gentleman from New York ought to inform himself. All the people in these lines are getting paid at the expense of the hard-working people of the country. The man who lives in idleness in his gilded palace and has a limousine to ride in gets the taxes on his wealth necessarily from the labor of those who toil, either in the workshops or in the mills or in the stores, offices, or on the farms of the Republic. For one, I am going to vote to relieve, wherever I can, the taxpayers of the country from such burdens. [Applause.]

Mr. McKENZIE. Mr. Speaker, I do not want to take the time of the House further than to say that this bill is intended to give to all enlisted men in the Army who served during the World War the rank of warrant officer, whether they served during the World War as commissioned or as noncommissioned officers. As the gentleman from Texas has said, several hundred of them retired while still holding their commissions. Several hundred more were forced back into the ranks and now are being retired as enlisted men. This provision would give to all of them the retired pay of a warrant officer. The only question involved, to be determined by the Members of this House, is whether or not we wish to give this additional compensation, which will amount to about $120,000, I am informed, to these old enlisted men.

It is not a question that requires debate. My position on retirement is well known in this House. I have insisted and I have endeavored to get some of my good friends to get a joint committee appointed to work out an entire retirement system. The present system, in my judgment, is wrong, and up to this time such a joint committee, as I have suggested, has not been appointed. But until we have a different system, a system that will be more equitable and just, a system that recognizes retirement for disability rather than for age or every other excuse that can be thought of, almost, we must get along in the same old rut. I can see no reason why it would not be an act of justice and fairness, at least, to give these men the same pay in the meantime, and let Congress get down to business later and work out a system that will be just and equitable to all.

Mr. LaGUARDIA rose.

Mr. McKENZIE. Let us have a vote. I move that all debate on this section and all amendments thereto end in five minutes.

The SPEAKER. The gentleman from Illinois moves that all debate on this section and all amendments thereto close in five minutes. The question is on agreeing to that motion.

The motion was agreed to.

Mr. LaGUARDIA. Mr. Speaker, in this instance I agree with the chairman of the committee, and I hope that that amendment will be voted down. There was no more useful service rendered in the entire war than the service of these experienced noncommissioned officers. But the gentleman from Texas couples with his amendment notice to the House that he is opposed to a bill, which we hope to bring before the House very shortly, providing equal compensation for all disabled officers of the World War.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. LaGUARDIA. Certainly.

Mr. BLACK of Texas. Is the gentleman in favor of disturbing the principle we wrote into the war risk insurance act, to wit, that the same pay should be paid to a private who was disabled, and for the same disability, as is paid to an officer? Does the gentleman desire to disturb that principle?

Mr. LaGUARDIA. That is not the principle in existence today, because, I submit to the gentleman, you are paying compensation to disabled officers in accordance with their rank if they happen to be members of the Regular organization, but you refuse to pay the same compensation to a boy holding the same rank and with exactly the same disability if he happens to be a volunteer.

Mr. McKENZIE. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. McKENZIE. In time of war, of course, it is necessary to have a large emergency force?

Mr. LaGUARDIA. Absolutely.

Mr. McKENZIE. Men are called into that emergency force, and some of them are made officers, while others are privates.

Mr. LaGUARDIA. Yes; and some get shot and some stay in Washington. Some go to fight and some get a cost-plus contract.

Mr. McKENZIE. Does the gentleman think it is right to give one of those men much more than is given to others?

Mr. LaGUARDIA. I do not. I pleaded with the gentlemen yesterday when this House considered "war services" in the bill we passed yesterday. I asked then not to give one more than another. What were the "war services" that were considered yesterday? We took some property from some bondholders during the war and yesterday you were very solicitous in seeing that you gave those bondholders just compensation, and you did not stint on the compensation either. You gave them more than 100 cents on the dollar. You took a business venture that was a failure and you are paying 100 cents plus on the dollar for every bond and for every certificate of stock issued. You are not only going to pay for the water in the canal but also for the water, and there is plenty of it, in the stock. Now, if we are going to have a principle and if we are going to treat them all on the $30-a-month basis, let us do it. But let us not talk about that principle when considering disabled officers or retired soldiers, and disregard it when we vote millions to contractors, profiteers, and financial experts.

Mr. BLACK of Texas. The gentleman knows I voted against that proposition.

Mr. LAGUARDIA. And I was with the gentleman, so we agree on that. I am sure that the gentleman from Texas, on reflection, will see the injustice of the present system in giving one officer one rate of compensation and another officer another rate of compensation. So I hope that when that bill does come before the House—and it should come very soon, because gentlemen will remember that in the last Congress we could not get that bill out of the committee——

Mr. JEFFERS. If the gentleman will permit I would like to make this observation: That not only are the Regular Army officers retired for disability received during their war service but also the provisional Regular Army officers, the regular and emergency naval officers and the regular and emergency marine officers. So we have seven classes of officers—the Regular Army officers, the provisional officers in the Regular Army, the marine regular and emergency officers, and the naval regular and emergency officers. Those six classes are retired, while the disabled emergency officers of the Army are the only ones out of seven classes so discriminated against.

