

Also, a bill (H. R. 11041) granting an increase of pension to John S. Ormsby; to the Committee on Pensions.

By Mr. ELLIOTT: A bill (H. R. 11042) granting an increase of pension to Thomas P. Bright; to the Committee on Pensions.

By Mr. FOSTER: A bill (H. R. 11043) granting an increase of pension to Sarah M. Lant; to the Committee on Invalid Pensions.

By Mr. HILL of Washington: A bill (H. R. 11044) granting an increase of pension to Millie Lawson; to the Committee on Pensions.

By Mr. KOPP: A bill (H. R. 11045) granting an increase of pension to Mary A. Graham; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 11046) granting a pension to Florence L. Lowe; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 11047) granting an increase of pension to Sophonia E. Adams; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 11048) granting a pension to Elizabeth Gille; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 11049) granting an increase of pension to Matilda Smith; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 11050) granting a pension to Kate McGhehey; to the Committee on Pensions.

Also, a bill (H. R. 11051) granting an increase of pension to Elizabeth Hampton; to the Committee on Pensions.

By Mr. ROGERS of Massachusetts: A bill (H. R. 11052) for the relief of D. Murray Cummings; to the Committee on War Claims.

By Mr. ROMJUE: A bill (H. R. 11053) for the relief of Lewis Scarlett; to the Committee on Military Affairs.

By Mr. SCHAFER: A bill (H. R. 11054) for the relief of Thomas J. Porter; to the Committee on Military Affairs.

Also, a bill (H. R. 11055) for the relief of Paul Wallerstein; to the Committee on Military Affairs.

Also, a bill (H. R. 11056) for the relief of Leroy Overpeck; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 11057) granting an increase of pension to Joseph H. Mayo; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11058) granting a pension to Malinda J. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11059) granting an increase of pension to Mary E. Armstrong; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 11060) granting an increase of pension to Julia F. A. Browning; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 11061) granting an increase of pension to Charles L. Berkheimer; to the Committee on Pensions.

Also, a bill (H. R. 11062) granting an increase of pension to Adam F. Addington; to the Committee on Pensions.

#### PETITIONS, ETC.

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

3272. By the SPEAKER (by request): Petition of Women's Christian Temperance Union, Federation of St. Louis, favoring the distribution of literature by Congress to schools and homes and the incorporation of regular instruction in narcotics in curriculums of schools and colleges; to the Committee on Printing.

3273. Also (by request), petition of Benj. Stone, jr., Post, No. 68, G. A. R., favoring the repeal of the law authorizing the coinage of 5,000,000 50-cent pieces to be sold to the Stone Mountain Confederate Monumental Association; to the Committee on Coinage, Weights, and Measures.

3274. By Mr. KIESS: Petition of residents of Potter and McKean Counties, protesting against the passage of Senate bill 3218; to the Committee on the District of Columbia.

3275. By Mr. MORROW: Petition of J. O. Seth, Santa Fe, N. Mex.; C. M. Botts, Santa Fe, N. Mex.; M. C. Mechem and F. W. Vellacott, Albuquerque, N. Mex.; J. C. Gilbert, Roswell, N. Mex.; John F. Simms, Albuquerque, N. Mex.; Fred Sherman, Deming, N. Mex.; Howard L. Bickley, Raton, N. Mex.; H. B. Gerhart, Santa Fe, N. Mex.; Geo. C. Taylor, Albuquerque, N. Mex.; Daniel K. Sadler, Raton, N. Mex.; Milton J. Helmick, attorney general, Santa Fe, N. Mex., various members of the State bar, in behalf of Senate bill 3363 and House bill 9221, increasing salaries of Federal judiciary; to the Committee on the Judiciary.

3276. By Mr. RAKER: Letter from California State Branch, National Association of Postal Supervisors, of San Francisco, Calif.; letter of National Federation Post Office Clerks, San Francisco, Calif.; letter from United National Association of Post Office Clerks, Austin, Tex.; letter from Douglas Dunlap, Sacramento, Calif.; letter from S. W. Jarvis, Sacramento, Calif.; letter from clerks and carriers of Bristol, Va.; letter from C. R. White, Sacramento, Calif.; letter from Manley L. Harris, Sacramento, Calif.; letter from John I. Wentworth, Sacramento, Calif.; letter from Harold G. McKellips, Sacramento, Calif.; letter from H. E. Glenn, Sacramento, Calif.; letter from W. B. Ladue, Sacramento, Calif.; letter from Railway Dining and Sleeping Car Training Service, Los Angeles, Calif.; letter from Gilbert Egan, Broderick, Calif.; letter from Mrs. L. J. Clark, Sacramento, Calif.; letter from Thomas W. White, Sacramento, Calif.; letter from Mabel Goodridge, Sacramento, Calif.; letter from C. E. Chenoweth, Sacramento, Calif.; letter from A. K. Pilz, Sacramento, Calif.; letter from Burnice Stuart, Sacramento, Calif.; letter from Geo. E. Labrie, Sacramento, Calif.; letter from Joint Committee Post Office and Railway Mail Employees, Sacramento, Calif.; letter from R. D. Grow, Sacramento, Calif.; letter from Los Angeles Branch Railway Mail Association, Los Angeles, Calif.; letter from Sacramento Branch Railway Mail Association, Sacramento, Calif.; letter from C. J. Larrabee, Sacramento, Calif.; resolution adopted by American Federation of Labor at El Paso, Tex., in convention assembled; telegram from George F. Webster, Nevada City, Calif.; letter from J. W. Rains, sr., Sheridan, Calif.; letter from C. A. Beaver, Auburn, Calif.; letter of National Federation of Post Office Chauffeurs and Mechanics, San Francisco, Calif.; letter of Henry P. Hook, San Francisco, Calif.; letter of Mrs. M. E. Fellows, Roseville, Calif.; letter of Richard C. Tennant, Roseville, Calif.; letter from Mrs. Jessie E. Astill, Roseville, Calif.; letter of J. P. La Rue, Roseville, Calif.; letter of A. L. Vance, Sacramento, Calif.; letter of E. J. Kilroy, Nevada City, Calif.; letter and resolution from Theo. E. Kaiser, St. Louis, Mo.; letter from Geo. J. Webster, Nevada City, Calif.; telegram from Hon. George L. Jones, judge of the superior court, Nevada City, Calif.; telegram from D. T. Norton, Nevada City, Calif., all indorsing and urging immediate passage of Senate bill 1898, for the increase of salaries to postal employees; to the Committee on the Post Office and Post Roads.

3277. By Mr. WATKINS: Petition of 200 citizens of Portland, Oreg., protesting against the passage of Senate bill 3218; to the Committee on the District of Columbia.

#### SENATE

MONDAY, December 29, 1924

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

Lord, Thou hast been our dwelling place in all generations before the mountains had brought forth or ever Thou hadst formed the earth and the world. Thou art everlasting. We bless Thee this morning. Thou art the same yesterday, to-day, and forever. As thus we convene in this assembly, thinking of the responsibilities attached to the work and the manifold duties requiring careful attention, we ask, our Father, for Thy guidance, the wisdom which cometh from above. Help us amidst the closing days of the year that we shall rejoice in work well done. Through Jesus Christ our Lord. Amen.

RALPH H. CAMERON, a Senator from the State of Arizona, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of the proceedings of Saturday, December 20, 1924, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### CREDENTIALS

The PRESIDENT pro tempore laid before the Senate the certificate of the Governor of the State of Georgia, certifying to the election of WILLIAM J. HARRIS as a Senator from that State for the term beginning on the 4th day of March, 1925, which was read and ordered to be filed, as follows:

STATE OF GEORGIA,  
EXECUTIVE DEPARTMENT, ATLANTA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1924, WILLIAM J. HARRIS was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the

Senate of the United States for a term of six years, beginning on the 4th day of March, 1925.

Witness his excellency our governor, Clifford Walker, and our seal, hereto affixed at the capitol, this 20th day of December, in the year of our Lord nineteen hundred twenty-four.

[SEAL]

By the governor:

CLIFFORD WALKER, Governor.

S. G. MCLENDON,  
Secretary of State.

The PRESIDENT pro tempore also laid before the Senate the certificate of the Governor of the State of Rhode Island and Providence Plantations, certifying to the election of JESSE H. METCALF as a Senator from that State for the term beginning on the 4th day of March, 1925, which was read and ordered to be filed, as follows:

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1924, JESSE H. METCALF was duly chosen by the qualified electors of the State of Rhode Island and Providence Plantations a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1925.

Witness his excellency our governor, William S. Flynn, and our seal, hereto affixed at Providence, this 23d day of December, in the year of our Lord nineteen hundred twenty-four.

[SEAL]

By the governor:

WILLIAM S. FLYNN, Governor.

ERNEST L. SPRAGUE,  
Secretary of State.

GRANT MEMORIAL COMMISSION

The PRESIDENT pro tempore laid before the Senate a communication from the chairman and members of the Grant Memorial Commission, submitting a draft of a proposed bill, accompanied by an itemized statement for an additional appropriation of \$8,926.12 on account of the construction of the Grant Memorial in the east end of the Botanic Garden grounds in the District of Columbia, which was referred to the Committee on the Library.

WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of withdrawals and restorations of public lands under the act of June 25, 1910 (36 Stat. 847), during the period from December 1, 1923, to November 30, 1924, inclusive, which was referred to the Committee on Public Lands and Surveys.

CONDITION OF RAILROAD EQUIPMENT

The PRESIDENT pro tempore laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, in compliance with Senate Resolution 438, of February 26, 1923, a report for the month of November, 1924, showing the condition of railroad equipment and related information, which was referred to the Committee on Interstate Commerce.

DISPOSITION OF USELESS PAPERS

The PRESIDENT pro tempore laid before the Senate a communication from the Postmaster General, transmitting, pursuant to law, a schedule of papers and documents on file in the department which are not needed in the conduct of business and having no permanent value or historical interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The President pro tempore appointed Mr. STERLING and Mr. MCKELLAR members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on December 22, 1924, the President approved and signed the joint resolution (S. J. Res. 157) extending appropriation in connection with Columbia Basin investigation.

REPLICA OF THE HOUDON BUST OF WASHINGTON (S. DOC. NO. 176)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Library and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State, recommending an appropriation of \$1,000 for the purpose of securing a replica of the Houdon bust of Washington for lodgment in the Pan American Building, in fulfillment of a decision that each Government which is a member of the Pan American Union should present a white marble bust, with a suitable pedestal, of the national hero of such country.

The request of the Secretary of State has my approval, and I strongly recommend the request to the favorable consideration of Congress.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, December 29, 1924.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a resolution of the South San Francisco (Calif.) Chamber of Commerce, favoring the enactment of Senate bill 1898, providing increased compensation for postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution unanimously adopted by the board of directors of the Maritime Association of the Port of New York, favoring improvement and modernization of the naval service so that the full naval strength as proposed in the Disarmament Conference may be adequately maintained, which was referred to the Committee on Naval Affairs.

He also laid before the Senate a resolution adopted by members of the Seventh Day Baptist Church of Walworth, Wis., favoring distribution by Congress of literature on the narcotic traffic to schools and homes, etc., which was referred to the Committee on Education and Labor.

He also laid before the Senate a telegram and letter in the nature of Memorials, signed by L. A. Beckstead, secretary, on behalf of The Lahontan Valley Water Users' Association, at Fallon, Nev., remonstrating against alleged propaganda for the Spanish Springs irrigation project and requesting an investigation of the subject matter, which were referred to the Committee on Appropriations.

Mr. WILLIS. Mr. President, I ask unanimous consent to have referred to the Committee on Foreign Relations and printed in the RECORD certain resolutions adopted by Egbert Camp, No. 10, of the Spanish War Veterans at Toledo, Ohio, relative to the Isle of Pines treaty.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD as follows:

Whereas there is now pending before the Senate of the United States a certain treaty, whereby the United States Government will relinquish all right, claim, or title in and to the territory known as the Isle of Pines, which island was ceded to the United States by virtue of the treaty of Paris between our country and Spain at the close of the Spanish-American War; and

Whereas a full and complete study of the details of the treaty of Paris will conclusively demonstrate to the unprejudiced mind of the clear title of the United States to the Isle of Pines; and the subsequent acts of President McKinley and officials of our Government, particularly in offering inducements to citizens of the United States to invest their capital and savings in business and homes in the Isle of Pines under color of title in the United States Government, is full and convincing proof of the ownership of said island; and

Whereas the flower of the man power of our Nation voluntarily enlisted in the cause of humanity at the call of President McKinley to free Cuba and other islands from the inhuman rule of Spain; the Spanish war volunteers suffered the hardships of battle, braved the elements on sea and land and endured the insanitary conditions of camp life with the resultant injuries therefrom, all without hope of recompense or reward; and

Whereas our great war President, William McKinley, was the strongest supporter of the title to the Isle of Pines in the United States Government and would never and would not at the present time sanction or approve this indignity to the sufferers and survivors of the Spanish-American War: Therefore be it

Resolved, That Egbert Camp, No. 10, of Spanish war veterans in meeting assembled this 9th day of December, 1924, in respect and honor of the memory of our departed Commander in Chief, William McKinley, and in respect and honor of the memory of thousands of our departed comrades, their widows and orphans, and in honor and fairness to our living comrades, sincerely and solemnly protest the passage of this unfair, unreasonable, and unwarranted treaty, relinquishing the title of the United States Government to the Isle of Pines; and be it further

Resolved, That copies of these resolutions be forwarded to our honorable President, Calvin Coolidge; our United States Senators from

Ohio, Hon. FRANK B. WILLIS and Hon. SIMEON D. FESS; to the Representative of the ninth congressional district of Ohio, Hon. ISAAC R. SHERWOOD; to the press; and that a copy be spread upon the minutes of this meeting.

CHAS. S. WRAGG,  
Chairman, Legislative Committee.

JAMES STIPES,  
Commander Egbert Camp, No. 10, Toledo, Ohio.

Mr. WILLIS also presented the memorial of D. M. Butler and 75 other citizens of Sebring, Ohio, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. CAMERON presented a letter relative to grazing conditions in forest reservations, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., December 5, 1924.

Hon. RALPH CAMERON,  
United States Senate, Washington, D. C.

MY DEAR SENATOR: On behalf of a number of clients in this State who are engaged in the cattle business, I am writing to invite your attention to conditions at present existing in this State and in other States in which there are forest reservations.

In this State a large percentage of the range cattle are grazing on forest reservations, and the cattle industry in this State and all the other so-called Mountain States is vitally affected by the regulations enforced by the Forest Service.

Several years prior to the war, when the cattle industry was prosperous, the grazing fee for cattle ranging on forest reservations was fixed at 35 cents per head. This charge under then existing conditions could be easily met by the cattlemen, and they had no cause for complaint, but since that time the grazing fees have been gradually increased, until the charge is now \$1 per annum per head for all cattle grazing on these reservations, and I have been informed that plans have been considered for making a still further increase in grazing fees.

As you know, and as the forest officials undoubtedly know, the cattle industry in the Southwest is now and for several years has been laboring under very adverse conditions. Numerous cattlemen in this State, including many of the largest owners, have been forced into bankruptcy, and under bankruptcy and foreclosure proceedings many thousands of cattle have been forced on the market for whatever they would bring, thereby keeping the prices at the minimum, and taking from the ranges many stock cattle which should be kept on the ranges as breeders.

By reason of the fact that my clients are mostly cattlemen who are operating throughout the State, I am very familiar with the conditions, and believe that practically all of the cattlemen have been operating at a loss during the last four years. In few, if any, cases have profits realized been sufficient to cover the grazing fees exacted by the Forest Service. Practically all the cattlemen of my acquaintance are looking for an opportunity to get out of the business. Breeding cows which should be kept on the ranges are being sold for whatever they will bring, and it seems inevitable that the next few years will witness a shortage of cattle unless something can be done to aid the grazing sections.

While this situation primarily affects the cattle growers of the range States from which most of the feeders are drawn to be fattened and put on the market as beef, it will ultimately affect the entire country, since a shortage of cattle necessarily means a large increase in the price of beef.

I note by the President's message that it will be his policy to assist the agricultural sections in getting back to a normal basis, and I assume that he will be equally interested in doing whatever can be reasonably done to assist the grazing sections which are at present in far greater need of assistance than the farming sections, and I wish to suggest that all the grazing States would be greatly benefited by the elimination of the very substantial reduction of these grazing fees during the next two years.

The cattlemen are economizing in every way possible, and in most cases which have come to my notice have been able to arrange credits for the minimum of groceries, salt, and other supplies which are absolutely essential, but in a very large number of cases they have been absolutely unable to secure money for the payment of grazing fees at the rate of \$1 per head for their cattle.

The cattlemen of Arizona are looking to you to do whatever may be possible to assist them, and it has occurred to me that a resolution might be put through Congress suspending the collection of grazing fees for the years 1925 and 1926.

In this connection I wish to invite your attention to the fact that fully 50 per cent of the area of the State of Arizona has been withdrawn for forest and other reservations, thereby reducing to this extent the lands in the State which would be available for taxation.

As a result of this the tax rate in the State is unreasonably high and the cattlemen, who, as a rule are entirely without cash assets, are not only called upon to pay these high taxes but in addition thereto to pay the grazing fees levied against them by the Government. The authorities of the various counties understand the conditions under which the cattlemen are laboring, and there have been, so far as I know, but few, if any, sales for taxes, the authorities allowing these taxes to remain in default, but the Forest Service demands cash for these grazing fees and the cattlemen have not the cash to pay.

Yours very sincerely,

JOHN R. HAMPTON.

Mr. CAMERON also presented a telegram relative to development in the lower Colorado River, which was referred to the Committee on Irrigation and Reclamation and ordered to be printed in the RECORD, as follows:

PHOENIX, ARIZ., December 26, 1924.

Senator RALPH CAMERON, Washington, D. C.:

The undersigned, delegation of Arizona citizens interested in the welfare of the future of this State and being disturbed over the proceedings in Washington with reference to proposed development in the Colorado River as provided for in the Swing-Johnson bill, called upon Governor Hunt this morning for the purpose of urging upon him the necessity of taking every possible means to preserve intact Arizona's rights in the Colorado River. You are aware of the fact that since the war the business depression in the mining industry and in agriculture has been particularly felt in this State, which has made it difficult to raise by taxation the revenues necessary to conduct the State government and also provide adequate funds to make the surveys and investigations necessary to demonstrate Arizona's contention as to the practicability of irrigating several million acres of land in Arizona in addition to the immense power development. We called upon the governor to assure him that in order to protect our rights in the Colorado River we favored asserting every legal right Arizona possesses as a sovereign State; that it is our desire that we maintain friendly relations with our sister States in the Colorado River Basin, but that we do not intend to be intimidated, browbeaten, or coerced into any position which will jeopardize the interests of this State. With flood control as a pretext, California is trying to force through the Swing-Johnson bill, which will give California water and power, but which will make the irrigation of millions of acres of land in Arizona impossible. This should not be permitted, and the attempt to do so will meet with all the resistance it is possible for us to develop in this State. The welfare of California does not make it necessary that Arizona's interests should be sacrificed. The building of the Boulder Canyon Dam will flood the river at places where dams should properly be built if Arizona is to have any large agricultural development. With dams properly located, it will be possible to have flood control, full power development, and also irrigate several million acres of land in Arizona. This will be putting the river to its highest and greatest beneficial use and development. The State of Arizona is putting a survey party in the field this week to obtain definite information as to disputed engineering questions at Spencer Canyon and other places on the Colorado River and in Arizona. We hope to have more complete information to be submitted to Congress for its consideration in a short time. We urge you to utilize every means at your command as Arizona's representative in Congress to assert and protect the rights of the State and to prevent legislation that would be ruinous to us.

D. P. KIMBALL.	Col. WM. A. GLASSFORD.
A. L. BOEHMER.	WILL GLEASON.
ED. RUDOLF.	Senator J. J. COX.
E. T. IRVINE.	E. J. FLOCK.
VERNON L. CLARK.	HOWARD L. MILLER.
H. L. GERDES.	GEO. W. STURDEVANT.
W. C. LEHAN.	Senator H. A. DAVIS.
FRANK T. ALKIRE.	Senator FRED T. COLTER.
R. F. GARNETT.	C. W. STEELE.
ROBT. H. WILLIAMS.	C. W. GOODMAN.

\* Mr. FESS presented a memorial signed by 60 citizens of Alliance, Ohio, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. CURTIS presented a resolution of the Kansas Engineering Society, favoring the passage of the so-called Temple bill, providing for the completion of the work of preparing topographic maps of the United States, etc., which was referred to the Committee on Public Lands and Surveys.

Mr. LADD presented a resolution of the Jamestown (N. Dak.) Chamber of Commerce, favoring the passage of legislation to more adequately carry out the intent of the national defense act, which was referred to the Committee on Military Affairs.

Mr. CAPPER presented the memorial of High Prairie Local, No. 752, Farmers' Union, at Baldwin, Kans., remonstrating against the passage of legislation increasing postal rates, which was referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Decatur County, Liberal, and Kausas City, all in the State of Kansas, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. SHIPSTEAD presented memorials of sundry citizens of Staples, of Winona and vicinity, and of Itasca County, all in the State of Minnesota, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented a memorial of 408 members of the Chippewa Band of Indians of Minnesota, remonstrating against the passage of the departmental draft of the so-called "jurisdictional bill," covering matters in dispute between the Chippewa Indians of Minnesota and the United States of America, which was referred to the Committee on Indian Affairs.

Mr. McLEAN presented a resolution of the Woman's Club of Killingly, Conn., favoring the passage of Senate Joint Resolution 99, providing an appropriation to defray the expenses of the quinquennial meeting of the International Council of Women, which was referred to the Committee on Foreign Relations.

He also presented petitions of the general executive committee Woman's Missionary Society of the Methodist Church at Forestville, and sundry members of the Woman's Foreign Missionary Society of the Methodist Episcopal Church of Ansonia, all in the State of Connecticut, praying for a reconsideration of the so-called alien exclusion act, with a view to fostering the bonds of friendship between the United States and other nations, which were referred to the Committee on Foreign Relations.

He also presented the petition of the officers of Local No. 73, Journeymen Barber's Union of America, of Hartford, Conn., praying for the passage of Senate bill 3218, providing for the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a telegram and a letter in the nature of petitions of the Woman's Christian Temperance Union of Hartford and the Woman's Christian Temperance Union of Winsted, in the State of Connecticut, praying for the passage of House bill 6645, proposing to amend the national prohibition act, to establish a bureau of prohibition in the Treasury Department, and to place its personnel under the civil service, etc., which were referred to the Committee on the Judiciary.

He also presented a resolution adopted at the annual meeting of the Connecticut Fish and Game Protective Association, at New Haven, Conn., favoring the passage of Senate bill 2913, the so-called game refuge public shooting ground bill, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the Lions Club of New Haven and of the Fifth District Republican Club, both in the State of Connecticut, favoring the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented a telegram and letters in the nature of petitions from Henry L. Converse, secretary, Branch No. 895, National Association of Letter Carriers, of Putnam; of Russell Circle No. 1, National Circle Daughters of Isabella; and of War Mothers' Association No. 1, of New Haven, all in the State of Connecticut, praying for the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

#### REPORT OF COMMITTEE

Mr. BROOKHART, from the Committee on Military Affairs, to which was referred the bill (S. 3534) to correct the military record of Thomas C. Johnson, deceased, reported it with an amendment and submitted a report (No. 826) thereon.

#### BILLS INTRODUCED

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

By Mr. FERNALD:

A bill (S. 3761) granting a pension to Joseph Simpson (with accompanying papers); and

A bill (S. 3762) granting a pension to Chastena H. Haskell (with accompanying papers); to the Committee on Pensions.

By Mr. BALL:

A bill (S. 3763) to further regulate certain public-service corporations operating within the District of Columbia, and for other purposes;

A bill (S. 3764) to create and establish a commission, as an independent establishment of the Federal Government, to regulate rents in the District of Columbia; and

A bill (S. 3765) to authorize a five-year building program for the public-school system of the District of Columbia which shall provide school buildings adequate in size and facilities to make possible an efficient system of public education in the District of Columbia; to the Committee on the District of Columbia.

Mr. SHIPSTEAD. I introduce a bill as a substitute for Senate bill 3649, to extend the time of the Chicago, Milwaukee & St. Paul Railroad for completion of bridge across the Mississippi River, now in the Committee on Commerce.

By Mr. SHIPSTEAD:

A bill (S. 3766) to extend the time to the Chicago, Milwaukee & St. Paul Railway Co. for commencement and completion of bridge across the Mississippi River; to the Committee on Commerce.

By Mr. CUMMINS:

A bill (S. 3767) to amend section 198 of the Criminal Code, as amended; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 3768) for the relief of Josephine Rollingson (with accompanying papers); to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 3769) authorizing the issuance of patents to the State of South Dakota for park purposes of certain lands within the Custer State Park, now claimed under the United States general mining laws, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

A bill (S. 3770) to extend the provisions, limitations, and benefits of the acts of July 27, 1892, June 27, 1902, and March 4, 1917, to any person who rendered 30 days' service or more against the Indians between January 1, 1859, and January 31, 1891, inclusive; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 3771) granting an increase of pension to Annie J. Jones (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 3772) to authorize the reduction of and to fix the rate of interest to be paid by carriers upon notes or other evidences of indebtedness heretofore issued under the provisions of section 207 of the transportation act, 1920, or section 210 of said act, as amended by an act approved June 5, 1920; to the Committee on Interstate Commerce.

By Mr. COUZENS:

A bill (S. 3773) to prevent and punish the use of political influence in the appointment or promotion of Federal employees; and

A bill (S. 3774) to provide for the retirement of Clarence W. Sessions, judge of the District Court for the Western District of Michigan; to the Committee on the Judiciary.

A bill (S. 3775) for the relief of William H. Crampton, formerly a captain in the United States Army; to the Committee on Military Affairs.

A bill (S. 3776) granting a pension to Margaret H. Haan; to the Committee on Pensions.

#### AMENDMENTS TO MUSCLE SHOALS BILL

Mr. LADD submitted sundry amendments intended to be proposed by him to House bill 518, the so-called Muscle Shoals bill, which were ordered to lie on the table and to be printed.

#### AMENDMENT TO NAVY DEPARTMENT APPROPRIATION BILL

Mr. FLETCHER submitted an amendment proposing to appropriate \$100,000 for submarine base extension at Key West, Fla., intended to be proposed by him to House bill 10724, the Navy Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

#### PROPOSED COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. SHEPPARD submitted the following notice, which was read and ordered to lie on the table:

I hereby give notice of my intention to offer an amendment to Rule XXV, Standing Rules of the Senate, for the purpose of creating a committee on World War Veterans' Legislation.

#### POSTAL SALARIES

Mr. NORBECK. I present a communication from the Post Office Department relative to postal salaries, which I ask may

be referred to the Committee on Post Offices and Post Roads and printed in the RECORD.

There being no objection, the communication was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,  
Washington, D. C., December 19, 1924.

Hon. PETER NORBECK,  
United States Senate.

MY DEAR SENATOR NORBECK: Replying to your request, I hand you herewith a copy of a memorandum dated November 28, 1924, which shows salaries and average salaries in the Postal Service and a comparison with salaries in like occupations outside the service.

Sincerely yours,

HARRY S. NEW, Postmaster General.

NOVEMBER 28, 1924.

(Memorandum for the Postmaster General)

The act approved July 2, 1918, provided increased compensation of \$200 per annum to clerks and carriers in post offices and to railway postal clerks, and approximately \$240 per annum to rural carriers. In addition there were increases in compensation to a large number of the supervisory force.

The act of November 8, 1919, further increased the compensation of postal employees from \$100 to \$200 per annum.

The act of June 5, 1920, generally known as the reclassification act, provided further increases in compensation ranging from \$200 to \$300 for clerks and carriers and railway postal clerks, and \$260 for rural carriers, and in addition there were substantial increases in salaries of the supervisory force ranging from \$200 to \$600.

The effect of these increases in salary grades over those in effect during the fiscal year 1918 may be summarized as follows:

- An increase of \$600 granted to clerks and carriers in post offices.
- An increase of \$500 granted to railway postal clerks.
- An increase of \$600 granted to rural carriers.

The following summary shows the additional expenditures on account of increased compensation over and above the expenditures under the salary scale that was in effect during the fiscal year 1918 as the result of the three acts of Congress above referred to for the fiscal years 1919 to 1924, both inclusive:

Fiscal year:	
1919	\$33,202,600
1920	68,901,000
1921	110,756,000
1922	118,221,000
1923	122,882,500
1924	129,884,576
<b>Total</b>	<b>583,847,676</b>

These amounts are cumulative; that is, the amount stated for the year 1920 also includes the amount which was additional for the year 1919.

SALARIES PAID IN THE SERVICE

The following is the range of salaries of officials and employees in the Postal Service:

Post-office clerks and carriers	\$1,400.00 to \$1,800
Special clerks	1,900.00 to 2,000
Average salary, post-office clerks, 1923	1,691.68
Average salary, post-office carriers, 1924	1,743.81
Railway postal clerks	1,600.00 to 2,300
Average salary of railway postal clerks, 1924	2,111.00
Average salary of railway postal clerks, including travel allowance	2,294.00
Clerks at division headquarters of the Railway Mail Service and post-office inspectors	1,600.00 to 2,300
Chief clerks in post-office inspectors' headquarters	2,600.00
Laborers in post offices and the Railway Mail Service	1,350.00 to 1,450
Superintendents of mails, post-office service	2,100.00 to 4,400
Assistant superintendent of mails, post-office service	2,200.00 to 3,800
Foreman, post-office service	2,100.00 to 2,300
Postal cashiers, post-office service	2,600.00 to 4,000
Money-order cashiers, post-office service	2,300.00 to 3,600
Assistant chief clerks, Railway Mail Service	2,500.00
Chief clerks, Railway Mail Service	3,000.00
Assistant division superintendents, Railway Mail Service	3,200.00
Division superintendents, Railway Mail Service	4,200.00
Post-office inspectors	2,300.00 to 3,700
Post-office inspectors in charge	4,200.00

AVERAGE SALARIES OF POST-OFFICE CLERKS, POST-OFFICE CARRIERS, AND RAILWAY POSTAL CLERKS

Comparisons of the average salaries in the Postal Service with average salaries of like or similar employments in other governmental services and in business institutions must be made with the average salaries of clerks, carriers, and railway postal clerks. These salaries in the Postal Service are as follows:

Average salaries, fiscal year 1924, of—	
Post-office clerks	\$1,691.68
Post-office carriers	1,743.81
Railway postal clerks	2,111.00
Railway postal clerks, including travel allowance	2,294.00

AVERAGE SALARIES OF LIKE EMPLOYEES IN THE DEPARTMENTAL SERVICE IN WASHINGTON

A reliable estimate of the average of salaries for employees for grades 1 to 7, inclusive, in the clerical, administrative, and fiscal services in the District of Columbia places it at \$1,704 per annum, and for the same for grades from 1 to 6, inclusive, \$1,659 per annum.

SALARIES PAID IN BUSINESS INSTITUTIONS THROUGHOUT THE COUNTRY

In May, 1924, the department secured through direct investigation by its special officers detailed to the work the range of salaries paid to persons employed by business institutions throughout the country. Investigations were made in the following cities whose populations range from 1,972 to 5,600,000:

New York, N. Y.; Chicago, Ill.; Detroit, Mich.; Boston, Mass.; Kansas City, Mo.; New Haven, Conn.; Des Moines, Iowa; Scranton, Pa.; Utica, N. Y.; St. Joseph, Mo.; Harrisburg, Pa.; Montgomery, Ala.; Hagerstown, Md.; Jackson, Tenn.; Geneva, N. Y.; Guthrie, Okla.; Illon, N. Y.; Herkimer, N. Y.; Americus, Ga.; Tuscaloosa, Ala.; Salem, Ohio; Cadillac, Mich.; Webb City, Mo.; Seneca Falls, N. Y.; Bryan, Ohio; Danville, Ky.; Corinth, Miss.; Portland, Ind.; Ravenna, Ohio; Elkton, Md.; Newport, Pa.

The general average for the entire group of these offices for each class of employee below named was found to be as follows:

Bank clerks	\$1,382
Stock clerks	1,223
Shipping clerks	1,119
Railroad clerks	1,455
Stenographers	1,299
Bookkeepers	1,398
General office clerks	1,176
Cashiers	1,033
Stenographers	1,299
Typists	1,029
Freight handlers	1,273
Express handlers	1,357
Express clerks	1,492
Delivery drivers	1,377

It is not argued from comparisons with salaries paid employees in general business that it is not just to pay to postal employees a scale of wages somewhat higher. The conditions under which employment is undertaken in the Postal Service and those under which it is undertaken in general business are different. We expect to attract to the Postal Service those who will make it a life work. Consequently the scale of salaries should be high enough to insure permanent continuance in the service. This means a scale sufficiently high to enable the employee to take upon himself all the obligations of citizenship and his place in society. However, a careful comparison of rates of compensation paid to postal employees and those paid to others in like grades of commercial lines shows that generally the advantage rests with the postal employee.

LABOR TURNOVER IN THE POSTAL SERVICE

The following statements show for clerks and carriers in the Postal Service the number of resignations.

CARRIERS

Fiscal year	Number in service	Number of resignations	Percentage
1919	35,024	2,025	5.78
1920	36,142	2,528	6.99
1921	38,532	1,348	3.50
1922	39,485	637	1.61
1923	40,134	858	2.17
1924	43,829	921	2.10

CLERKS

1919	44,681	4,961	11.10
1920	47,568	7,473	15.70
1921	53,703	5,161	9.61
1922	56,029	3,112	5.55
1923	57,183	3,365	5.88
1924	63,182	4,144	6.56

The following shows a comparative statement showing the resignations of clerks and carriers during the five months' period ended November 30, 1923 and 1924:

Month	Clerks resigned		Carriers resigned	
	1923	1924	1923	1924
July	266	284	79	60
August	402	196	86	62
September	400	329	90	62
October	260	421	88	91
November	800	232	91	64
<b>Total</b>	<b>2,128</b>	<b>1,462</b>	<b>434</b>	<b>339</b>

MAINTENANCE OF LISTS OF ELIGIBLES  
POSTAL CLERKS AND CARRIERS

There does not appear to be any greater difficulty in maintaining lists of eligibles at this time than there was when this matter was before Congress last spring. In general there appears to be no difficulty in maintaining these lists to fill vacancies. There are certain localities, however, where difficulty does exist, these being large cities or industrial communities affected in the one case by high costs of living due to metropolitan conditions and in the other case by the higher wage scale and living costs prevailing in the industrial communities.

The latest reports from 76 offices of the country show a general condition of unemployed available time of substitute clerks and carriers. These are shown in the following table for the 76 largest offices as a whole:

	Number	Work equivalent to whole time	Surplus
Substitute clerks.....	6,334	4,343	2,010
Average per office.....	83	56	26
Substitute carriers.....	5,440	3,731	1,742
Average per office.....	71	49	23

RAILWAY POSTAL CLERKS

There is no difficulty experienced in securing a sufficient number of eligibles to fill vacancies in the Railway Mail Service except in very few States, such as those having very small populations, as Nevada, Wyoming, and Arizona. There is no more trouble in filling vacancies in the Railway Mail Service than there was before the war.

There are approximately 10,000 eligibles on the list at the present time, and there were 27,000 applicants for examination held throughout the country by the Civil Service Commission on May 3, 1924.

STEWART.

WOODROW WILSON FOUNDATION

Mr. FLETCHER. Mr. President, last night at the Hotel Astor, in New York, two very notable addresses were delivered at a meeting conducted under the auspices of the Woodrow Wilson Foundation. I ask to have printed in the RECORD, in order that they may be permanently preserved, these addresses, one by Mr. Norman H. Davis as it appears in the New York World on page 2, and the other by Viscount Cecil as it appears in the New York Times on page 2.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is here printed, as follows:

[From the New York World of Monday, December 29, 1924]

EQUAL RIGHTS FOR ALL NATIONS WAS WILSON'S AIM, SAYS DAVIS

In his presentation speech Mr. Davis said:

"In the world's history it is only at rare intervals, and at some period of crisis, that any marked advance has been made by men in their long struggle to overcome and rise above conditions which have hampered their freedom and growth.

"On such occasions men of faith and vision, with the spirit and courage of pioneers, have always pointed out the way and taken the lead. After such an advance a long period has been required to fortify the ground gained and to move forward those of lesser faith and courage who were opposed to it and chose to remain behind.

"In the recent and terrible crisis in world affairs it was Woodrow Wilson who took the lead and pointed out to men and to nations the way leading from their difficulties to peace and progress. He saw, with a vision vouchsafed to few, that the conditions of life and the relationships among nations had been so transformed by scientific and industrial developments that further progress could not be made unless new and more modern methods were devised for dealing with the many economic, social, and political problems that had been created.

FOR LAW BASED ON JUSTICE

"He proposed in effect that the principles of democracy which have served as the foundations of individual freedom shall be applied to the relationships between nations; that privilege as between nations shall give way to equal rights for all nations, and that the hostile grouping of nations into alliances based on force shall be superseded by a system of cooperation between all the powers for the maintenance of law and order based on justice.