Mr. LAGUARDIA. Certainly. My colleague and buddy [Mr. JEFFERS] is right. The gentleman from Texas [Mr. BLACK] is so fair that I am certain if we ever do get that bill before the House he will help us put it through. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired; all time has expired. The question is on the amendment offered by the gentleman from Texas [Mr. BLACK].

The question was taken; and on a division (demanded by Mr. BLACK of Texas) there were—ayes 24, noes 34.

Mr. QUIN. Mr. Speaker, I make the point of no quorum.

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

Mr. MCKENZIE. I hope the gentleman from Mississippi will withdraw his point of order.

The SPEAKER pro tempore (after counting). Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 60, nays 217, not voting 155, as follows:

YEAS—60

Allen	Evans, Iowa	Logan	Salmon
Anthony	Fulmer	Lowrey	Sanders, Tex.
Begg	Garner, Tex.	Lozier	Shallenberger
Black, Tex.	Garrett, Tenn.	McClintic	Sherwood
Blanton	Hammer	McSwain	Stedman
Box	Harrison	Major, Ill.	Stevenson
Bulwinkle	Hastings	Milligan	Strong, Kans.
Busby	Hill, Wash.	Moore, Ga.	Sumners, Tex.
Byrns, Tenn.	Hoch	Morrow	Taylor, W. Va.
Cannon	Howard, Nebr.	Porter	Thomas, Ky.
Connally, Tex.	Hudspeth	Quin	Thomas, Okla.
Cramton	Johnson, W. Va.	Ragon	Tincher.
Dominick	Kerr	Rankin	Tucker
Doughton	Larsen, Ga.	Rayburn	White, Kans.
Driver	Lilly	Romjue	Wolff

NAYS—217

Abernethy	Cooper, Wis.	Greene, Mass.	McKenzie
Ackerman	Croll	Griest	McKeown
Almon	Crosser	Hadley	McLaughlin, Mich.
Andrews	Crowther	Hardy	McLeod
Arnold	Cullen	Hawes	McReynolds
Aswell	Cummings	Hawley	McSweeney
Ayres	Dallinger	Hayden	MacGregor
Bacon	Darrow	Hersey	MacLafferty
Beck	Davis, Minn.	Hill, Ala.	Magee, N. Y.
Beers	Denison	Hill, Md.	Major, Mo.
Bell	Dickinson, Mo.	Hudson	Mapes
Berger	Dowell	Hull, Iowa	Martin
Bland	Drewry	Hull, Morton D.	Mead
Bloom	Dyer	Humphreys	Michener
Boyce	Eagan	Jacobstein	Miller, Wash.
Boylan	Elliott	James	Mills
Brand, Ga.	Evans, Mont.	Jeffers	Minahan
Brand, Ohio	Fairfield	Johnson, Ky.	Moore, Ohio
Briggs	Fairchild	Johnson, Tex.	Moore, Va.
Browne, Wis.	Faust	Kearns	Morgan
Browning	Favrot	Keller	Murphy
Brumm	Fisher	Kent	Nelson, Me.
Buckley	Fitzgerald	Kindred	Newton, Minn.
Burtness	Foster	King	Nolan
Burton	Frear	Knutson	O'Connell, R. I.
Butler	Free	Kurtz	O'Connor, La.
Cable	French	LaGuardia	O'Sullivan
Canfield	Frothingham	Lampert	Oliver, N. Y.
Carew	Gallivan	Lankford	Paige
Chindblom	Garber	Lazaro	Peery
Christopherson	Gardner, Ind.	Lea, Calif.	Perlman
Clancy	Garrett, Tex.	Leatherwood	Phillips
Clarke, N. Y.	Gasque	Leavitt	Prall
Cleary	Geran	Lineberger	Purnell
Cole, Iowa	Gibson	Linthicum	Rainey
Collier	Glatfelter	Longworth	Raker
Colton	Graham, Ill.	Luce	Rathbone
Connery	Graham, Pa.	McDuffie	Reece
Cook	Green, Iowa	McFadden	Reed, N. Y.
Richards	Sites	Timberlake	Williams, Ill.
Roach	Smith	Tinkham	Williams, Mich.
Robinson, Iowa	Smithwick	Treadway	Williamson
Robsion, Ky.	Speaks	Tydings	Wilson, Ind.
Rogers, Mass.	Stalker	Underhill	Wilson, La.
Rubey	Stengle	Underwood	Wingo
Sabath	Stephens	Vincent, Mich.	Winslow
Sanders, Ind.	Summers, Wash.	Vinson, Ga.	Woodruff
Sandlin	Swank	Voigt	Woodrum
Schafer	Swing	Wainwright	Wright
Schall	Taber	Watkins	Wurzbach
Schneider	Temple	Watres	Yates
Seger	Thatcher	Watson	Young
Shreve	Thompson	Weaver	
Sinclair	Tillman	Wefald	
Sinnott	Tilson	Wertz	