"As the war progressed and its horrors and losses increased, the feeling and conviction grew in the heart and mind of Woodrow Wilson that the only justification for such a terrible sacrifice of human life would be to make it a war to end all war and to make this world a better and a happier abode for man.

"He directed his great influence and ability to that task with such a spirit of consecration that he succeeded in lifting the divergent aims of the war into a moral atmosphere, where they were transformed and molded into the aims of democracy.

"Although the lessons of the war and the exalted aims for which it was waged were almost submerged by a wave of passion and intense nationalism that came in its wake, the world was infinitely better off for having seen, even for a moment, the vision which Woodrow Wilson held before it, and the advance forces of civilization had gained ground from which they could not be dislodged.

GREATEST STEP TOWARD PEACE

"Woodrow Wilson made only such concessions to the postwar reaction as were necessary to secure a treaty of peace, but in exchange insisted on inserting in the treaty a covenant to establish an organized system of international cooperation around which the moral forces of mankind could rally and work for a lasting peace.

"The system thus established has already become an integral part of international life. It is not perfect, and probably never will be, for there are no perfect governments to make it so; but whatever its defect, it is the most far-reaching attempt in all history to substitute reason and law for force and war and the greatest advance ever made toward the banishment of war and the maintenance of peace.

"To Woodrow Wilson must be given the chief credit for this organized system of international cooperation, and to Lord Cecil that of collaborating effectively with him in its creation and of developing it and making it work.

"Few statesmen since the war have been able to rise above the plane of political expediency and work for the upbuilding of a comprehensive system of peace. Lord Cecil stands out as one of the few who have not faltered, nor doubted, nor retreated, but who, year in and year out, have worked in all the fields of international life for higher standards of ethics and a better understanding between nations.

"That the League of Nations was not used for other purposes than those for which it was intended during those first few trying years of post-war reaction, when fear, prejudice, and blind selfishness were such potent forces, is largely due to his faith and consecrated efforts.

"His work for disarmament has been both practical and constructive. He has succeeded to a great extent in making clear that a substantial reduction in armaments can only be brought about by reducing the feeling of fear or insecurity, and by establishing international justice and safety.

"It is therefore fitting that we should show our appreciation to Lord Cecil, who has believed in and does so much to give effect to the ideals and the great plan for world peace for which Woodrow Wilson gave his life.

"As part of the award, I have the pleasure to present to Lord Cecil this plaque, which will serve as a permanent record. In presenting it I desire to express publicly on behalf of the foundation our sincere thanks to Mr. Ivan Mestrovic, the eminent Yugoslav sculptor, who has made this beautiful work of art as a labor of love.

"This ideal is not only beautiful, but it is symbolic of Mr. Wilson's three chief attributes: Wisdom, justice, and love of humanity."

[From the New York Times of Monday, December 29, 1924]

TEXT OF VISCOUNT CECIL'S LEAGUE OF NATIONS SPEECH

Following is the full text of Viscount Cecil's speech at the Woodrow Wilson Foundation dinner at the Hotel Astor last night:

"In the first place, let me try to express to you something of the gratitude which I feel for the great honor that has been done me by my becoming the first recipient of this award. I can very truly and honestly say that there is no honor which I should more value in the world than this, and the gratification is increased very much by the fact that the award has been made to one of my nationality by the very distinguished jurors that have had to consider the question. It does seem to me a very fine thing to have done. There are, as we all know, many American citizens who have done magnificent work for peace, and the fact that the jury should have looked outside their own country for the first award shows a spirit of national generosity which is, I venture to say, characteristic of the American Nation, and evidence of the greatness of its spirit. Accept, then, from the bottom of my heart, my warmest, my sincerest thanks.

"I will not weary you with trying to enumerate the many gratifying aspects this event holds for me, but there is one to which I should wish to allude. The fact that it is connected with the name of Woodrow Wilson is a great element in the pride with which I regard it. I had the privilege of the acquaintance,

may I not say the friendship, of Mr. Wilson, and I am not going to attempt any elaborate eulogy of him to-night. He was a very great man. He was a great American—a great citizen of the world. There is no title to fame higher than that. He possessed, as we all know, a very remarkable combination of the qualities of the student and the statesman, a rare combination, and as admirable as it is rare. It gave to him not only the cultured eloquence which we all admire, but that capacity for action which is not always found with academic training. But beyond all this, and beyond many other intellectual and moral qualities which he possessed he was by the admission of all an idealist, that is to say, a man who set before him some definite object of achievement, to attain which he thought no personal sacrifice too great. He knew his moments of great popularity, he knew his moments of adversity, and through all he maintained that steady course which the pursuit of ideals alone renders possible.

#### TWO PICTURES OF WILSON

"I have two pictures of him in my mind which will remain as long as I live. One is of his arrival in London after the armistice. I see crowded streets, cheering multitudes, all the marks of enthusiastic admiration which have rarely, if ever, been paid by the masses of my fellow countrymen to one who was not one of their nation. No foreign statesman or foreign potentate has, I believe, ever been received as President Wilson was received at the end of 1918, and he was greeted not only for himself but because he embodied the passionate aspiration of the peoples of the world for peace. He was regarded as the apostle of peace, and as such he was received in London, in Rome, and in Paris with unbounded enthusiasm.

"Then I have another picture of him in a quiet house in Washington, where I saw him 18 months ago. The contrast was striking. He was broken in health; he had no longer any official position; his power was apparently gone. He received me in private, laboring under grave physical disabilities, but his manner, his attitude of mind remained unchanged. There was the same courtesy, calm and dignified, which I had known when I called upon him in his presidential lodgings in Paris, and he talked to me just as he had talked to me then. And as I rose to take leave I asked him something about my own doings in this country and whether he approved of them. He replied with his usual kindness. Then he added these remarkable words:

"But remember we are winning; make no concessions." A very striking phrase. I am not here to express agreement or disagreement with its sense. Some will think it wise and others unwise; some will think it prudent and far-seeing, and others will think it the reverse; but I can not believe that there will be anyone who will not admire such an indomitable spirit, such lion-hearted courage. It is only to idealists that an attitude of that kind is possible. Devotion to an idea, to something beyond and above one's self alone makes courage of that kind possible.

#### PEACE BASED ON UNITY

"And what was this idea? Peace. Undoubtedly; but it was something more definite and precise than that. It was rather peace based on the unity, the solidarity of mankind, the idea that humanity was in the last analysis one and that if they could be made conscious of this unity peace would be possible.

"I have another recollection of Mr. Wilson. This time it was in a not very large room in the Hotel Crillon, at Paris, a meeting of the League of Nations Commission of the Peace Conference. Very hot and crowded it was, men from many nationalities being there, all representatives of the Allies in the Great War, still affected by the war mind—ultranationalistic, perhaps, one may say of them—and in the course of some discussion President Wilson spoke to them; and to that audience, perhaps as difficult as it is possible to conceive, he urged this doctrine of the solidarity of mankind, finishing with a glowing phrase to the effect that in the future—it might be the distant future—the time would come when loyalty to humanity would be as imperative a duty as was now patriotism to one's country.

"It was a moving appeal, and even that unresponsive assembly felt it so. I do not, of course, pretend that the idea was a new one. It is, is it not, at least 1924 years old? Since then many of the noblest teachers—religious, moral, as well as political—have held it, but it was never put forward with greater force or greater conviction than by President Wilson. How has it fared?

#### EVERY NATION FOR ITSELF

"Let us look back to the state of things that existed before the war.

"At that time undoubtedly the dominant conception of international relations was 'every nation for itself and the devil take the hindmost.' No doubt there were exceptions. There had been efforts, such as the Red Cross movement at Geneva and The Hague Court of Arbitration, to humanize and even to facilitate arbitration instead of war. There had been great international experi-

ments, too, of which the most celebrated of recent times was the effort to organize Europe for peace after the Napoleonic wars—often misleadingly referred to as the Holy Alliance. That was a system of conferences between the great powers of Europe which did much for peace but broke down in 1822 for want of a definite constitution and continuous machinery such as that established by the covenant of the League of Nations.

"Later there were the arrangements known as the concert of Europe for dealing with the affairs of southeast Europe—a very vague and formless system which yet did something for peace while it lasted. On this side of the Atlantic, too, there was the Monroe doctrine, which has been of great, if limited, value for the same cause.

"But these were essentially exceptions. The general international rule was the crudest form of the struggle for life. Unrestricted international rivalry was preached almost as a duty irrespective of the obvious fact that the only logical outcome of such a doctrine was war sooner or later. International anarchy diversified by war was, broadly speaking, the pre-war system. No one can doubt the evil of that state of things.

#### MENACING TO CIVILIZATION

"It was portentous, menacing to civilization itself. Its danger had been demonstrated to all but the blindest by the World War, and it was obvious that if it was to be cured or even mitigated some new conception of international relations, some insistence on the real unity of mankind, must be pressed upon the world. Nor was the success of such an enterprise so hopeless as some may think it at first, for, after all, the desire for unity, for corporate life is one of the strongest of human instincts, as strong as the opposite instinct of competition. We see it at work in a thousand forms in our national life. It is the basis of a vast number of our institutions, of our schools, our colleges, our States, our nations, our churches, and it doesn't seem in itself impossible that this great force should be used to bring about an increased solidarity of mankind.

"Obviously, if that is to be done, the first thing is to foster international cooperation by all means in our power. Do not mistake me. That is not to weaken patriotism. There is no opposition between this conception of international cooperation and that of patriotism. Indeed, no man will be a good citizen of the world unless he has shown himself a loyal and devoted citizen of his country. The nations can only unite with one another if they are already firmly united in themselves.

"Nor am I claiming that the League of Nations is the only expression of the new conception of international solidarity. On the contrary, there have been other manifestations of the same spirit in the recent past, though I am myself convinced that it is only through permanent machinery continuously operating, such as you have in the league, that you can hope for a really effective expression of world unity. That is why I am so profoundly convinced that Mr. Wilson was wise in insisting that the covenant of the league should form the first part, the essential foundation—at once the corrective and the basis of the peace treaties signed at Paris. But the principles which underlie the covenant extend beyond its actual terms, and in what I am about to say I shall pray in aid of all recent examples of international cooperation, whether the fruit of the league machinery or not. For in attempting a survey of world movements the widest outlook is the best.

#### ADVANCE IN INTERNATIONAL UNITY

"Let me say at once, with great confidence and profound conviction, that in the last five years the advance in the direction of international cooperation has been little short of marvelous. Much of the work has been done so smoothly that it has escaped notice, and I am not going to attempt to try even your patience by a complete catalogue of what has been accomplished. But even the broadest survey will bring to light the great extent of the work and how it has touched every branch of international relations.

"Some one told me the other day that in the first eight months of this year no fewer than 76 international conferences and commissions have met at Geneva, dealing with every sort of topic. That is typical of what has been going on during the last five years. Take, for instance, what may be called the social relations of nations. It is much, surely, to have rescued from imprisonment and banishment some 450,000 prisoners of war and restored them to their homes; to have liberated many hundreds, if not thousands, of Christian women who had been interned in harems.

#### CARE OF RUSSIAN REFUGEES

"Much, too, has been done in taking care of and repatriating tens of thousands of Russian refugees, and I might prolong the list of such undertakings considerably.

"Or take the question of health. It is by cooperation of the nations of the world that the epidemics threatening Europe from the war-swept areas of eastern Europe have been prevented. By

the same agency is being carried out the valuable inquiries into such diseases as malaria and cancer, the standardization of biological remedies, such as sera, and the interchange of medical officers among the nations of the world so that they shall learn what has been done in other countries to cope with the problems which they also have to meet.

"Or among the humanitarian activities of the league, take the struggle with that very difficult and complex question, the suppression of the traffic in noxious drugs, such as opium and cocaine. Even now, as we know, an international conference is sitting, and whatever its difficulties may be I am confident it will obtain important progress in that arduous struggle. Nor does opium stand alone. There is the still more terrible evil of the traffic in women and children, where much that has been of the greatest importance has already been achieved, and I hope the day is not far distant when that blot on our civilization will be merely an evil memory. So, too, with the troublesome and disgusting problem of obscene publications. International agreement has been arrived at, and effective steps are being taken to limit that pest, so far as it is international in character. In this connection the recent appointment of a commission to inquire into the position of that hoary evil of slavery should not be forgotten.

#### IN THE ECONOMIC SPHERE

"So, too, in the economic sphere much has been done. One of the first steps taken was the general economic conference at Brussels to examine the economic problems of the world left by the war, and on the basis of that examination most of the work that has since been done has been built. There have also been conferences to facilitate international transit, to simplify and standardize the laws about such matters as bills of exchange and commercial arbitration. And even an attempt is being made to bring about an agreement to reform the absurdities of the calendar.

"I merely give these as examples which could be considerably extended and which show how far international cooperation in matters of this kind is going. More attention has been paid to other activities which are, perhaps, in themselves not more valuable than those to which I have referred—I mean the political questions that have been submitted to the new methods and new spirit. There was the peaceful and successful settlement of the controversy between Sweden and Finland about the possession and government of the Aland Islands. There was the adjustment of the serious difficulties between Albania and Serbia, which stopped the invasion of Albania and for a time at least restored harmony to those two countries.

"There was the less complete solution of the controversy between Poland and Lithuania over the possession of Vilna, which at any rate stopped actual hostilities, and there was the much-discussed settlement of the Silesian question between Poland and Germany, which, whatever may be said about some of its features, is in practice working smoothly and well.

"More recently we have seen an admirable piece of international work accomplished in the settlement of the government of the territory of Memel, to which our chairman to-night so splendidly contributed by his tact and wisdom. That was a controversy which had troubled Europe for two or three years and had defied the ordinary diplomatic methods of settlement. Yet, applying the new spirit and principle of international unity to it, bringing it into the atmosphere which prevails in Geneva when the representatives of nations come together, not to obtain victories over one another but to secure agreement—in that atmosphere the difficulties of the Memel question rapidly disappeared and in three months the commission presided over by Norman Davis was able to present for adoption a solution which bids fair to be permanent.

#### THE CORFU INCIDENT

"I mustn't forget in this connection to deal with one or two questions in which it has been alleged that the same success has not been attained. There is the Corfu incident of last year. I think so far from that incident being a failure it is really one of the most distinguished successes of the new international conception.

"Here was a case of a bitter quarrel between two nations caused by an occurrence of the most deplorable character—the murder of four Italian officers on Greek territory. It was the kind of case which in the past had often produced, if not actual war, at any rate prolonged embitterment of international relations. After all, it was just such an incident as that which gave rise to the World War itself. Yet in a very few weeks the matter was adjusted, partly by the league and partly by another international body, the conference of ambassadors.

"Let me here stress one point. It can not be too often repeated that the league is not a superstate. Its purpose is to promote international agreement and not to impose on disputing nations settlements from outside. It matters nothing through what agency that agreement is reached. Sometimes the parties may agree to accept the decision of the court of justice. In other cases the

council itself will seem to them a more suitable tribunal. Or it may be they will select, as in the Corfu case, an arbitral or mediatory body of a different character. That is for the parties to settle. The league's function has been discharged when it has brought them together and put them on the road to agreement, and that function was most successfully accomplished in the Corfu case. Whether the solution actually arrived at was an ideal one or not may be the subject of a difference of opinion; but the broad fact remains that peace was preserved; that the integrity of Greek territory was maintained, and that the relations between the two countries suffered only a passing shadow.

#### EGYPT AND THE LEAGUE

"Quite recently there has been talk of another question which has been thought to have some resemblance to the Corfu incident. I mean the question of Egypt. There, too, a horrible murder took place, not in a remote mountainous district, but in the streets of Cairo as the climax of a series of outrages directed against foreigners, and especially Englishmen. Demands were made by England in consequence of the murder and ultimately accepted by the Egyptian Government, and people asked why was not the league called upon to intervene. The answer is simple enough.

"The league is there to deal with international relations, not with relations affecting the national administration of any country. Relations between England and Egypt are of a very special character. Until 1922 Egypt was under the protectorate of England, and when that protectorate came to an end certain questions were reserved, including the protection of the lives and properties of foreigners in Egypt, to be dealt with by the British Government as though the protectorate still existed, until some further agreement was made between Egypt and England. When, therefore, the terrible murder of Sir Lee Stack took place it was part of the national obligations resting on the British Government to take whatever steps it was advised were necessary in order to secure the safety of its own nationals and other foreigners in Egypt. I do not propose to ask you to consider whether everything that was done and said was right, though I am myself confident that in broad substance no objection can be justly raised to British action.

#### NOT AN INTERNATIONAL MATTER

"But the point is that it was not an international matter, and, as a matter of fact, there was not even any dispute between the British and the Egyptian Governments on the subject. True, the existing Egyptian ministry resigned after granting part of the British demands. But it was succeeded by another ministry constitutionally appointed, which accepted the remainder. Internationally the incident was closed. Yet even so the British representative on the Council of the League felt that it would be in accordance with the new spirit of international relations publicly to offer to lay before the Council of the League a full statement and account of British action in Egypt if any member of the league desired that should be done.

"To my mind that is one of the most striking testimonials to the progress of the idea of international unity that has yet taken place. Here was a matter admittedly outside the cognizance of the league as to which the British Government was none the less ready to give explanations, because it desired to pay tribute to the international authority and position of the League Council. So far from the authority of the league being flouted, as some have ignorantly suggested, it has been openly and emphatically indorsed.

"Closely allied with these strictly political questions have been a number of other activities of a politico-economic character. I refer, of course, to the great and so far brilliantly successful efforts for the reconstruction of Austria and the not less successful proceedings in Hungary. There the principle of international cooperation has been used in order to bring assistance to struggling members of the family of nations; in Austria by the international guaranty of a loan coupled with provisions for the rehabilitation of Austrian finance; in Hungary by utilizing the international machinery in order to restore to that country financial credit and confidence without any guaranty.

"Perhaps an even more striking instance is what has been and is being accomplished in Greece. There a State not in serious financial difficulties was suddenly faced with the terrific problem of providing for a great stream of national refugees equal to one-quarter of its whole population suddenly thrust upon its shores by the fortune of war.

"The league, for it was done through the league, used its machinery to give confidence to the world that money lent to Greece would be applied in reproductive work for dealing with this great problem. As in Hungary, we have had the assistance of distinguished American citizens to direct the operations in the country itself, and it has been to me extraordinarily striking that when the recent loan to Greece was put upon the London

market it was recommended to the investors mainly upon the ground that since the league was taking an interest in its administration they might be satisfied that the money would not be wasted. I do not know how the loan went here, but in London it was subscribed fifteen times over within a couple of hours of its being offered.

"There has, of course, been also the greatest of all the international reconstruction efforts, that for dealing with the reparation question in Germany, which was the subject of what is called the Dawes report. While the formulation of the Dawes report and the plans for making it effective were quite outside the field of the league, nevertheless the members of the Dawes committee (to whose success the contribution of the American delegates was so great and so invaluable) have themselves pointed out that their plan was built upon principles established in the cases of Austria and Hungary, which came under league supervision. To my mind, what I hope will be the great success of the Dawes scheme is just as much a result of the new international conception for which Woodrow Wilson stood as anything that has been done by the league itself.

#### THE AGREEMENT ON MOSUL

"Before I part with these political questions, there is one about which a word should be said, and that is the question of Mosul. In that case the two parties, Turkey, which is not yet a member of the league, and Great Britain have agreed to refer the delimitation of the northern frontier of Mesopotamia to the council of the league. The council, following what is becoming a common practice, has referred the technical question to a small committee presided over by Count Teleki, an ex-Prime Minister of Hungary, which will make an inquiry on the spot and report to the council. I am glad to say that both countries have already agreed to accept the decision of the council, whatever it may be—a good example of the growing power of the new spirit.

"Finally, there is one branch of international political activity of great and growing importance. By a number of treaties signed at Paris and since, most of the central European states have come under an international obligation not to discriminate against racial and linguistic minorities within their borders. These treaties constitute a charter of freedom for some 40,000,000 people in those countries, and its execution is intrusted to the supervision of the league. A delicate function, to judge between a government and a section of its subjects.

"An organization has been created at Geneva which receives complaints, circulates them to the members of the council, and, if indorsed by any member of the league, an inquiry takes place. The object, as always, is a settlement and not a victory, and every effort is made to secure an agreement between the parties; sometimes the court of justice is called in to advise on any legal points involved. In all cases the government complained of is given the fullest opportunity to deal with the complaint in the first instance. Sometimes a hearing takes place before the council. In the end in every case some settlement—not satisfying, perhaps, everyone, but approximating to justice—is arrived at. Not long ago, as a result of such methods, a state paid over \$500,000 as compensation to certain farmers of a minority race who had been unjustly expelled from their farms.

#### GREEK AND BULGARIAN ALIENS

"Here, as in other matters, the new spirit is making way. The league representatives grow in authority and confidence. Let me give you an instance: By an arrangement between Greece and Bulgaria, alien population of the two races in each country are to be exchanged, and the work is proceeding under the supervision of two commissioners appointed by the league. Recently a minorities treaty came into force in the same districts and the governments agree to entrust the same commissioners with the supervision of the rights and obligations under these treaties also.

"I must hurry on, but I can not omit without any mention the great international institutions which have sprung up as part of the general scheme of international cooperation in close connection with the league. There is the international labor office, which aims at establishing standardized labor conditions of employment all over the world, so that no advantage shall accrue to any country by inhumane exploitation of labor.

"There is the permanent court of international justice, where we have at last seen the fruition of ideas and efforts long and hitherto unsuccessfully made to create a genuine international court of justice. It is functioning with remarkable success and has already disposed of a number of international controversies which would otherwise have created a festering sore in the common life of the nations of the world. Then there is the mandates commission, where you have now a skilled international body to whom annual reports are presented on the administration of a number of territories inhabited by less advanced peoples and

where the principle has been accepted that the administering country is the trustee of its powers for the benefit of the inhabitants themselves and for the interest of the world at large.

#### THE MANDATES COMMISSION EULOGIZED

"I wish I had time to describe more fully the work of the mandates commission, but anyone who has read their reports will agree with me that the sober, impartial, practical spirit that pervades them is of the happiest augury for the future of this very interesting experiment.

"Quite recently two other very interesting international experiments have been begun. By the generosity of the French Government an institution fostering intellectual cooperation is to be established under the auspices of the league at Paris. Already valuable work has been done by some of the chief thinkers of the world in meeting together to discuss international intellectual problems, and this new institute is to strengthen and coordinate their exertions.

"Further, at the last council meeting the Italian Government offered to establish an institution, also under the league, for considering the prospects of the unification of private law. This is not the codification of international law. But that object, the dream of so many an idealist, has not been forgotten. It is a difficult question, but a beginning has been made.

"At the last assembly a small expert committee was appointed to study what subjects of international law are ripe for codification. The lines to be followed are somewhat those laid down by Mr. Elihu Root in the commission which drew the statute of the international court in 1920. Here, too, we have American help in the person of Mr. George Wickersham, so that the work will proceed under the aegis of two American jurists of more than national reputation.

"Here surely is a splendid record of five years' work. Not that any of us should be satisfied that all that could be done has been done. There are great and outstanding questions still to be tackled and none greater than that of armaments. Here, too, many efforts have been made mainly on two lines. One is to control the traffic in arms.

#### THE PROBLEM OF ARMAMENTS

"Certainly it is a paradox of a startling character that we should recognize that the dealing with such things as cocaine and opium is so dangerous to humanity that it ought to be the subject of international control, but we have made very little effort so far to supervise even in the most elementary way the international trade in instruments expressly designed to slaughter and mutilate our fellow men. However, as the result of very laborious negotiations there does seem a hope now that a conference will meet in the coming year, if possible, to agree upon the very important step of securing publicity for international transactions in articles of this character. That will be, at any rate, a beginning.

"Then, with regard to the larger problem of the limitation and reduction of national armaments, one great step was taken by the conference at Washington which has resulted in the limitation of battleships among the chief naval nations of the world. That is a very important precedent, though, of course, it only deals with a fraction of the naval part of the problem. There remains the rest of the naval problem—cruisers and submarines—and the whole of the land and air forces of the world to be dealt with.

#### ACTIVITY OF THE LEAGUE

"In this matter the league and other international agencies can not be charged with indifference. They have been working hard at it for the last four years. Last year a preliminary proposition was made, called the draft treaty of mutual assistance, the object of which was to secure, first, a general acceptance of the principle that no aggressive war should be tolerated; secondly, that there should be a general scheme of international disarmament; thirdly, a promise by the disarming nations to protect those who disarmed from suffering for their action. This proposition was replaced this year at Geneva by a new one called the protocol, which included, in addition to the general principles of the previous scheme, the idea of compulsory arbitration for all international disputes.

"I am not going to assert that a solution of these very difficult matters has been yet arrived at, but it is truly a great step forward that any scheme with that object should have been accepted by the representatives of 47 nations represented not by mere 'cranks and crocheteers,' but by the foremost statesmen of the 47 nations concerned. I am not at all disturbed by the slowness of the advance toward the solution of this question. It is, of course, the very heart of the matter. Disarmament is the goal to which all intelligent lovers of peace must desire to tend, but the difficulties in the way are prodigious and it will need all the new

spirit of which I have spoken to secure success. To me the fact that the problem is taken seriously and is now being grappled with is in itself an immense encouragement, and I look confidently forward to substantial advances being actually secured in the course of the next few months.

#### THE ADVANCE TOWARD PEACE

"Well, ladies and gentlemen, if I haven't wearied you and you have been able consequently to follow what I have tried to say, I am sure you will agree with me that we who believe in peace and still more believe that it is a cause worthy of our utmost exertion have much to be thankful for. Especially may those take courage who have felt the inspiration of the great ideal for which Woodrow Wilson was content to sacrifice his health and also even his life. The advance which that ideal has made during the last five years has been greater than that of any similar human movement with which I am acquainted. We have to encourage us a record of great and even marvelous achievement, and we may look forward to an even greater promise for the future.

"Nor must it be thought for an instant that in recounting that great work done by the league I have overlooked the splendid contribution made by America in recent years, as always, to the cause of world peace. I have already alluded to the Washington conference on reduction of naval armaments, to the success of which Mr. Secretary Hughes and other distinguished American statesmen made such an invaluable contribution. Nor have I failed to note the splendid work done by our chairman of to-night and by other individual Americans in the cause of world reconstruction and other beneficent activities of international organs and agencies.

#### A TRIBUTE TO AMERICA

"We in the Old World have never failed to recognize the strength of American devotion to peace and good will among the nations of the world. We know that you plan no conquests; that you nurse no ambition for territorial expansion. The unguarded Canadian frontier is a proof that we have no fear of American militarism. No nation in the world has stood so consistently for peace as yours.

"Nor will you hear from me one word of criticism as to your attitude toward the league or any suggestion that it springs from lack of sincerity or conviction in your horror of war. No intelligent supporter of the league could do otherwise than recognize unreservedly that it is part of the essential sovereignty of each nation—a sovereignty which is the very basis of the league constitution—to settle for itself what shall be its external policy. That is for America and for America alone.

"We of the league have our task. We believe that to us has been entrusted a great mission for peace. We see that much has already been done and that still more remains to be accomplished. The seed planted by Woodrow Wilson and his colleagues at Paris has already grown and flourished beyond the most sanguine expectation. Let it be ours to foster its growth, and, not wasting our time in criticism or regret, let us press forward toward that glorious prize which even now seems almost within our grasp."

#### FEDERAL TRADE COMMISSION INVESTIGATIONS

Mr. NORRIS. Mr. President, I submit a Senate resolution and ask unanimous consent for its present consideration. The resolution (S. Res. 286) was read, as follows:

Whereas it has been alleged on the floor of the Senate and in the public press that a power trust exists in the United States and that many public utility and power companies are wholly or partly controlled through stock ownership, interlocking directorates, and various other means and methods by various combinations of water-power companies, large manufacturing and industrial corporations, and by banking and other institutions: Now therefore be it

*Resolved*, That the Federal Trade Commission be, and it is hereby, directed to investigate and report to the Senate the present degree of concentration and interrelation in the ownership, control, direction, financing, and management through legal or equitable ownership of stocks, bonds, or other securities or instrumentalities, or through interlocking directorates or holding companies, including trade associations, or through any other device or means whatsoever of power companies, transmission companies, public-utility companies, and other companies and associations (not including telegraph companies and common carriers by rail, water, or air) engaged in what is commonly known as the public-utility field of business; and also particularly to investigate and report, together with other and pertinent facts, the extent to which banks and trust companies and the principal companies manufacturing electrical equipment and apparatus or owning important patents for the manufacture of such equipment and apparatus and other important industrial companies, or the officers, directors, and stockholders thereof, have a legal or equitable interest in the stock, bonds, or other securities of any of the public utility and holding companies and associations above referred to, or through interlocking directorates, or

otherwise exercise partial or complete control or direction of the financing and management of such companies and associations or have contractual relations with any of them affecting the management or scope of their business.

*Resolved further*, That the President of the United States be, and he is hereby, requested to direct the Secretary of the Treasury to permit the said Federal Trade Commission, in making such investigation, to have access to all official reports and records in any or all of the bureaus of the Treasury Department.

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

Mr. EDGE. Mr. President, I want to ask the Senator from Nebraska a question. The resolution is far-reaching, and if it is of such extreme importance as would be indicated by the rapid reading of the same at the desk, there is no question that the information to be received would be of great benefit. But a resolution of such tremendous importance should at least be referred to the Finance Committee for some consideration before the Senate acts upon a resolution that would probably require the expenditure of millions and millions of dollars even to touch the high spots of the entire investment world of the country. While I am in no way in opposition to having the facts or that portion of the facts which may be of use for public consumption and public consideration and public protection, yet it does seem to me that a resolution of that character, so broad in its scope, should at least follow the usual form and go to the committee designed for the purpose of considering such resolutions.

The PRESIDENT pro tempore. Does the Senator object?

Mr. EDGE. I object.

Mr. NORRIS. Will the Senator withhold his objection for a moment?

Mr. EDGE. I will.

Mr. NORRIS. Mr. President, I would like to say to the Senator from New Jersey that in my opinion he is mistaken when he says it will cost millions and millions of dollars to make the investigation. As a matter of fact, I introduced the resolution because in my own research on the Muscle Shoals proposition I have found what convinces me of the fact that there is just such a trust, and I have made the charge myself on the floor of the Senate. I have at considerable length outlined those who are parties to it. I got that information with the assistance of some investigators in a brief space of time. It appeared to me to be of such importance, however, that the investigation ought to be made by some official bureau or body that would give it an official standing when the results were obtained.

I am opposed to and I shall oppose any motion to refer the resolution to a committee. The resolution asks simply what has often been asked and usually granted by unanimous consent. I have no objection, of course, to the objection being made, so that under the rule the resolution will go over a day in order that Senators may acquaint themselves with its import.

The PRESIDENT pro tempore. The resolution will go over under the rule.

Mr. EDGE. Just a moment, if the Chair please. It would seem to me in the very nature of things that to carry out its purpose it would require additional help, additional appropriations, and some preparation. For that reason I felt that committee consideration was the orderly method to pursue. I am perfectly ready to give the matter further thought, but for the present I object.

Mr. HARRISON. Mr. President, will the Senator from New Jersey reserve his objection for just a moment? I merely desire to say to the Senator from Nebraska that it seems to me it would be very appropriate to pass such a resolution, but it ought to be amended in view of a statement which I have read this morning in the Washington Post emanating and issued from Baltimore by the head of the Fertilizer Trust. It would seem to me that the Federal Trade Commission might very well investigate the Fertilizer Trust while Muscle Shoals is being considered by the Senate, if they are to investigate the Power Trust. Here is the statement which I read in the Post:

#### FERTILIZER HEAD ASSAILS UNDERWOOD SHOALS BILL

The Underwood bill for the disposal of the Government properties at Muscle Shoals, Ala., was assailed in a statement yesterday by Gustavus Ober, jr., of Baltimore, president of the National Fertilizer Association, as threatening demoralization to the fertilizer industry.

I merely desire to say—

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

Mr. HARRISON. Yes.

Mr. NORRIS. I would like to call the Senator's attention to the fact that early in the last session of Congress, or perhaps

the preceding session, when the Muscle Shoals question was under discussion and a great deal was said about the Fertilizer Trust, I introduced a similar resolution in regard to the Fertilizer Trust. It was adopted by the Senate and directed the Federal Trade Commission to make just the investigation to which the Senator has referred. They have made the investigation and their report is on file and has been on file a long time. I am pursuing in this instance exactly the same course that I pursued in the other case. I want to get the information before the Senate and before the country.

Mr. HARRISON. I have no objection in the world to the resolution, but I presume that many Senators will be as forgetful of what is in the report touching the Power Trust when it shall have been received, as they are forgetful of the report that has been made with reference to the Fertilizer Trust. It had passed from my memory that the Senate had passed even a resolution of that character with reference to the fertilizer association.

I noticed in the testimony before the committee given while fighting over the Ford proposal to lease Muscle Shoals, that this same gentleman—Mr. Ober—who is the head of the fertilizer association, and who said in his statement in the paper this morning that the association of which he is the head comprises 90 per cent of the fertilizer manufacturers of the country, appeared before the committee and testified quite at length and, I may say, most eloquently against the Government leasing Muscle Shoals to Mr. Ford. In the course of his testimony it developed that Mr. Ober was not only against Mr. Ford leasing Muscle Shoals but had taken other positions in the past with reference to the question. Here is what happened during the taking of testimony before the committee:

Senator HARRISON. May I ask you what is your view? Do you believe that nitrate plants should be maintained in time of peace for the manufacture of fertilizer?

Mr. OBER. Senator, I will come to that in a minute. We are interested in any advance that chemistry can make in producing a new material or that can give us information on the subject of fertilizers. If Muscle Shoals can produce that, we are glad to have them produce it.

Senator HARRISON. You are in favor, then, of utilizing Government agencies for accomplishing that purpose?

Mr. OBER. I will explain that in a moment.

Senator HARRISON. I would like to ask you that now. You are?

Mr. OBER. We are in favor of using it, but allowing any person who has a process that looks sound to use it. We are not in favor—in other words—

Senator HARRISON. You mean run by the Government or by private parties?

Mr. OBER. I don't see any objection to the Government and private parties working together on it.

He gave the impression to the committee in his opposition to Ford leasing the property that he was in favor of Government operation at Muscle Shoals, and yet we presented to him a pamphlet that he had written some time previously, when the Congress had the Wadsworth-Kahn bill before it, providing for Government operation of Muscle Shoals, it was shown he had taken just the opposite position. Mr. Ober, as the head of the Fertilizer Trust, who now tries to convert the country against the Underwood bill, said at that time:

In fact, real danger exists to-day that this Muscle Shoals plan may become the entering wedge for state socialism. If the Government makes and sells nitrates, it will be but a short step to the manufacture and marketing of other fertilizer materials and even of complete fertilizers.

He closes by saying:

How much better this would be than to prevent the development of private industry by Government competition. \* \* \* It is best to keep this steam power in stand-by condition, thus holding in reserve not only the ammonium-nitrate plant but also the source of power with which to operate it.

The Muscle Shoals problem is solved—

Says the head of the fertilizer association:

It has been solved by the decision of the War Department to place the plant in stand-by condition. It remains only for the War Department to adhere against any political pressure to the wise decision it has already made.

So when the committee were considering the Ford proposal and we were about to report it favorably the head of the Fertilizer Trust was against it. When Congress, a few years ago, was about to pass the Kahn-Wadsworth bill for the Government to carry on the work Mr. Ober said it was state socialism, and he was against it. Now, when we are about to pass

the Underwood bill, which first gives to the President the opportunity to lease this plant, and, failing to do so, authorizes the Government to operate it, he is against that and he says the plant should remain "in stand-by condition," so that if we ever have war we can then make the nitrates.

Thus the head of the Fertilizer Trust speaks.

Mr. BRUCE. Mr. President, let me say that it is impossible for me to hear such a slighting, not to say contemptuous, reference made to one of the most conspicuous and honorable of our citizens in Baltimore as has been made by the Senator from Mississippi [Mr. HARRISON] without repelling and quickly repelling the inferences that he desired to be drawn from what he said.

The Ober family has for several generations been engaged in the fertilizer business in Baltimore city, and there are no citizens of Baltimore that I have ever known in my time who have enjoyed a higher reputation than the members of that family have for probity, industry, and intelligence; and I could truly say, if I were not indisposed to make an invidious comparison, that of all the present members of that family, good as is the strain of them all, this gentleman to whom the Senator from Mississippi referred in a derisive fashion is in some respects the flower.

A man more highly esteemed, more sincerely respected, than Captain Ober does not exist in the city of Baltimore. Not only is he one of the very best of our citizens in time of peace but he proved himself to be one of our very best citizens in time of war, volunteering at the beginning of the World War, and coming out of that war as a captain, after inspiring the soldiers who served under him with the same measure of respect and cordial regard as that with which he has inspired all of us who have known him in private life. So I trust that some day the Senator from Mississippi may have the pleasure of meeting Captain Ober and forming a more accurate conception of just what he is than his fleeing reference to him would imply.