NOT VOTING—155

Aldrich	Fenn	Lindsay	Reid, Ill.
Allgood	Fish	Little	Rogers, N. H.
Anderson	Fleetwood	Lyon	Rosenbloom
Bacharach	Fredericks	McLaughlin, Nebr.	Rouse
Bankhead	Freeman	McNulty	Sanders, N. Y.
Barbour	Fulbright	Madden	Scott
Barkley	Fuller	Magee, Pa.	Sears, Fla.
Beedy	Funk	Manlove	Sears, Nebr.
Bixler	Gifford	Mansfield	Simmons
Black, N. Y.	Gilbert	Merritt	Snell
Boies	Goldsborough	Michaelson	Snyder
Bowling	Greenwood	Miller, Ill.	Sproul, Ill.
Britten	Griffin	Montague	Sproul, Kans.
Browne, N. J.	Haugen	Mooney	Steagall
Buchanan	Hickey	Moore, Ill.	Strong, Pa.
Burdick	Holaday	Moores, Ind.	Sullivan
Byrnes, S. C.	Hooker	Morehead	Sweet
Campbell	Howard, Okla.	Morin	Swoope
Carter	Huddleston	Morris	Tague
Casey	Hull, William E.	Mudd	Taylor, Colo.
Celler	Hull, Tenn.	Nelson, Wis.	Taylor, Tenn.
Clague	Johnson, S. Dak.	Newton, Mo.	Upshaw
Clark, Fla.	Johnson, Wash.	O'Brien	Vaile
Cole, Ohio	Jones	O'Connell, N. Y.	Vare
Collins	Jost	O'Connor, N. Y.	Vestal
Connolly, Pa.	Kahn	Oldfield	Vinson, Ky.
Cooper, Ohio	Kelly	Oliver, Ala.	Ward, N. Y.
Corning	Kendall	Park, Ga.	Ward, N. C.
Crisp	Ketcham	Parker	Wason
Curry	Kiess	Parks, Ark.	Weller
Davey	Kincheloe	Patterson	Welsh
Davis, Tenn.	Kopp	Peavey	White, Me.
Deal	Kunz	Perkins	Williams, Tex.
Dempsey	Kvale	Pou	Wilson, Miss.
Dickinson, Iowa	Langley	Quayle	Winter
Dickstein	Lanham	Ramseyer	Wood
Doyle	Larson, Minn.	Ransley	Wyant
Drane	Lee, Ga.	Reed, Ark.	Zihlman
Edmonds	Lehlbach	Reed, W. Va.	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Bankhead (for) with Mr. Curry (against).
Mr. Collins (for) with Mr. Wason (against).
Mr. Wilson of Mississippi (for) with Mr. Hickey (against).

Until further notice:

Mr. Kahn with Mr. Clark of Florida.
Mr. Aldrich with Mr. Kincheloe.
Mr. Connolly of Pennsylvania with Mr. Hull of Tennessee.
Mr. Fleetwood with Mr. Black of New York.
Mr. Bacharach with Mr. Williams of Texas.
Mr. Manlove with Mr. Morris.
Mr. Kiess with Mr. Gilbert.
Mr. Snell with Mr. Allgood.
Mr. Funk with Mr. Goldsborough.
Mr. Boies with Mr. O'Brien.
Mr. Fenn with Mr. Barkley.
Mr. Magee of Pennsylvania with Mr. Greenwood.
Mr. Fredericks with Mr. O'Conner of New York.
Mr. Madden with Mr. Hooker.
Mr. Reid of Illinois with Mr. Bowling.
Mr. Winter with Mr. Griffin.
Mr. Kendall with Mr. Doyle.
Mr. Johnson of Washington with Mr. Vinson of Kentucky.
Mr. Ketcham with Mr. Ward of North Carolina.
Mr. Gifford with Mr. Fulbright.
Mr. Michaelson with Mr. Morehead.
Mr. Strong of Pennsylvania with Mr. Weller.
Mr. White of Maine with Mr. O'Connell of New York.
Mr. Sweet with Mr. Browne of New Jersey.
Mr. Wood with Mr. Howard of Oklahoma.
Mr. Vare with Mr. Oldfield.
Mr. Taylor of Tennessee with Mr. Kunz.
Mr. Sears of Nebraska with Mr. Rogers of New Hampshire.
Mr. Swoope with Mr. Oliver of Alabama.
Mr. Merritt with Mr. Buchanan.
Mr. Wyant with Mr. Huddleston.
Mr. Vestal with Mr. Park of Georgia.
Mr. Morin with Mr. Reed of Arkansas.
Mr. Newton of Missouri with Mr. Celler.
Mr. Patterson with Mr. Parks of Arkansas.
Mr. Welsh with Mr. Byrnes of South Carolina.
Mr. Perkins with Mr. Carter.
Mr. Mudd with Mr. Jones.
Mr. Ransley with Mr. Pou.
Mr. Scott with Mr. Drane.
Mr. Lehlbach with Mr. Mooney.
Mr. Freeman with Mr. Casey.
Mr. Bixler with Mr. Jost.
Mr. Campbell with Mr. Quayle.
Mr. Dickinson of Iowa with Mr. Rouse.
Mr. Burdick with Mr. Kvale.
Mr. Fish with Mr. Sears of Florida.