I, for one, am not to be intimidated by these vague references to "trusts." There are trusts, of course, that should be restrained by the strong curb of the law. We all know that. We all know that wealth has its dangers, though no greater dangers than poverty. Many years ago the distinguished Speaker of the House, Thomas B. Reed, of Maine, declared that a statesman was a dead politician; and so, when you run it down, you find that one-half of these mythical trusts, these ogres, these octopuses, these fabled monsters, are nothing but legitimate business combinations that have happened, solely by their skill and close attention to business and good management, to attain an extraordinary degree of success.

How far Captain Ober has been inconsistent in his relations to Muscle Shoals I am in no position to say, not having followed in detail the testimony that has been taken by the Senate with regard to Muscle Shoals; but I recall, of course, as you all probably do, the old saying that "None but a fool never changes his mind." That saying is as true as the companion saying, "Consistency, thou art a jewel." If Captain Ober has changed his mind, knowing him as I do, prizing as I do his sincerity and honesty of character, it is, I am certain, because he has sincerely reached the conclusion that he had good reason for changing it.

It makes no difference to me in my attitude toward the Underwood substitute what position Captain Ober takes with reference to it—not the slightest—because he can not be any more opposed to it on any special grounds of his own than I am on my own public grounds. I am hostile to it because I think that the Government has no right to enter into competition with its own citizens in any ordinary industrial line of business, and I regard the proposition to have it establish a commercial fertilizer factory or factories at Muscle Shoals as the longest stride that has ever been taken in its history toward the general socialization of industries of all sorts in the United States.

Up to this time we have had it, of course, occasionally undertaking some great work, like the Panama Canal. There is no objection to that. If for no other reason the Government, rather than some private agency, should have built that canal because it was to be a thing of vital concern to the Government in time of war.

We find the Government sustaining other business or industrial relations, but almost always back of the relationship there has been some special motive originating in the real necessities of government. You can run down every instance, and you will find that that is all but invariably true. But here is nothing less than a bare, undisguised proposal to have the Government enter into competition with its own citizens in a field which should be left to private effort.

I have offered an amendment excising from the Underwood substitute all power on its part to establish a commercial fertilizer factory at Muscle Shoals. Suppose I had extended my amendment so as to forbid the Government from entering at Muscle Shoals into the business of manufacturing hats or shoes, or any other manufactured product that you chose besides fertilizers, including plows and agricultural implements of one sort or another in which the farmers are especially interested; is there anybody here who would have supported such an extension? I trust not; though I, for one, am beginning to think that there is a general movement throughout the United States in the direction of the socialization of all industry. Before I became a Member of this body I had never formed any due conception of the extent to which this process was eating into the very core of our national life. Now, it seems to me, we have reached a point where almost every day of the world we have a clash between the old American ideas with reference to the true functions of the State and these modern ideas about them.

We are all familiar, of course, with the ancient sectional struggle between the North and the South. It turned simply upon a difference of opinion as to the extent to which a State had the right to secede from the Union. Apart from that, the South and the North were faithful to the same organic instrument and cherished the same general constitutional ideas and ideals. I say now, after having been a Member of this body for some time, that the line of division between North and South in that sectional struggle is nothing like as deep as the line of division that I have seen developed here day after day between the West and the East as respects the true functions of government.

The conflict between East and West at the present time, as I see it, is nothing less than a conflict between two wholly different and mutually repugnant systems of government. I am not speaking now of everybody in the West, because we all know that there are no sounder thinkers anywhere than are at times to be found in the West; but I am speaking of a large number of the present representatives in the Senate from the West. They seem to have almost arrived at the conception of the Government as a great wet-nurse. I sometimes think that we should tear down the Statue of Liberty from the summit of this Capitol and place a big black pap bottle in its place. The idea seems to be that the Government is something to which resort is to be incessantly had for the coddling and artificial stimulation of private interests.

This thing has gone on until the South itself, which used to be the chosen seat of State sovereignty and of individual initiative enterprise and self-reliance, seems to be slowly succumbing to the same paternalistic notions. The representatives from the solid South still call themselves Democrats; but if there were not just one powerful influence solidifying them, and properly and naturally solidifying them, I wonder whether many of them, too, would not go off on the same lines of aberration from true constitutional principles as the Northwest.

Here you have gentlemen from the South—a section of this country that for years and years was wedded to the idea of local self-government and of State sovereignty—ready to vote to establish a great national commercial fertilizer factory at Muscle Shoals. For every reason, for every public reason, every party reason, I regret the fact. One result, of course, is that the difference between the two great national parties now has become largely artificial, and no one, I repeat, knows just what the solid South would do if it were not kept together by the cohesive influence of just one single compelling fear.

I am opposed to the further material centralization of Federal power—absolutely opposed to it—and if I were not opposed to it for any other reason, I should be opposed to it because of the overwhelming disaster which overtook the Democratic Party at the last election. What I have been saying points to the real cause of that defeat.

The Democratic Party has recently been identifying itself to such an extent with departures of one sort and another from all the old true American ideas and ideals that it has lost for the time being the confidence of the country, which it had enjoyed so long as it was true to its time-honored principles and the leadership of Thomas Jefferson and Grover Cleveland.

No! We Democrats now, like Sisyphus in the classic fable, must roll our great, heavy stone uphill again, and we never will roll it uphill again unless there shall be a reversion on the part of the party to its former sound ideas of the proper relations between the States and the National Government and between governmental activity and private industrial activity.

So I say—to get back, as the French say, to our mutton—that Captain Ober did a real service, no matter what his motive was in doing so, when he took the stand that he did with refer-

ence to the Underwood substitute. I for one have been trying hard to vote for that substitute. From the very beginning I have been disposed to vote for it, though in so many respects it violates my ideas of true public policy, because I thought this matter of turning out nitrates for war explosives, to commence with, was a matter of supreme, transcendent importance, and because I thought that it might not be a bad thing even for the Government to go down to Muscle Shoals and manufacture nitrates merely for industrial purposes. But now we have reached such a point that not only are the sponsors of the substitute inclined to set up commercial fertilizer factories at Muscle Shoals, but in their aggressive determination to put their substitute through at any cost are even disposed to cast totally unwarranted aspersions upon one of the most conspicuous, one of the most upright, and one of the most useful of our Baltimore citizens in time of peace and one of the most gallant of our Baltimore citizens in time of war.

Mr. ASHURST. Mr. President, I always listen, if not with delight at least with interest, to the remarks of the able Senator from Maryland [Mr. BRUCE]; and I was not surprised at his reference to the classics—to Sisyphus and the ancient fable. The American people, however, are not so much disturbed now about Sisyphus as they are by the fact that they are constantly required to steer between Scylla and Charybdis, the Scylla of high-cost living and the Charybdis of official indifference. I will leave that observation for the Senator from Maryland to comprehend, as he is familiar with the classics and will understand any reference I make thereto.

The Senator intimated that Jefferson opposed and eschewed paternalism. Quite true; but was Jefferson paternalistic when he smuggled from France, in the pockets of his surtout, the rice seed and gave it to our Government to propagate the rice industry of America in order to subsist her people?

John Quincy Adams is regarded as one of the standpatters of early times; but was John Quincy Adams a standpatter or paternalistic when he announced in his message that the Government should build astronomical observatories for the people? He was ridiculed for this recommendation, but he said in reply: "These astronomical observatories will be lighthouses of the sky." John Quincy Adams, reactionary that he was, wished the people to have light, illumination, and information. The Democrats must not be accused of "socialism" and "paternalism," because we wish the Government to go into competition here and there with some gigantic monopoly which may be curbed only by governmental competition. Jefferson, the founder of our Democratic Party—indeed, its patron saint—was not paternalistic; he was a philosopher and statesman.

The Senator did not refer to the Constitution, although he is able to do so, and there is not a Senator here who can explain the Constitution more learnedly than can the Senator from Maryland. We all believe in the Constitution; we take an oath to support it. In all legislation Democrats must ask, "Is this bill institutional as well as constitutional?" Jefferson found the Constitution in his way when he contemplated the purchase of Louisiana. Said he, "I will perform this act, as it is institutional; I will purchase Louisiana, and leave it to the people to ratify my unconstitutional act, because I would be guilty of moral treason to my country if I failed to seize advantage of this fugitive opportunity which may never come again to do a service to millions of Americans yet unborn." I am not arguing that men ought to violate the Constitution, but I am arguing that it is never wrong to do right.

The argument against the Government entering into competition with the citizen ought to be answered here and now. As a governmental policy I say we ought to be careful and chary respecting governmental competition with the citizen. But reflect a moment on what we have seen. Gigantic combinations in control of the people's necessities of life. Think of the fact that the American people are between hades and the ironworks, the producers crushed by monopoly. Are we to sit here like statues and take root because we are fearful that we will make a mistake? A \$29,000,000 fine is imposed upon the Standard Oil Co., and oil tanks and golf sticks career in the air, but the \$29,000,000 fine does not disturb Mr. John D. Rockefeller. If he had it to pay—which, of course, he did not—he would simply have raised the price of oil to pay the fine. He knows he would not be imprisoned, because this Government is not going to imprison a man with \$29,000,000. Therefore the only recourse for the American people is to relieve themselves from the grasp of monopoly by offering some competition. And pray tell who can compete with a huge, oppressive monopoly except the Government? Tell me, trained lawyer that you are, what relief do you propose for the

people when greed crushes out their blood and controls their life? Will you point the way out?

When William III was about to be placed on the English throne, after James II had abdicated, some statesman in Parliament—and I can envisage my learned friend from Maryland—said, "I refuse to place William III upon the throne. We have no King, it is true; but I fear it would be unconstitutional to place him on the throne." He said, "I am lost, but I will travel only upon the King's highway; but truly I do not know where the King's highway is." He was effectively answered by another statesman, who said, "If you wait until you find the King's highway, you will stand there forever." So if we wait until fines and threats of imprisonment restrain the greedy, we will wait until we all grow gray.

The effective, indeed the only, solution to this question of Government competition is that when a trust or monopoly grows so powerful that it can and does defy the law, and almost defy the law of economics, the only plan workable is to oppose it through competition by the Government, and thereby compel greed and avarice to reduce its prices to a just figure and to deal fairly with the people.

In my judgment, Mr. President, the Democratic Party can not win victories if it adopt the mournful philosophy of my learned friend from Maryland. The Democratic Party will win victories, and will only win victories, when it becomes more democratic.

This is a progressive age. Merely to live is a complex proposition. Not only to earn a living but to live after you have earned the wage in this intense, hurrying age is quite difficult. The party that will win victories in the future, the party that will be triumphant, must be a living, breathing, vital, militant party which will take hold of great questions and grapple with them in accordance with the needs of the hour.

So, whilst I listen with delight to the words that fall from the lips of the scholarly, contemplative statesman from Maryland, he does not afford me any lighthouse for the future; he does not afford any illumination to the pathway that now seems dark.

With perfect friendship and most amicable relations, I do not seek his advice politically, but seek rather the opinions of those who believe that government has but one reason to exist, to wit, to make the life of its people easier, safer, more useful, and more graceful; and if a government does not do that, it has no excuse to live. Can you name another reason why a government should live other than to make the life of its people easier, safer, more useful, and more graceful?

This Constitution, the laws we pass, and our system of government are simply a harness to assist in drawing civilization's load. I do not feel any apprehension when I see the Government building armor-plate factories to compel the Steel Trust to reduce its prices to a reasonable figure.

I do not feel at all alarmed when I see the Government proposing to operate the plant at Muscle Shoals to come into competition with the Fertilizer Trust, if there be one, and give to the farmer fertilizers at reasonable prices.

So much has been said in the parlors of the dilettante and at banquet boards about the farm bloc that I now say a word about that subject. I have sat where it would have been unbecoming and impolite to reply, and have heard bitter scorn and contumely poured out upon those who belong to a farm bloc; but I think that the answer to that is that we can this winter wear the old coat of last winter, and the slouch hat I now wear I wore last year, sir, but the people must have three wholesome meals every day if they are to subsist.

Mr. President, in the West is a great river—the Colorado—the third largest river in the Nation and at times the second largest river in the Nation—the most flashy and the most temperamental river in the world. I will say to the Senator from Louisiana [Mr. RANSDELL], a Senator who has so faithfully guarded and fought for his people, that the Mississippi is not a more flashy or a more temperamental river than is the Colorado. Quantities of hydroelectric energy, potentially gigantic, can and will be developed on that river; and is there a man here so blind as to fail to perceive that hydroelectric power and petroleum are the great horses of God that are always on the road and that never grow weary? On that river may be developed in the future 4,000,000 horsepower—do I hear him aright? I hear the learned Senator from Florida [Mr. FLETCHER] say 4,000,000 horsepower. Indeed, 4,000,000 horsepower, yea, 6,000,000 horsepower. What are 6,000,000 horsepower? That is equivalent to 50,000,000 men working night and day forever. Do you think for a moment we are going to permit greedy private interests and private

capital to seize that which belongs to the people of this country and exploit them? No; the power that may be generated there, the potential energies for the heat and illumination of the people and the motive power of engines that may be generated there will remain in the hands of the Government, except where the Government has already committed itself.

Next to the inborn and ineradicable desire to care for the species, the most powerful human law is the desire to get money. No other law but one is more powerful than the desire to get money. We are living in an age that is money mad, the only thing the present age thinks is worth more than a dollar is a dollar and a half. Are we to sit here and draw our salaries and afford no relief to the people?

Sir, for 10 years I voted against river and harbor bills; but I have seen a light. The scales have fallen from my eyes, and hereafter when the roll is called I shall vote for the river and harbor bill, not against it. On all constitutional and institutional measures on which the Senate takes action looking toward making the life of our people easier, safer, and freer and more useful and more graceful, I am with you. Is the land overflowed? Is the land arid? Take the water off, if it be overflowed; if it be arid, place the water thereupon. That may be prosaic, but that is my idea of statesmanship.

In conclusion, let us not forget—

that words are the daughters of earth, and that deeds are the sons of heaven.

The American people want from their Congress some "sons of heaven" at this juncture.

Mr. HARRISON. Mr. President, I do not know why the Senator from Maryland [Mr. BRUCE] should become aroused over anything I said. Why should he flutter? Truly, I mentioned Mr. Ober, a citizen of Baltimore, and I mentioned a fertilizer trust. Either the one or the other of those two things must have irritated him. Mr. Ober, so far as I know, is a splendid man. He is certainly a successful business man. I have met him personally. He appeared before the committee. With other members of the committee I questioned him. There was nothing in my remarks touching Mr. Ober to which the Senator from Maryland, in his wildest imagination, could rightfully take offense. It must have been my mention of a "trust"—a "fertilizer trust." It has become a habit with some gentlemen in this Chamber to ascribe to themselves the duty of being the defenders of trusts. That custom with some has ceased to be occasional, and has become habitual. The Senator from Maryland can take that to himself, if he desires.

I am sure that we on this side of the aisle, Democrats as we are, do not relish sitting quiescently and have it said that the Democratic Party has lost the confidence of the country. That might have been expected from some one on the other side of the aisle. Indeed, it might come with good grace from some gentlemen over here. I might accept the suggestion from some Senators and pass it without attention, because there are Senators over here who have stood shoulder to shoulder and fought our ancient enemy on the other side. They have a right to their opinions, and even though they might not meet my approval their open declaration of them would give no offense to me. This Chamber has been the scene of many political clashes. These floors have held many tattered and torn policies. This Chamber has witnessed the repulses, as well as defeat, of many Democratic onslaughts. But we have always fought cleanly and generally unitedly. Our organized forces thought we were waging war for Democratic principles and Democratic ideas. We have not "marked time," neither as an organization have we walked backward. We have breathed the spirit of the new day. We carry the same progressive weapons and employ the same progressive war paint used by Jefferson and worn by Jackson. We are not now, and we have never been, a reactionary party, unmoved by distress and uninfluenced by the progressive spirit of the times. There is not room in the United States for two reactionary political parties, and whenever the Democratic Party attires itself in the garb of reactionism it will cease to function and be numbered among the political relics of antiquity. Some gentlemen who masquerade within the party may mark time and hesitate, but it will not and can not hold back the rest of us in keeping step with progress and action.

I say that there are some Senators over here who could tell me that we have lost the confidence of the country, and I would pass it by, but Senators who make the allegation must be pure of heart and true in record. It must at least reveal some semblance of adherence to Democratic principles and Democratic cooperation. Only that would give them a standing to

entitle them to say publicly that we have lost the confidence of the American people. We have done nothing of the kind. For four weeks this Congress has been in session, and during that time politics has stood abashed in the consideration of important legislation. No politics has heretofore been brought into any discussion at this session. It is a pity that the first voice to be raised in this Chamber against the Democratic Party is by an alleged Democratic Senator proclaiming that the Democratic Party has lost the confidence of the country. I ask that Senator what is it that has inspired him to try to lecture me and my colleagues and say that we by our record and our actions have caused the country to lose confidence in the Democratic Party? Do such utterances upon the part of Democratic officeholders reflect credit upon themselves or aid in the restoration of their party?

What encouragement is offered them in such discouraging sentiments? Oh! Mr. President, if the people but knew that in some instances—aye, in many instances—when we were fighting the people's fight here, when we were fighting to cleanse this Government of corruption, when we were trying to relieve the burdened and stooped shoulders of the American taxpayer of some taxes, while most of us cooperated, most of us pulled together and did our best as a minority to lift that load, although it was a very heavy one, that the Senator from Maryland, who now proclaims that we and our party have lost the confidence of the country, did not help us.

Who was it in those stirring days that was giving succor and aid and assistance to the leaders on the other side of the aisle to thwart our plans and defeat our program? To ask the question is to answer it. You know who it was. I know of but one instance in the whole history of the Democratic Party in this Chamber when a Democratic Senator failed to vote for one of his own Democratic colleagues when that colleague was a candidate for the position of chairmanship of a senatorial committee.

Oh, I know the excuse that was offered—that he was afraid we were trying to cooperate with and enter into some agreement with certain progressive Senators on the other side. It is well that such betrayal should be based upon such a flimsy excuse. The trouble is that the name "progressive" was a stench in his very nostrils and for fear that progressivism might triumph he refused to keep step with his Democratic colleagues and voted against them.

And yet that is the Senator who has the audacity upon the floor of the Senate to rise and lecture his Democratic colleagues and to say to the country that we have lost the confidence of the American people.

When we did not and could not believe in the principles handed to us by Secretary of the Treasury Mellon to give a greater reduction in the higher surtaxes than upon the taxes of the less-favored many, what Senator was it on this side of the aisle who failed to keep step with his Democratic colleagues and voted with those on the other side of the aisle who were championing the Mellon policy? That policy which he enfolded to his bosom was repudiated by this body, repudiated by the other branch of Congress, and finally, in the signing of the bill, repudiated by the President of the United States. The Senator who attempts to lecture me upon my democracy, upon my loyalty and allegiance to it and its principles and policies must come with clean hands and not be tainted with reactionism and Republican allegiance.

I realize that if the Democratic Party is to be reactionary in the United States, it has no place in America's history. I believe in the principles of my party. I believe in the principle of State rights, as well as my friend from Maryland believes in it, and yet I realize to-day that there is just about as much sentiment for State rights in the Democratic Party as there is in the Republican Party. I rose on the floor of the Senate to read an article from Mr. Ober, a courteous gentleman. He may be in every way all right. I grant it. I have said nothing to the contrary; but he is the head of a great fertilizer association, the membership of which is 90 per cent of all the fertilizer manufacturers in the country. He stated that himself before the committee. When the head of that organization comes before the Committee on Agriculture and Forestry of the Senate and objects first to the Ford proposal, when it was about to pass, and then fights the Government ownership and operation proposition, and now changes front and tries to crystallize public opinion against the Underwood bill, it shows that he is inconsistent, and I have a right to speak against that. This gentleman occupies a big place in the fertilizer world, and I can not understand, for the life of me, simply because he sojourns and habitates in the beautiful and wonderful metropolis of Baltimore, represented in part by my distinguished friend from Maryland, why the Senator should feel

it his duty to rise here in all his majesty and defend Mr. Ober and at the same time criticize the Democratic Party and say it has lost the confidence of the country.

I am not surprised that the Senator is weakening on the Underwood bill. I have never felt that he was very strong for it, and I have been afraid that when the time would come and the pinch would arise that he might desert the ship. It would not be our first experience. We have been confronted with that situation before. That specter has ever been before my eyes whenever we have engaged here in a close fight. And so, after all, it may be that the article printed in the morning paper and given out by Mr. Ober, the head of the fertilizer association, has caused my friend to weaken in his steadfastness and loyalty to the Underwood bill.

Ah, Senators, I hold in my hand an amendment about which the Senator from Maryland has talked much. It is the Senator's amendment. What is its object? He spoke eloquently and long about it. He has taken more interest in this debate, with few exceptions, than any other Senator. By his amendment he has sought to strike from the Underwood substitute the provision that gave to the Government the right to manufacture nitrates for fertilizer purposes and sell them in time of peace. That is what Mr. Ober wants to do. Ober wants this plant to be maintained and operated only in time of war and then only to make nitrates for war purposes, but in time of peace he desires that it stand still and remain idle. Those ideas are well expressed in the amendment offered by the distinguished Senator from Maryland. I hope that my good friend, genial as he always is, able as he has shown himself to be, will not again rise here and attempt to lecture the Democratic Party and some of us by proclaiming that it has lost the confidence of the country.

Mr. BRUCE. Mr. President, the Senator from Mississippi [Mr. HARRISON], if I may be allowed to say so, has exhibited such a very limited degree of tact and good judgment, to say nothing of good feeling, in his defense of the Underwood substitute that I think that the absent Senator from Alabama [Mr. UNDERWOOD] will have another and an additional reason when he reads the remarks of the Senator from Mississippi for deploring his present sickness. It was said by Lord Lyndhurst, in commenting upon Lord Campbell's Lives of the English Chancellors, that Lord Campbell had added another pang to death; and so I venture to predict that the Senator from Alabama, when he finds out with what degree of skill and sound discretion his function in looking after his substitute has been performed by the Senator from Mississippi, will say that the Senator from Mississippi has added another measure of distress to illness.

All of us will recollect that a painfully incorrect impression was entertained of the intellectual capacity of Benjamin Harrison before he became President, and even after he became President he was subject to no little unjust disparagement. Upon one occasion it is said that a citizen of Indiana went to the White House to have an interview with him, and that the messenger who took the request of this citizen into him reported: "The President says that you can not see him." "Well," said the citizen of Indiana, "I know that he is damned small, but I did not know that he was so small that he could not be seen." I knew that the Senator from Mississippi was a narrow, contracted, small-bore partisan, but I confess that I did not begin to take the real measure of his dimensions as a statesman until I became the subject of the coarse diatribe which he has just directed against me.

What can he mean by saying that the Democratic Party has not lost the confidence of the country? Of course, I meant temporarily lost it, as every party does at times in the course of party vicissitudes. Is it not a fact that Calvin Coolidge received the largest plurality that any candidate for the Presidency ever received in American history? Is it not a fact that in no less than 12 of the States of the Union our party polled a smaller vote than a third party which had sprung up almost like a mushroom in the night? Even that, however, of course does not necessarily signify the loss of the confidence of the American people permanently.

I was endeavoring in my feeble way to point out some of the admonitions of such a party disaster. I have been hoping that we would take to heart the lessons that it ought to teach us and build up our party again upon surer, firmer, and most lasting foundations, upon foundations, in other words, worthy of its noble and world-famous founders, Thomas Jefferson, Andrew Jackson, the hero of New Orleans, and Grover Cleveland, that old, gray, lichen-covered rock to which our hearts might so well turn at this crisis in the history of our party. I was voting the Democratic ticket when the Senator from Mississippi was born. I made a speech in behalf of that gal-

lant soldier, Winfield S. Hancock, when he was the Democratic candidate for the presidency of the United States, even before I was old enough to vote for him, and from that day to this my voice, my pen, my purse, my vote have been consistently employed in the maintenance of true Democratic principles and in securing the success of Democratic candidates, even when, as in this last presidential contest, it seemed to me that nothing could be clearer than the fact that the party was steering right on to a jagged and destructive rock.

The Senator from Mississippi may think that he is a truer Democrat than I am, but he is not. In the language of the old English battle hymn, "I love that broad red banner." At times I have followed it exultantly to victory, and at times I have followed it sorrowfully to defeat, but I shall always continue to follow it whether it flutters triumphantly on high or droops, because no matter what errors the Democratic Party falls into, no matter what mistakes it makes, there is a principle of inextinguishable vitality in its bosom that sooner or later makes it a militant thing again. It is like one of those spirits of which Milton speaks in *Paradise Lost*—"Vital in every part, yet except by annihilating can not die." It has survived all the shocks that have come to it in its history and it will survive the shock that it received last November if it will only be true to itself and to its real leaders, and if some of its pseudo leaders will only exhibit the just measure of tolerance which even the most extreme party man ought to exhibit in relation to the honest opinions and views of his party associates.

I have had nothing to apologize for since I have been a Member of this body. If I had the opportunity to repeat the experience of last session, I should repeat it. If it did not smack of personal vanity in me to say it, I might say that at the last session of this body it was perhaps my personal judgment that was right and perhaps the judgment of Members of this body and of our party, like the Senator from Mississippi, that was wrong. I have no excuses to make for voting for the distinguished and useful Member of this body who presides over its deliberations as chairman of the Senate Interstate Commerce Committee. It is a fact that with the concurrence of both sides of this body his name as chairman of that committee was actually set up in print, it being recognized on every hand as the proper thing, not only from the public point of view but from a party point of view; also that the chairmanship of that committee should go as the chairmanship of each of the other Senate committees went—to a Republican. And by whom, pray, was this side of the Chamber diverted from the intention of making the Senator from Iowa [Mr. CUMMINS] the chairman of the Interstate Commerce Committee? There is not a Member of the Senate, I venture to say, who is not familiar with the real personal influence that brought about that change. It was brought about by the Senator from Montana [Mr. WHEELER], whose seat is just behind me. It was at his suggestion; it was upon his insistence, as I am informed, that all the existing ideas of the Democratic Members of the Senate with reference to the true policy of the party in relation to the Senate Interstate Commerce Committee were reversed, the printed name of the present President of this body deleted as the chairman of that committee, and all of us Democrats called on at a moment's notice to vote for a Democratic Member of this body, the Senator from South Carolina [Mr. SMITH], as chairman in place of the Senator from Iowa [Mr. CUMMINS].

That, in my opinion, was the beginning of the train of irresistible, tragic, fatal causes that resulted in the defeat of the Democratic Party at the last presidential election. If I had had it in my heart to reproach one of my colleagues, and I did not nor have I it now, I certainly should have done so when I more than once picked up a newspaper during the last presidential campaign and saw that the Senator from Montana [Mr. WHEELER], as the candidate for the Vice Presidency on the La Follette ticket, was denouncing the party of which he had been supposed to be a member, as nothing but a dead, putrid corpse.

In view of these facts, can it be said that at the last session of the Senate I took any stand in regard to the Senate Interstate Commerce Committee that might not have been taken by any sensible, judicious, true party man?

Then the Senator says, most unjustly, that I was slack in promoting the investigations into official misconduct that were prosecuted by this body at our last session. Never once did my vote fail to be cast in favor of such investigations. I never threw a pebble, a twig, a straw, in the way of any such investigation. If I may say so, I have been too much a student of political history, too long a member of legislative bodies, not to know that one of the highest functions of a legislative body

is that of investigation under such circumstances. Notwithstanding the sincere respect that I entertained for the President of the United States, when he undertook to throw himself across the pathway of those investigations I was one of the very first Members of this body who rose and said that I for one did not know how to set any limits to the legislative investigation of official misconduct. But I have always thought, and I think now, that the result of those investigations might have been entirely different if they had been organized and conducted in a different manner.

I am betraying no secret when I say now—though no human power could have induced me to breathe the words before—that after Mr. Davis had been campaigning for weeks during the last presidential contest he said to me on one occasion, "Senator BRUCE, I can not see that there is the slightest reaction in the United States anywhere to the oil scandals." I replied, "But suppose that those investigations had been just a little freer from partisan extravagance than they were; suppose that the members of those investigating committees had in some instances been just a little more carefully selected than they were, and suppose that those investigations had been conducted in a more impartial, judicial spirit; might not the result then have been different? Might not some real effect on public opinion have been worked?" In my humble opinion these questions can be answered only in the affirmative.

Bad as were the scandals that were exposed, the people of the United States came to believe that they were nothing like as bad as they were represented to be for extreme partisan purposes of one sort or another. And so from those investigations, which seemed to be such fair, luscious fruit for a political campaign came nothing but Dead Sea ashes.

I suppose that the Senator from Mississippi finds fault with me because, exercising my sense of constitutional duty, I did not see fit to ask the President to remove Secretary Denby. I am proud of the fact that I did not. Nothing could ever be more clearly established in the course of legislative proceedings than the fact that this body had no lawful power to make such a request, and it had no effect except that of influencing public opinion throughout the United States adversely to our party.

No! Even as a Democrat of the strictest, straightest sect, I have no hesitation in laying my record in this body alongside that of the Senator from Mississippi. I may not be so susceptible to partisan virulence and extravagance as he is; I may not be so amenable to the party whip; I may not be so servile when the decree of the party caucus is pronounced; but when my votes in this body are canvassed by any fair-minded Democrat it will be found that I have been quite as true to Democratic principles as the Senator from Mississippi or any other Democratic Senator in this body.

Does the Senator from Mississippi know or does he not know that when I took the stand that I did with reference to the election of the President of the Senate to the chairmanship of the Interstate Commerce Committee, from every part of this broad land, and from no quarter more noticeably than the South, came floods of letters and telegrams to me declaring the sympathy of the writers with me in the stand that I had taken?

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

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Mississippi?

Mr. BRUCE. I yield.

Mr. HARRISON. Does the Senator know whether they were from Democrats or Republicans?

Mr. BRUCE. I know it well. If the Senator from New Jersey [Mr. EDWARDS] were here, he would tell you that one of his constituents wrote to him commenting upon the vote that he had cast with reference to the chairmanship of that committee and inclosing a batch of Democratic editorials approving my course and, though it seemed to me that the process was just a little like seething a kid in its mother's milk—to use the scriptural illustration—asking my friend the Senator from New Jersey to be so kind as to show these editorials to me. The editorials approving my course came from far-away San Antonio, Tex., from New Orleans, from Charleston, from the length and breadth of the land—East and West, North and South. Astonishing as the statement may seem, to this day I personally have no reason to believe that one solitary Democratic paper in the United States disapproved of my course.

Somebody told me—I do not know whether it is true or not—that even the editor of a newspaper in the home town of the Senator from South Carolina [Mr. SMITH], and a personal friend of his, came out in an editorial in which he said that he thought it was bad politics for the Democrats in the Senate to do anything but elect a Republican to the headship of the

Committee on Interstate Commerce; and not more general was the approval given to my course in that matter than to my course in relation to Secretary Denby.

Yes! I have had but one polestar in my life as a public man—sometimes, perhaps, it has cast only a flickering and uncertain light on my path—and that has been to reach the most correct conclusion that I could under the given set of circumstances that confronted me, without regard to any secondary considerations whatsoever. Should I be true to nothing else, in the course of the remainder of my political life I trust that I shall at least always be true to my own intellect and conscience.

It was not my course at the last session of the Senate that was disapproved by the people of the United States or the Democratic press throughout the United States; it was the course pursued by the Senator from Mississippi himself. There never was a fairer prospect in the world for party success than was presented to the Democratic Party at the last session of this body. It looked as if all that we had to do was to reach out our hands and clutch the cluster of grapes. But when the people of the United States saw the lack of moderation that was exhibited in so many respects in the party policies that we pursued at the last session of the Senate, when they saw us drawing closer and closer, apparently, to a group of public representatives with whom we had absolutely nothing in common—and whose ideas are regarded with the deepest distrust by the majority of the American people—our sky became more and more overclouded; popular confidence more and more deserted us; and finally, when our national convention came and we undertook the absolutely impossible task of straddling two horses going in diametrically opposite directions we had no reason whatever to anticipate anything except what did actually happen.

Nowhere in the United States was that situation accepted with more sorrow—genuine, unspeakable sorrow—by Democrats than in the State of Maryland. For some years past our party had been at high tide. We thought that we had gotten back to the era that ensued immediately after the Civil War. In recent years all of our Democratic candidates have been elected to the highest offices in the gift of the people of Maryland by phenomenal majorities. Our party was as lusty and as strong and as hopeful and confident as the Democratic Party ever was in the State of Mississippi or in the State of Louisiana or in the State of Texas or in the State of South Carolina. But I knew, as soon as that convention had completed its work, that we were doomed to disaster; and it is the honest truth that I never once heard any Democrat in the State of Maryland, at any time after the nominations were made by the Democratic convention in New York, predict the success of the Democratic ticket. We Maryland Democrats came up to the polls on election day exactly as the gallant Confederates led by Pickett came up to the heights at Gettysburg—with undaunted courage and loyalty, but with the certainty in the hearts of all of us that election day in November would not be our day, but the day of our old, immemorial antagonist.

The wise thing for us to recognize at the present time, is the fact that we did lose the confidence of the people; but that is no reason why we should not aspire to regain it. In my opinion we shall regain it if we are only true to our old traditional principles and to the best leadership by which the party has been led in the past.

The Senator from Mississippi seems to think that I also committed an unpardonable sin when I supported the Mellon tax plan, and that in supporting it I was simply obeying the ordinary impulses of subserviency which mark my relations to the great trusts and organized wealth. So far as I recollect, he did not use the word "octopus," though at one time I thought that would certainly issue from his lips, or the word "ogre," or the word "monster," or the word "Frankenstein," or some other word that is framed in excited moments in the inflamed cells of the human brain.

No man ever gave any better proof of his utter lack of subserviency to anything or anybody in connection with public life than I did in connection with the Mellon tax plan itself. The Senator from Nebraska [Mr. NORRIS] at least will recollect that, so far from being entirely ductile in the hands of Secretary Mellon, I was one of the most outspoken supporters upon the floor of the Senate of his tax-publicity provision; and if there was anything in the course of our discussions at the last session of the Senate that was more obnoxious to the organized wealth of the country than another, it was the tax-publicity provision of the Mellon plan. But I supported the Mellon tax plan in the main because my experience had demon-

strated to me that the idlest thing, the most fruitless thing in the world, is to heap up a great load of oppressive taxation on the backs of any class of taxpayers whatsoever, because just as certainly as you do the process always turns out to be the cry of a dog when sheared—"all cry and no wool."

One of the wisest things that ever was said about taxation was said by Colbert, the French Minister, when he declared that "the art of taxation consists in plucking the goose without making him squawk." What was presented to me was the fact that taxes on incomes above \$200,000 a year had gone down from upwards of a billion dollars to \$150,000,000. How best was that lost taxation to be recovered and the revenue that it represented to be wooed back into the channels of productive enterprise? I thought that the method suggested by the Secretary of the Treasury was the right method, but the Senator from Mississippi did not agree with me.

I was amused this morning when my friend, Captain Ober, was taxed with inconsistency in connection with his views about the Muscle Shoals plant by the Senator from Mississippi. At the last session of the Senate, as I understood it, one of the most ardent, one of the most uncompromising advocates of the tax-publicity provisions of the present revenue law was the Senator from Mississippi, but imagine my surprise when I saw, on glancing at the Congressional Digest this morning, that the stool of repentance had been brought in, that the Senator from Mississippi has entirely recanted his heresy, and that what seemed to him so fair and bright last June appears now hopelessly forbidding and repellent, and that just as soon as the tax-publicity proposition comes up again, he was prepared to eat any amount of "crow" that might be pressed to his lips, and to vote against the tax-publicity provisions of the present revenue law. Hardly does it lie in his mouth, it seems to me, to tax my friend, Captain Ober, with inconsistency.

I will cease in a moment or so now, but let me draw just a little further the parallel between the Senator from Mississippi and myself as a Democrat. Though I am not intolerant, like the Senator from Mississippi, in my views of my colleagues who differ from me, I suppose that if there is any test at the present time, in the part of the world, at least, where I live, that determines the character of a true Democrat, it is his attitude toward the child-labor amendment to the Federal Constitution. To our Democrats in Maryland the most searching question that you can ask of a Democrat at this time is, whether he is opposed to or favors this amendment. Is he in sympathy with the steady process of centralization that is going on week after week, day after day, and hour after hour in the operations of the Federal Government, or is he at enmity with it? Does he think that the Federal probe ought to be pushed even into the inner core of child life and industrial activity in the States? Does he think that a child in one of the States should be tied up to the leading strings of the Federal Congress, of an authority far removed from the immediate authority by which his young life is habitually sheltered? Or does he think that each of the States of the Union should in the matter of child labor, as in all other matters relating to the domestic concerns of the States, be left to form its own views of policy, unmolested by the intrusive, ever-growing power and authority of the Federal Government? These are the questions, I repeat, that are now being asked of Democrats from one end of the United States to the other, and that have been answered in no uncertain terms by the Legislatures of Louisiana, Georgia, and South Carolina.

Yet we have the Senator from Mississippi—the State once represented by the illustrious leader of the Southern Confederacy, Jefferson Davis; the State of Lucius Quintus Cincinnatus Lamar, and many another great man who wore his spurs with gallantry and distinction in this body—voting to extend the authority of the National Government to the regulation of the labor of every individual in every one of the 48 States who happens to be under 18 years of age.