Mr. McLaughlin of Nebraska with Mr. Corning.
Mr. Cole of Ohio with Mr. Lanham.
Mr. Johnson of South Dakota with Mr. Lee of Georgia.
Mr. William E. Hull with Mr. Steagall.
Mr. Miller of Illinois with Mr. Crisp.
Mr. Fuller with Mr. Sullivan.
Mr. Holaday with Mr. Davey.
Mr. Parker with Mr. Lindsay.
Mr. Ward of New York with Mr. Tague.
Mr. Sproul of Illinois with Mr. Lyon.
Mr. Britten with Mr. Taylor of Colorado.
Mr. Rosenbloom with Mr. McNulty.
Mr. Beedy with Mr. Deal.
Mr. Clague with Mr. Upshaw.
Mr. Kelly with Mr. Mansfield.
Mr. Cooper of Ohio with Mr. Dickstein.
Mr. Sanders of New York with Mr. Montague.

The result of the vote was announced as above recorded.

Mr. ANTHONY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. ANTHONY: Page 11, after section 9, add the following as a new section:

"SEC. 10. Payments of commutation for the additional rations provided for certain noncommissioned officers by the act of May 18, 1920, and the act of June 4, 1920, made after July 1, 1922, to noncommissioned officers of the National Guard receiving pay under the provisions of sections 94, 97, and 99 of the national defense act, as amended, and remaining uncollected are hereby authorized to be credited in the disbursing officers' accounts in which they now appear."

Mr. ANTHONY. Mr. Speaker, the purpose of the amendment just offered is to correct the status of a number of the accounts of disbursing officers of the National Guard in various States whose expenditures for the payment of rations with respect to the National Guard have been disallowed by the comptroller. Previous to the enactment of the last pay act there were two classes of specialists who were allowed certain pay as a substitute for rations. The pay act did away with that, but, nevertheless, in a few States the disbursing officers kept on making payments for these allowances for rations. The payments were authorized by the Militia Bureau. For instance, in my State the comptroller has disallowed against the disbursing officer a total of $690.89. Of that amount, $301.01 was for longevity pay, a correction of which has been made in the bill just passed this afternoon, but there has been no correction of these disallowances by the comptroller for overpayments on these rations, and if this amendment is adopted it will relieve these disbursing officers on account of having paid $389.88 allowed by the Militia Bureau in my State, and also relieve the officers in other States of small sums of this kind.

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

Mr. ANTHONY. I yield.

Mr. McKENZIE. Has the gentleman from Kansas investigated this matter and looked into it and found that the facts as stated by him are correct?

Mr. ANTHONY. That is the result of my investigation at the Militia Bureau.

Mr. McKENZIE. And this is recommended by the Militia Bureau?

Mr. ANTHONY. No; I have had no direct recommendation from the bureau.

Mr. McKENZIE. But they find the facts to be as stated?

Mr. ANTHONY. They say the facts are as I have stated them, and as the gentleman will recall, in the bill just previously passed, we corrected the overpayments by these disbursing officers in the instance of longevity pay, but there has been no legislation so far to correct the overpayments on the rations. If we do not reimburse these officers in this instance, the State legislatures undoubtedly will have to do it, and as the payments were authorized by the Militia Bureau and the payments made in good faith by the disbursing officers—and they are not large in amount—I think in justice to these National Guard officers Congress ought to authorize the comptroller to allow them.

Mr. McKENZIE. You think this is equitable and just?

Mr. ANTHONY. I do.

Mr. McKENZIE. I think the judgment of the gentleman from Kansas ought to be accepted. The gentleman was on the Committee on Military Affairs a great many years and should know about these things.

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

The amendment was agreed to.

Mr. SPEAKS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. SPEAKS: Page 11, line 15, after the period add the following: That section 9 of the act of June 10, 1922, is hereby amended by adding at the end of said section the following:

"The Secretary of War is hereby authorized in execution of the preceding provision to fix the pay grades hereunder of all enlisted men of the Army, retired prior to the inception on July 1, 1920, of the operation of section 4(b) of the national defense act as amended."

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

The SPEAKER. The Chair understands that all debate on this section has been closed.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent that the gentleman may have two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. SPEAKS. Mr. Speaker, this amendment is offered with the consent of the chairman of the committee. The language is that of the War Department. The amendment in no wise affects any commissioned officer of the Army. It relates solely to enlisted men of the Army with 30 years of service, upon which they retire. When the pay bill was enacted the language in one particular was such that the comptroller by a decision held that these men could not occupy a classification which it had been intended they should have.

The language of this bill simply authorizes the Secretary of War to so classify. As I stated before, the amendment is drawn by the War Department.

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

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

Mr. McSWAIN. Mr. Speaker, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: At the end of the bill insert a new paragraph as follows:

"SEC. 10. That section 11 of the national defense act of June 3, 1916 (39 Stats. pp. 173-174), as restated in modified form in section 11 of the act of June 4, 1920 (41 Stats. p. 768), is hereby amended by striking out the words 'one assistant' and inserting in lieu thereof the words 'two assistants,' and by adding to said section the following: '*Provided*, That one of said two assistants shall be legally eligible for assignment in charge of the public buildings and grounds in the District of Columbia, shall be legally eligible for assignment as superintendent of the State, War, and Navy Department buildings, and shall also be legally eligible for service in the exercise of any or all functions heretofore exercised by the officer detailed to act as officer in charge of the public buildings and grounds in the District of Columbia or as superintendent of the State, War, and Navy Department buildings.' That portion of the act of March 3, 1873 (17 Stats. p. 535), which prescribed that the officer in charge of the public buildings and grounds in the District of Columbia shall have the rank, pay, and emoluments of a colonel is hereby repealed."

Mr. BLANTON. Mr. Speaker, I make the point of order that this amendment is not germane either to the bill or the paragraph.

Mr. McSWAIN. Mr. Speaker, as far as the paragraph is concerned, it is a new paragraph or section. The bill is a general bill relating to a number of phases and activities of the War Department, and relates to all of the activities of the general subject of national defense. This is an amendment to section 11 of the national defense act, which is under consideration in the bill S. 2169. It seems to me the subject of the bill opens up all the general subject of the sections of the national defense act.

The SPEAKER. It does not seem to the Chair that this bill brings the whole national defense act before the House. It only brings before the House a very limited portion of it and not the portion affected by the amendment offered by the gentleman from South Carolina. The Chair is disposed to sustain the point of order. The point of order is sustained. The question is on the third reading of the Senate bill.

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

On motion of Mr. McKENZIE, a motion to reconsider the vote whereby the bill was passed was laid on the table.

CONTESTED-ELECTION CASE—ANSORGE AGAINST WELLER

Mr. COLE of Ohio, chairman of the Committee on Elections No. 1, presented a report from that committee on the contested-election case of Ansorge against Weller, which was referred to the House Calendar.

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. J. Res. 248. A joint resolution to provide for the remission of further payments of the annual installments of the Chinese indemnity;

H. R. 1823. An act for the relief of the Long Island Railroad Co.;

H. R. 5799. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Seminole Indians may have against the United States, and for other purposes;

H. R. 2878. An act to authorize the sale of lands allotted to Indians under the Moses agreement of July 7, 1883; and

H. R. 4161. An act authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes, in South Dakota.

RETURN TO THE SENATE OF THE BILL H. R. 4445

The SPEAKER laid before the House the following:

In the Senate of the United States May 14, 1924—

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 4445) entitled "An act to amend section 115 of the act of March 3, 1911, entitled 'An act to codify, revise, and amend the laws relating to the judiciary.'"

GEORGE SANDERSON, *Secretary.*

The SPEAKER. Without objection, the request will be complied with.

There was no objection.

THE QUESTIONNAIRE

Mr. HAWES. Mr. Speaker, I ask unanimous consent to extend in the RECORD some remarks on the subject of the questionnaire.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the subject of the questionnaire. Is there objection?

There was no objection.

Mr. HAWES. Mr. Speaker, all municipal and State legislative bodies, as well as Congress, provide, first, for the printing of a bill; second, its reference to a committee where it is publicly discussed by its friends and opponents and testimony is taken as to its good and bad effects; third, the report of the bill, usually changed and amended, is then submitted to the House; fourth, a report of the revised bill, a special report of those favoring and opposing it, is sent to the Members of the House, and Members are furnished with a copy of the hearings.

The bill is then placed upon the calendar and equal time is permitted for proponents and opponents to discuss it.

It is then engrossed and read three times, and not until this has all been done do Members vote upon it.

This proceeding in Congress is followed practically in every legislative body in the United States.

Yet the author of the questionnaire seldom reads a bill; it is never given careful discussion; only the proponents of the bill are heard; usually the question is propounded at a meeting and indorsed at the same meeting. Then the question is sent to a Congressman and he is expected to answer "yes" or "no" before he has read the bill, discussed it, or heard any testimony on the subject.

The Congressman, however, is expected to pledge himself for or against a measure, according to the wishes of the propounders of the questionnaire.

This he is expected to do in advance of the meeting of Congress.

Now, contrast the method of discussion, of hearings, the care which is put upon the legislature by Municipal, State, and National laws, with the action of the author of the average questionnaire.

He demands an offhand expression of opinion from a Congressman before he has read, discussed, or heard testimony on the subject, and frequently the group behind the questionnaire vote for or against a Member of Congress on this single subject.

If this policy were pursued generally, the functions of Congress and all legislative bodies would be usurped and Congressmen would be denied the privilege of investigation, discussion, and the educational effect of debate. They would be tied and vote as automatons in the way they had pledged themselves to vote prior to even the convening of Congress.

Many of the authors of questionnaires are sincere, earnest men and women. They think they are doing right, but they are weakening the intellectual force of Congress and are in addition in many cases carried away by hearing only one side of a question; and in a majority of cases, not even having read the bill which they indorse, they indorse it upon a mere statement of what it contains.

It has been my experience that many bills seem good at first, but after hearing and discussion appear in quite a contrary light.

The same is true of other bills, which create a bad impression at the outset but upon discussion and hearing testimony they may be all right.

Then there is a third class of bills—those which are changed in committee and made acceptable. There is not one bill in a thousand presented to the House which is not changed.