So really, now that I have reviewed the political record of the Senator from Mississippi a little, I think that he ought to postpone his reply to me just for a little while—

Mr. HARRISON. There is nothing to reply to, may I say to the Senator?

Mr. BRUCE. Perhaps that was due to the incapacity of the speaker to whom I was attempting to reply.

Mr. HARRISON. Of the speaker who is making the speech.

Mr. BRUCE. We will ask the Senate to decide upon whose foot that reproach should be put. I must say that in replying to the Senator I experienced the difficulty of the duelist who refused a challenge before the Civil War on the ground that his antagonist was so thin that it was absolutely impossible for any aim really to hit him.

Let the Senator, I say, go off into some quiet corner—not answer me rashly and impulsively, as the Senator, with all his talents and essential good nature, is prone to do at times—and think over what he said and ask himself whether I really said anything this morning in defending my friend, Captain Ober, of Baltimore, that justified his intemperate attack upon me, both personally and as a party man.

As for his charge that I am amenable to the influence of trusts and business combinations, I might well not dignify it with notice, but if not another single one of his poisoned arrows fell broken and impotent at my feet, that one did. It just so happens that for 12 years of my life, under the appointments of three successive governors of Maryland, I was the general counsel of the public service commission of Maryland, which is charged with the duty of regulating the conduct of all the public-utility corporations of that State. If the Senator has any doubt as to the principles by which my official conduct in relation to moneyed combinations of any sort was shaped, all that he has to do is to go to Maryland and ask the people just why it was that when I became a candidate for the United States Senate, without the slightest rift of sentiment in the Democratic Party or any element of which it is composed, I was nominated and elected to a seat in this body.

I am not connected with any trust or even any corporation, except the Maryland Life Insurance Co., of which I have been the general counsel for many years. I owe no personal obligations of any sort to any business interests; and anybody who knows anything about me in the State of Maryland knows that in my official relations to private business I have never been influenced in the slightest degree by anything except what I conceived to be the obligations of my public duty.

Benjamin Franklin said, as we all know, "It is hard for an empty sack to stand upright." I am glad to realize that if there is no other reason why I have been independent of selfish control in public life one is to be found in the fact that, though beginning life without a dollar, I contrived, by the practice of my profession through a long course of years, before I gave myself up to public duties, to make myself pecuniarily independent of anyone's favor. But I have doubtless said even more on this subject than I should have said.

In conclusion, I merely wish to say to my party associates in this Chamber that in my first remarks I had no disposition whatever to utter anything censorious about them, or to withhold from them the same right to form their individual views as to public and party policies that I reserve for myself. Now that we are altogether again, somewhat like a lot of refugees on an island in the Mississippi River after a devastating flood, we should all feel that we are a band of brothers, "all for each and each for all," and resolve by every means in our power to renew the strength of our party in such a manner that when we hold our next Presidential convention it will be absolutely invincible.

#### ORDER OF BUSINESS

Mr. CURTIS. Mr. President, I had intended to ask unanimous consent this morning that after the conclusion of the routine morning business the unfinished business might be set aside and the Senate proceed to the consideration of unobjected bills on the calendar. I am informed that the leader on the other side, the Senator from Arkansas [Mr. ROBINSON], can not be here to-day, and he wanted only a certain class of bills called, but I have since been informed that at least two Senators will object to those. So I concluded not to ask unanimous consent to-day, but I give notice that to-morrow I will ask unanimous consent that we shall proceed to the consideration of unobjected bills on the calendar, and that to-day, after the routine morning business shall be disposed of—and I understand there is one more order—

The PRESIDING OFFICER (Mr. McNARY in the chair). Concurrent and other resolutions are in order.

Mr. CURTIS. I hope the unfinished business may be laid before the Senate, and the Senator from Louisiana [Mr. RANSELL] and the Senator from Pennsylvania [Mr. REED] and others who desire to address the Senate may take up the time. I give notice that then we will have a short executive session, after which I will ask an adjournment.

The PRESIDING OFFICER. If there is no further morning business, the morning hour is closed, and the Chair lays before the Senate the unfinished business, which is House bill 518.

#### MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time

of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

#### RIVER AND HARBOR APPROPRIATIONS

Mr. RANSELL. Mr. President and Senators, I desire to call the attention of the Senate for a very few moments to what to me is one of the most remarkable and libelous editorials I ever read, an editorial which appeared in the Washington Post, of this city, on the 22d day of this month, entitled "Progress and pork." Many of the Senators doubtless read this article. The purport of it is that the river and harbor bill now pending in the House is a "pork barrel" bill—a "bill containing millions of dollars of sheer grabs." The editorial speaks of that measure in this way, after going on to discuss certain phases of it in very general terms:

That [policy], however, would defeat the very aim of logrolling and back scratching which the present system was designed to promote. \* \* \*

Thus the Member from Wayback will not vote to appropriate a million dollars to make the approach to the Washington Navy Yard navigable by our vessels unless at the same time \$100,000 is appropriated to pump enough water into Wildcat Creek to make it navigable for the skiffs of muskrat hunters.

Was there ever such an outrageous attack made by a reputable journal since the foundation of our country on a great piece of legislation which was recently reported to the House of Representatives by its Committee on Rivers and Harbors?

Mr. President and Senators, I would like to know for whom this paper speaks. Whom does the editor who writes this kind of an article represent? Does he represent the administration of this great Government? I can not believe it. Does he represent the railroads of this country, which compete with the transportation developed by improved rivers? I do not believe it. I can not conceive for whom this editor speaks.

He has, in my judgment, uttered a slander against the American Congress, and I call upon him here and now to make good his accusations or to apologize for them. His charges are all very general. He admits that there are "probably some items in the bill in question which ought to be enacted and which the President would approve if they were presented to him separately." "Some good items in the bill," but the intimation is there are a great many vicious items.

Now I say to Senators and to that editor, in all fairness is not the American Congress entitled to at least as good treatment as an ordinary criminal, who, when charged with a crime, is served with a copy of the indictment against him, which alleges the time, the place, the circumstance, and everything connected with the crime. He is not required to answer the charge until he knows what he is accused of.

I say to the editor of the Washington Post, "What are we, the American Congress, accused of in this charge which you have made of 'pork' in the river and harbor bill? What items in the pending bill are bad? Do you assail, sir, that great item proposing to deepen the Hudson River up to the city of Albany at a cost of \$11,500,000, making a seaport of that great city and of Troy and Schenectady and the capital section of the Empire State of this Republic? Do you, sir, assail the item of \$10,000,000 for the harbor of Los Angeles in California, a harbor which had the second greatest commerce in imports and exports of any city in America in 1923, a city which itself is spending enormous sums to improve its harbor? Do you assail the great intracoastal canal project along the coast of Louisiana and Texas, running from the Mississippi River to Corpus Christi, giving a great waterway there nearly 700 miles long, with a depth of 9 feet and a width of 100 feet, at an estimated cost of \$16,000,000? Which one of those projects do you attack?"

"The bill carries about \$53,000,000. There are 35 projects in it. The three that I have enumerated aggregate \$37,500,000 out of the total of \$53,000,000. Will you be kind enough, sir, to show us what projects are bad and wherein they are bad?"

Let me call to the attention of the Senate a very interesting and eloquent letter published in the Washington Post this morning, from the distinguished senior Senator from Florida [Mr. FLETCHER], entitled "River and Harbor Legislation." In

that letter Senator FLETCHER explains in great detail how river and harbor appropriations are made. He shows that before Congress can make an appropriation for any item connected with rivers and harbors there must first be enacted a law authorizing a survey of the project with a full detailed report thereon. When this act of Congress has been passed the Chief of Engineers sends instructions to the district engineer to examine the project. The district engineer sends his report to the division engineer. The division engineer then sends it to the Board of Engineers of Rivers and Harbors, sitting in this city, a board composed of seven engineer officers, the lowest in rank being a major. If they act favorably upon it, it then goes to the Chief of Engineers of the Army, and not until he approves it is it sent to Congress. No project for river and harbor appropriations is deemed to have legislative status until it has run this gantlet; first, a bill providing for the survey; second, a favorable report by the district engineer; third, a favorable report by the division engineer; fourth, a favorable report by the Board of Engineers for Rivers and Harbors; fifth, a favorable report by the Chief of Engineers; and, sixth, its reference to Congress for action. Congress in many instances then calls for a number of witnesses. In all of the very important projects many witnesses appear and testify before the committee prior to favorable action on the bill.

I would ask, Mr. President, that the editorial to which I have referred and the very able letter of the Senator from Florida [Mr. FLETCHER] in reply to it be published as a part of my remarks.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, it is so ordered.

The editorial and letter are as follows:

[From the Washington Post, Monday, December 22, 1924]

#### PROGRESS AND PORK

The \$55,000,000 river and harbor improvements bill is apparently doomed. This is no time for "pork." Confident that a bill containing millions of dollars of sheer grabs, or at best of nonurgent expenditures, the House prudently thinks it not worth while to waste time and energy in passing it; an eminently wise conclusion.

The incident illustrates again the unfortunate—we might say, the pernicious—character of our present system of grouping a lot of appropriations of varying degrees of merit and demerit all in one bill, to be approved or vetoed as a whole. There are probably some items in the bill in question which really ought to be enacted, and which the President would approve if they were presented to him separately. But they are inseparably linked with others which ought not to be enacted at this time, if at all, and which could not be approved. If, as a matter of convenience or for any other good reason, it is desirable to put a number of appropriation items in a single bill, then it is desirable to invest the President with the power to approve certain items and veto others.

That, however, would defeat the very aim of logrolling and back scratching which the present system was designed to promote. The idea is that money shall be apportioned to the various congressional districts for public works not according to the actual public need, but simply in such a way as will give every part of the country a share of the funds. Thus the Member from Wayback will not vote to appropriate a million dollars to make the approach to the Washington Navy Yard navigable by our vessels, unless at the same time a hundred thousand dollars is appropriated to pump enough water into Wildcat Creek to make it navigable for the skills of muskrat hunters.

In such fashion in many former bills good and desirable items have been made to carry iniquitous ones through to enactment. But now the outlook is that the bad items will cause the defeat of the good ones. It is an unfortunate, unprofitable, and discreditable state of affairs, in which "pork" defeats or at least delays much-needed progress.

[From the Washington Post, Monday, December 29, 1924]

#### RIVER AND HARBOR LEGISLATION

To the EDITOR OF THE POST.

SIR: Referring to editorial in the Post of to-day headed "Progress and pork" permit me to direct your attention to the fact that the first paragraph of the bill referred to reads:

"That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated."

In order that you and others who are apparently misinformed regarding the procedure leading up to the introduction of such a bill—a bill providing appropriations for the improvement of rivers and harbors—I will say that it is first necessary for a bill to be introduced and passed authorizing and directing the Secretary of War to cause preliminary examinations and surveys to be made of proposed projects in order that it may be determined whether the needs of navigation and commerce justify the expenditure of public funds.

After the passage of such a bill and its approval by the President, the district engineers and assistants make very careful personal investigations into each proposed project, free from any political or other influence, and in a great many instances the reports are adverse and in the majority of cases the Chief of Engineers approves such adverse reports. In fact, it is not unusual for the Chief of Engineers to disapprove favorable reports made by the district engineers. District engineers submit their reports on all projects to division engineers, who review them carefully and transmit them to the Chief of Engineers with a recommendation—favorable or unfavorable, as the case may be. The Chief of Engineers refers the report, in each case, to the Board of Engineers for Rivers and Harbors, composed of seven Army engineers, none below the rank of major, for further examination and recommendation.

Assuming that the report of a district engineer and a division engineer and the Board of Engineers for Rivers and Harbors and the Chief of Engineers is favorable to the adoption of a project, the Chief of Engineers submits his report, together with detailed information, including an estimate of the cost, to the Secretary of War, who in turn may disapprove or approve the project; but assuming that he approves the several reports on the project, it is then, and not until then, ready to be included in the rivers and harbors bill. Congress never adopts a project that has been adversely reported on by the Secretary of War, and he never favors a project that has the disapproval of the Chief of Engineers.

I dare say there are no river and harbor improvement projects recommended by a district engineer, a division engineer, the Board of Engineers for Rivers and Harbors, the Chief of Engineers, and the Secretary of War for adoption by Congress based upon political influence of any kind or character anywhere along the line. Nor is it true that appropriations are made for such improvements based upon "logrolling" by Members of Congress. No appropriation can be made until the project is adopted by Congress, and that is done in the general rivers and harbors bill. I must, therefore, conclude that your editorial was written by one who is not familiar with the law and procedure in reference to legislation, investigations, reports, approval, and recommendations by officials of the War Department who are in no wise personally, as individuals, concerned in the outcome.

The procedure referred to above defeats the very aim of "logrolling" and "back scratching" mentioned in the editorial, which states "the present system was designed to promote." There is no money paid out of the Treasury which is so thoroughly and abundantly safeguarded as that disbursed for river and harbor improvements.

DUNCAN U. FLETCHER.

UNITED STATES SENATE, December 22.

Mr. RANDELL. I also ask that the first page and a half of the report of the Rivers and Harbors Committee, accompanying the House river and harbor bill, submitted to the House on December 17 last, be printed as a part of my remarks.

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

The matter referred to is as follows:

[H. Rept. No. 1053, 68th Cong., 2d sess.]

#### RIVER AND HARBOR BILL

Mr. DEMPSEY, from the Committee on Rivers and Harbors, submitted the following report, to accompany H. R. 10894:

The Committee on Rivers and Harbors respectfully submits the following report in explanation of the accompanying bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and recommends that the bill do pass.

The bill contains the following provisions as to the expenses of prosecuting the projects adopted in this act: (1) That no money shall be expended on any of the projects adopted in this bill during the fiscal year ending June 30, 1926; (2) that there shall be expended on all such projects during the fiscal year ending June 30, 1927, not to exceed \$10,000,000; (3) that there shall not be expended to exceed \$10,000,000 during any succeeding fiscal year.

In prosperous years, when factories are running full time and the farms produce large crops, the railroads of the country are unable to carry all of its commerce and we can only provide for transportation of all the shipments offered by utilizing our waterways.

The railroads transported in the year 1923, 2,333,787,044 tons of freight, while our waterways carried 442,097,328 tons. In other words, the waterways carried more than one-sixth as much freight as the railroads. For the year 1923 the railroads set aside \$1,077,000,000 for improvements. On the same basis we should expend \$180,000,000 annually on our waterways. In view of these facts, the expenditure of not to exceed \$10,000,000 for the fiscal year 1927 on the projects adopted by the bill which this report covers and of not to exceed \$10,000,000 annually thereafter on such projects until these projects are completed is so small as to be almost insignificant. Nor does the comparison grow less by taking into consideration projects already adopted, for all of them can be completed by an expenditure of \$204,000,000, one-fifth of the amount appropriated by the railroads for like purposes for the single year 1923.

The amount to be expended under this bill is small, too, when we compare it with previous bills adopting new projects. For instance, the act approved June 25, 1910, adopted 179 new projects at an estimated cost of \$263,726,609, while the present bill—the first bill in three years—adopts only 35 projects and authorizes the expenditure for their improvement of only \$10,000,000 for the fiscal year ending June 30, 1927, and of \$10,000,000 annually thereafter until they are completed, the total cost being estimated at \$53,565,650, less than one-fifth of the amount authorized by the 1910 bill.

But the figures quoted do not give the real difference in the cost to the country, for in 1910 the wealth of the country was but \$143,139,573,114, while in 1922 our total wealth was \$320,803,862,000, and the burden of a country's expenditure is in proportion to its wealth at the time the tax is paid.

It is to be borne in mind, too, that the freight of the country doubles every 10 years and that the pressure for facilities for shipment is twice and a half as great now as it was in 1910.

National expenditures for rivers and harbors have been and are small, too, in comparison with not alone the aggregate of local expenditures but even with some of the single instances of expenditures in a locality. For instance, the port of Greater New York has entered upon a program of expenditure there to coordinate with Government improvements at a cost to that locality of about \$600,000,000. Los Angeles is starting a program, as we are advised, of expending approximately \$40,000,000. Philadelphia has recently built a single marine terminal at a cost of \$50,000,000. Even a comparatively small city like Wilmington, Del., is expending \$2,500,000 on port facilities, and Mobile, Ala., is expending \$10,000,000 for like purposes, and Houston, Tex., approximately \$20,000,000. New Orleans has expended approximately \$40,000,000 for port facilities. Like illustrations for nearly every large port in the country can be given.

A scrutiny of the proposed projects will, the committee is convinced, commend them to an impartial judgment as based on these sound principles.

Mr. RANSDALL. The editorial to which I have referred speaks of "appropriations." The bill in question is not an appropriation bill. It is a legislative bill approving certain projects, which in the aggregate will cost, if finally appropriated for by Congress, something like \$53,000,000. The bill does not carry any appropriation whatsoever for those projects. There is a provision in it, however, which especially says that not one dollar out of the general river and harbor appropriations for the fiscal year ending June 30, 1926, shall be expended on any of the projects carried in that bill, and it goes on to provide that not in excess of \$10,000,000 shall be expended in any one year on the projects carried in the bill. So, while the bill does authorize and approve projects costing in the aggregate \$53,000,000, it does not appropriate for them, and it limits the expenditures which may be made for them to \$10,000,000 per year. It is not an appropriation at all.

Mr. President and Senators, I have now been a Member of Congress nearly 26 years, and I have been a pretty close student and observer of public affairs during all that time. I say in all sincerity to the Members of this body that there is no project or purpose for which money is appropriated by Congress that is safeguarded with anything like the care that river and harbor appropriations are safeguarded. It is practically impossible to appropriate one dollar improperly for a river and harbor project. Who are the men who must pass upon every one of these projects? Why, Senators, they are the honor men of West Point. The Engineer Corps of the Army is composed of the honor men of West Point; and I have just shown to you that 10 of those honor men must agree upon the merits of a river and harbor project before it can be acted upon favorably by Congress, before Congress will consider it, before it has any legislative status.

Does that apply to anything else? If Congress wishes to pass a public buildings bill do we have such safeguards thrown around it? If Congress wishes to provide appropriations for highways, are such precautions taken? If we wish to provide an appropriation for irrigating the arid lands of the West, are those safeguards thrown around that appropriation? Oh, no, Senators; we summon witnesses before us in regard to the ordinary appropriation bills, and we get the best testimony we can. My belief is that most of those witnesses are honest and sincere, but after all they are local men; they are men interested in the various projects presented to Congress; they have the frailties of human nature; and they are going to present their side of the case very strongly.

That is not so with river and harbor items. Congress itself has designated who shall be the witnesses in the case of river and harbor appropriations. I say to you after a study of more than a quarter of a century of these great bills that it is a slander to charge them with being pork barrels, it is a slander

to say that there is more pork in them than in any other legislation. I repeat, sir, if there is any pork in this bill, I do not know it.

Now, Mr. Editor of the Post, I give you this opportunity, sir. You have slandered the Congress. You have said what to me is a very bad thing for you to say. A great many people read your journal. A great many people consider it a great journal, a molder of public opinion here in the Nation's Capital. I say to you now, in all fairness prove your accusation, and if you prove to the Members of the United States Senate that any item among the 35 carried in the pending river and harbor bill is improper in the slightest degree I think I can promise you, sir, that everyone of them will vote against it. I know I will vote against it and will do my best to defeat that item.

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

Mr. RANSDALL. I am glad to do so.

Mr. FLETCHER. The Senator referred to his long experience in Congress. I know that most of that time he has been closely related to legislation with reference to river and harbor improvement, in the House as a member of the Rivers and Harbors Committee and in the Senate as a member of the Commerce Committee, which handles such legislation. I would like to ask the Senator if he recalls any instance in all his experience where Congress has approved a project that has not passed through all the stages of a favorable report and recommendation by the various engineers up to the Chief of Engineers and finally the Secretary of War?

Mr. RANSDALL. I do not recall any, though I have a vague recollection that many years ago former Senator William Alden Smith, of Michigan, got through a very small item of a few thousand dollars for some matter which he pressed very strongly upon Congress from his personal knowledge of it, a small project that had not had the approval of the Engineer Corps. Certainly, if the exception proves the rule in anything, that one exception would prove the rule in this matter. Probably the Senator from Florida is more familiar with that case than I am.

Mr. FLETCHER. I think there was some such case some 12 or 14 years ago involving an appropriation of something like probably \$50,000. But as a general proposition I inquire of the Senator if it is not the rule—we might say the rule and the practice—to require, before a project can ever be expected to be adopted by the Congress, that it shall have back of it this favorable report after a study and investigation by the engineers?

Mr. RANSDALL. That is absolutely true.

Mr. FLETCHER. It is also true, I think, that there are a number of projects—something like 200, as I recall, though I have not looked up the figures lately—which have already been favorably reported on by the engineers and have not yet been adopted by Congress; so that it does not follow, even after a project has been favorably reported on by the engineers, that the Congress will adopt it and make an appropriation for it.

Mr. RANSDALL. That is quite true. There are a great many such projects. I can not name exactly how many, but there are many which have run the gantlet of the engineers and yet Congress has refused to make the appropriation.

Mr. FLETCHER. Refused to adopt the projects?

Mr. RANSDALL. Yes; Congress has refused to adopt the projects and later on refused to appropriate because they can not appropriate until they have first adopted the projects.

Let me repeat briefly to show how different rivers and harbors legislation is from other matters. Suppose the Senator from Florida had some project in his State that needed approval and appropriation. He can not go before the Committee on Appropriations and ask for it. His process is to go before the Rivers and Harbors Committee of the House, or the Commerce Committee of the Senate and secure the passage of a law authorizing a survey to be made of the improvement he has in mind. Until that law is enacted the engineers have no discretion or jurisdiction whatsoever to make the survey. So it will be readily seen how different a river and harbor bill is from other things that come before the Congress for appropriation. It is safeguarded in every way. When any project runs the gantlet of the splendid men of the United States Engineer Corps, who have a most remarkable record of public service, who are not interested locally, and who serve all over this great Republic and our foreign possessions, and those men with practical unanimity agree on its merits, no decent man can say there is "pork" in it.

I, therefore, respectfully and earnestly appeal to the usually fair-minded editor of the Post to correct the slanderous charges which have been made in this editorial.

## THE FRENCH DEBT

Mr. REED of Pennsylvania. Mr. President, I wish to speak very briefly on the matter of the recent publication, apparently official, in which the Government of France contrasted its assets and liabilities, and in making that contrast omitted from its table of liabilities all mention of the debt which the French Republic owes to the United States of America.

Mr. President, I speak from the standpoint of one who has a warm sympathy for France. I admire the beauty that she creates. I admire the thrift of her people. I admire the industry that they show, and I wish that many things that we see in France could be duplicated in America. I believe that we would be the better for it. I admire, and I will never cease to admire, the bravery with which she met the attack of greater forces than her own, the inflexible will that she showed in meeting the German advance from 1914 to 1918; and I speak with a full recognition of the tribulations under which France has labored since the armistice. I know, because I have seen it again and again with my own eyes, how her industrial districts were shattered. I know how much she has lost in man power, and I know how difficult it is for her to make her budget balance and pay the interest on her current obligations. All of those things I know, and I speak with the sympathy that follows that understanding.

But, Mr. President, during 1917 and 1918, while America was in the war, we borrowed from our own people and turned over promptly to France a vast amount of money. It was not money that lay in the American Government Treasury, handed over to France without an effort, but money which we borrowed from our own people for the benefit of France; and we borrowed it by giving our own indorsement on the French obligation. It was an American obligation that our people received when they advanced that money to France, and as an American obligation it must be honored by us.

In that way we advanced to France in 1917 and 1918 \$2,933,171,672.48. After the armistice we sold her war material which amounted to \$407,341,145.01. The current interest on the latter debt of \$407,000,000 has been paid by France regularly since the debt was incurred; but she has not paid one penny of the interest on the original war-time loan of \$2,933,000,000, nor has she paid one penny on account of the principal of that loan. Our Government, which had issued its bonds to raise that money, has met the interest currently; and that interest, since the money was advanced to France, which we have taken from American taxpayers to pay to those bondholders, has amounted, up to the 15th of November of this year, to \$796,711,537.08. In other words, Mr. President, we have taken from our taxpayers, in order to pay the current interest which French taxpayers should have paid, approximately \$800,000,000 in the last six years.

The principal of those loans, and the interest that comes due in the future, are still to be paid. The bonds are outstanding that were issued for the benefit of France and Italy and Belgium and these other European countries to which we advanced money. That money still has to be paid. The question is, Who shall pay it?—whether it shall be taken from American taxpayers through long years in the future or whether it shall be paid by the Governments whose promise to pay it now lies in the American Treasury.

We have not dunned those nations for the payment of their obligations. I do not think we should. It ought not to be necessary. But, Mr. President, we can not forget and we ought not to pretend to ignore the fact that a very large part of the high taxation that we are extracting from the American people to-day is extracted to meet the obligations on which those countries are the primary debtors.

We have a full understanding of France's difficulties. We understand how hard it is for her and for Italy and for Belgium and these other countries to collect what is coming to them from Germany, and that is why our people have not wished us to press unduly for the payment of these foreign debts; but the debtor nations have taken no steps toward refunding the debt, they have paid no interest upon it, and they have not even given authority to any of their official representatives to come to any terms with our country toward refunding.

Mr. Parmenter came here in 1922 absolutely naked of authority to come to any settlement, or even to recommend any settlement to his own Government, as far as we were able to learn. The French ambassador, Mr. Jusserand, has done the best that his great talent enables him to do, but he is without authority. He has done much to keep the situation placid. He deserves the gratitude of his country to an extent that I believe few of his own countrymen as yet understand, because his efforts have gone far toward preventing this question from

becoming acute. But now, Mr. President, from France itself, and from Paris, and from the cabinet of the present administration, comes a step which our people can not fail to regard as being some evidence of an official intention to repudiate that war-time debt—the publication of a balance sheet, listing the obligations of the French Republic, that absolutely omits the debt to America or the debt to Great Britain incurred during the time of the war—and I do not believe that the United States Senate ought to take an adjournment after the publication of that balance sheet without some voice being raised in protest against it.

I make no threats. I do not believe that anyone in the Senate desires to make any threats. I know that I speak wholly out of friendship for France, but with an acute realization of the fact that American taxpayers are paying every day a debt that France owes. France must be told by her friends that her inaction in this matter throughout the past five years has puzzled those of us who look toward her most affectionately, and she should be told that this publication of last week has alarmed her friends and alarmed them very gravely. France must be made to see—and when I speak of France I speak of her because this publication comes from the French ministry, although what I say applies as well to the other countries that are still in the same position—that her present course can result only in a chilling of that affection that she has found to exist here in America throughout the past decades. It can have only that result, Mr. President, and she must be told it by her friends, and she must be told that each day of delay in achieving a refunding of that debt makes it more difficult to grant her leniency in terms of payment. Her taxpayers deserve consideration. Their sufferings must be remembered, and the terms of payment must take into account the difficulties of payment on her part, but each day that she waits makes that more difficult of achievement. And, finally, she must be told by her friends that future French loans in America would be made impossible by a repudiation of the existing debt.

France, in my judgment, has done the prudent and necessary thing in making military preparation to withstand another attack from hostile neighbors. In my judgment, her preparation has been only reasonable in extent. I believe that the menace is ever present before the French eyes, and that we in her place would make the same military preparation that she has been making. But, Mr. President, she must see that the core of all military preparation is the preservation of her credit. If this attack against which she is preparing shall come she will need credit first of all things, and she must see that a repudiation of her debt of the last war would fatally cripple her borrowings in that "next war" against which she is preparing.

She must see that. Of what avail is it to make military preparations against invasion if she does not keep alive that essential of all military preparation, a sound credit?

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

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. SHIPSTEAD. I should like to ask the Senator if, in this financial statement of the French Government, the Government carries as a credit on this balance sheet funds that France has been loaning to the "little entente" for military purposes in the last few years?

Mr. REED of Pennsylvania. I believe that that is so. I believe that all advances which she has made since the armistice are included as assets on the other side of this balance sheet; but she has not included as assets those advances made to Russia and other allies during the period of hostilities.

Mr. SHIPSTEAD. If the Senator will permit me, I should like to state that a statement by the Bank of France, issued on the 29th day of August, gave us information that the Government of France had at that time very recently loaned something like 5,000,000 gold marks to the "little entente," and that made a total of about 5,000,000,000 that the French Government had loaned to the "little entente," and almost every cent of it had been spent for armaments. I think that statement is interesting at this time, because we have been lenient with France in regard to this debt in the interest of peace; and if France is spending vast sums of money for military purposes I should like to have it explained how that can be in the interest of peace.

Mr. REED of Pennsylvania. Mr. President, I am not familiar with the details of the French policy toward the nations that are known as the "little entente," and it was not my purpose to discuss it here to-day. I want to keep, if I can, to the subject on which I began to speak.

We have heard in the Senate within the last few days some criticism of the attitude of the British Government because

they have announced that they will expect to be treated proportionately well by France if any settlement is made with America. Great Britain occupies toward France the same position that we do. She is a war-time creditor, and Mr. Churchill has recently announced that it is his policy to demand that Great Britain shall have proportionately favorable treatment of her claim against France, if any settlement is made by France with America. That attitude of the British has been criticized here in the Senate, but, to my mind, there is no justification for that criticism. I think Great Britain in that regard has done exactly what we would do if the shoe were on the other foot, and what we will do, I hope, if a settlement is made between France and Great Britain that disregards us. It is the simplest principle of business honesty that creditors should be treated uniformly, and I believe that that obtains between nations, and that whatever settlement is made by France with us should be accompanied by a similar settlement by France with Great Britain. I do not think we have any room to criticize that policy of the British, and I hope that we will take the same policy if circumstances are reversed.

Finally, Mr. President, the tax burden upon the British people is terrific. There has been no nation in history, so far as I can discover, that has borne such a burden of taxation as the British Nation is bearing at this minute. Its taxes are very much higher per capita than those of France or Belgium or Italy. The burden on each individual citizen is greater in Great Britain; and yet Great Britain has taken the manly course, has taken the lead in making a settlement and refunding of her whole war-time debt to this country, and she is observing with scrupulous fidelity the terms of that settlement. In spite of the burden that her people are carrying, she has not flinched under the load, and she is carrying it manfully. As a result of that, her credit is flawless. She can borrow today, and does borrow to-day, at a very advantageous rate of interest, which these other nations about which I am talking can not duplicate.

Is not the moral of it plain, Mr. President, that these other countries for their own sake must follow the same policy? If they did, at once their credit would stand higher, their ability to borrow would be vastly improved; and all the world knows their necessity for continued borrowings. So, that from a selfish standpoint alone, as well as from the standpoint of future military preparedness, it is vastly to their interest to honor their obligations that we hold.

Mr. FESS. Mr. President—

Mr. REED of Pennsylvania. I am about to finish.

Mr. FESS. Will the Senator yield?

Mr. REED of Pennsylvania. I yield for a question.

Mr. FESS. I think that the statement of the Senator is most timely, and ought to be made by some one who has frequently expressed his sympathy with France, as the Senator has. I also approve of everything he has said.

There is one other thing about which I would like to ask the Senator's opinion. The credit of France seems to be fairly good, as expressed by the sale of her bonds, floated by a great American banking house. I am raising the question whether that policy should be permitted in case there should be a repudiation of France's obligations to our Government, in view of the fear that that would be cultivating a desire on the part of great bankers to see our Government obligations canceled in order that their payments would be more assured. I would like to have the opinion of the Senator upon that particular thing, because capital is flowing to France from private investors at the very moment when we are wondering whether France is going to repudiate her obligations to our Government.

Mr. REED of Pennsylvania. I would answer the Senator in this way: I see no evidence on the part of any bankers to improve the status of their own securities by encouraging a repudiation by France or by granting absolution to France in the matter of her debt due this Government. I have heard from some men who were in the banking business arguments in favor of a cancellation of the foreign debts. What the Senator suggests may have been the motive that underlay those arguments; I do not know. But whatever the motive is, I am convinced that the argument is futile, because I believe that the entire American Congress and about 99.9 per cent of the American people are fixedly determined not to cancel one red cent of the debt.

Mr. FESS. If the Senator will permit, it is the argument for cancellation that led me to raise the question, and then the logic that would follow, that if it is difficult for France to pay, it would be to their advantage that the repudiation should come to our obligations first, rather than to their own.

Mr. REED of Pennsylvania. I do not think there is the slightest possibility of cancellation. I think most of us here would oppose it to our last breath. I think we feel it is our duty to our own citizens to oppose it, and I do not believe that the chance of cancellation is sufficiently substantial to require a reply to the arguments about which we are speaking.

Mr. WATSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Indiana?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. WATSON. Does the Senator believe in making any more liberal terms with France than were made with Great Britain?

Mr. REED of Pennsylvania. The question will have to be negotiated. I should not like to commit myself in advance as to just the extent to which my generosity would lead me, but I think it is obvious that France would need a somewhat longer moratorium. I think it is also obvious that for the next few years at least she would need a lower rate of interest. I would rather not be any more specific than that.

Mr. WATSON. Would not that lead inevitably to changing the terms we have made already with Great Britain?

Mr. REED of Pennsylvania. I do not see any connection whatever between them.

Mr. WATSON. Then the Senator thinks we can deal differently with our different debtors without involving ourselves?

Mr. REED of Pennsylvania. Every banker that I know of does so.

Mr. WATSON. That is quite true with regard to different debtors in different states of solvency, but I am wondering whether or not internationally we could make a distinction as between our debtors; and if we made more liberal terms for France than we have made for Great Britain, is it not likely that Great Britain would then ask that we make the same terms with her?

Mr. REED of Pennsylvania. She might ask it, but I should think it quite unlikely that the request would be granted.

Mr. WATSON. The Senator is aware that from the close of the World War down to the present time, in making a statement of her indebtedness to the various nations, France has carried her debt statement in two columns, one of which has been marked at the head "War debts," and the other just "Debts," leaving the inference that the "debts" would be paid, but that the "war debts" might or might not be paid?

Mr. REED of Pennsylvania. I saw that, but I did not draw that inference. It seemed to me that there never was an occasion for that inference to arise until the publication of this balance sheet last week.

Mr. WATSON. I want now to ask whether or not recent acts and recent statements have not given something of authenticity to the suspicion that that one column was carried all the time with a view to final repudiation of the war debts, at least as far as we are concerned? The Senator has not said squarely that he believed that France did not intend to pay her debts, but he said that he rather suspected that might be the effect finally. In other words, what I am trying to get at is this—and the Senator has studied the question—does he believe, from the actions of France from the close of the World War to this hour, in the light of the statements recently made, that France is preparing to repudiate her debt to us?

Mr. REED of Pennsylvania. I will answer that in this way: Most of the French public men with whom I have talked—and I have talked with many of them, both in France and here—say that France intends to pay her debt; but the publication of this statement of last week can mean nothing else, in my judgment, than that the present ministry, and particularly the present Minister of Finance, does not expect to; and I believe that this is the occasion when the friends of France should tell her—not threaten her, but tell her, in all sincerity and friendship—that her course is mistaken, even from her own selfish standpoint, and that it can not have anything but a bad effect. But I hope that what I have said will not be taken as the statement of a belief that the intention of the French people as a whole is the same as that of the ministry. I do not believe it is.

Mr. EDGE. Mr. President, as it might have some bearing upon their intention, does the Senator recall whether any credit at all was carried in this balance sheet to which he refers representing possible reparations or payments from Germany?

Mr. REED of Pennsylvania. Yes; and I think the best thing to do would be to put in the entire balance sheet. I have not a copy here at my desk, but I can put it in to-morrow.

In answer to the Senator's question, I will say that it does contain an item covering what France estimates she will receive from Germany under the Dawes plan. That is carried as an asset.

Mr. EDGE. I asked that question because of the Senator's statement that there was no reference on the debit side to the indebtedness to Great Britain or to the United States or to other countries.

Mr. REED of Pennsylvania. It does, however, include the indebtedness to France from Germany under the Dawes plan.

Mr. SHIPSTEAD. Mr. President—

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. SHIPSTEAD. The Senator referred to the tax rate in Great Britain. We all know that the taxes there are high, and I believe it is also true that a nation's most certain source of income is the power to tax its citizens. As a matter of fact, the people of France, during the war and since the war, have not been taxed to support the Government and pay the interest on the debts to the extent to which the people of England and of the United States have been. I believe I am correct.

Mr. REED of Pennsylvania. They certainly have not been taxed to the extent per capita to which the people of Great Britain have been, and I believe that their taxes are less per capita than those of the United States.

Mr. WATSON. They are.

Mr. REED of Pennsylvania. Now, Mr. President, I have finished. I have made these remarks out of a sense of duty, and I can not reiterate too often that I have said it in sincerest friendship for these nations which are our debtors. I say it not as a threat, not as a warning, but as a plea of one friend to another.

I am confident that the French nation as a whole is honest. I am confident that the French nation, when its will is known, will not repudiate one penny of its debt, and that, both because of the wisdom of that policy and the essential honesty of it, the French nation will back up any government that honors all of the obligations of that Republic.