And yet the questionnaire demands, in advance of a hearing, in advance of testimony, in advance of a discussion, and in advance of an opportunity for amendment, an unqualified "yes" or "no" answer on a subject which even the author of the questionnaire has not investigated and upon which he has not taken testimony nor heard evidence.

This is unfair to the public, it is unfair to Congress, and it is even unfair to many misguided men and women who thoughtlessly indorse a bill or a project which they do not understand and which they have not even examined.

Congressmen and Senators are overriden with this sort of thing. It is undermining the individuality of Congress and is harmful to a large degree.

THE PROPAGANDIST

The propagandist is another evil.

Some one presents a subject from his point of view. The other side of the question is not heard or discussed. Naturally defects and objections are glossed over, and the main object of the bill is described in a satisfactory way.

Then the propagandist proceeds to secure an indorsement and sends this indorsement to Congress, and in many cases he accompanies it by a series of petitions advocating the passage or defeat of a bill.

Not one in a thousand signers has ever read the bill or understands it. They are acting solely upon the representations made to them by the person who starts the propaganda. Usually behind this propaganda will be found some special interest.

The average Congressman desires to hear from his constituents on any measure which may be before Congress if his constituents have read the measure and understand it. He values such communications. They are of service to him. So are arguments and briefs on any subject upon which he may vote, or the statement of a practical farmer, laborer, or business man.

But when he is deluged by telegrams and letters which he knows originate in one central point and are merely copied by persons who have not read the bill or who do not understand it, he is placed in an embarrassing position.

It is impossible for him to correspond with all the signers of these petitions. He can, if he has time and at great labor, send to all these petitioners copies of the hearings and records of the debates before Congress. But time will usually not permit this to be done.

THE QUESTIONNAIRE AND THE CANDIDATE

Not to make the matter personal, I will simply say that I happen to know a Congressman who two years ago received a questionnaire containing over 30 questions. They ranged from State to National subjects. He put in nearly three days reading municipal statutes, State laws, and the National statutes, looking up cases, and then proceeded to answer the questionnaire. Some of the questions he answered favorably, some unfavorably, and on those about which he was doubtful he entered into lengthy discussions.

About the time he had concluded this three days' labor a friend came in and asked him if he had answered this particular questionnaire, and the candidate told him that he was not quite through but would finish the next day.

His friend then informed the candidate that his opponent for Congress had answered each question in the affirmative, and he further learned that every questionnaire presented to his opponent had been answered by him in the exact way he thought the promoters of the questionnaire had desired it to be answered.

The result was that the candidate refused to answer any questionnaires. He was perfectly justified in this, because if he was to be measured in the matter of vote getting by an opponent who answered "yes" to everything, he was placed at an immediate disadvantage.

In the long questionnaire above refered to it so happened that the candidates who had answered everything "yes" had a record so black, regarding the specific matters mentioned, that no particular harm had been done.

But suppose he had been an unknown man who did not care how he pledged himself and that his one pursuit was that of votes, the great injustice of this procedure can be easily seen.

Then there is another difficulty so far as the candidate is concerned. He is asked if he will vote for a certain measure and he answers "yes." Later he is confronted with a bill which may cover one portion of the subject about which he is questioned, but goes far beyond it and extends into a variety of subjects, and has a tendency altogether different from what he was led to suppose it would be.

These questionnaires usually demand a reply within a limited period.

The municipal assembly, the legislature, and Congress all permit a long period of discussion, but the questionnaire does not permit this investigation, and, in many cases, driven by the fear of loss of votes, he commits himself to a policy which is repugnant to him intellectually and bad for the country.

If the questionnaire consisted of a copy of a bill in its entirety, and the candidate was given an opportunity to read and study the bill, and then an expression of opinion was asked it would have some of the elements of fairness. But even this would not be quite fair to the candidate, because he would be deprived of the public hearing and the testimony of those who favored and opposed the bill. He would even in this case be deprived of the benefit of a discussion on the subject.

Of course, there are certain subjects and certain general principles upon which a candidate should declare himself, and he should submit, where honestly propounded, to questions in his campaign; but the average man should be content with the declaration of principles made by the party convention of which the candidate is the nominee.

The candidate himself may not understand a question propounded in these questionnaires.

Take, for instance, a question which has been propounded throughout the United States by an organization of well-meaning people couched in this language:

Will you vote for any measure which will tend to weaken a certain law?

Now, the candidate might honestly answer this question "No," and yet his idea of whether the law would be weakened by an amendment might be entirely different from that of the person preparing this question. He might be entirely honest and have a different viewpoint as to what was meant by a weakening of the law. He might think that if it was changed in a number of respects it would be strengthened, while the author of the question would think that any change would be a weakening.

The questionnaire is dangerous in itself and tends to eliminate the element of ability, the matter of sincerity, and may, in addition, cause a vote for or against a candidate on one single subject when this same candidate may have to pass upon 10,000 different bills presented to Congress containing 10,000 different subjects. He might be right on 99 out of 100 problems, but if the propaganda back of the questionnaire found him wrong in 1, they would vote against him on the 1, although he was right on 99 others.