Mr. BRUCE. Mr. President, I just wish to say at this point, because it seems to me to be the proper point at which to say it, that I can not agree with the Senator from Pennsylvania in thinking that the people of the United States will be unwilling to discharge France from one "single solitary red cent" of the debt that she owes to us. Of course, we propose to collect that debt in due time and in the right way. I think there is practical unanimity of sentiment on the part of the people of the United States in that regard. Our people do not differ from the people generally that Poor Richard had in mind when he said that "Creditors are a superstitious sect; great observers of fixed days and times."

There is, however, one allowance which, I believe, ought to be made to France when her debt to us is provided for. The fact seems to have been entirely forgotten that during the War of the Revolution, when we were struggling for our independence, France did not simply make loans to us. She made loans to us, and large loans, indeed, loans beyond the measure of her strength, partly from selfish but partly, too, from generous motives, and those loans were all repaid to her, as I recollect—I am speaking on the spur of the moment. She granted us, if I am not mistaken, the moratorium that we desired; gave us time in which to meet our obligations; and, as I have said, we paid all that we legally owed her. But the circumstance should not be forgotten that, in addition to the large loans which France made to us during our struggle for independence, she also made us some most generous gifts, and by no one was the generosity of those gifts more eloquently acknowledged than by Benjamin Franklin himself. It is a well-known fact that when our national horizon was very dark, indeed, Franklin went on one occasion to the minister of Louis XVI and solicited a loan, only to be told that the king was not willing to make a loan to us, but was willing to make a gift, and that gift was made.

I turn to a letter which Franklin wrote to Robert R. Livingston on August 12, 1782, in which, after stating that the whole indebtedness then due by the United States to France amounted to 18,000,000 livres, exclusive of the Holland loan, which was guaranteed by the King of France, he added:

In reading it—

That is, the statement of account—

you will discover several fresh marks of the King's goodness toward us, amounting to the value of near two millions. These, added to the free gifts before made to us at different times, form an object of at least twelve millions, for which no returns but that of gratitude and friendship are expected. These, I hope, may be everlasting.

As one American citizen I echo that hope.

There is another letter, an even more feeling and significant letter, in which Franklin acknowledged the obligations of the people of the United States to the French Government for gifts made by the French Government to us during the War of the Revolution, but I am unable to refer to it at the moment.

So I do say that, however strict we may be in other respects in asking what is justly due to our country on account of the loans that we made to France, we should not, when the proper time comes, fail to take into account the fact that France made us the object of that splendid self-sacrificing generosity during our war for independence.

Mr. JONES of New Mexico. Mr. President, the question now raised here is, of course, of very great consequence, and I do not think this is the time to discuss the matter in all its phases. I desire, however, to make the suggestion that the problem involves some other factors of at least as great importance as those referred to by the Senator from Pennsylvania [Mr. REED].

It is easy enough to talk about a debtor paying his debts, but I think that simple statement is not all that should be considered in connection with this particular debt. The ability to pay must receive due consideration. I have no doubt that the distinguished Senator from Pennsylvania, who is a member of the Finance Committee of the Senate, has already given much thought to that part of the problem which relates to the question of the manner and ability to pay.

I was very much impressed a few days ago in reading a statement regarding our national balance sheet with the rest of the world. Since the war closed there have been floated in this country the securities of other governments and their nationals to the amount of about nine and one-half billion dollars, not taking into account the indebtedness to the Government of the United States. If that be taken into account, the rest of the world owes the United States to-day more than \$20,000,000,000. The present annual interest upon this indebtedness to our nationals amounts to not less than three-quarters of a billion dollars a year. It is estimated that we have to-day, of the money gold of the world, about four and one-half billion dollars, which is more than one-half of all the gold in the world used as a medium of exchange. If we were to bring together all the gold in the world outside of the United States and take it into our own Treasury, it would not be sufficient to pay more than about one-fifth to one-fourth of the present indebtedness of the rest of the world to the United States. So it seems to me that we should consider in a very serious way how it is possible for France or other nations to pay the indebtedness to the United States and her nationals.

We are keeping up a foreign trade. We are exporting to-day more than we are importing. We are exporting by the hundreds of millions of dollars in excess of what we are receiving. We are exporting our cotton, our wheat, our corn, our copper, and hundreds and hundreds of millions of dollars worth of manufactured products; and we are receiving in payment to-day not the commodities of other countries, not the gold of other countries, but mere pieces of paper. I should like to inquire how long it may be expected that this condition of things can last? How could France or the other nations of the world manage to pay their indebtedness to the United States within any reasonable period of time? The annual interest debt accruing now of about three-quarters of a billion dollars a year, not including the interest due to the Government of the United States, is an important thing.

I submit that in the last analysis the only way in which the indebtedness can be paid is not in gold, but it must be done in commodities. The Senator from Pennsylvania [Mr. REED], as a member of the Finance Committee, I trust will seriously consider the advisability of maintaining the high tariff wall which we have now and which operates as a barrier over which or through which the foreign nations and their nationals are unable to climb and thereby pay their indebtedness to this country. I submit that the situation to-day is one of the most serious from a commercial and financial point of view that this country has confronted. It is simply a question of endurance. How long can the foreign trade of this country be continued when we are simply swapping our commodities for pieces of foreign paper?

#### EXECUTIVE SESSION

Mr. CURTIS. 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 five minutes spent in executive session the doors were reopened and the Senate (at 3 o'clock and 10 minutes p. m.) adjourned until to-morrow, Tuesday, December 30, 1924, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate December 29, 1924*

ASSISTANT DIRECTOR, BUREAU OF FOREIGN AND DOMESTIC COMMERCE

John Matthews, jr., of New York, to be Assistant Director, Bureau of Foreign and Domestic Commerce, Department of Commerce, vice Robert A. Jackson, resigned.

## UNITED STATES ATTORNEY

Harold P. Williams, of Massachusetts, to be United States attorney, district of Massachusetts, vice Robert O. Harris, removed.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate December 29, 1924*

## POSTMASTERS

## ARKANSAS

Viola Leake, Altheimer.  
Nettie M. O'Neill, Earl.  
Marion M. Parker, Griffin.  
Luther H. Presson, Mansfield.  
Arrie M. Wood, Marshall.  
John H. Martin, Russellville.  
Andy R. Cheatham, Stephens.

## COLORADO

James S. Bradbury, Silt.

## INDIANA

William G. Greemann, Batesville.  
Alleary A. Anderson, Churubusco.

## IOWA

Clyde W. Edwards, Adair.  
Samuel W. Campbell, Anthon.  
Gay S. Thomas, Audubon.  
Samuel A. Garlow, Avoca.  
Homer C. Thompson, Bayard.  
Verne T. Herrick, Bridgewater.  
William W. Gundrum, Casey.  
Orwin W. Masching, Exira.  
John T. Bargenholt, Orient.  
Joseph J. Clark, Portsmouth.  
Clarence D. Bourke, Primghar.  
Bruce R. Mills, Woodbine.

## MINNESOTA

Arthur F. Johnson, Dent.  
Bernhard E. Anderson, Elbow Lake.  
Frederick A. Cooley, Heron Lake.  
Frank L. Hoagland, Marshall.  
Leonore M. Thorp, Shevlin.

## MONTANA

J. Clarence Manix, Augusta.  
Curtis Burns, Coffee Creek.  
Charles E. June, Forsyth.  
Graham B. Laird, Grassrange.  
Andrew K. Resner, Roman.  
Clarence C. Peterson, Ryegate.  
Roy D. Beagle, Savage.  
George B. Cameron, Whitetail.

## NEW YORK

Eleanor C. Griffing, Shelter Island.

## NORTH DAKOTA

Erick Myhre, Hampden.

## HOUSE OF REPRESENTATIVES

Monday, December 29, 1924

The House met at 12 o'clock noon.

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

Our blessed Heavenly Father, with hope and courage we turn our faces toward Thee and the future. Do Thou help us to keep the zest of life and the passion for service. What might seem to us a fearful cost and a crushing burden, may it be to us a sacrament and a blessing. O God, direct us in the performance of all duty. May all the Christian virtues gain strength in us as the time runs along. Give us the sweet and the abiding assurance that because God is we shall be also.

Dedicated as we are to the duties that involve the vital interests of our country, the Lord be with us abundantly and richly from day to day. Amen.

The Journal of the proceedings of Saturday, December 20, 1924, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed Senate Concurrent Resolution No. 23, and in pursuance to the provisions of said resolution the President pro tempore had appointed the following Senators on the part of the Senate as members of the joint committee to arrange for inauguration of the President elect of the United States on the 4th day of March next: Mr. CURTIS, Mr. HALE and Mr. OVERMAN.

## ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. ROSENBLUM, from the Committee on Enrolled Bills, reported that on December 20 they had presented to the President of the United States, for his approval, the following bills:

H. R. 6941. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 8657. An act to amend section 98 of the Judicial Code, providing for the holding of the United States district court at Shelby, N. C.

## MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved bills of the following titles:

On December 18:

H. R. 8687. An act to authorize alterations to certain naval vessels and to provide for the construction of additional vessels.

On December 22:

H. R. 10650. An act to authorize the settlement of the indebtedness of the Republic of Lithuania to the United States of America; and

H. R. 10651. An act to authorize the settlement of the indebtedness of the Republic of Poland to the United States of America, and for other purposes.

On December 23:

H. R. 6941. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

On December 24:

H. R. 8657. An act to amend section 98 of the Judicial Code, providing for the holding of the United States district court at Shelby, N. C.

## EXTENSION OF REMARKS

Mr. WINGO. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD an editorial by that incomparable editorial writer, Col. George Harvey, on the French debt.

Mr. BEGG. Reserving the right to object, Mr. Speaker, what is that editorial?

Mr. WINGO. It is an editorial, as I stated, by Col. George Harvey, who, as I have said, is an incomparable editorial writer. I think it expresses the viewpoint of the administration. It is a very fine editorial and ought to go in the RECORD, because there is very apt to be more intemperate discussion of it in the next few weeks, and I thought it was a wise idea to start the discussion with a temperate statement by a man who is close to the administration.

Mr. BEGG. Does the gentleman think we ought to publish editorials in the RECORD every morning?

Mr. WINGO. No; but I think that coming from the arbiter elegantiarum of the administration it expresses the viewpoint of the administration.

Mr. BEGG. Mr. Speaker, I think I will object for the present at least.

Mr. WINGO. I regret that; because I think it is a very able presentation.

## M'FADDEN BRANCH BANKING BILL

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the banking bill.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD on the banking bill. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, an examination of hearings on H. R. 6855 and H. R. 8887 reveals a careful consideration by the committee of the banking situation, and to disagree with the conclusions expressed in the bill may seem presumptuous.

The purpose of Chairman McFadden and of the committee is in no way criticized, because solution of the branch-banking problem is a matter of individual opinion, but to use an illustration suggested in the committee hearings, if the house is on fire it is better to put out the fire than to throw on kerosene. If we are living for to-day, the bill possibly serves as a temporary makeshift, but if for a permanent policy, then in my humble judgment it hastens the end of individual banking, National or State, by stamping Federal approval of branch banking that to-day has absorbed practically all the banking business in Canada, Australia, and many countries of Europe.

Two sides, of course, exist to the branch-banking issue, and possibly no permanent relief against State branch banking can be afforded even if desired by Congress; but this bill, without apparently furnishing any material relief to national banks, does rapidly advance, by legislation, the branch-bank car of Juggernaut.

State-wide branch banking exists to-day in nine States, to wit: Arizona, California, Delaware, Georgia, Maryland, North Carolina, Rhode Island, South Carolina, and Virginia. County branch banking exists in two States—Maine and Louisiana—and city-wide branch banking exists in nine States—Kentucky, Michigan, Pennsylvania, Tennessee, Wyoming, Massachusetts, Mississippi, New York, and Ohio (p. 46, hearings). These rights are limited by statute in some of the States but in others are authorized or permitted by State officials. In a limited form, several branch banks in Wisconsin established prior to May 14, 1909, are permitted to do business, but none organized since that date.

#### GROWTH OF OUR BANKING SYSTEM

Relative to State and national banks the following data is illuminating: In 1904 there were in this country 6,923 State banks and 585 trust companies, with combined resources of \$5,240,000,000. National banks then numbered 5,331, with resources of \$6,656,000,000. In 1924 State banks had increased to 17,436, trust companies to 1,664, with combined resources of \$25,140,000,000, while our national banks had increased to 8,085, with resources of \$22,556,000,000. In other words, the population of the country increased from 75,994,575 in 1900 to 105,683,108 in 1920, or about 40 per cent in 30 years, during which time State banking resources increased nearly 500 per cent and national banks considerably over 300 per cent. The apparent disparity between increase in numbers of national banks and State banks during the 30-year period is explained in part by the average increase in national-bank resources just quoted, indicating national-bank consolidations, with which we are somewhat familiar.

National banks of 1924 over 1923 show \$195,706,000 increased profits, as I interpret the comptroller's report, and indicate a continued growth, which, considering the abnormal number of national-bank failures—138—last year and other business burdens later discussed, is beyond average profits in other lines of business.

The McFadden bill, urged by the comptroller, we are told, is to prevent national banks from surrendering their charters because of inability to compete with State banks that enjoy branch-banking privileges in several of the States. Other reasons, I submit, may have placed national banks at a disadvantage. After reading hearings before the banking committee held on this bill I received a speech made by Congressman FULMER, June 7, 1924, in which he discussed the Federal Reserve System and its alleged unjust treatment of national banks. If his statements are correct the complaint of national banks against the Federal reserve administration will not be cured by the removal of branch-banking restrictions in several States, while this bill at best is only a temporary expedient that hastens wiping out individual banking, both State and national, in this country.

Mr. FULMER, after some experience in practical banking and study of the subject, contends that national banks are leaving the Federal reserve because of onerous conditions imposed on national banks by the reserve board.

#### ALLEGED BURDENS PLACED ON NATIONAL BANKS

Without presuming to express any opinion why national banks have not increased in number during the last two or three years or why, notwithstanding 138 failures last year, the total resources due to consolidation and other causes have steadily grown larger every year, I quote from one paragraph of Mr. FULMER's speech, wherein he says:

The Government put only \$83,000 into the system (Federal Reserve) to start the machinery in motion, yet \* \* \* the members furnish capital, surplus, balances, amounting to \$2,333,000,000, practically free of charge.

Referring to other alleged unjust treatment accorded national banks and extravagance of Federal reserve officials he criticizes fat salaries enjoyed by the Federal Reserve Bank of New York. Sixty per cent of the employees, he says, never before received more than \$1,500 to \$2,500, but now draw salaries as high in some cases as those paid Cabinet officers (\$12,000)—a fairly rapid increase in income within eight years.

He further says that salaries paid 30 officers of the New York Federal Reserve Bank alone, exclusive of salaries of other employees, amount to as much as the combined salaries of one-half of the United States Senators (48) plus salaries of both President and Vice President of the United States.

From his statement giving names and amounts it further appears that five officers of the New York Federal Reserve Bank have more than doubled their combined salaries within the same eight years, and to-day these five officers receive more than the nine judges of the United States Supreme Court added to the salary of the Vice President and one or more Senators or Representatives thrown in for good measure.

New Federal bank buildings, sites, and so forth, make a single item of \$76,727,000, while other cases of alleged extravagance and burdensome Federal-reserve conditions, now largely supported by national banks, may explain in part the failure of national banks to increase their number. Illustrations cited indicate the disease, not its extent. These objections are different in character from those mentioned by the comptroller in the hearings. It is significant, however, that the comptroller condemns unreservedly the system of branch banking, yet recommends this bill.

These matters are referred to at the outset in order that other conditions may be examined to ascertain why national banks as a whole are hampered by conditions not materially affected by extending limited branch-banking privileges in the several States, as provided in this bill.

#### FEDERAL RESERVE BOARD FAVORS FAR WIDER BRANCH BANKING

For the purpose of argument I am assuming that the absence of branch-banking privileges, as suggested by the comptroller, is alone responsible and prevents an increase in numbers of national banks. A real purpose of the bill with powerful interests, however, may lie in the fact that the Federal Reserve Board, supporting the bill, favors permitting national branch banking throughout the country, according to testimony of Mr. Platt, of New York, member of the board, whose statement appears on page 206 of the hearings, as follows:

MR. PLATT. I think I may fairly add that the members of the board regret that this liberalizing feature of the bill does not go to the full limit of permitting the establishment of branches in all cities large enough to have need for outlying banking facilities, as a matter of right and without regard to the limitations of State laws. It would seem that the national banks might sometimes be permitted to take the lead in a matter of sound banking which every competent banker and every economist approves.

In other words, the Federal Reserve Board that is alleged to have placed heavy burdens upon the national banking system, according to authority quoted, also believes that branch-banking limitations should be removed so that national banks may be permitted to establish branches in cities in every State, whether authorized by the State to its own banks or not. In that event, for the protection of its own State banks, the State would necessarily by law have to authorize branch banking, and that is an early prospect offered by the McFadden bill, which thus would become only an entering wedge. Soon Wisconsin, Minnesota, Illinois, and all of the 48 States will be open to national branch banking pursuant to the Federal Reserve Board's views as above expressed by Mr. Platt.

Bill H. R. 8887, to amend the national bank and Federal reserve act, has had the careful attention of the committee. The limited extension of branch banking to national banks is a question primarily of policy, set forth as follows:

Section 8 reenacts section 5190 of the Revised Statutes of the United States by adding new language the effect of which is to prohibit a national bank from establishing a branch bank in any State which does not authorize State banks to have branches, and in those States which permit State banks to have branches the national banks are permitted, upon approval by the Comptroller of the Currency, to have branches only within the corporate limits of the municipality in which they are located; in cities, however, having 50,000 to 100,000

population only two such branches will be allowed national banks, and in cities having population of 25,000 to 50,000 population only one such branch is permitted.

The above limitation temporarily prevents national banks from wide rights of competition possessed by State banks, but these restrictions will be wiped out by legislation at the first opportunity. If the policy approved by the Federal Reserve Board is to be followed, national banks will take the lead in branch banking "without regard to the limitation of State laws."

This bill would authorize at least two branches to any national bank in San Francisco or in Los Angeles, but the Bank of Italy has 14 branches and the Mercantile Trust Co. has 28 branches in San Francisco, while 2 banks in Los Angeles combined have 51 branches in that city (p. 36). What competition would be afforded by this bill to meet conditions in those cities? If competition is necessary to maintain the Federal reserve system, then unlimited branch banking which the board tends to favor will be next demanded.

#### THE CAMEL'S NOSE UNDER THE TENT

The branch-banking section from the committee bill suggests a vital problem faced by independent bankers, both State and national, and by those who believe branch banks already are a menace. Under this bill Federal sanction is to be given Federal banks, with continual enlargement of Federal and State branch-banking rights certain to follow until all restrictions are soon wiped out.

Where State branch banks have existed under State laws these banks and their branches occasionally have heretofore been nationalized and thereafter retained their branches under a national banking act of 1865. The National Bank of California in San Francisco, for illustration, has branches established in Seattle, Tacoma, and Portland, and has had for some years (p. 215, hearings).

Of the 25,521 State and national banks in 1924, Comptroller Dawes now reports that 517 State banking institutions have in operation 1,675 branches. In New York 251 State banks have branches, Michigan has 300 branch banks, and California has 475 branches, of which 224 branches belong to four banks. In other words, nearly two-thirds of all branch banks in the country are in these three States. To meet competition of branch banks this bill would now extend rights in addition to the existing law to national banks to establish branches within the limitations of section 8 referred to.

The comptroller offers data to show national banks are being transferred to State banks and that New Orleans now has only one national bank, while four State banks and trust companies have 31 branches. How this bill will increase the number of national banks in New Orleans he fails to state. He believes, however, this bill will benefit certain national banks and reports a slight increase in the total number of banks during the past year. During the same time 138 national banks, with a capital of \$9,575,250, failed for the year ended October 31, 1924 (comptroller's 1924 report, p. 73). Since 1865, or during 59 years, total national-bank failures numbered 849, or one-sixth of all these failures occurred within this last year. Of 25 reasons given for such failures (comptroller's report 1924, p. 75) none are suggested because of failure to enjoy branch-banking privileges.

The report says:

Of the 138 banks placed in charge of receivers since October 31, 1923, 8 were closed on account of the inability to realize on loans, 10 injudicious banking, 9 crop loss, 1 injudicious banking and adverse business conditions, 8 depreciation of securities, 4 inability to meet demands, 6 closed by run, 1 large losses, withdrawals, and insufficient credit, 21 heavy withdrawals, 4 defalcations of officers, 1 large losses and injudicious banking, 11 large losses, 4 unable to realize on assets, 3 defalcations of former cashier, 9 bad management, 15 depleted reserve, 4 irregularities, 1 deficient reserve and unable to realize on loans, 4 excessive loans, 1 crop loss and depreciation of securities, 1 bad paper, 1 deflation, 1 insufficient credit, 1 injudicious banking and depleted reserves, 2 bad paper taken over from old organization, and 7 information not available.

#### NO LOSSES THROUGH LACK OF BRANCH-BANKING FACILITIES

With the foregoing 138 nice distinctions in causes for failures or losses to depositors and stockholders, not one loss resulted from lack of branch-banking facilities. In fact, out of more than 8,000 national banks in the country, not one depositor out of many millions is reported to have lost or suffered from branch banking. The demand for such extensions rather comes from the Federal Reserve Board, that on October 29, 1924, showed resources in the 12 Federal reserve banks of \$4,897,269,000.

The purpose and protection afforded by the Federal Reserve Board needs no defense. On the other hand, bankers are financial shoppers who seek the best bargains and business to be had, thereby benefiting their depositors, themselves, and their community through increased safety by growth in profits, surplus, and deposits. Banking primarily is for the benefit of such depositors and borrowers and of the community served.

If the Federal Reserve Board places unnecessary burdens on national banks through large noninterest-bearing deposits or balances, by enormous Federal bank building operations, by extravagant salary lists, and otherwise, bankers will probably shop elsewhere and release their national-bank charters. If branch banking means the ultimate extinction of individual banking, with lasting injury to depositors and borrowers, who make up the community, then the McFadden bill does not help meet the problem.

Branch banking is a paramount issue with many interests, and I submit herewith the judgment of the Government's highest banking adviser on the subject:

#### BRANCH BANKING PRODUCES GLORIFIED PAWNSHOPS

In the comptroller's 1924 report, page 3, he says of branch banking:

First. Branch banking is opposed to public policy as being in its essence monopolistic.

Second. Branch banking is absentee banking and is conducted for the sole purpose of saving dividends for the stockholders rather than of service to the community.

Third. With the development of large chains of branch banks the responsibility for the mobilization and transfer of funds would rest with individuals whose prime motive would be personal profit. The resources of banks are in a large measure the trust funds of a community, and the conditions which justify the transfer of funds from one community to another should be passed upon and the action controlled by disinterested governmental authority removed from the influence of personal profit.

Fourth. Branch banking is peculiarly inconsistent with the American idea of local self-government and Federal coordination. The banking system of the United States is closely analogous to the governmental structure. Under the Federal reserve system local independent units are coordinated while branch banking proposes that they should be consolidated.

Fifth. As a direct result of absentee control the human element and moral responsibility of the creditor would necessarily be largely eliminated. Absentee control must obviously be exerted through employees governed by rigid rules operating under the most limited discretion. Under such conditions a bank would eventually degenerate into a glorified pawnshop from which collateral had excluded character as an element of credit.

The comptroller then says that an overwhelming majority of bankers of the United States are opposed to the principle of branch banking, yet he approves this bill because he alleges national banks must be given branch-banking privileges or some of them will surrender their charters and withdraw from Federal reserve membership (1924 report, p. 4).

On the subject of "glorified pawnbroker shops," to which the comptroller refers, this banking adviser of the Government further said in committee hearings (p. 11, hearings, H. R. 6855):

In branch banking, character loans are impossible \* \* \*. The development of America is dependent on nothing more than on independent unit bankers of vision, courage, and independence whose first interest in the creditor is his character. \* \* \*

The coercive power of a branch banker bent on expansion is very great. He is able to temporarily reduce interest rates until he gets banking control, and the cost of this can easily be reimbursed after he has secured a monopoly \* \* \*. When an acute emergency arises in the community it is impossible to get prompt and effective assistance where a local representation is compelled to refer back to the head office in another city. The great system of unit banks which forms the national system has been the bulwark against monopoly and branch banking, but the time has come when the national banks can not carry on much longer. \* \* \*

#### BRANCH BANKING IS ESSENTIALLY MONOPOLISTIC

Referring specifically to "glorified pawnshops" in foreign countries, Comptroller Dawes further says:

The essentially monopolistic nature of branch banking can not be successfully controverted. \* \* \*

In 1842 there were in England 429 banks and in 1922 (80 years thereafter) only 20 banks. Of these 20 banks, 5 controlled practically all the banking of the nation. There are about 7,900 branches in

operation. In Scotland there are only about 9 banks with about 800 branches.

In 1885 in Canada there were 41 independent banks. Under the operation of branch banking the number was reduced to 35 by the year 1905. I am informed that at the present time there are only 14 banks in Canada operating about 5,000 branches. There are no independent unit banks in western Canada, in fact none west of Winnipeg. Banking control through the branch system is concentrated in the cities of Montreal and Toronto. (Hearings, p. 12.)

Yet this is the system that Mr. Platt and members of the Federal Reserve Board for whom he speaks appear to approve.

California already has 475 branch banks, and the effect is discussed dispassionately before the committee by witness Whipple, president First National Bank, Turlock, Calif. His own bank has capital, surplus, and undivided profits of \$110,000, with deposits of about \$1,000,000, while a State bank of which he is also president has capital, surplus, and undivided profits of \$150,000 and deposits of \$1,200,000. These two banks with over \$2,000,000 deposits are the local financial advisers for the city of Turlock's 4,000 inhabitants and for the surrounding country. Not much more than a drop in the bucket when compared with the National City Bank, of New York City, or other big concerns, yet an institution of great importance to the little city of Turlock. Whipple is a banking student, living in the midst of California's branch banking.

Confirming the observations of Comptroller Dawes as to "glorified pawnshops" in other countries Whipple says, quoting McLeod, a Canadian banking authority:

In Canada \* \* \* the "big three" banks in 1922 controlled 58.81 per cent of the banking resources of the nation against 39.11 per cent 10 years ago (or 50 per cent increase of control in 10 years). In 1900 there were 36 banks in Canada; in 1912, 26; in 1922, 17; and now 14.

#### FRENCH BRANCH BANKS TURNED TAIL DURING WAR

Whipple continues (hearings, p. 189):

In England five banks control over 87 per cent of the banking resources of the nation, and the process of absorption continues. In France and Germany the same centralization continues. In France four great branch banking systems cover the nation, with little competition. When the Great War broke out they alone of all French banks turned tail and ran to cover, leaving the financial support of the country to the Bank of France and what few provincial and unit banks were still left. \* \* \* The French branch banks which purchased the Russian and Balkan State bonds at the rate of sometimes 10 per cent have resold the bonds to thrifty French investors at a 5 per cent rate.

Possibly that record is being imitated by great banks in this country to-day, but they do not yet control the entire banking and investing field. They may do so if the camel's nose is inserted under the canvas by this bill.

Continuing, Whipple says of disasters in branch banking:

In Australia, in 1893, out of 28 banks with 1,700 branches, 13 failed in six months for £90,000,000. This necessitated a moratorium for five years.

The president of the Canadian Bankers' Association testified a year ago that "out of 1,219 banks operating in western Canada 419 are operating at an actual loss" (ascribed to too great duplication).

In Canada failure of the Home Bank, with its 78 branches, the forced absorption of the Merchants Bank, with 400 branches, and the merger of several other banks has caused nation-wide concern of the banking structure of Canada (hearings, pp. 192-193).

In South Africa where but two great banking systems, the Standard and National Bank of South Africa had the field to themselves, the difficulties of the latter obliged the South African Government to go to the rescue, and he concludes this may be a straw \* \* \* when through mergers and otherwise banking in both England and Canada and possibly even in California \* \* \* the government will be obliged to take them over.

The mania for size is due no doubt to the widely held tenet that the public nowadays admires success more than any other thing—measured by the yardstick of financial size.

Whipple hopefully says (p. 195):

It is axiomatic that no part of America will long tolerate what amounts to virtual monopoly in banking either with or without its accompaniment of political power not always used for the public good. Nor will it when informed, permit the superimposition on it of the principle of branch banking which represents the opposite of the traditional American principles of opportunity and unalterable opposition to the money power.

#### WILL WIPE OUT INDIVIDUAL BANKING (CALIFORNIA) IN TEN YEARS

Mr. Morrish, president of the First National Bank of Berkeley, another California bank, states his two banks have deposits of

about four and a half million dollars (hearings, p. 174). He was delegated to represent before the committee the independent banks of the State of California, both National and State. He says:

My judgment is that within 10 years if the bars are let down, independent banking in California will be a thing of the past. There will be no independent banks in California outside of probably the cities of Los Angeles and San Francisco or other large centers where a bank has opportunity to build up a deposit liability of large sums in commercial funds.

He further says:

It has been my personal experience that about 75 per cent of the independent bankers (in California) give up their independence because of fear of the other organizations. The small country banker stands in awe of the large city banker, with the large amount of capital that he controls. \* \* \* He has seen his friends, one by one, succumb to the large branch-banking systems, and it is no wonder that when a branch banking institution desires a branch in any given community that the only thing they have to do is to state that they want to go into that community, and almost any bank in the community is ready to sell out to them.

Speaking of the power of branch bankers to put him out of business, he said:

Absolutely—and I have talked to nearly a hundred independent bankers in the State (California)—I think I know their feelings pretty well in that regard. The concentration of funds of our Nation in the hands of a few large branch bankers, which is the ultimate and logical conclusion of the branch-banking system, is something I hope never to see accomplished. Their claim that they do not wish to go outside of State limits is a mere subterfuge. It will be just as easy to step over the State line as it is the city line.

#### THE LAMB INSIDE THE WOLF

Comparing individual banking and branch banking based on the California situation, Morrish says:

My judgment is that they can exist side by side only like the wolf and the lamb, with the lamb on the inside (p. 181).

President Macdonnell, of the First National Bank of Pasadena, Calif., First Trust and Savings Bank of the same city, was no less positive in his testimony as to branch-banking methods. He says:

These people in California are in a race for size and power which comes down to be pretty largely a question of personal ambition on the part of a few men. It leads to a curious willingness to make almost any kind of deal for a new bank that will get it (p. 161).

He also gave incidents in his own experience to illustrate the methods pursued to secure branch-banking control and the elimination of individual banking.

In response to a question whether a real danger exists in California that will ultimately develop into a banking monopoly between a half dozen leading banking institutions, Macdonnell responded:

I have no doubt of it.

Q. Similar to Canada?—A. Yes, sir (p. 166).

Mr. Macdonnell said this bill would, to an extent, result in a monopoly, but it was not his idea that the branch-banking system could be "unscrambled." He was opposed to national banks engaging in a state-wide branch-banking business, but as this bill limits branch banking to certain cities, it was accepted by him as the best port in a storm.

That branch banking in California will control the situation ultimately seems certain based on the testimony submitted before the committee, although between the devil and the deep sea such witnesses are not opposing this bill.

While the testimony of Comptroller Dawes and the three bank presidents, supported by American, Canadian, and European branch-banking statistics, is convincing to the average mind of the danger of branch banking, it is not undisputed.

In the words of President Macdonnell (p. 158), when referring to branch-banking witnesses, the committee hearings also contain testimony from "a professor of international law and lately a banker," from another who has practiced law and is now a trust company banker, and from the attorney for the California banking department. The presence of all these, according to Macdonnell, shows the "power" of the branch-banking people. These gentlemen believe in branch banking, and they answered the committee's questions without equivocation.

Possibly the ablest witness who represented nearly one-half of all the 475 branch banks in California can be cited. His interest in branch banking is in part explained by the following:

## FOUR BANKS HAVE 225 BRANCHES

Mr. DRUM. There are 700 banks in California, of which 425 are State banks and 275 are national banks. The number of State banks having branches is 88, the number of branches about 460 to 480. (Hearings, p. 90.)

Q. How many branch banks under the institution you are connected with?

Mr. DRUM. There are 46, 27 of them in San Francisco; 19 in territory outside of San Francisco. \* \* \* The banks that Mr. Elliott and I represent here to-day are five of the larger State banks, namely: The Pacific Southwest Trust & Savings Bank, the Security Trust & Savings Bank, the Bank of Italy, the American Bank of Oakland, and the Mercantile Trust Co. Those banks represent an aggregate in capital and deposits of nearly \$1,000,000,000. \* \* \* We speak for these five. The Bank of Italy has 75 branches, made up of 12 in the parent city, 63 outside of the parent city; the Mercantile Trust Co. has 46, 27 in San Francisco and 19 outside of San Francisco; the Pacific Southwest had 75, 33 in Los Angeles and 42 outside of Los Angeles; the Security Trust & Savings Bank has 28, 15 in Los Angeles and 13 outside of Los Angeles; \* \* \* of deposits we have about 45 to 47 per cent of all the banks in California. (Hearings, pp. 103-6.)

In other words, Messrs. Drum and Elliott represented 5 State banks in California out of a total of 475, and 4 of these 5 banks have 225 branches, or nearly half of the entire number of branch banks in the State, and the 5 banks hold nearly one-half of all bank deposits in the State. The centralization of branch banking in California needs no diagramming nor of the interests subserved by Messrs. Drum and Elliott.

Another witness came from New York City, where limited branch banking exists. Mr. J. Bach is vice president of the Public National Bank, of New York, which has a capital, surplus, and undivided profits of \$9,500,000 and deposits of \$98,000,000, with a number of branch banks in that city. His was a State bank in 1917 and became a national bank that year. At the present time his bank has five branches and six tellers' windows, or what are described as "subterfuge branch banks." Mr. Bach has the strict business viewpoint, and says his bank caters to the foreign element. That 33 per cent of his bank's deposits—or about \$33,000,000—has been coaxed out of patrons "who otherwise would have invested in mattresses, in rugs, and in bureaus."

Several questions and answers are enlightening (hearings, p. 97):

Q. With bank deposits of \$95,000,000 you could have 50 or 60 banks with \$2,000,000 of deposits each?

Mr. BACH. That is very true. \* \* \* Most of those independent units in the city of New York are for sale, because they are not paying propositions.

Q. Do you think that a branch bank as a rule gives as good service as the unit in the particular community where it is located?

Mr. BACH. Better; they afford better trade, help, and assistance. \* \* \*

Q. There are people who come to us from places where branch banking has prevailed for years and say if they were starting over again they would never have branch banks. They also come from Canada and say that branch banking is not the best thing for the country.

## BRANCH BANKING "ABSOLUTELY PERFECT"

Mr. BACH. There are some people who complain at the present time, but I think it is absolutely perfect. (Hearings, p. 100.)

Q. If you got big enough and strong enough to take care of the banking business in all the States by the establishment of branch banks, you think that would be a good thing?

Mr. BACH. I see no reason why it should not be. (p. 102.)

Q. How many [tellers' windows] do you have applications for?—A. We have seven more in contemplation, all of which have been allowed by the comptroller.

Q. Seven more have been allowed?

Mr. BACH. Some were disallowed and the other locations were allowed.

In other words, Mr. Bach, backed by \$98,000,000, has 11 branch banks and tellers' windows in New York City. Seven more have been allowed, but not in the locations selected by Mr. Bach, because presumably designed to drive out individual banks.

Recently an address by one of Wisconsin's recognized banking authorities came to my notice. It was delivered two years ago by Hon. Andrew H. Frame, of Waukesha, a man whose four score of years eminently qualifies him to speak on banking, although he is not engaged in the present banking bill controversy. Mr. Frame then said:

From a practical banking experience in the United States for more than 60 years, I have seen wildcat currency and wildcat banking expunged from all the States tolerating these excrescences. In fact, in Wisconsin as one of the chief sinners, I was chairman of a

banking committee that drew the 1903 statute which, thanks to our splendid bank commissioner's administration of the law, has resulted in but three small failures in 19 years wherein a depositor has lost a dollar of his capital! I have also seen Old-World banking recede from independent banking freedom to monopolistic banking, colossal failures, and appalling losses to depositors which should be object lessons to warn our statesmen to pause before handing over our destinies to the tender mercies of any autocratic banking power. May we ask: "Has not autocracy and oppression wrecked the equilibrium of the whole world?" We must concede some small advantages may accrue to a favored few under branch banking, but in the language of the immortal Lincoln "The greatest good to the greatest number" would be practically eliminated. There are some natural monopolies. Surely branch banking is not one of them.

After citing some gigantic branch-banking failures in other countries and lessons learned, Mr. Frame closed his address with the admonition:

The object lessons of monopoly, arrogance, and oppression of the past decade in the Old World should warn us that the American freedom should not be superseded by any oligarchy. Branch banking is a calamity to any city, State, or nation.

"Man's inhumanity to man makes countless thousands mourn."

I can offer no advice as a layman that will be of value compared with the many words from those who have devoted a lifetime to the business of banking. In practical legislation we have knowledge of a constant pressure toward monopoly, and the money monopoly feared by Mr. Frame is in keeping with the trend of the times. The McFadden bill is the first specific legislative recognition by Congress of national branch banking. After the testimony of Messrs. Platt, Bach, Drum, and others of ability and persuasiveness, it is not a far step to take before embarking on the branch-banking system of other countries.

The chain-bank system that has had a stormy time in several Western States requires no discussion or criticism here. It is a puny imitation of the branch-banking system, and every national or State bank, with few exceptions, may well fear the effect of both systems. My own State of Wisconsin is no more concerned than any other State in this bill, because we have good banking laws and fine supervision. The following showing was had on October 31, 1924, of Wisconsin State banks:

State banks	815
Mutual savings banks	6
Trust companies	15
Land mortgage associations	2

Total (State banking institutions with resources of \$546,384,442.98) 838

For the purpose of comparison it appears that on October 10, 1924, Wisconsin also had 157 national banks—exactly the same number as in Massachusetts—with total resources of \$422,452,000, or about 80 per cent of the combined State banking institutions.

From State Banking Commissioner Dwight T. Parker I have received the following additional data:

Prior to 1922 there were practically no bank failures in Wisconsin. During that year there were two failures, and in 1923 six banks were permanently closed by the department, and thus far—December 16, 1924—five State banks have been permanently closed and two new banks organized. The closed banks were all small and located principally in the smaller towns.

It is evident that the "chain system" has no place in our State, and bank failures have been held to a comparatively low figure for the three hard years named.

It may seem presumptuous to question this bill. I am certain the committee of able Members took the course that to them seemed right and most expedient. To protect the Federal reserve system they were advised it is necessary to protect national banks that to-day are being discriminated against in States where branch banking is authorized by legislative enactment. Danger to the national banking system from this cause does not appear imminent, judging from the gradual increase in number of national banks and an increase of 300 per cent in resources compared to a 40 per cent increase in population during the last 30 years, as cited at the outset of these remarks. On the other hand, danger that branch banking will eventually wipe out individual banking is a matter of belief among conservative men, and they fear letting down the bars will follow the passage of the McFadden proposal.

## POURING OIL ON THE FLAMES

National banks should certainly be placed on a par with State banks in States that permit branch banking, provided such action does not constitute an added menace to the whole individual banking business of the country, but to my mind

this bill pours oil on the flames so far as the safety of the building is considered. Its passage will naturally result in an early movement toward congressional and State legislative enactments in breaking down the protection heretofore afforded individual banking. That movement will be swift and certain judging from the experience of other countries. The concentration of practically all other lines of business is now in a few hands, and it is fair to assume the money power which we profess to fear in business, politics, and government will be supreme when the bars have been let down for branch banking.

The Pujo congressional investigation disclosed tremendous strides in power already have been made by great financial concerns, particularly through interlocking directorates. Some legislative efforts to curb that power followed. With a surrender to the demand for branch banking by great interests, of which Mr. Bach and Mr. Platt, both of New York, are spokesmen, the time is not far distant when this country, like Canada, England, France, and Germany, will be under the domination of a handful of men and of a less number of banks than can be counted on the fingers of both hands. The next and final step is not far to take, for monopoly sooner or later becomes centered in one concern, and that will then control government as well as business.

I do not presume here to discuss the constant tendency of centralization in all lines of business tending toward one gigantic monopoly like Standard Oil that already controls banks, railways, and oil while the Sherman law that sought to unscramble the eggs, and every other legislative act of prevention, seems fruitless against monopoly.

"Big" business is the tendency the world over as testified in the committee hearings and it may seem hopeless to offer resistance because the spirit is found in the man who starts with an apple cart and soon controls all the apple carts of the city; with the man who from a small unit finally controls chain 10-cent stores, groceries, drugs, and other lines of business. It is human nature and so it is idle to prophesy what the situation will be when practically every line of business will have become absorbed by one central controlling financial power with all others subordinated to branch agencies or insignificant cogs in a wheel that eventually may break from the force of its own revolutions.

Naturally we of to-day are more concerned in the present and with existing problems of business and government than with what will occur 10, 20, or 50 years hence and no solution to such problems is here suggested. When Shylock's pound of flesh was denied and fixed interest limitations were secured by usury laws, public sentiment took a pronounced stand against greed and cupidity.

Unlimited profits, avoidance of tax laws, and rapid consolidations of various lines of business into monopolies are exercised to-day by those who believe Government should keep hands off without restrictions.

The bill before us extends branch banking to national banks for the assumed maintenance of our Federal financial system. The bill is only an expedient at best. Who can justify limiting national banks to one or two branches in cities of a certain size when State banks across the street may have 60 or more branches in the same State, as in cases cited in California? If a national bank is dependent upon its branches for ability to compete, it will soon demand the same privileges as the State bank; and if not given, it will then surrender its national-bank charter. Why not, unless some special privilege is possessed to offset the disadvantage? Or if the Federal Reserve Board here seeking relief recommends branch banking for national banks irrespective of State laws, what will be the result?

#### TWO HORNS IN THE BRANCH-BANKING SITUATION

If branch banking is the beginning of the end, as suggested by witnesses before the committee and as evidenced by the experience of other countries, then why not scotch the snake before it gets a stronger hold on the country; or if it can not be destroyed or controlled, then why place unjust restrictions on national banks that seek to compete with State banks?

I hold no brief to represent individual bankers in my State or in any other State, and yet I can not believe that this bill offers protection to bankers, State or National, anywhere, although it purports to limit branch banking by giving national banks new branch-banking privileges in certain States, to be extended to all States if Mr. Platt is an authorized spokesman for the Federal Reserve Board.

I do not offer any praise for our pioneer bankers, many of whom still remain in control among the thousands of individual banks scattered throughout the country. Their encouragement, both financially and by advice, has been of untold value

in building up the country, and the policy thus inaugurated has given financial and business backbone to countless communities where confidence and faith were needed to insure success. Neither do I offer any statement as to branch-banking conditions such as exist in Canada, England, France, and other countries, and in California in our own country. Comptroller Dawes has covered the question completely, and President Morrish sums it up in a sentence when he says the individual banker's short struggle against the powerful branch-banking establishment, if protection is withdrawn, would be another case of the wolf and lamb, with the wolf lying on the outside.

The problem is real and should be squarely faced if any relief or protection can be offered. To my mind it presents two alternatives with the middle of the road policy taken by this bill affording no hope to the individual banker, whether State or National, or to the countless communities that are equally interested in the maintenance of individual banking.

Congress, of course, has no power to control State banks and it is a question how far Congress can squarely meet the situation. What added banking privileges, if any, can be given by Congress to individual banks to offset or curtail the branch-banking race for power? What restrictions can be placed upon branch banking by Congress that will discourage destruction of the great individual banking system which has been the pioneer in America's development? What, if any, control of the mails or of interstate commerce or by its taxing power can be undertaken by Congress to meet the situation? These are not original suggestions and I know have to some extent been considered by able members of the banking committee.

Several years ago, when discussing the case of *Bailey v. Drexel Furniture Co.*, 259 U. S., p. 20 (child-labor case), I remember an opinion therein of Chief Justice Taft wherein he said:

It is the high duty and function of this court in cases regularly brought to its bar to decline to recognize or enforce seeming laws of Congress dealing with subjects not intrusted to Congress, but left or committed by the supreme law of the land to the control of the States. We can not avoid duty, even though it requires us to refuse to give effect to legislation designed to promote the highest good.

That court then set aside the child labor law because it was only a "seeming law." *Veazie Bankers v. Fenno* (8 Wallace 533) is cited in the *Bailey* decision and therein was distinguished. It relates to taxation of circulating notes of State banks increased to a rate of 10 per cent, or a 900 per cent increase. The highest court sustaining that law then said:

The first answer to this is that the judicial can not prescribe to the legislative departments of the Government limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts but to the people by whom its members are elected.

The power of Congress is set forth quite fully in the briefs offered in the *Bailey* case, whereby the taxing power has been exercised for social and economic ends, although denied by the court in the child-labor case.

Those who have the responsibility for banking legislation are more acquainted with the facts and the law than the average member, so that I do not assume to propose legislation to meet the situation, even if the Supreme Court or a majority of its members permits Congress to act when the constitutionality of such legislative action is challenged.

I do contend that if nothing can be done to prevent the growth of branch banking then this bill should not restrict national banks to limitations that will hamper competition with State banks now having unlimited branch-banking privileges. It seems to me there is no escaping this conclusion.

I do believe that something should be attempted to restrict or prevent the present wild race in branch banking, and if found impossible under existing legislative powers, then by constitutional amendment, which is sometimes an alternative whereby to overrule five to four court decisions.

Let me say in conclusion that great banking interests of the country that enjoy branch banking in New York City are already more powerful than Congress or any educational or industrial agency of the country. Eventually they will be merged into one or more financial concerns that will then largely dominate our industrial, financial, and political life.

If after studying the facts our banks, or any considerable portion, are persuaded that branch banking is a good thing for the country, or that this bill will not be harmful, then the prairie fire which eventually will wipe out independent banking is for them to handle, and the community interest which they represent is in their hands.

My protest is lodged against a system that is rapidly undermining our individual banking business. If the destruction can not be stayed because of our dual system of government, or if the principle of branch banking is to be formally approved by the Federal Government, then, I submit, all restrictions contained in the pending bill where branch banking is permitted or which restrains national banks from fully competing with State banks should be removed. The influence of the Federal Reserve Board that approves national branch banking in all States will soon remove the remaining restrictions. Individual banking must yield to branch banking unless the situation is met by drastic legislation. This bill, in my judgment, is an additional wedge against the individual banking system.

AMERICAN BANKERS' RESOLUTION IN 1922 OPPOSES BRANCH BANKING

The American Bankers' Association, comprising 23,000 members, at its annual session in October, 1922, adopted the following resolution:

*Resolved by the American Bankers' Association, That we view with alarm and hereby express our disapproval of and opposition to branch banking in any form in the United States.*

*Resolved, That we regard branch banking or the establishment of additional officers by banks as detrimental to the best interests of the people of the United States. Branch banking is contrary to public policy, violates the basic principles of our Government, and concentrates the credit of the Nation and the power of money in the hands of the few.*

The answer to this resolution and many others of like character that might be submitted is possibly that the McFadden bill only gives limited branch-banking rights to certain national banks in order to preserve the Federal reserve system. A clipping credited to the American Banker, New York, is as follows:

We believe with Mr. Crissinger that the best thing is not to have branch banking in any form, and we also believe that the preservation of our independent system is more important even than the preservation of our national banking system. Let us hope that the comptroller, instead of encouraging national banks to go into branch banking from a defensive viewpoint, will cooperate in legislation to stop the extension of branch banking in the States.

(Memorandum by Wisconsin's State Banking Commission)

BRANCH BANKING

Even as amended the McFadden bill is a dangerous measure and certainly should not be supported by independent bankers.

1. The Hull amendment, upon the strength of which the United States Bankers' Association Opposed to Branch Banking has withdrawn its opposition to the McFadden bill, is not a part of this bill as reported for passage to the House. The independent bankers no doubt have assurance from Mr. McFadden and the supporters of this bill that they will accept the Hull amendment, but this must be done on the floor. Probably there will be no hocus pocus in this matter, but the independent bankers can scarce afford not to watch developments very closely when the bill actually comes up for passage.

FUTURE AMENDMENTS WILL REMOVE RESTRICTIONS

2. Despite the Hull amendment there is no real guaranty that national banks located in States which do not now permit branch banking will not hereafter be permitted to establish branches. One Congress can not bind another; and even if the Hull amendment is adopted, a subsequent Congress can always extend the permission for branch banking. It seems to me, moreover, that if the McFadden bill becomes law it will prove very difficult to defeat attempts made to extend the permission given to national banks to establish branches in other States which, subsequent to the passage of this bill, legalize branch banking. If, for instance, Illinois should hereafter legalize branch banking, what possible argument can be made against permitting national banks in Illinois to establish branches, in view of the fact that this McFadden bill allows national banks in California and other States to establish branches on the theory that this is necessary to meet the competition of State banks which are allowed to have branches. If branch banking is once recognized by Congress anywhere, no amendment to the effect that the question whether branches are to be permitted or not in a given State is to be settled on the basis whether at the time of the passage of this act such State authorized branch banking will for any considerable length of time check the demand for the legalization of branch banking everywhere. The very fact that Congress has legalized branch banking in some States will compel it to legalize it ultimately in all States, or at least in all States whose laws may hereafter be amended to permit State banks to operate branches.

NATIONAL BANKS TO START THE BALL ROLLING

3. There is real danger that the McFadden bill itself may be interpreted as legalizing branch banking in many States in which the State banks can not now establish branches. This danger arises because six States—Alabama, Florida, Indiana, New Jersey, Washington, and Wisconsin—in their laws against branch banking allowed State banks which had already established branches to continue these branches.

Section 8 of the McFadden bill prohibits national banks from establishing branches "in any State which does not by law or regulation authorize banks created or existing under the laws of such State to own, establish, maintain, and operate such banks." Since in these six States some of the banks now actually have branches, it is at least a possible construction of section 8 of the McFadden bill that national banks may establish branches in these States.

This danger is illustrated by our situation in Wisconsin. Our laws against branch banking reads as follows: (Stat. 1923, sec. 221.04(1) (f)) " \* \* \* but no bank shall establish more than one office of deposit and discount or establish branch offices or branch banks, provided that this prohibition shall not apply to any branch office or bank established prior to May 14, 1909." Under the proviso in this statute three State banks in Wisconsin now operate branches (which were all established prior to May 14, 1909), namely, the Bank of Wisconsin, at Madison; the Marshall & Hsley Bank and the Second Ward Savings Bank, both of Milwaukee. These branches are recognized by our law and are in all respects lawful. In view of this fact I query whether Wisconsin is a State "which does not by law or regulation authorize banks created or existing under the laws of such State to own, establish, maintain, and operate such banks" within the meaning of section 8 of the McFadden bill. If this bill does mean that national banks can hereafter establish branches in Wisconsin, they are thereby granting a privilege denied to State banks in this State.

THE PROBLEM IN A NUTSHELL

Commissioner Parker, of Wisconsin, hits the nail squarely on the head when he says no Congress can bind its successor. One legislative body, whether State or National, will struggle and quibble over hair-splitting amendments in an effort to overcome objections and finally compromise with objectors. A bill heralded as an important compromise may then be accepted and approved by all parties concerned. Next session thereafter those with financial or other business interests to be served again appear on the scene, while those who have struggled for the unorganized side finally yield to systematic hammering from the powerful lobby that ever supports self-interest and is always on the job. The next Congress or next legislature can then be depended upon to widen the gap and push wide open all legislative doors.

The compromise McFadden branch banking bill, with or without the Hull amendment, gives Federal recognition and will be interpreted to give approval to branch banking both by the Federal Government and by States that have been heretofore opposed to the proposition. Henceforth it is to be a race without limit until independent banking in this country will have been laid away permanently alongside many thousands of individual banking graves in Canada, England, Scotland, France, and other countries.

Let us not deceive ourselves as to the issue or outcome offered by the McFadden branch banking bill.

A PROTEST AND AFFIRMATIVE PROPOSAL

No effort has been made to organize opposition to the McFadden bill. That is a field for others to undertake if the facts warrant. I am content to submit the objections here offered, but among protests received by me as late as December 29, this year, the following resolution passed unanimously by the Kansas State Bankers' Association speaks for itself. I submit the resolution as a part of my remarks because it comes from a reputable organization, presents a vigorous protest against the McFadden bill and also a constructive program for meeting and overcoming the branch-banking menace.

Resolution passed unanimously by the Kansas State Bankers' Association at Wichita, Kans., October 24, 1924

*Resolved by the Kansas State Bankers' Association in annual convention at Wichita, Kans., assembled, That we hereby reaffirm our opposition to and condemnation of branch banking in any form, in city, State, or Nation. We deplore the present-day attempt by some bankers to multiply branch banks.*

We believe that our marvelous economic development and great prosperity are due to our independent system of banking, which is democratic and in keeping with the traditions of our people.

Instead of passing a law to increase the number of branch banks and thus give national recognition to a practice conceded by all authorities to be monopolistic and dangerous to our economic welfare,

we respectfully petition the Members of the House of Representatives and the Senate of the Congress of these United States to enact legislation prohibiting any bank in the United States from having and operating branches. And we suggest this could be accomplished in any one of three ways.

(1) By prohibiting any bank with branches being a member of the Federal reserve system.

(2) By taxing branch banks out of business in the manner in which Congress, in 1863, taxed State bank currency 10 per cent and stopped its issue.

(3) By prohibiting any bank with branches from using the United States mails.

#### CALL OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I make the point of order we have not a quorum present.

The SPEAKER. The gentleman from Texas makes the point of order there is no quorum present. It is clear there is not a quorum present.

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

A call of the House was ordered.

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

[Roll No. 14]

Ackerman	Edmonds	McLaughlin, Nebr.	Rogers, N. H.
Anthony	Fairchild	McLeod	Rouse
Arnold	Fairfield	McNulty	Sabath
Bacharach	Fitzgerald	McSwain	Salmon
Bacon	Fredericks	McSweeney	Sanders, Ind.
Beers	Free	MacGregor	Sanders, N. Y.
Bell	French	MacLafferty	Schafer
Berger	Fulbright	Magee, Pa.	Schall
Bixler	Fulmer	Martin	Scott
Bloom	Gallivan	Mead	Seger
Boles	Garrett, Tenn.	Merritt	Shallenberger
Bowling	Geran	Michaelson	Sherwood
Boylan	Gibson	Miller, Ill.	Shreve
Brand, Ohio	Gifford	Milligan	Simmons
Brand, Ga.	Glatfelter	Mills	Sites
Briggs	Goldsborough	Minahan	Smithwick
Browne, N. J.	Graham	Mooney	Snell
Brumm	Green	Moore, Ill.	Snyder
Buckley	Griffin	Moore, Ohio	Speaks
Burton	Hammer	Morgan	Spearing
Byrnes, S. C.	Hastings	Morin	Stalker
Carew	Haugen	Morris	Steagall
Casey	Hawes	Nelson, Me.	Stephens
Celler	Hickey	Newton, Mo.	Stevenson
Christopherson	Hill, Ala.	Nolan	Strong, Pa.
Clancy	Holiday	O'Brien	Sullivan
Clark, Fla.	Hooker	O'Connell, N. Y.	Summers, Wash.
Clarke, N. Y.	Howard, Nebr.	O'Connell, R. I.	Sweet
Cole, Ohio	Hull, Tenn.	O'Connor, La.	Swoope
Collins	Johnson, W. Va.	O'Connor, N. Y.	Taber
Connally, Tex.	Johnson, Tex.	O'Sullivan	Tague
Conner	Jost	Oliver, N. Y.	Taylor, Tenn.
Connolly, Pa.	Kearns	Oliver, Ala.	Temple
Cooper, Ohio	Keller	Paige	Tinkham
Corning	Kelly	Parks, Ark.	Tucker
Crosser	Kendall	Peavey	Tydings
Cullen	Kent	Peery	Upshaw
Curry	Kerr	Perkins	Wainwright
Dallinger	Kindred	Perlman	Ward, N. Y.
Darrow	Knutson	Phillips	Ward, N. C.
Davey	Kunz	Porter	Weaver
Deal	Langley	Prall	Weller
Dempsey	Larson, Minn.	Quayle	Welsh
Denison	Lazaro	Ramseyer	Wertz
Dickstein	Lehlbach	Ransley	Wilson, Ind.
Dominick	Lilly	Reed, N. Y.	Winslow
Doughton	Lindsay	Reed, Ark.	Wolf
Doyle	Logan	Reed, W. Va.	Woodrum
Drane	Lowrey	Richards	Wright
Drewry	Luce	Roach	Zihlman
Driver	Lyon	Robson, Ky.	
Eagan	McDuffie	Rogers, Mass.	

The SPEAKER. Two hundred and twenty-five Members have answered to their names. A quorum is present.

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

The SPEAKER. Without objection it is so ordered.

There was no objection.

The doors were opened.

#### EXTENSION OF REMARKS

Mr. WINGO. Mr. Speaker, I wish to renew my request to extend my remarks by printing in the RECORD an editorial which appeared in the Washington Post of yesterday, by Col. George Harvey, on the French debt.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to extend his remarks by printing the editorial mentioned. Is there objection?

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, did I understand the gentleman to say it is an editorial?

Mr. WINGO. Yes.

Mr. UNDERHILL. I object.

#### TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10982) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes; and pending that motion, I would like to ask the gentleman from Tennessee [Mr. BYRNS] whether we can agree upon the time for general debate.

Mr. BYRNS of Tennessee. I will say to the gentleman that I have had several requests made of me recently for time involving possibly an hour in addition to such time as I may want to consume. I do not know whether there will be any further requests on this side or not.

Mr. MADDEN. What would the gentleman think about three hours, an hour and a half on each side?

Mr. BYRNS of Tennessee. Could the gentleman make it two hours on each side? I do not know whether we will need it all on this side or not, but other requests may come in.

Mr. MADDEN. Then, Mr. Speaker, I ask unanimous consent that general debate continue for not exceeding four hours, two hours to be controlled by the gentleman from Tennessee and two hours by myself.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I presume the gentleman from Illinois is going to be liberal with us under the five-minute rule?

Mr. MADDEN. Yes.

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

Mr. MADDEN. Yes, indeed.

Mr. BLANTON. This bill appropriates for two departments and seeks to appropriate \$763,000,000, which is \$11,890,000 more than the similar bill of last year. How does the gentleman account for the \$11,000,000 increase under the present policy of economy?

Mr. MADDEN. I am not sure it is that amount; but if so, it is due to the fact that the increase in the business of the Post Office Department is about 7 per cent per annum, and that is \$22,000,000.

Mr. BLANTON. But while we are increasing it \$11,890,000 does not the gentleman from Illinois, who is a friend of the postal employees, believe we ought to put the money in this bill to take care of the bill which is going to be passed over the President's veto?

Mr. MADDEN. I will answer that question a little later.

Mr. BYRNS of Tennessee. I want to say in further answer to the request of the gentleman from Illinois that I suspect we will not consume over an hour and a half on this side.

Mr. MADDEN. Then, Mr. Speaker, I wish to modify my request and ask unanimous consent that general debate be confined to not exceeding three hours' time, one hour and a half to be controlled by the gentleman from Tennessee and one hour and a half by myself.

The SPEAKER. The gentleman from Illinois asks unanimous consent that general debate be limited to not exceeding three hours, one-half to be controlled by himself and one-half by the gentleman from Tennessee [Mr. BYRNS]. Is there objection?

There was no objection.

#### HOUDON BUST OF WASHINGTON

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State recommending an appropriation of \$1,000 for the purpose of securing a replica of the Houdon bust of Washington for lodgment in the Pan American Building in fulfillment of a decision that each Government which is a member of the Pan American Union should present a white marble bust, with a suitable pedestal, of the national hero of such country.

The request of the Secretary of State has my approval, and I strongly recommend the request to the favorable consideration of Congress.

CALVIN COOLIDGE.

THE WHITE HOUSE,

Washington, December 29, 1924.

#### TREASURY AND POST OFFICE APPROPRIATION BILL

The motion of Mr. MADDEN was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

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

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

Mr. BLANTON. Reserving the right to object, would the gentleman from Illinois be willing for the bill to be printed in the RECORD without reading for the information of the country?

Mr. MADDEN. I am willing to have it printed.

Mr. BLANTON. With that understanding, I will not object.

The CHAIRMAN. The Chair hears no objection, and it is so ordered.

The bill is as follows:

*Be it enacted, etc.,*

#### TITLE I—TREASURY DEPARTMENT

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1926, namely:

##### OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, \$12,000; Undersecretary of the Treasury, \$10,000; three Assistant Secretaries of the Treasury, and other personal services in the District of Columbia in accordance with the classification act of 1923, \$158,180; in all, \$180,180: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, or (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, and is specifically authorized by other law.

##### OFFICE OF CHIEF CLERK AND SUPERINTENDENT

Salaries: For the chief clerk, who shall be the chief executive officer of the department and who may be designated by the Secretary of the Treasury to sign official papers and documents during the temporary absence of the Secretary, Undersecretary, and Assistant Secretaries of the department, and for other personal services in the District of Columbia, in accordance with the classification act of 1923, \$261,324.

For the operating force of the Liberty loan and register's annex buildings and buildings for the accommodation of the Bureau of Internal Revenue and the necessary clerical assistance in the office of the chief clerk and superintendent, in accordance with the classification act of 1923, \$125,150.

For employees for the care and protection of buildings for the accommodation of such bureaus of the department as may be assigned thereto, in accordance with the classification act of 1923, \$24,435.

Treasury Department Annex, Pennsylvania Avenue and Madison Place: For personal services for the care, maintenance, and protection of the building, in accordance with the classification act of 1923, \$40,575.

Treasury garage: For personal services, in accordance with the classification act of 1923, \$6,300.

##### CONTINGENT EXPENSES, TREASURY DEPARTMENT

For newspaper clippings, financial journals, law books, city directories, and other books of reference relating to the business of the department, \$1,000.

For freight, expressage, telegraph, and telephone service, \$10,000.

For rent of buildings in the District of Columbia for the use of the Treasury Department, \$12,500.

For purchase, exchange, maintenance, and repair of motor trucks and bicycles, and maintenance and repair of one passenger automobile for the Secretary of the Treasury, all to be used for official purposes only, \$7,000.

For purchase of file holders and file cases, \$4,000.

For purchase of coal, wood, engine oils, and grease, grate baskets and fixtures, blowers, coal hods, coal shovels, pokers, and tongs, \$20,000.

For purchase of gas, electric current for lighting and power purposes, gas and electric-light fixtures, electric-light wiring and material, candles, candlesticks, droplights and tubing, gas burners, gas torches, globes, lanterns, and wicks, \$21,000.

For washing and hemming towels, purchase of awnings and fixtures, window shades and fixtures, alcohol, benzine, turpentine, varnish, baskets, belting, bellows, bowls, brooms, buckets, brushes, canvas, crash, cloth, chamois skins, cotton waste, door and window fasteners, dusters; flower garden, street, and engine hose; lace leather, lye, nails, oils, plants, picks, pitchers, powders, stencil plates, hand stamps and repairs of same, spittoons, soap, matches, match safes, sponges, tacks, traps, thermometers, toilet paper, tools, towels, towel racks, tumblers, wire, zinc, and for blacksmithing, repairs of machinery, removal of rubbish, sharpening tools, street-car fares not exceeding \$300, advertising for proposals, and for sales at public auction in the District of Columbia of condemned property belonging to the Treasury Department, payment of auctioneer fees, and purchase of other absolutely necessary articles, \$13,000.

For purchase of labor-saving machines and supplies for same, including the purchase and exchange of registering accountants, numbering machines, and other machines of a similar character, including time stamps for stamping date of receipt of official mail and telegrams, and repairs thereto, and purchase of supplies for photographic copying machines, \$14,000.

For purchase of carpets, carpet border and lining, linoleum, mats, rugs, matting, and repairs, and for cleaning, cutting, making, laying, and relaying of the same, by contract, \$500.

For purchase of boxes, book rests, chairs, chair cane, chair covers, desks, bookcases, clocks, cloth for covering desks, cushions, leather for covering chairs and sofas, locks, lumber, screens, tables, typewriters, including the exchange of same, wardrobe cabinets, washstands, water coolers and stands, and for replacing other worn and unserviceable articles, \$4,500.

For operating expenses of the Treasury Department Annex No. 1 (Pennsylvania Avenue and Madison Place), including fuel, electric current, ice, ash removal, and miscellaneous items, \$13,000.

Darby Building: For heating, electric current, electrical equipment, ice, and miscellaneous items, \$4,500.

Stationery: For stationery, including tags, labels, and index cards, printed in the course of manufacture, packing boxes and other materials necessary for shipping stationery supplies, and freight for supplies purchased free on board factory, for the Treasury Department and its several bureaus and offices, \$437,760.

##### GENERAL SUPPLY COMMITTEE

Salaries: For personal services in the District of Columbia in accordance with the classification act of 1923 not exceeding \$75,000; necessary expenses, including office supplies and materials, maintenance of motor trucks, telegrams, telephone service, and traveling expenses, \$2,800; in all, \$77,800.

For salaries of employees, office equipment, fuel, light, electric current, telephone service, maintenance of motor trucks, and other necessary expenses for carrying into effect the Executive order of December 3, 1918, regulating the transfer of office materials, supplies, and equipment in the District of Columbia falling into disuse because of the cessation of war activities, \$43,700: *Provided*, That the said Executive order shall continue in effect until June 30, 1926, without modification, except that the price charged shall be the current market value at time of issue, less a discount for usage, but in no instance shall the discount be more than 25 per cent, and that the proceeds from the transfer of appropriations thereunder shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That the heads of the executive departments and independent establishments and the Commissioners of the District of Columbia shall cooperate with the Secretary of the Treasury in connection with the storage and delivery of material, supplies, and equipment transferred under the foregoing order and for effecting the transfer or disposition of other surplus and waste material or supplies: *Provided further*, That typewriters and computing machines transferred to the General Supply Committee as surplus, where such machines have become unfit for further use, may, in the discretion of the Secretary of the Treasury, be issued to other Government departments and establishments at exchange prices quoted in the current general schedule of supplies or sold commercially.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia may be made at cost by the General Supply Committee, payment therefor to be effected by transfer and counterwarrant, charging the proper appropriation and crediting the appropriation "General Supply Committee, transfer of office material, supplies, and equipment."

No part of any money appropriated by this or any other act shall be used during the fiscal year 1926 for the purchase of any standard typewriting machines, except bookkeeping and billing machines, at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: Ten inches (correspondence models), \$70; 12 inches, \$75; 14 inches, \$77.50; 16 inches, \$82.50; 18 inches, \$87.50; 20 inches, \$94; 22 inches, \$95; 24 inches, \$97.50; 26 inches, \$103.50; 28 inches, \$104; 30 inches, \$105; 32 inches, \$107.50.

All purchases of typewriting machines during the fiscal year 1926 by executive departments and independent establishments for use in the District of Columbia or in the field, except as hereinafter provided, shall be made from the surplus machines in the stock of the General Supply Committee. The War Department shall furnish the General Supply Committee, immediately upon the approval of this act, a complete inventory of the various makes, models, and classes of typewriters in its possession, the condition of such machines, and the point of storage, and shall turn over to the General Supply Committee such typewriting machines in such quantities as the Secretary of the Treasury from time to time may call for by specific requisition for sale to the various services of the Government. If the General Supply Committee is unable to furnish serviceable machines to any such service of the Government, it shall furnish unserviceable machines at current exchange prices, and such machines shall then be applied by the service of the Government receiving them as part payment for new machines from commercial sources in accordance with the prices fixed in the preceding paragraph. And in selling typewriting machines to the various services the General Supply Committee may accept an equal number of unserviceable machines as part payment thereon at the exchange prices quoted in the current general schedule of supplies.

#### OFFICE OF COMMISSIONER OF ACCOUNTS AND DEPOSITS

For Commissioner of Accounts and Deposits and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$20,040.

#### DIVISION OF BOOKKEEPING AND WARRANTS

For the chief of the division and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$164,386.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes for the collection, safe-keeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, salaries of special agents, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649 of the Revised Statutes, also including examinations of cash accounts at mints and cost of insurance on shipments of money by registered mail when necessary, \$200,000.

Recoinage of gold coins: For recoinage of uncurrent gold coins in the Treasury, to be expended under the direction of the Secretary of the Treasury, as required by section 3512 of the Revised Statutes, \$3,000.

Recoinage of minor coins: To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent minor coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coin, \$15,000.

#### DIVISION OF DEPOSITS

Salaries: For the chief of the division and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$17,400.

#### PUBLIC DEBT SERVICE

For necessary expenses connected with the administration of any public-debt issues and United States paper-currency issues with which the Secretary of the Treasury is charged, including rent in the District of Columbia and including the Commissioner of the Public Debt and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$3,260,000: *Provided*, That the amount to be expended for personal services in the District of Columbia shall not exceed \$3,113,414: *Provided further*, That the indefinite appropriation "Expenses of loans," act of September 24, 1917, as amended and extended, shall not be used during the fiscal year 1926 to supplement the appropriation herein made for the current work of the Public Debt Service.

For expenses incident to the discharge of the duties imposed upon the Secretary of the Treasury by the transportation act, 1920, the Federal control act, approved March 21, 1918, as amended, and for expenses arising in connection with loans and credits to foreign governments under the Liberty loan acts and the Victory Liberty loan act and in connection with credits granted or conditions entered into under the acts providing for the relief of populations in Europe and contiguous countries, and in connection with credits granted or conditions entered into under the act providing for the sale of surplus war material, including personal services in the District of Columbia, \$7,240.

Distinctive paper for United States securities: For distinctive paper for United States currency, national-bank currency, and Federal reserve bank currency, not exceeding 200,000,000 sheets, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and expense of officer detailed from the Treasury Department, \$50 per month when actually on duty; in all, \$1,407,775.

#### DIVISION OF APPOINTMENTS

Salaries: For the chief of the division, and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$60,880.

#### DIVISION OF PRINTING

Salaries: For the chief of the division, and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$56,240.

#### PRINTING AND BINDING

For printing and binding for the Treasury Department, including all of its bureaus, offices, institutions, and services located in Washington, District of Columbia, and elsewhere, including materials for the use of the bookbinder located in the Treasury Department, but not including work done at the New York customhouse bindery authorized by the Joint Committee on Printing in accordance with the act of March 1, 1919, \$834,750.

For postage required to prepay matter addressed to Postal Union countries, and for postage for the Treasury Department, \$1,000.

#### DIVISION OF MAIL AND FILES

Salaries: For the chief of the division, and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$20,200.

#### OFFICE OF DISBURSING CLERK

Salaries: For the disbursing clerk and other personal services in the District of Columbia, in accordance with "the classification act of 1923," \$54,040.

#### CUSTOMS SERVICE

Division of Customs: For personal services in the District of Columbia in accordance with "the classification act of 1923," \$64,000.

For collecting the revenue from customs, and for the detection and prevention of frauds upon the customs revenue, including not to exceed \$15,000 for the hire of motor-propelled passenger-carrying vehicles, \$16,467,200, of which such amount as may be necessary shall be available for salaries of general appraisers retired under the provisions of section 518 of the tariff act of 1922, and \$62,480 shall be available for personal services in the District of Columbia exclusive of eight persons from the field force authorized to be detailed under section 525 of the tariff act of 1922.

Scales for customs service: For construction and installation of special automatic and recording scales for weighing merchandise, etc., in connection with imports at the various ports of entry under direction of the Secretary of the Treasury, \$95,000.

Compensation in lieu of moieties: For compensation in lieu of moieties in certain cases under the customs laws, \$30,000.

#### BUREAU OF THE BUDGET

Director, \$10,000; Assistant Director, \$7,500; for all other necessary expenses of the bureau, including compensation of attorneys and other employees in the District of Columbia in accordance with "the classification act of 1923," telegrams, telephone service, law books, books of reference, periodicals, stationery, furniture, office equipment, other supplies, traveling expenses, street-car fares, per diem in lieu of subsistence not exceeding \$4 for officers and employees while absent from the seat of government on official duty, \$147,500; in all, \$165,000.

For printing and binding, \$25,000.

#### FEDERAL FARM LOAN BUREAU

##### SALARIES AND EXPENSES

Salaries: For six members of the board, at \$10,000 each; for personal services in the District of Columbia in accordance with "the classification act of 1923," and for personal services in the field, \$139,600; in all, \$199,600, payable from assessments upon Federal and joint-stock land banks, of which amount not to exceed \$133,180 may be expended for personal services in the District of Columbia;

For salaries of 12 reviewing appraisers at not to exceed \$5,000 each per annum, and the traveling expenses of such reviewing appraisers, \$30,000; in all, \$90,000, payable from assessments upon Federal and joint-stock land banks;

For traveling expenses of the members of the board and its officers and employees; per diem in lieu of subsistence, not exceeding \$4; and contingent and miscellaneous expenses, including books of reference and maps; and for the examination of national farm loan associations, including personal services and traveling expenses, \$128,000, payable from assessments upon Federal and joint-stock land banks: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$2,500 per annum: *Provided further*, That \$1,260 of this sum may be expended for clerk hire in the District of Columbia;

In all, Federal Farm Loan Bureau, \$417,600.

## OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries: For Treasurer of the United States, \$8,000; for personal services in the District of Columbia in accordance with the classification act of 1923, \$1,065,000; in all, \$1,073,000.

For personal services in the District of Columbia, in accordance with the classification act of 1923, in redeeming Federal reserve and national currency, \$405,000, to be reimbursed by the Federal reserve and national banks.

## OFFICE OF THE COMPTROLLER OF THE CURRENCY

Salaries: Comptroller of the Currency, \$5,000; for personal services in the District of Columbia, in accordance with the classification act of 1923, \$221,000; in all, \$226,000.

For personal services in the District of Columbia, in accordance with the classification act of 1923, in connection with Federal reserve and national currency, \$67,000, to be reimbursed by the Federal reserve and national banks.

For special examinations of national banks and bank plates, keeping macerator in Treasury Building in repair, and for other incidental expenses attending the working of the macerator, and for procuring information relative to banks other than national, \$1,500.

## INTERNAL REVENUE SERVICE

Office of the commissioner: Commissioner of Internal Revenue, \$10,000; for the assistant to the commissioner, three deputy commissioners, and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$810,000; in all, \$820,000.