THE REMEDY

An organization which discusses a question and hears both sides, allowing an opportunity for proponents and opponents to be heard, which provides for the hearing of testimony, debates, and the same process of discussion provided by law in municipal, State, and national organizations, might with some propriety after this kind of hearing and discussion address a candidate on the subject of securing his "yes" or "no" statement; but no organization which does not hear both sides discussed and does not proceed with the same care that the body in which the candidate votes has the right to attempt to dictate to him, especially where the decision has been arrived at hastily, unfairly, or without impartial hearing.

Instead of advancing the cause of good government, no matter what the object may be, it would be an attack upon intelligent government.

If these organizations would adopt a rule of printing their bill, setting a time for discussion, and inviting both sides to be heard, that in itself would be an improvement; but this is rarely done.

In 99 cases out of 100 only one side is heard, or a resolution, sprung at the eleventh hour in a convention, without discussion or hid away in a series of resolutions, is adopted, then made the basis of a demand upon a Congressman.

The whole proceeding is unfair to the legislative body to which the candidate belongs; it is unfair to the public; and it is even unfair to the organization which has been hastily forced into a position which it does not understand.

ADJOURNMENT

Mr. McKENZIE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until to-morrow, Thursday, May 15, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

474. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Illinois River, Ill., with a view to preparing plans and estimates of cost for the prevention and control of floods on said river and its tributaries, and to determine the extent to which the United States and local interests should cooperate in carrying out such plans (H. Doc. No. 276); to the Committee on Flood Control and ordered to be printed, with illustrations.

475. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1921, $37,603.52, and a supplemental estimate of appropriation for the fiscal year ending June 30, 1924, $4,890.67—in all, $42,494.19—for the Navy Department; also drafts of proposed legislation affecting certain existing appropriations (H. Doc. No. 277); to the Committee on Appropriations and ordered to be printed.

476. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the legislative establishment of the United States for the fiscal year ending June 30, 1923, in the sum of $7,285.08 (H. Doc. No. 278); to the Committee on Appropriations and ordered to be printed.

279. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1923, $50.62; and supplemental estimates of appropriations for the fiscal year ending June 30, 1924, $41,000, for the District of Columbia, amounting in all to the sum of $41,050.62 (H. Doc. No. 279); to the Committee on Appropriations and ordered to be printed.

280. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the United States Veterans' Bureau, vocational rehabilitation, for the fiscal year ending June 30, 1923, $900,000 (H. Doc. No. 280); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DYER: Committee on the Judiciary. H. R. 7650. A bill to amend sections 186 and 188 of the Judicial Code; without amendment (Rept. No. 740). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 745. A bill for the establishment of migratory bird refuges to furnish in perpetuity homes for migratory birds, the establishment of public shooting grounds to preserve the American system of free shooting, the provision of funds for establishing such areas, and the furnishing of adequate protection for migratory birds, and for other purposes; with amendments (Rept. No. 746). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 4088. A bill to establish the Upper Mississippi River wild life and fish refuge; with amendments (Rept. No. 747). Referred to the Committee of the Whole House on the state of the Union.

Mr. GIBSON: Committee on the District of Columbia. H. R. 5327. A bill to provide for the payment to the retired members of the police and fire departments of the District of Columbia the balance of retirement pay past due to them but unpaid from January 1, 1911, to July 30, 1915; with amendments (Rept. No. 748). Referred to the Committee of the Whole House on the state of the Union.

Mr. RICHARDS: Committee on the Public Lands. H. R. 8587. A bill granting certain public lands to the city of Phoenix, Ariz., for municipal, park, and other purposes; without amendment (Rept. No. 749). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. H. R. 9157. A bill for the purchase of the Oldroyd collection of Lincoln relics; without amendment (Rept. No. 753). Referred to the Committee of the Whole House on the state of the Union.

Mr. GIBSON: Committee on the District of Columbia. S. 112. An act providing for a comprehensive development of the park and playground system of the National Capital; without amendment (Rept. No. 755). Referred to the Committee of the Whole House on the state of the Union.

Mr. ABERNETHY: Committee on the Territories. H. R. 5558. A bill to authorize the incorporated town of Juneau, Alaska, to issue bonds in any sum not exceeding $200,000 for the purpose of improving the street and sewerage system of the town; with amendment (Rept. No. 754). Referred to the House Calendar.

Mr. COLE of Ohio: Committee on Elections No. 1. A report in the contested-election case of Ansorge v. Weller, from the twenty-first district of New York (Rept. No. 756). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McREYNOLDS: Committee on Claims. H. R. 1671. A bill for the relief of Adaline White; with amendments (Rept. No. 741). Referred to the Committee of the Whole House.

Mr. THOMAS of Oklahoma: Committee on Claims. H. R. 4750. A bill for the relief of James F. Jenkins; with an amendment (Rept. No. 742). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 5813. A bill for the relief of Samuel T. Hubbard, jr.; with an amendment (Rept. No. 743). Referred to the Committee of the Whole House.

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 6268. A bill for the relief of Francis M. Atherton; with an amendment (Rept. No. 744). Referred to the Committee of the Whole House.