For one stamp agent, \$1,860, to be reimbursed by the stamp manufacturers.

For salaries and expenses of collectors of internal revenue, deputy collectors, storekeepers, clerks, messengers, and janitors in internal-revenue offices, rent of offices outside of the District of Columbia, gaugers and storekeeper-gaugers at rates of compensation not in excess of those established for like services by "the classification act of 1923, telephone service, injuries to horses not exceeding \$250 for any horse crippled or killed, expenses of seizure and sale, and other necessary miscellaneous expenses in collecting internal-revenue taxes, \$4,450,000: *Provided*, That for purpose of concentration, upon the initiation of the Commissioner of Internal Revenue and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the commissioner shall prescribe the form and penal sums of bond covering distilled spirits in internal-revenue bonded warehouses, and in transit between such warehouses: *Provided further*, That no part of this amount shall be used in defraying the expenses of any officer, designated above, subpoenaed by the United States court to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts."

For expenses of assessing and collecting the internal-revenue taxes, including the employment of the necessary officers, attorneys, experts, agents, accountants, inspectors, deputy collectors, clerks, janitors, and messengers in the District of Columbia and the several collection districts, to be appointed as provided by law, telegraph and telephone service, rental of quarters outside the District of Columbia and not to exceed \$11,500 for rental of quarters in the District of Columbia, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, and other necessary miscellaneous expenses, and the purchase of such supplies, equipment, furniture, mechanical devices, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia and the several collection districts, \$31,750,000, of which amount not to exceed \$10,750,000 may be expended for personal services in the District of Columbia: *Provided*, That not more than \$100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal revenue laws or conniving at the same, including payments for information and detection of such violation.

For expenses to enforce the provisions of the national prohibition act and the act entitled "An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon, all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or cocoa leaves, their salts, derivatives, or preparations, and for other purposes," approved December 17, 1914, as amended by the revenue act of 1918 and the act entitled "An act to amend an act entitled 'An act to prohibit the importation and use of opium for other than medicinal purposes,' approved February 9, 1909," as amended by the act of May 26, 1922, known as "the narcotic drugs import and export act," including the employment of executive officers, agents, inspectors, chemists, assistant chemists, supervisors, clerks, and messengers in the field and in

the Bureau of Internal Revenue in the District of Columbia, to be appointed as authorized by law; not to exceed \$50,000 for dissemination of information and appeal for law observance and law enforcement, including the necessary printing in connection therewith; the securing of evidence of violations of the acts, and for the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books, and such other expenditures as may be necessary in the District of Columbia and the several field offices, and for rental of necessary quarters; in all, \$11,000,000, of which amount not to exceed \$1,300,000 may be expended for personal services in the District of Columbia: *Provided*, That not to exceed \$1,329,440 of the foregoing sum shall be expended for enforcement of the provisions of the said acts of December 17, 1914, and May 26, 1922: *Provided further*, That not to exceed \$50,000 of the total amount appropriated shall be available for advances to be made by special disbursing agents when authorized by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury, the provisions of section 3648 of the Revised Statutes to the contrary notwithstanding: *Provided further*, That no money herein appropriated for the enforcement of the national prohibition act, the customs laws, or internal revenue laws, shall be used to pay for storage in any private warehouse of intoxicating liquors or other property in connection therewith seized pursuant to said acts and necessary to be stored, where there is available for that purpose space in a Government warehouse or other suitable Government property in the judicial district wherein such property was seized, or in an adjacent judicial district, and when such seized property is stored in an adjacent district the jurisdiction over such property in the district wherein it was seized shall not be affected thereby.

## COAST GUARD

Office of the commandant: For personal services in the District of Columbia in accordance with the classification act of 1923, \$220,000.

The services of skilled draftsmen and such other technical services as the Secretary of the Treasury may deem necessary, may be employed only in the office of the Coast Guard in connection with the construction and repair of Coast Guard vessels and boats, to be paid from the appropriation "Repairs to Coast Guard vessels and boats": *Provided*, That the expenditures on this account for the fiscal year 1926 shall not exceed \$10,000. A statement of the persons employed hereunder, their duties, and the compensation paid to each shall be made to Congress each year in the Budget.

For every expenditure requisite for and incident to the authorized work of the Coast Guard, as follows, including not to exceed \$1,000 for purchase, exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, to be used only for official purposes;

For pay and allowances prescribed by law for commissioned officers, cadets and cadet engineers, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, and surfmen, substitute surfmen, and one civilian instructor, \$13,675,035;

For rations or commutation thereof for petty officers and other enlisted men, \$727,000;

For fuel and water for vessels, stations, and houses of refuge, \$2,780,000;

For outfits, ship chandlery, and engineers' stores for the same, \$1,300,000;

For rebuilding and repairing stations and houses of refuge, temporary leases, rent, and improvements of property for Coast Guard purposes, including use of additional land where necessary, \$289,800;

For carrying out the provisions of the act of June 4, 1920, \$30,000;

For mileage and expenses allowed by law for officers; and actual traveling expenses, per diem in lieu of subsistence not exceeding \$4, for other persons travelling on duty under orders from the Treasury Department, including transportation of enlisted men and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof, \$250,000;

For draft animals and their maintenance, \$27,000;

For coastal communication lines and facilities and their maintenance, \$50,000;

For compensation of civilian employees in the field, including clerks to district superintendents, \$79,000;

For contingent expenses, including communication service, subsistence of shipwrecked persons succored by the Coast Guard, for the recreation, amusement, comfort, contentment, and health of the enlisted men of the Coast Guard, to be expended in the discretion of the Secretary of the Treasury, not exceeding \$15,000; wharfage, towage, freight, storage, repairs to station apparatus, advertising, surveys, medals, labor, newspapers and periodicals for statistical purposes, and all other necessary expenses which are not included under any other heading, \$220,000;

For repairs to Coast Guard vessels and boats, \$950,000;

Total Coast Guard, exclusive of commandant's office, \$20,377,835.

## BUREAU OF ENGRAVING AND PRINTING

Office of director: For the director, one assistant director, and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$455,540.

For the work of engraving and printing, exclusive of repay work, during the fiscal year 1926, of not exceeding 190,242,300 delivered sheets of United States currency and national-bank currency, 95,075,700 delivered sheets of internal-revenue stamps, 130,000 delivered sheets of customs stamps, 2,700,000 delivered sheets of withdrawal permits, 550,000 delivered sheets of opium orders and special-tax stamps required under the act of December 17, 1914, and 7,241,817 delivered sheets of checks, drafts, and miscellaneous work, as follows:

For salaries of all necessary employees, other than employees required for the administrative work of the bureau of the class provided for and specified in the Treasury Department appropriation act for the fiscal year 1925, and plate printers and plate printers' assistants, to be expended under the direction of the Secretary of the Treasury, \$3,631,833: *Provided*, That no portion of this sum shall be expended for printing United States notes or Treasury notes of larger denominations than those that may be canceled or retired, except in so far as such printing may be necessary in executing the requirements of the act "To define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," approved March 14, 1900.

For wages of plate printers, at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work, including the wages of printers' assistants, when employed, \$1,780,000, to be expended under the direction of the Secretary of the Treasury: *Provided*, That no portion of this sum shall be expended for printing United States notes or Treasury notes of larger denominations than those that may be canceled or retired, except in so far as such printing may be necessary in executing the requirements of the act "to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," approved March 14, 1900.

For engravers' and printers' materials and other materials except distinctive paper, miscellaneous expenses, including paper for internal-revenue stamps, and for purchase, maintenance, and driving of necessary motor-propelled and horse-drawn passenger-carrying vehicles, when, in writing, ordered by the Secretary of the Treasury, \$1,404,157, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1926 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriation for said bureau for the said fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the act of August 4, 1886 (24 Stat. p. 227), shall be credited when received to the appropriation for said bureau for the fiscal year 1926.

#### SECRET SERVICE

Secret Service Division, salaries: For the chief of the division and other personal services in the District of Columbia in accordance with "the classification act of 1923," \$25,680.

Suppressing counterfeiting and other crimes: For expenses incurred under the authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction dealers and pretended dealers in counterfeit money and persons engaged in counterfeiting, forging, and altering United States notes, bonds, national-bank notes, Federal reserve notes, Federal reserve bank notes, and other obligations and securities of the United States and of foreign governments, as well as the coins of the United States and of foreign governments, and other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; hire and operation of motor-propelled passenger-carrying vehicles when necessary; per diem in lieu of subsistence, when allowed pursuant to section 13 of the sundry civil appropriation act approved August 1, 1914, and for no other purpose whatever, except in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, \$450,000: *Provided*, That no part of this amount be used in defraying the expenses of any person subpoenaed by the United States courts to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts": *Provided further*, That no person shall be employed hereunder at a compensation greater than that allowed by law.

#### PUBLIC HEALTH SERVICE

Salaries, Office of Surgeon General: For personal services in the District of Columbia, in accordance with the classification act of 1923, \$101,560.

For pay, allowance, and commutation of quarters for commissioned medical officers, including the Surgeon General, assistant surgeon gen-

erals at large not exceeding three in number, and pharmacists, \$1,110,000.

For pay of acting assistant surgeons (noncommissioned medical officers), \$315,000.

For pay of all other employees (attendants, etc.), \$1,020,000.

For freight, transportation, and traveling expenses, including the expenses, except membership fees, of officers when officially detailed to attend meetings of associations for the promotion of public health, \$25,000.

For maintaining the Hygienic Laboratory, \$43,400.

For preparation for shipment and transportation to their former homes of remains of officers who die in the line of duty, \$3,000.

For journals and scientific books, \$500.

For medical examinations, including the amount necessary for the medical inspection of aliens, as required by section 16 of the act of February 5, 1917, medical, surgical, and hospital services and supplies for beneficiaries (other than patients of the United States Veterans' Bureau) of the Public Health Service and persons detained under the immigration laws and regulations at Ellis Island Immigration Station, including necessary personnel, regular and reserve commissioned officers of the Public Health Service, personal services in the District of Columbia and elsewhere, maintenance, minor repairs, equipment, leases, fuel, lights, water, freight, transportation and travel, maintenance and operation of motor trucks and passenger motor vehicles, transportation, care, maintenance, and treatment of lepers, court costs, and other expenses incident to proceedings heretofore or hereafter taken for commitment of mentally incompetent persons to hospitals for the care and treatment of the insane, and reasonable burial expenses (not exceeding \$100 for any patient dying in hospital), \$5,211,285, of which not to exceed \$257,778 may be expended for personal services in the District of Columbia: *Provided*, That the Immigration Service shall permit the Public Health Service to use the hospitals at Ellis Island Immigration Station for the care of Public Health Service patients free of expense for physical upkeep, but with a charge of actual cost of fuel, light, water, telephone, and similar supplies and services, to be covered into the proper Immigration Service appropriations; and moneys collected by the Immigration Service on account of hospital expenses of persons detained under the immigration laws and regulations at Ellis Island Immigration Station shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That no part of this sum shall be used for the quarantine service, the prevention of epidemics, or scientific work of the character provided for under the appropriations which follow:

All sums received by the Public Health Service during the fiscal year 1926, except allotments and reimbursements on account of patients of the United States Veterans' Bureau, shall be covered into the Treasury as miscellaneous receipts.

Quarantine service: For maintenance and ordinary expenses, exclusive of pay of officers and employees, of United States quarantine stations, \$470,000.

Prevention of epidemics: To enable the President, in case only of threatened or actual epidemic of cholera, typhus fever, yellow fever, smallpox, bubonic plague, Chinese plague or black death, trachoma, influenza, Rocky Mountain spotted fever, or infantile paralysis, to aid State and local boards or otherwise, in his discretion, in preventing and suppressing the spread of the same, and in such emergency in the execution of any quarantine laws which may be then in force, \$328,772, including the purchase of newspapers and clippings from newspapers containing information relating to the prevalence of disease and the public health.

Field investigations: For investigations of diseases of man and conditions influencing the propagation and spread thereof, including sanitation and sewage, and the pollution of navigable streams and lakes of the United States, including personal service, \$282,054.

Interstate quarantine service: For cooperation with State and municipal health authorities in the prevention of the spread of contagious and infectious diseases in interstate traffic, \$22,530.

Rural sanitation: For special studies of, and demonstration work in, rural sanitation, including personal services, and including not to exceed \$5,000 for the purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, \$75,000: *Provided*, That no part of this appropriation shall be available for demonstration work in rural sanitation in any community unless the State, county, or municipality in which the community is located agrees to pay one-half the expenses of such demonstration work.

Biologic products: To regulate the propagation and sale of viruses, serums, toxins, and analogous products, including arsenamine, and for the preparation of curative and diagnostic biologic products, including personal services of reserve commissioned officers and other personnel, \$45,000.

For the maintenance and expenses of the Division of Venereal Diseases, established by sections 3 and 4, Chapter XV, of the act approved July 9, 1918, including personal and other services in the field and in the District of Columbia, \$50,000.

## MINTS AND ASSAY OFFICES

## OFFICE OF THE DIRECTOR OF THE MINT

Salaries: For the Director of the Mint and other personal services in the District of Columbia, in accordance with the classification act of 1923, \$32,140.

For freight on bullion and coin, by registered mail or otherwise, between mints and assay offices, \$7,500.

For contingent expenses of the Bureau of the Mint, to be expended under the direction of the director: For assay laboratory chemicals, fuel, materials, balances, weights, and other necessities, including books, periodicals, specimens of coins, ores and incidentals, \$900.

For examinations of mints, expense in coining mints for the purpose of superintending the annual settlements, and for special examinations and for the collection of statistics relative to the annual production and consumption of the precious metals in the United States, \$5,100.

## CARSON CITY (NEV.) MINT

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$5,280.

For incidental and contingent expenses, \$600.

## DENVER (COLO.) MINT

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$156,710.

For incidental and contingent expenses, including new machinery and repairs, wastage in melting and refining department and coining department, and loss on sale of sweeps arising from the treatment of bullion and the manufacture of coin, \$50,000.

## NEW ORLEANS (LA.) MINT

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$9,960.

For incidental and contingent expenses, \$1,500.

## PHILADELPHIA MINT

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$600,000.

For incidental and contingent expenses, including new machinery and repairs, cases and enameling for medals manufactured, expenses of the annual assay commission, wastage in melting and refining and in coining departments, and loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, and not exceeding \$1,000 in value of specimen coins and ores for the cabinet of the mint, \$110,000.

## SAN FRANCISCO (CALIF.) MINT

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$256,000.

For incidental and contingent expenses, including new machinery and repairs, wastage in the melting and refining department and in the coining department, and loss on sale of sweeps arising from the treatment of bullion and the manufacture of coin, \$57,500.

## BOISE (IDAHO) ASSAY OFFICE

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$6,340.

For incidental and contingent expenses, \$1,000.

## HELENA (MONT.) ASSAY OFFICE

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$5,280.

For incidental and contingent expenses, \$1,000.

## NEW YORK ASSAY OFFICE

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$260,000.

For incidental and contingent expenses, including new machinery and repairs, wastage in the melting and refining department, and loss on sale of sweeps arising from the treatment of bullion, \$90,000.

## SEATTLE (WASH.) ASSAY OFFICE

Salaries: For compensation of officers and employees at rates corresponding as nearly as may be practicable to the rates established by

the classification act of 1923 for similar positions in the departmental services in the District of Columbia, \$19,230.

For incidental and contingent expenses, \$6,000.

## PUBLIC BUILDINGS

## OFFICE OF SUPERVISING ARCHITECT

Salaries: For the Supervising Architect, and other personal services in the District of Columbia in accordance with the classification act of 1923, \$275,920.

## PUBLIC BUILDINGS, CONSTRUCTION AND RENT

Birmingham (Ala.) post office and courthouse: For extension of mailing platform and changes in approaches, and miscellaneous minor items, \$25,000.

Brooklyn (N. Y.) post office: For extension of toilet room and miscellaneous changes incident thereto, \$50,000.

Chicago (Ill.) post office, courthouse, etc.: For renewing part of downspouts, plumbing, and heating pipes, and work incident thereto, \$75,000.

Ellsworth (Me.) post office and customhouse: For construction of retaining wall, grading, extension, and repairs to driveway and sidewalk, etc., \$15,000.

Louisville (Ky.) post office: For new conduit and wiring system, and lighting fixtures, \$25,000.

Mobile (Ala.) customhouse and post office: For remodeling first story, including mechanical equipment; lavatories in second story, \$15,000.

St. Louis (Mo.) post office: For reconstruction and repairs to skylights and roof, \$25,000.

St. Paul (Minn.) post office, courthouse, and customhouse: For repairs to plaster, etc., interior and exterior painting, repointing stonework, etc., \$45,000.

Topeka (Kans.) post office and courthouse: For general repairs to exterior of building, \$40,000.

Washington (D. C.) auditor's building: For fireproofing stair, elevator shafts, and door into tunnel, and other fire-protection work, \$7,000.

Additional lock-box equipment for public buildings: For furnishing and installing additional lock-box equipment for completed and occupied public buildings under the control of the Treasury Department, including necessary and incidental changes in screen work, etc., \$100,000.

Remodeling, etc., public buildings: For remodeling, enlarging, and extending completed and occupied public buildings, including any necessary and incidental additions to or changes in mechanical equipment thereof, so as to provide or make available additional space in emergent cases, not to exceed an aggregate of \$20,000 at any one building, \$800,000.

## MARINE HOSPITALS

Baltimore (Md.) marine hospital No. 1: For extension of fire protection, mechanical equipment, heating old wards, new sewerage and drainage, bedside call system, extension and remodeling of roadways, etc., \$44,000.

Boston (Mass.) marine hospital No. 2: For rehabilitating tuberculosis building, \$3,350.

Carville (La.) marine hospital No. 66: For miscellaneous improvements and repairs to buildings and grounds, \$25,000.

New Orleans (La.) marine hospital No. 14: For steam heat for old ward and incinerator, \$5,000.

Portland (Me.) marine hospital No. 16: For inclosing veranda, bedside call and lighting system, \$5,000.

San Francisco (Calif.) marine hospital No. 19: For extension and remodeling of kitchen; mess hall and laundry building; repairs to roadways; new roof; new foundation wall, etc., for ward No. 7, \$40,000.

## QUARANTINE STATIONS

Baltimore (Md.) quarantine station: For construction of two storehouses, \$3,000.

Boston (Mass.) quarantine station: For construction of storehouse and miscellaneous repairs to buildings, \$10,000.

Galveston (Tex.) quarantine station: For miscellaneous repairs and painting of buildings; repairs to wharf and approaches; dredging boat basin; constructing bin; in all, \$6,000.

New Orleans (La.) quarantine station: For construction of nurses' quarters, including mechanical equipment; miscellaneous repairs; material and apparatus for extending electric lighting plant; water purifying and filtering apparatus, \$15,000.

New York (N. Y.) quarantine station: For miscellaneous repairs to buildings, coal dock and approaches, \$20,000.

San Francisco (Calif.) quarantine station: For repairs and alterations to buildings, \$1,000.

The foregoing work under marine hospitals and quarantine stations shall be performed under the supervision and direction of the Supervising Architect of the Treasury.

## PUBLIC BUILDINGS, REPAIRS, EQUIPMENT, AND GENERAL EXPENSES

Repairs and preservation: For repairs and preservation of all completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and for wire partitions and fly screens therefor; Government wharves and piers under the control of the Treasury Department, together with the necessary dredging adjacent thereto; care of vacant sites under the control of the Treasury Department, such as necessary fences, filling dangerous holes, cutting grass and weeds, but not for any permanent improvements thereon; repairs and preservation of buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargement of public buildings, the expenditures on this account for the current fiscal year not to exceed 15 per cent of the annual rentals of such buildings: *Provided*, That of the sum herein appropriated not exceeding \$115,000 may be used for the repair and preservation of marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook) and completed and occupied outbuildings (including wire partitions and fly screens for same), and not exceeding \$24,500 for the Treasury, Treasury Annex, Liberty Loan, Butler, and Auditors' Buildings in the District of Columbia: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of \$100 at any one building, \$930,000.

Mechanical equipment: For installation and repair of mechanical equipment in all completed and occupied public buildings under the control of the Treasury Department, including heating, hoisting, plumbing, gas piping, ventilating, vacuum cleaning, and refrigerating apparatus, electric-light plants, meters, interior pneumatic-tube and intercommunicating telephone systems, conduit, wiring, call-bell and signal systems, and for maintenance and repair of tower clocks; for installation and repair of mechanical equipment for any of the foregoing items, in buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargements of public buildings, the total expenditures on this account for the current fiscal year not to exceed 10 per cent of the annual rentals of such buildings: *Provided*, That of the sum herein appropriated, not exceeding \$100,000 may be used for the installation and repair of mechanical equipment in marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook), and not exceeding \$38,000 for the Treasury, Treasury Annex, Liberty Loan, Butler, and Auditors' Buildings, in the District of Columbia, but not including the generating plant and its maintenance in the Auditors' Building, and not exceeding \$10,000 for the maintenance, changes in, and repairs of pneumatic-tube system between the appraisers' warehouse at Greenwich, Christopher, Washington, and Barrow Streets and the new customhouse in Bowling Green, Borough of Manhattan, in the city of New York, including repairs to the street pavement and subsurface necessary incident to or resulting from such maintenance, changes, or repairs: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of \$100 at any one building, \$521,700.

Vaults and safes: For vaults and lock-box equipments and repairs thereto in all completed and occupied public buildings under the control of the Treasury Department, and for the necessary safe equipments and repairs thereto in all public buildings under the control of the Treasury Department, whether completed and occupied or in course of construction, exclusive of personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of \$50 at any one building, \$100,000.

General expenses: To enable the Secretary of the Treasury to execute and give effect to the provisions of section 6 of the act of May 30, 1908 (35 Stat. p. 537): For salaries of architectural and engineering personnel and inspectors in the District of Columbia and elsewhere, not exceeding \$428,960; expenses of superintendence, including expenses of all inspectors and other officers and employees on duty or detailed in connection with work on public buildings and the furnishing and equipment thereof, and the work of the Supervising Architect's Office, under orders from the Treasury Department; for the transportation of household goods incident to change of headquarters of supervising superintendents, superintendents, and junior superintendents of construction, and inspectors, not in excess of 5,000 pounds at any one time, together with the necessary expense incident to packing and draying the same, not to exceed in any one year a total expenditure of \$4,500; office rent and expenses of superintendents, including temporary, stenographic, and other assistance, in the preparation of reports and the care of public property, etc.; advertising; office supplies, including drafting materials, specially prepared paper, typewriting machines, adding machines, and other mechanical labor-saving devices, and exchange of same; furniture, carpets, electric-light fixtures, and office equipment; telegraph and telephone service; freight, expressage, and postage incident to shipments of drawings, superintendent's furniture and supplies, testing instruments, etc., including articles and supplies not usually payable from other appropriations: *Provided*, That no expenditures shall be made hereunder for

transportation of operating supplies for public buildings; not to exceed \$1,000 for books of reference, law books, technical periodicals and journals; ground rent at Salamanca, N. Y.; contingencies of every kind and description, traveling expenses of site agents, recording deeds and other evidences of title, photographic instruments, chemicals, plates, and photographic materials, and such other articles and supplies and such minor and incidental expenses not enumerated, connected solely with work on public buildings, the acquisition of sites, and the administrative work connected with the annual appropriations under the Supervising Architect's Office as the Secretary of the Treasury may deem necessary and specially order or approve, but not including heat, light, janitor service, awnings, curtains, or any expenses for the general maintenance of the Treasury Building, or surveys, plaster models, progress photographs, test-pit borings, or mill and shop inspections, \$521,960, of which amount not to exceed \$226,800 may be expended for personal services in the District of Columbia.

## PUBLIC BUILDINGS, OPERATING EXPENSES

Operating force: For such personal services as the Secretary of the Treasury may deem necessary in connection with the care, maintenance, and repair of all public buildings under the control of the Treasury Department (except as hereinafter provided), together with the grounds thereof and the equipment and furnishings therein, including assistant custodians, janitors, watchmen, laborers, and charwomen; engineers, firemen, elevator conductors, coal passers, electricians, dynamo tenders, lampists, and wiremen; mechanical labor force in connection with said buildings, including carpenters, plumbers, steam fitters, machinists, and painters, but in no case shall the rates of compensation for such mechanical labor force be in excess of the rates current at the time and in the place where such services are employed, \$5,639,606: *Provided*, That the foregoing appropriation shall be available for use in connection with all public buildings under the control of the Treasury Department, including the customhouse in the District of Columbia, but not including any other public building within the District of Columbia, and exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices.

Furniture and repairs of furniture: For furniture, carpets, and repairs of same, for completed and occupied public buildings under the control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and for gas and electric lighting fixtures and repairs of same for completed and occupied public buildings under the control of the Treasury Department, including marine hospitals and quarantine stations but exclusive of mints, branch mints, and assay offices, and for furniture and carpets for public buildings and extension of public buildings in course of construction which are to remain under the custody and control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and buildings constructed for other executive departments or establishments of the Government, \$750,000: *Provided*, That the foregoing appropriation shall not be used for personal services, except for work done under contract or for temporary job labor under exigency, and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether it corresponds with the present regulation plan for furniture or not.

Operating supplies: For fuel, steam, gas for lighting and heating purposes, water, ice, lighting supplies, electric current for lighting and power purposes, telephone service for custodial forces; removal of ashes and rubbish, snow, and ice; cutting grass and weeds, washing towels, and miscellaneous items for the use of the custodial forces in the care and maintenance of completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and in the care and maintenance of the equipment and furnishings in such buildings; miscellaneous supplies, tools, and appliances required in the operation (not embracing repairs) of the mechanical equipment, including heating, plumbing, hoisting, gas piping, ventilating, vacuum-cleaning and refrigerating apparatus, electric-light plants, meters, interior pneumatic-tube and intercommunicating telephone systems, conduit wiring, call-bell and signal systems in such buildings, and for the transportation of articles or supplies authorized herein (including the customhouse in the District of Columbia, but excluding any other public building under the control of the Treasury Department within the District of Columbia, and excluding also marine hospitals and quarantine stations, mints, branch mints, and assay offices, and personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of \$100 at any one building), \$3,100,000. The appropriation made herein for gas shall include the rental and use of gas governors when ordered by the Secretary of the Treasury in writing: *Provided*, That rentals shall not be paid for such gas governors greater than 35 per cent of the actual value of the gas saved thereby, which saving shall be determined by such tests as the Secretary of the Treasury shall direct: *Provided further*, That the Secretary of the Treasury is authorized to contract for the purchase of fuel for public buildings under the con-

trol of the Treasury Department in advance of the availability of the appropriation for the payment thereof. Such contracts, however, shall not exceed the necessities of the current fiscal year.

Lands and other property of the United States: For custody, care, protection, and expenses of sales of lands and other property of the United States acquired and held under sections 3749 and 3750 of the Revised Statutes, the examination of titles, recording of deeds, advertising, and auctioneers' fees in connection therewith, \$50.

#### MISCELLANEOUS ITEMS, TREASURY DEPARTMENT

##### AMERICAN PRINTING HOUSE FOR THE BLIND

To enable the American Printing House for the Blind more adequately to provide books and apparatus for the education of the blind in accordance with the provisions of the act approved August 4, 1919, \$40,000.

#### TITLE II.—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with the act of July 2, 1836, for the Post Office Department for the fiscal year ending June 30, 1926, namely:

##### POST OFFICE DEPARTMENT; WASHINGTON, DISTRICT OF COLUMBIA

###### OFFICE OF THE POSTMASTER GENERAL

Postmaster General, \$12,000; for personal services in the office of the Postmaster General in the District of Columbia in accordance with "the classification act of 1923," \$197,340; in all, \$209,340.

###### POST OFFICE DEPARTMENT BUILDINGS

For personal services in the District of Columbia in accordance with "the classification act of 1923," for the care, maintenance, and protection of the main Post Office Department Building, the Washington City Post Office Building, and the Mail Equipment Shops Building, \$225,632.

###### SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia, in accordance with "the classification act of 1923," in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of the First Assistant Postmaster General, \$392,100.  
Office of the Second Assistant Postmaster General, \$265,740.  
Office of the Third Assistant Postmaster General, \$678,260.  
Office of the Fourth Assistant Postmaster General, \$376,940.  
Office of the Solicitor for the Post Office Department, \$57,760.  
Office of the chief inspector, \$134,920.  
Office of the purchasing agent, \$33,300.  
Bureau of Accounts, \$38,280.

###### CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For stationery and blank books, index and guide cards, folders, and binding devices, including purchase of free penalty envelopes, \$27,000.

For fuel and repairs to heating, lighting, ice, and power plant, including repairs to elevators, purchase and exchange of tools and electrical supplies, and removal of ashes, \$54,000.

For telegraphing, \$6,500.

For miscellaneous items, including purchase, exchange, maintenance, and repair of typewriters, adding machines, and other labor-saving devices; not to exceed \$3,000 for purchase, exchange, hire, and maintenance of motor trucks and motor-driven passenger-carrying vehicles; street-car fares not exceeding \$540; plumbing; repairs to department buildings; floor coverings; postage stamps for correspondence addressed abroad, which is not exempt under article 13 of the Madrid convention of the Universal Postal Union, \$52,410, of which sum not exceeding \$14,500 may be expended for telephone service, and not exceeding \$1,800 may be expended for purchase and exchange of law books, books of reference, railway guides, city directories, and books necessary to conduct the business of the department, and not exceeding \$500 may be expended for actual and necessary expenses of the purchasing agent while travelling on business of the department.

For furniture and filing cabinets, \$8,000.

For printing and binding for the Post Office Department, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, \$1,150,000.

For reimbursement of the Government Printing Office or Capitol power plant for the cost of furnishing steam for heating and electric current for lighting and power to the Post Office Department Building at Massachusetts Avenue and North Capitol Street, District of Columbia, \$58,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia.

##### FIELD SERVICE, POST OFFICE DEPARTMENT

###### OFFICE OF POSTMASTER GENERAL

For gas, electric power and light, and the repair of machinery, United States Post Office Department equipment shops building, \$8,500.

The Postmaster General is hereby authorized to pay a cash reward for any invention, suggestion, or series of suggestions for an improve-

ment or economy in device, design, or process applicable to the Postal Service submitted by one or more employees of the Post Office Department or the Postal Service which shall be adopted for use and will clearly effect a material economy or increase efficiency, and for that purpose the sum of \$3,000 is hereby appropriated: *Provided*, That the sums so paid to employees in accordance with this act shall be in addition to their usual compensation: *Provided further*, That the total amount paid under the provisions of this act shall not exceed \$1,000 in any month or for any one invention or suggestion: *Provided further*, That no employee shall be paid a reward under this act until he has properly executed an agreement to the effect that the use by the United States of the invention, suggestion, or series of suggestions made by him shall not form the basis of a further claim of any nature upon the United States by him, his heirs, or assigns: *Provided further*, That this appropriation shall be available for no other purpose.

For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, \$450,000.

For travel and miscellaneous expenses in the Postal Service, office of the Postmaster General, \$1,000.

To enable the Postmaster General to pay claims for damages to persons or property in accordance with the provisions of the deficiency appropriation act approved June 16, 1921, \$10,000.

Office of chief inspector: For salaries of 15 inspectors in charge of divisions, at \$4,200 each; and 520 inspectors, \$1,712,000; in all, \$1,775,000: *Provided*, That the appointment of additional inspectors shall be made upon certification of the Civil Service Commission, as heretofore practiced.

For traveling expenses of inspectors, inspectors in charge, and the chief post-office inspector, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases, \$445,000.

For necessary miscellaneous expenses at division headquarters, \$13,500.

For compensation of 115 clerks at division headquarters, \$252,060.

For payment of rewards for the detection, arrest, and conviction of post-office burglars, robbers, and highway mail robbers, \$30,000: *Provided*, That rewards may be paid, in the discretion of the Postmaster General, when an offender of the class mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 7708, dated July 1, 1922: *Provided further*, That of the amount herein appropriated not to exceed \$5,000 may be expended, in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

##### OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

For compensation to postmasters, \$46,600,000.

For compensation to assistant postmasters at first and second class post offices, \$6,000,000.

For compensation to printers, mechanics, and skilled laborers, \$100,000.

For compensation to clerks and employees at first and second class post offices, including auxiliary clerk hire at summer and winter post offices, \$130,000,000.

For compensation to watchmen, messengers, and laborers, \$6,200,000.

For compensation to clerks in charge of contract stations, \$1,575,000.

For separating mails at third and fourth class post offices, \$750,000.

For unusual conditions at post offices, \$150,000.

For allowances to third-class post offices to cover the cost of clerical services, \$4,650,000.

For rent, light, and fuel for first, second, and third class post offices, \$15,175,000.

For miscellaneous items necessary and incidental to post offices of the first and second classes, \$975,000.

For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, \$1,700,000.

For Detroit River postal service, \$18,000.

For car fare and bicycle allowance, including special-delivery car fare, \$1,000,000.

For pay of letter carriers, City Delivery Service, \$92,000,000.

For fees to special-delivery messengers, \$7,600,000.

For the transmission of mail by pneumatic tubes or other similar devices in the city of New York, including the Borough of Brooklyn of the city of New York, including power, labor, and all other operating expenses, \$526,373.

For vehicle allowance, the hiring of drivers, the rental of vehicles, and the purchase and exchange and maintenance, including stable and garage facilities, of wagons or automobiles for, and the operation of, screen-wagon and city delivery and collection service, \$15,400,000: *Provided*, That the Postmaster General may, in his disbursement of this

appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned automobiles at a reasonable annual rental for a term not exceeding 10 years.

For travel and miscellaneous expenses in the Postal Service, office of the First Assistant Postmaster General, \$1,000.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

For inland transportation by star routes in Alaska, \$170,000: *Provided*, That out of this appropriation the Postmaster General is authorized to provide difficult or emergency mail service in Alaska, including the establishment and equipment of relay stations, in such manner as he may think advisable, without advertising therefor.

For inland transportation by steamboat or other power-boat routes, including ship, steamboat, and way letters, \$1,550,000.

For inland transportation by railroad routes and for mail messenger service, \$112,250,000: *Provided*, That not to exceed \$1,500,000 of this appropriation may be expended for pay of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *And provided further*, That separate accounts be kept of the amount expended for mail messenger service.

For the operation and maintenance of the Airplane Mail Service between New York, N. Y., and San Francisco, Calif., via Chicago, Ill., and Omaha, Nebr., and for the installation, equipment, and operation of the Airplane Mail Service by night flying, and to enable the department to make the additional charges for both night and day service on first-class mail matter, in accordance with existing law, including necessary incidental expenses and employment of necessary personnel, \$2,600,000.

Railway Mail Service: For 15 division superintendents, 15 assistant division superintendents, 2 assistant superintendents, 1 assistant superintendent in charge of car construction, 121 chief clerks, 121 assistant chief clerks, clerks in charge of sections in the offices of division superintendents, railway postal clerks, substitute railway postal clerks, joint employees, and laborers in the Railway Mail Service, \$49,500,000.

For travel allowance to railway postal clerks and substitute railway postal clerks, \$2,675,000.

For actual and necessary expenses, general superintendent and assistant general superintendent, division superintendents, assistant division superintendents, assistant superintendents, chief clerks, and assistant chief clerks, Railway Mail Service, and railway postal clerks, while actually traveling on business of the Post Office Department and away from their several designated headquarters, \$62,000.

For rent, light, heat, fuel, telegraph, miscellaneous and office expenses, telephone service, and badges for railway postal clerks, and rental of space for terminal railway post offices for the distribution of mails when the furnishing of space for such distribution can not, under the Postal Laws and Regulations, properly be required of railroad companies without additional compensation, and for equipment and miscellaneous items necessary to terminal railway post offices, \$1,222,000.

For electric and cable car service, \$650,000.

For transportation of foreign mails by steamship, aircraft, or otherwise, \$8,500,000: *Provided*, That not to exceed \$150,000 of this sum may be expended for carrying foreign mail by aircraft: *Provided further*, That the Postmaster General shall be authorized to expend such sums as may be necessary, not to exceed \$150,000, to cover the cost to the United States for maintaining sea post service on ocean steamships conveying the mails to and from the United States; and not to exceed \$3,000 for the salary of the assistant superintendent, division of foreign mails, with headquarters at New York City: *Provided further*, That not exceeding \$1,000 of this sum may be immediately available for the representative to the meeting of the research committee of the Universal Postal Congress in Europe to be designated from the Post Office Department by the Postmaster General, and to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be conclusive on the accounting offices of the United States.

For balances due foreign countries, \$1,500,000.

For travel and miscellaneous expenses in the Postal Service, office of the Second Assistant Postmaster General, \$1,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

For manufacture of adhesive postage stamps, special-delivery stamps, books of stamps, stamped envelopes, newspaper wrappers, postal cards, and for colling of stamps, \$8,000,000.

For pay of agent and assistants to examine and distribute stamped envelopes and newspaper wrappers, and expenses of agency, \$21,000.

For payment of limited indemnity for the injury or loss of pieces of domestic registered matter, insured and collect-on-delivery mail, \$4,000,000.

For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, \$100,000.