Mr. RICHARDS: Committee on the Public Lands. S. 511. An act to authorize the Secretary of the Interior to issue patent in fee simple to the Board of Regents of the University of Arizona, State of Arizona, of Tucson, Ariz., for a certain described tract of land; without amendment (Rept. No. 745). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 4896. A bill for the relief of John H. Cowley; without amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 4904. A bill for the relief of Jesse P. Brown; with an amendment (Rept. No. 751). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 6001. A bill for the relief of John E. Walker; without amendment (Rept. No. 752). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 2958. A bill for the relief of Isaac J. Reese; with an amendment (Rept. No. 757). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 9221) to fix salaries of certain judges of the courts of the United States; to the Committee on the Judiciary.

By Mr. McKEOWN: A bill (H. R. 9222) to amend section 237 of the Judicial Code as amended by the act of February 17, 1922; to the Committee on the Judiciary.

By Mr. FISH: A bill (H. R. 9223) authorizing an appropriation for the transportation, maintenance, and subsistence of deceased World War veterans' mothers to and from the burial places of such veterans; to the Committee on Military Affairs.

By Mr. LOWREY: A bill (H. R. 9224) granting the consent of Congress to the Panola-Quitman drainage district to construct, maintain, and operate a dam in the Tallahatchie River; to the Committee on Interstate and Foreign Commerce.

By Mr. McLEOD: A bill (H. R. 9225) to prohibit and punish certain seditious acts against the Government of the United States, and to prohibit the use of the mails for the purpose of promoting such acts; to the Committee on the Judiciary.

By Mr. HAWES: Resolution (H. Res. 313) for the consideration of House bill 4088, authorizing the establishment of the upper Mississippi River wild-life and fish refuge; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 9226) for the relief of Anna Jeanette Weinrich; to the Committee on Claims.

Also, a bill (H. R. 9227) for the relief of Mr. and Mrs. Charles Vanderveer; to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 9228) for the relief of Charles Ritzel; to the Committee on Naval Affairs.

By Mr. COLE of Ohio: A bill (H. R. 9229) granting a pension to Daisy A. Barnhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9230) granting an increase of pension to Flora S. Weeks; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 9231) granting a pension to Bertha Scheich; to the Committee on Invalid Pensions.

By Mr. CURRY: A bill (H. R. 9232) for the relief of Arthur J. Santonge; to the Committee on Military Affairs.

By Mr. JOST: A bill (H. R. 9233) granting an increase of pension to Emelia Goerisch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9234) granting an increase of pension to Charles W. Hildreth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9235) granting an increase of pension to Gertrude Rank; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 9236) granting an increase of pension to John E. Hanson; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 9237) granting an increase of pension to Susan G. Caplinger; to the Committee on Pensions.

By Mr. MacLAFFERTY: A bill (H. R. 9238) for the relief of the owners of the barkentine *Monterey*; to the Committee on Claims.

By Mr. MORGAN: A bill (H. R. 9239) granting a pension to Adeline McAnaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9240) granting an increase of pension to Anna M. Smith; 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:

2751. By Mr. BOYCE: Petition of John P. Nields, Wilmington, Del., favoring a Permanent Court of International Justice; to the Committee on Foreign Affairs.

2752. Also, petition of National Association of Letter Carriers, Wilmington, Del., favoring House bill 9035; to the Committeee on the Post Office and Post Roads.

2753. Also, petition of R. R. German, S. N. Culver, and others, of Delmar, Del., in relation to House bill 9035 for the relief of postal employees; to the Committee on the Post Office and Post Roads.

2754. By Mr. DARROW: Petition of the City Council of Philadelphia, in opposition to the McNary-Haugen bill (S. 2012, H. R. 5563); to the Committee on Agriculture.

2755. By Mr. GARBER: Petition of Mr. P. E. Courtney, service officer, American Legion, Enid, Okla., urging changes in Veterans' Bureau work; to the Committee on World War Veterans' Legislation.

2756. By Mr. HICKEY: Petition of Northern Indiana Lay Electoral Conference of the Methodist Episcopal Church, held at Marion, Ind., through its secretary, Mr. F. W. Greene, Syracuse, Ind., protesting against the modification of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

2757. By Mr. KETCHAM: Petition of citizens of Michigan and adjoining States, opposing the passage of the Sterling-Reed national education bill; to the Committee on Education.

2758. By Mr. NEWTON of Minnesota: Petition of tubercular patients of United States Veterans' Hospital, No. 68, Minneapolis, Minn., in favor of the Royal C. Johnson bill for disabled veterans; to the Committee on World War Veterans' Legislation.

2759. By Mr. RAKER: Thirteen letters from Tacoma, Wash., in re measure to change name of Mount Rainier to Mount Tacoma; to the Committee on the Public Lands.

2760. Also, petition from Mabel Wick, San Francisco, Calif., in re San Carlos dam bill (S. 966); to the Committee on Indian Affairs.

2761. By Mr. VARE: Petition of city council of Philadelphia, Pa., urging Congress to defeat the McNary-Haugen bill; to the Committee on Agriculture.

2762. By Mr. WELSH: Petition of Philadelphia Board of Trade, opposing certain provisions of House bill 8887; to the Committee on Banking and Currency.