For travel and miscellaneous expenses in the Postal Service, office of the Third Assistant Postmaster General, \$1,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

For stationery for the Postal Service, including the money-order and registry systems; and also for the purchase of supplies for the Postal Savings System, including rubber stamps, canceling devices, certificates, envelopes and stamps for use in evidencing deposits, and free penalty envelopes; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the act of June 25, 1910, \$925,000.

For miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for post-marking, rating, money-order stamps, and electrotype plates and repairs to same; metal rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening machines, and computing machines, copying presses, numbering machines, time recorders, letter balances, scales, test weights, and miscellaneous articles purchased and furnished directly to the Postal Service; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blue prints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have Rural Delivery Service, and for letter boxes, \$1,400,000; and the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blue prints at the cost of printing and 10 per cent thereof added; of this amount \$1,500 may be expended in the purchase of atlases and geographical and technical works: *Provided*, That \$200,000 of this appropriation may be used for the purchase of equipment and furniture for post-office quarters and for no other purposes.

For wrapping twine and tying devices, \$470,000.

For defraying expenses incident to the shipment of supplies, including hardware, boxing, packing, and the pay of employees in connection therewith at the following annual rates: Storekeeper, \$2,650; foreman, \$1,800; 11 requisition fillers, at \$1,600 each; 2 requisition fillers, at \$1,200 each; 10 packers, at \$1,600 each; 2 packers, at \$1,200 each; and 2 chauffeurs, at \$1,400 each; in all, \$69,800.

For rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including salaries of five traveling mechanics and for per diem allowance of traveling mechanics while actually traveling on official business away from their homes and their official domiciles, at a rate to be fixed by the Postmaster General, not to exceed \$4 per day, \$575,000.

For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto; also material, machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D. C., of such other equipment for the Postal Service as may be deemed expedient; for compensation to labor employed in the equipment shops at Washington, D. C., \$1,800,000, of which not to exceed \$470,000 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding \$15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for service in Alaska, Porto Rico, Philippine Islands, Hawaii, or other island possessions.

For inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices, \$12,700,000.

For pay of rural carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferrage, Rural Delivery Service, and for the incidental expenses thereof, \$88,350,000.

For travel and miscellaneous expenses in the Postal Service, office of the Fourth Assistant Postmaster General, \$1,000.

If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under Title II of this act, a sum equal to such deficiency in the revenues of such department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1926, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

Mr. MADDEN took the floor. [Applause.]

Mr. Chairman and gentlemen of the committee, I am very grateful to you for your courteous greeting.

## 1925 APPROPRIATIONS AND 1926 BUDGET ESTIMATES

Mr. Chairman, the estimates for the fiscal year 1926 as submitted in the Budget for all purposes of the Government aggregate \$3,729,519,846.48.

The total appropriations for the fiscal year 1925, including the amounts in the regular annual appropriation acts, the deficiency appropriation act which failed last session and became a law on December 5, and the field classification salary act, aggregate \$3,771,689,238.87.

The estimates of appropriations as submitted in the Budget are in the net \$42,169,392.39 less than the current appropriations.

Included in the aggregate of the appropriations for the year 1925 and the estimates for 1926 are the amounts for the Postal Service, which are payable from the postal revenues. The appropriations for the Postal Service for 1925 are \$613,645,195.25, and the estimates for 1926 are \$637,376,005, an increase for 1926 over 1925 of \$23,730,809.75. Eliminating the postal from the grand totals of appropriations and estimates, the amount for all other activities of the Government is \$3,092,143,841.48 for 1926, against \$3,158,044,043.62 for 1925, a net reduction of \$65,900,202.14.

This net reduction comes about as the result of a number of large increases and decreases. The principal increases are as follows: \$64,750,000 for Federal road aid to supply money for the payment of maturing obligations previously authorized, \$2,236,865.50 for the Department of Justice (one million more on war frauds, three-fourths million on courts, one-fourth million on penal institutions), \$9,488,307.13 for the Navy, \$12,959,729 automatic increase in the sinking fund by operation of law, and \$1,936,711.79 for the District of Columbia government—principally on schools, parks, and new water supply.

The principal decreases are as follows: \$35,000,000 interest on the public debt, \$6,000,000 under the Shipping Board for losses in operations, \$25,500,000 for pensions for Civil and Spanish War veterans, \$2,732,436 under the Department of Agriculture due to the \$3,500,000 emergency fund in 1925 for foot-and-mouth disease not necessary to be carried for 1926, \$2,916,787.69 under the Interior Department, \$3,106,041 under the Department of Commerce due to the appropriation of \$3,500,000 for 1925 for the census of agriculture, and \$5,715,364.67 under the War Department largely on account of the inclusion for 1925 of the money for administrative expenses under the adjusted compensation act. There is also a net reduction of \$76,258,272 under the Veterans' Bureau. There are increases under that bureau of \$44,000,000 for the payment of military and naval compensation, and \$10,000,000 for the payment of military and naval insurance, and decreases of \$3,778,874.30 in administrative expenses, \$10,850,000 in medical and hospital services, \$51,000,000 in vocational rehabilitation, \$14,629,398 in adjusted service pay, and \$50,000,000 in the amount of the adjusted service certificate fund.

The net result of the increases and decreases between 1925 appropriations and 1926 estimates is a recommended total for 1926, exclusive of the Postal Service, that is \$65,900,202.14 less than the total of the 1925 appropriations.

## RECEIPTS AND EXPENDITURES

The actual receipts and expenditures for the fiscal year 1924 are as follows:

Receipts	\$4,012,044,701.65
Expenditures	3,506,677,715.34
Surplus	505,366,986.31

The estimated receipts and expenditures for the fiscal year 1925 are as follows:

Receipts	\$3,601,968,297.00
Expenditures	3,534,083,808.00
Surplus	67,884,489.00

The estimated receipts and expenditures for the fiscal year 1926 are as follows:

Receipts	\$3,641,295,092.00
Expenditures	3,267,551,378.00
Surplus	373,743,714.00

The gross public debt was reduced \$1,098,894,375 during the fiscal year 1924 and at the end of that year stood at \$21,250,000,000. This latter sum is a reduction from the peak point of \$26,594,000,000 in August, 1919, of \$5,343,000,000. The reduction in the public debt of more than \$1,000,000,000 during the last fiscal year was brought about by the application of the sinking fund and other public-debt retirement funds amounting to \$458,000,000, a reduction of \$135,500,000 in the general fund

balance, and the use of the entire surplus of over \$505,000,000. This decrease in the debt also resulted in the reduction in the annual interest charge by approximately \$45,000,000.

Between the fiscal years 1924 and 1925 the revenues show a decrease of approximately \$400,000,000 which is due principally to the reduction in taxes recently effected by Congress. The expenditures, on the other hand, were increased considerably over \$100,000,000 on account of the enactment of the adjusted compensation act. The surplus for the fiscal year 1925, estimated at approximately \$68,000,000, is very creditable, considering the decreased revenue and the increased expenditures.

For the fiscal year 1926 the outlook is much better. It is estimated that the receipts will be approximately \$40,000,000 greater than they are estimated for 1925, and the expenditures will be approximately \$267,000,000 less than they are estimated for 1925, thereby increasing the estimated surplus of approximately \$68,000,000 for 1925 to \$374,000,000 for 1926.

Whether this surplus will be realized depends very greatly upon the action of Congress. If new obligations are not undertaken which will increase the present estimate of expenditures and if the new revenue act produces a satisfactory amount of revenue, there is every prospect that it will materialize. Further tax reduction should not take place until there is absolute certainty that the obligations of the Government can be met over a period of years in the future under the proposed lessened revenue. [Applause.] Nothing would be more foolish than to proceed hastily to tax reduction and then be compelled to restore part or all of that reduction in order to provide for increased cost of government or to make up for a decline in the estimated revenue.

Personally—I do not speak for anyone except myself when I say what I am about to say—I would like to see some permanent law placed on the statute books of the country providing for an automatic return to the taxpayer of a reasonable surplus over the working balance whenever that surplus may accrue. I have an idea which I would like to outline. It is to this effect: That we might properly pass an act which would not interfere with any other tax legislation that might be thought proper, requiring the Secretary of the Treasury at the end of every fiscal year to report to the President of the United States the amount of the surplus, whatever it might be, if any, over and above a safe working balance, and then after the receipt of that report from the Secretary of the Treasury the President should be required to direct the Secretary automatically to return to the taxpayers whatever their proportion of the surplus might be, without any further application of law. That seems to me a sensible business proposition that would be inaugurated in any man's business if he was controlling the business entirely himself. I see no reason why the Government of the United States should not be conducted on as wise principles as that of any business in the land. [Applause.] Whether that would meet with approval of Members of Congress or not will be for them to say. I would like to have them take the thought and see if it has merit.

Mr. LINTHICUM. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LINTHICUM. A large part of the revenue comes from customs receipts?

Mr. MADDEN. About 550 millions comes from customs.

Mr. LINTHICUM. Would you distribute the surplus to the income taxpayers or would you take into account payments on account of internal revenue?

Mr. MADDEN. Oh, this would be an income-tax proposition; you could not work it out on anything else.

Whether we have further tax reduction depends in large measure upon what we do here. The running expenses of the Government can not be much further reduced. We have about reached the bottom in many activities. Some will necessarily remain stationary at present amounts for a number of years; others will necessarily go forward. We have depleted many stocks of war supplies that it was proper to consume. Fresh buying in the military services will have to be made soon for current operation. An additional building program has been authorized for the Navy. Unless further curtailment takes place in naval building by concerted international agreement we will be put to added expense annually to keep up our allotted strength. There has been little or no building construction by the civil activities of the Government since the war. Many places in the United States are in need of added public quarters to accommodate post offices and other public activities. While I never want to see a recurrence to the former wasteful and unbusinesslike practices in the authorization and construction of public buildings, I do want to see proper public

quarters provided in those places where we can save rents and give to our Federal activities the facilities which are necessary for the prompt and efficient transaction of their affairs.

Mr. NELSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. NELSON of Wisconsin. Does the gentleman's committee contemplate meeting the need he refers to by an omnibus bill in the near future?

Mr. MADDEN. It would not come from our committee.

Mr. NELSON of Wisconsin. The gentleman's committee would figure on the funds. The funds would warrant it, would they not?

Mr. MADDEN. I think the time is coming soon when something will have to be done.

Mr. NELSON of Wisconsin. It is about 14 years since an appropriation was made for Madison, Wis., and it is still pending.

Mr. MADDEN. A great many of the other communities about the country are in the same condition as the gentleman's city.

We ought not to condemn the erection of a public structure if it will show a profitable return upon the investment. We should not build for the mere sake of building if the investment is not profitable.

There is little prospect for further decrease in the cost of government. With the prospect before us of industrial and commercial prosperity we should have a good realization in revenue from internal and customs taxes. I hope further tax reduction may be possible, but it should not be undertaken until we are certain of our revenue and determined that we will not further increase the cost of our Government. The hope for the future lies in not taking on new Federal activities or enacting legislation which greatly increases the cost of government. Normal growth of the Government as now constituted is natural and must be expected in many lines, but the precipitation of the Government into further lines of new activity and Federal aid to States in various fields will not only increase our expenditures and therefore our taxes, but will be an invitation and inducement to the States to do likewise. The remedy lies with us. If we are to have further tax reduction we must refrain from creating fresh obligations, many of which start in a small way, but take on accretions and a momentum that jolt the Treasury severely.

#### CLASSIFICATION IN DEPARTMENTAL SALARIES

I want to say a word about the classification of salaries in the District of Columbia under the new law. The committee has recommended in its bills a modification of the limitation which the House, upon its recommendation, adopted in the bills of last session. The modification which we recommend is to correct what we believe have been administrative abuses in several of the departments. The new law gives considerable administrative discretion to officials in the departments. We have protected the integrity of the law as far as we thought it wise and at the same time permit it a fair trial of operation. I want here to sound a note of warning to administrative officers. They must scrupulously follow not only the letter but what they unquestionably know to be the intent and the temper of Congress in the matter of salaries. It has come to my attention that there is a growing tendency, prevalent now in a minor degree, to magnify and exaggerate the importance attached to the duties of some positions in order that they may be changed to a higher grade and in that way obtain greater compensation. It is natural to want more money for the performance of service, but it is the duty of every head of department and bureau to keep a tight control and know that what he approves in the way of recommendations for change in grade is a conservative statement of fact based upon real merit and necessity and not merely a maneuver for more pay.

I am loath to believe that in some few of the cases there has been neither merit nor fact in connection with the promotions that have been made, and I have my everyday troubles with these people trying to hold them down to a decent consideration of the problems.

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

Mr. MADDEN. Yes.

Mr. SMITH. Under the old plan the Congress appropriated for specific salaries?

Mr. MADDEN. Yes.

Mr. SMITH. But under this new plan the appointing officer or the head of the bureau has a right to fix the salary, taking into consideration the amount allotted to each particular bureau?

Mr. MADDEN. Yes.

Mr. SMITH. It seems to me that under this new plan there is more danger of great abuses than under the old plan.

Mr. MADDEN. That is what I am trying to call to the attention of the country, and in many cases there is just cause for complaint. Some promotions have been made without justification, and this bill, and all other bills that we are reporting, endeavors to remedy that condition by bringing them back to the average where they belong.

Mr. SMITH. But there is a provision in the appropriation bills which have already passed the House which does a great injustice to certain individuals where there is only one in a class by reducing them to the average salary.

Mr. MADDEN. I do not agree with the gentleman that that will be a great injustice. I think that is where the abuses arise. For example, let us take a case where there is only one in a grade. The law provides definitely, distinctly, and unequivocally that the average of the rates of the grade shall not be exceeded, and where there has been only one in a grade in some cases they have jumped them up from \$6,000 to \$7,500, whereas \$6,500 or \$6,750 would be the average. This is not right to the men who are in the lower grades. What happened is in the testimony taken before our committee. It shows that they appointed, say, the assistant bureau chief and then another assistant bureau chief and then several other subordinates as a board to recommend the salaries of their chiefs. Everyone knows that the assistant bureau chief is going to say that the salary of his chief should be larger, whether it be right or wrong, and in this case it is wrong.

Mr. SMITH. That is what I am arguing, that it is necessary to have a different limitation from that which has been put in the bill, for the reason that if there is but one in a grade and he has been receiving the highest salary in that grade, he has to take a reduction to the average salary.

Mr. MADDEN. Yes; he has to take a reduction.

Mr. SMITH. Of probably three or four hundred dollars, while others have been promoted as high as \$1,500 over the grade previously held.

Mr. MADDEN. I think the case the gentleman has in mind is where a man is promoted from one grade up to another and compelled to take lower pay. He goes into a higher grade where the entrance rate would be lower than the upper rates of the grade from which he went. The provision in this bill remedies that.

Mr. SMITH. It does not remedy it if you make it the average salary, and bring a man down three or four hundred dollars in salary lower than he has been receiving for the last three or four years.

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

Mr. MADDEN. Yes.

Mr. BLANTON. The gentleman says that with respect to certain departments there is no justification whatever for some of the promotions made, and that they have been made without either justification or fact. When did the gentleman reach that conclusion?

Mr. MADDEN. Just as soon as we discovered it.

Mr. BLANTON. How long ago?

Mr. MADDEN. It was early in this session.

Mr. BLANTON. And yet we have had three big supply measures that have that same vice in them.

Mr. MADDEN. Oh, no. The language in all of these bills from the first to the last guards against a recurrence of that.

Mr. BLANTON. The reason that the gentleman from Illinois has the esteem and confidence of every Member in the House is that he never camouflages. I want the gentleman to show at least one Member of this House who is not satisfied that this bill meets those conditions that he speaks of, that it does. I want the gentleman to show in what way the bill changes the old lump sum that has been in all of these bills and prevents these department heads from sliding these favorites up and down the scale at will.

Mr. MADDEN. There is new language in this bill and in all the bills that have been reported to the House from our committee, which distinctly, clearly, and unequivocally reduces these cases which we believe are abuses in promotions.

Mr. BLANTON. And let them raise them up again immediately?

Mr. MADDEN. No; they can not do that. I believe there is great good in the classification law for the employee and better service in return for the Government. Classification can not be successful if abuse spreads. The law was a radical departure in the policy of Congress in handling salaries. It is on trial.

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

Mr. MADDEN. I will.

Mr. SMITH. Is it true that in some of the bureaus a number of clerks have been dismissed and the others promoted in order to use up the entire appropriation?

Mr. MADDEN. I think I can say this, that where these abuses occurred it was in promoting of men who were in the higher places sometimes at the expense of the men in the lower places. I think that is a fair statement.

Mr. SMITH. I am told that in some of the bureaus a third of the employees were discharged and the others promoted.

Mr. MADDEN. I believe that is not true. There have been some reductions in the force, of course.

Mr. BOYCE. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. BOYCE. Is it not possible for the Congress to be furnished with the several grades in each of the departments, bureaus, and commissions?

Mr. MADDEN. Oh, yes.

Mr. BOYCE. And with the number of persons in each grade and the salaries of each and for Congress to pass a permanent bill, from time to time, covering the salary costs of the several employees of each and every department, bureau, and commission?

Mr. MADDEN. We have a list of every grade and every person in every grade and the salary attached to every job in each grade, and the presumption is that as men go up fewer people will be in one grade perhaps and more in another.

Mr. BOYCE. It may be assumed that employees will be advanced from one grade to another; but what is there to prevent Congress from fixing the salary of each grade by permanent law?

Mr. MADDEN. It is fixed now through the classification act. Congress enacted a law about a year or so ago organizing the Classification Board and giving power to the board to write the classification for jobs for the various positions. The law has fixed the compensation to be attached to the job, and the hope was that we would be able to do away with personal favoritism.

Mr. BOYCE. Do I understand that we had at the last session a report of the Classification Board?

Mr. MADDEN. That was for the country. We had it only for the District of Columbia.

Mr. BOYCE. Before the 1st of July?

Mr. MADDEN. Yes. We have a report under the law for the District of Columbia. That report is on file and the gentleman can see it.

Mr. BOYCE. Did Congress pass on any report at the last session?

Mr. MADDEN. Not the field service.

Mr. BOYCE. Did Congress act on the report made for the District of Columbia?

Mr. MADDEN. Congress did not act on the report.

Mr. BOYCE. Would it not be a great restraint upon the departments of the Government if Congress should pass upon the report of the Classification Board?

Mr. MADDEN. Congress is presumed to do it.

Mr. BOYCE. Yes; but there is a great difference between a presumption and actually doing the thing.

Mr. MADDEN. We have a Comptroller General who passes on the accounts and examines them and ascertains whether or not the money appropriated by Congress is being spent according to law.

Mr. BOYCE. I think there would be considerable less abuse and less of favoritism if approval of the Congress was required as by a permanent law.

Mr. MADDEN. Well, we are having an exhibition of what Congress can do now in the handling of a proposition of this sort. Everyone knows that 531 men in the two Houses of Congress can not act on the details of intricate problems like this. They have not the time. They are busy with the business of the Nation. This is only one piece of business in which the Nation is interested. We are dealing with all the problems of the Nation.

Mr. BOYCE. What I have in mind is if Congress should be supplied with a list—

Mr. MADDEN. Yes; Congress is supplied—

Mr. BOYCE. Of all the grades and the salaries, and then from time to time pass a permanent bill, it would be worth while.

Mr. MADDEN. Well, it would be hard work for you to do it, I am afraid. It would be a hard job. I say that the classification act is on trial, and my judgment is that it will be repealed by Congress one of these days, and ought to be [applause], if it is not scrupulously observed by administrative officers. So far, on the whole, the great majority of departmental officers are making an effort to administer it courageously and carefully. Congress is watching, and it ought to watch, and I am glad that it is watching, for Congress is the direct representative of the American people; and it will continue to watch, as far as it can, the administrative action taken under the law. We want it to have a fair trial, but at the same time Congress wants square dealing. What I am saying is for the information of those who are administering this law in the executive departments. I want them to know what the attitude is up here.

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

Mr. MADDEN. Certainly.

Mr. STENGLE. I want to take the opportunity of congratulating the distinguished chairman of the Committee on Appropriations for having taken care of the situation and having wrung blood out of those people who are trying to wring blood out of the classification law. The gentleman is on the right road, and I hope he will stick to it.

Mr. MADDEN. I thank the gentleman.

I want to say a few words about the bill under consideration. I have not said much about it so far.

TREASURY AND POST OFFICE DEPARTMENTS BILL FOR 1926

First, for the year 1925 these two bills carried a direct appropriation of \$751,289,907.75. The Budget estimates for 1926 were \$775,135,921. The amounts recommended by the committee are \$763,180,522, or \$11,890,614.25 more than the corresponding appropriation for 1925, and \$11,955,399 less than the Budget estimates for 1926.

I will insert here a table showing the amounts for each department:

Department	Appropriations for 1925	Budget estimates for 1926	Amounts recommended in the bill for 1924	Increase (+) or decrease (-), bill compared with 1925 appropriations	Increase (+) or decrease (-), bill compared with 1926 Budget estimates
Treasury Department	\$137,644,712.50	\$137,759,916.00	\$126,911,107.00	-\$10,733,605.50	-\$10,848,809.00
Post Office Department	613,645,195.25	637,376,005.00	636,269,415.00	+22,624,219.75	-1,106,590.00
Total	751,289,907.75	775,135,921.00	763,180,522.00	+11,890,614.25	-11,955,399.00

The amount recommended to be appropriated in this bill for the Treasury Department for the fiscal year 1926 is \$126,911,107. This sum compared with the 1925 appropriations and the 1926 Budget estimates shows the following differences:

It is \$10,848,809 less than the 1926 estimates, and it is \$10,733,605 less than the 1925 appropriations.

It is only fair to say here that while this shows an apparent reduction under the Budget, it is not a reduction in reality, for it has been the policy to carry in the bill now before us an item of \$12,000,000 for the refund of erroneously collected taxes. That sum has been eliminated. Our action is prompted by the fact that this amount is for the next fiscal year and is purely a formal amount which has been carried customarily in the past and does not represent in any degree the sum that will be required for all payments of this character. The com-

mittee felt that to carry it would be perhaps confusing and misleading. A supplemental estimate for \$50,000,000 is now before the committee for the payment of refunds. It will not be sufficient for the remainder of this year and a further appropriation in addition to that will be required. The committee prefers to carry all refund items in one bill and to make them as nearly current with the time of allowance as possible in order that better information and data as to the total amounts to be required may be obtained. The expenditures for 1923 for refunds aggregated approximately \$123,000,000 and for 1924 they were \$137,000,000. With expenditures on this basis the carrying of \$12,000,000 in this bill would be somewhat confusing to those who do not understand the situation.

I want to be frank with the House, and not make any claims of reductions that we are not entitled to make; there were

some items in the estimates, as, for example, prohibition enforcement, where the recommendation was something like \$800,000 less than what we figured it should be and as we authorized it a year ago. We took this \$800,000 from the \$12,000,000 and added it to the enforcement item.

We also added \$155,000 to the amount recommended for repairs and preservation of public buildings. Then all over the country the expansion of the public business is such that more or less need existed for enlarged quarters—slightly enlarged—and we have heretofore annually carried an appropriation of about \$400,000 for this work, out of which could be expended not to exceed \$20,000 on any one building. We found that there was great need over the country for increased quarters that could be created under this limit of expenditure, and we added \$400,000 to that item in order that we might have the needed extensions of quarters which the business demands.

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

Mr. MADDEN. I yield.

Mr. BLANTON. The gentleman said that the Budget estimate for the expense of prohibition enforcement was \$800,000 less than the amount that the gentleman knew it would cost. What conclusion did the gentleman reach on that fact?

Mr. MADDEN. We reached the conclusion that the amount ought to be supplied, and we supplied it.

Mr. BLANTON. But did the gentleman reach the inevitable conclusion that the Budget Bureau did not seem to be very strong on law enforcement if they would recommend \$800,000 less than what it would actually cost to enforce the law? What other inevitable conclusion could you reach?

Mr. MADDEN. I do not want to get into a controversy over it. I want to supply the need and enforce the law.

Mr. BLANTON. I am glad the chairman of the Committee on Appropriations is more in favor of law enforcement than seemingly the Budget Bureau is.

Mr. MADDEN. In connection with the refund of back taxes, it may be interesting to the House to know the situation relative to the payment of interest on these refunds when they are allowed. The 1924 revenue act allows interest on refunds from the date of the payment of the tax until the allowance of the refunds by the commissioner. That means six years interest at 6 per cent, or 36 per cent in 1917 cases and 30 per cent on 1918 cases. The payment of interest in connection with refunds amounted to \$7,000,000 last year under the old law, while under the new act it is estimated that the interest for the fiscal year 1925 will approximate \$50,000,000 to \$60,000,000.

Mr. WATKINS. The interest alone?

Mr. MADDEN. The interest alone, yes; because the interest under that act is now payable from the date the tax was paid and not from the date of the filing of the claim, as it was under the 1921 act.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CHINDBLOM. In this connection it might be well to show that the Government is paying back the same interest which the Government charges.

Mr. MADDEN. Well, I just want to call attention to the fact here. I am not criticizing it.

Now, again reverting to the prohibition and narcotic enforcement provisions of the bill.

The Budget proposed a reduction in the appropriation for enforcement of the prohibition and narcotic drugs act from \$11,341,770 for the fiscal year 1925 to \$10,216,880 for the fiscal year 1926. The committee recommends an appropriation of \$11,000,000 for the next fiscal year, which is \$341,770 less than the 1925 appropriations and \$783,120 more than the amount recommended in the Budget. The committee made an extensive examination of the needs of the Prohibition Unit and in the sum of \$11,000,000 has recommended an amount which, in its opinion, will fully and adequately provide for the organization of that service, both in prohibition and narcotic work, on the basis of the present authorized strength as to personnel and requisite traveling and other expenses.

The appropriation allowed will permit of the continuance of the present bureau organization of 749, which includes temporary personnel periodically employed, within the limit set of \$1,300,000. It will permit the continuance of the present field force of 3,137 persons and also provide for the salaries of the 44 additional agents not yet appointed, making a total field personnel of 3,181. In the opinion of the committee the appropriation of a smaller sum than \$11,000,000 will result in a proportionate decrease in the field force. Congress at the last session, through an increase in the appropriation for prohibition and narcotic enforcement, provided for 300 additional prohibition agents, 125 additional narcotic agents and inspectors, and 36 clerks for narcotic work, a total increase of 461 in the

authorized personnel. All of this new personnel, except 44, have been appointed and the remainder are being appointed from time to time.

The recruiting of this new force has taken practically six months. The appropriation of less than the amount recommended would undoubtedly compel the disbanding of a large part of it. From the evidence obtained there is no such decrease in work to be performed in the enforcement of the prohibition and narcotic acts as to justify at the present time a decrease in the organization. The force as at present authorized is as large as it ought to be and the amount in the bill is adequate to carry this organization, provide necessary traveling expenses, and cover the other expenses of operation.

The committee has recommended that not to exceed \$50,000 of the sum allowed be permitted to be expended for the dissemination of information and appeal for law observance and law enforcement through the use of posters and other modes of public appeal.

Mr. LINTHICUM. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LINTHICUM. What was the appropriation for prohibition enforcement last year?

Mr. MADDEN. \$11,341,770.

Mr. LINTHICUM. How much is it this year?

Mr. MADDEN. \$11,000,000.

Mr. LINTHICUM. Was not a large part of the money appropriated in the last bill intended for the reconditioning of ships, and so on?

Mr. MADDEN. No; that was under the Coast Guard.

Mr. LINTHICUM. That was not included in the \$11,000,000?

Mr. MADDEN. No.

Mr. LINTHICUM. What was the total cost of the enforcement service last year, including the reconditioning of the ships, and so on?

Mr. MADDEN. Last year we authorized about \$13,000,000, if I recall correctly, for the construction of cabin cruisers, 225 cabin cruisers, about 100 picket boats, and we authorized the reconditioning of 20 destroyers, making a total of 345. They are at work now on the construction and reconditioning of these boats, but they will not have them in service until about the 1st of next July. This bill carries about \$9,000,000 for the pay of the officers and the men and the other equipment that may be required to operate the boats for the fiscal year 1926.

Mr. LINTHICUM. In addition to this \$11,000,000?

Mr. MADDEN. Yes.

Mr. LINTHICUM. Making a total of—

Mr. MADDEN. Over \$20,000,000.

Mr. COLE of Iowa. How much of this money is to be covered back into the Treasury in the form of fines?

Mr. MADDEN. I think the total of the fines collected amounted in the last year to over \$5,000,000.

Mr. WILLIAM E. HULL. That would mean a cost of \$15,000,000?

Mr. MADDEN. The amounts I have given are \$11,000,000 and \$9,000,000.

Mr. WILLIAM E. HULL. And the other appropriation?

Mr. MADDEN. That is another year. We are talking about the fiscal year 1926. There is \$11,000,000 in this bill for the land force and \$9,650,000 in this bill for the sea force, making \$20,650,000.

Mr. WILLIAM E. HULL. And then there must be included the amount for building the boats.

Mr. MADDEN. No; that was in another year.

Mr. LINTHICUM. The amount appropriated for the boats was \$13,000,000?

Mr. MADDEN. Yes.

Mr. WATKINS. In stating the amount of the fines, does the gentleman take into consideration the penalties?

Mr. MADDEN. Yes. Everything that has been collected and turned into the Treasury, I think, amounts to about \$5,000,000.

Mr. LINTHICUM. But that \$5,000,000 would not begin to pay the court expenses, and so on, in apprehending these people, so that you really get nothing back on that?

Mr. MADDEN. I do not apprehend that we are running the Government with the view of paying back into the Treasury exactly what we pay out. I presume the Government, when it enacts a law and undertakes to enforce it, is going to enforce it at any hazard or cost, regardless of whether it gets any revenue or not. [Applause.] I am a law-enforcement man.

Now, in the office of the Commissioner of Internal Revenue two positions of deputy commissioner are omitted on account

of reorganization of the work of the bureau and the salary appropriation is reduced \$10,000.

The general appropriation for salaries and expenses of collector, deputies, gaugers, storekeeper-gaugers, and other office and warehouse expenses is reduced in the sum of \$34,446 and provides for 34 less persons. A gradual reduction has taken place in this item due principally to the concentration of distilled spirits in a smaller number of warehouses and the reduction of the personnel required in connection with them. On July 1, 1922, the beginning of concentration, there were 26 general bonded warehouses, 20 special bonded warehouses, and 251 distillery bonded warehouses, a total of 297. Since that time five additional general bonded warehouses have been approved for use as concentration warehouses. During this process of concentration 15 special bonded warehouses, 15 general bonded warehouses, and 202 distillery bonded warehouses, a total of 232 bonded warehouses, have been discontinued, leaving 70 bonded warehouses, of which 28 are concentration warehouses.

The general appropriation for collecting and assessing internal revenue taxes is reduced from an aggregate of \$33,381,040 to \$31,750,000, a decrease of \$1,631,040. The total reduction in personnel is 480, of which 377 are from the departmental roll and 103 from the field service. The allotment for personal services in the District of Columbia is limited in the appropriation to \$10,750,000, which is approximately \$715,000 less than the allotment for this purpose for the current fiscal year. Of the decrease of \$1,631,040, the sum of \$115,000 is due to the transfer of the allotment for stationery from this appropriation to the general stationery appropriation for the Treasury Department, \$500,000 allotted during this fiscal year by law to the Board of Tax Appeals and estimated separately for 1926 for that organization, and the remainder of the reduction, \$1,016,040, is due to the decreases in force enumerated and reduction in other expenses resulting from better organization and a decrease in the work of the bureau. The Commissioner of Internal Revenue was of the opinion that we ought not now further reduce the force. There is still a vast amount of auditing of back schedules. On page 8 of the report will be found quite a complete statement of the number of cases pending.

For the Coast Guard we recommend \$20,597,835, which is the amount of the estimates. This sum is \$1,753,706 in excess of the appropriations for this service for the fiscal year 1925. Congress, at the last session, granted additional appropriations for the Coast Guard for the acquisition of more vessels for the prevention of smuggling in liquor and for additional officer and enlisted personnel for their operation.

The amounts appropriated in this bill provide for the next fiscal year for the operation of the regular complement of Coast Guard vessels and the additional fleet on the same basis as they have been provided for during the present fiscal year through the regular appropriation act and the deficiency act. The additional vessels for antismuggling work have not all been delivered and put into commission. They will all be delivered and ready for full operation during the next fiscal year. The difference of \$1,753,706 between the appropriations for 1925 and those for 1926 is due solely to the fact that all of the additional vessels will be in full operation for the next fiscal year while only a portion of them are in operation for varying portions of this fiscal year.

The amount for the Coast Guard is divided logically into two classes, as follows: For the regular activities, as contrasted to the antismuggling work, \$10,728,578, and for the antismuggling work, \$9,649,257.

Mr. LINTHICUM. Has the gentleman any idea how much less we are appropriating than what is recommended in the Budget? Last year, the gentleman will remember, we appropriated a great deal less than the Budget recommended.

Mr. MADDEN. This bill carries about \$11,000,000 less than was recommended.

Mr. LINTHICUM. As the gentleman knows, we hear about the Budget Bureau and we do not hear about the reductions that Congress makes in the recommendations of the Budget.

Mr. MADDEN. As I have said, this bill carries about \$11,000,000 less, the Agricultural bill carried about \$3,000,000 less, the Navy bill carried about a million less, the Interior bill about a million and a half less, and I think most of the bills will carry less than what is recommended by the Budget.

I would like to call your attention to some other matters in the bill.

Mr. KING. Would the gentleman yield before going into a discussion of them?

Mr. MADDEN. Yes, indeed. I think I know what the gentleman has in mind.

Mr. KING. I want to make an inquiry as to whether or not the appropriation for the recordation and classification of canceled coupons, which was cut out at the last session, was restored in this bill?

Mr. MADDEN. It was not, and I will tell the gentleman why it was not. First, it was not recommended by the Budget. Next, the committee had gone into the question very thoroughly last year, and with the Chief of the Public Debt Service and others in charge we reached the conclusion that there ought not to be as elaborate detail in connection with that work as there was carried on. Then, in order to be sure that we were not wrong about it, we had a study made of the question by the Bureau of Efficiency, and we were convinced on every phase of the question that we ought not to carry that work on in the way in which it had been carried on in the past. I know the gentleman has another object in mind. He wants to have it carried on because he wants to carry on his investigation, but it was not recommended to us.

Mr. KING. I desire to ask the gentleman a very frank question.

Mr. MADDEN. Yes, indeed.

Mr. KING. Considerable discussion has arisen over that matter in the special committee which the House appointed, and it is presenting to us a very difficult problem in the discovery of duplication of bonds. We now have to simply go to a big pile of bonds and 25,000 men working a year never could pick out those coupons without any recording arrangement, and, of course, the discussion touched upon the point as to who was responsible for cutting that out.

Mr. MADDEN. I am responsible.

Mr. KING. It was stated that the chairman of the Committee on Appropriations is the gentleman who cut it out.

Mr. MADDEN. Yes; I assume the responsibility. [Applause.]

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

Mr. MADDEN. Yes.

Mr. WATKINS. Did the gentleman exceed the recommendation of the Budget in any particular other than in the prohibition unit?

Mr. MADDEN. Yes. We have exceeded their recommendation whenever, in our judgment, within the range of the bill, we found any item that we did not think was adequately provided for. After a thorough investigation we supplied the amount needed, but we have always tried and have always succeeded in keeping within the recommendation as a whole. For example, in the Agricultural bill, while it was under consideration in our committee we discovered, for example, that they had not recommended for the eradication of tuberculosis in cattle enough money, in our judgment, to meet that situation, and we thought that was vital. That was true in a number of other instances. For example, on the question of white-pine blister rust, out in the gentleman's section of the country, we found they had not recommended appropriations that seemed necessary for that work, and we recommended to the House the amount of money we thought was necessary, and the House approved our action.

The CHAIRMAN. The gentleman from Illinois has consumed one hour.

Mr. MADDEN. Mr. Chairman, I yield myself 10 minutes further.

The CHAIRMAN. Without objection, the gentleman may proceed.

There was no objection.

Mr. SUMNERS of Texas. Will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. SUMNERS of Texas. When the Committee on Appropriations comes to regard its duty with regard to the various items, does it make an independent investigation to determine the amount?

Mr. MADDEN. Always; yes.

Mr. SUMNERS of Texas. Then, of what service is the estimate of the Budget Bureau?

Mr. MADDEN. Of course, there is no human agency that is perfect. I think the gentleman will admit that. The gentleman has lived in Texas long enough to know that. [Laughter.] I would hesitate to trust a human agency that would not make a mistake once in a while.

Mr. SUMNERS of Texas. I do not want to press the matter, but does the gentleman investigate each time to see whether or not the Budget Bureau has made a mistake?

Mr. MADDEN. We investigate every item that comes before the committee and we investigate it very thoroughly. If

the gentleman will allow me to illustrate, for example, we have the Bureau of Engraving and Printing. We quite recently had a man who presided over that activity for a while. He was designated from the Army to act as the director. I went down there personally and looked over the activities in that bureau. Of course, that is not possible in connection with all these matters, because they are too far away; but it frequently happens that where they are close by, I go and examine them. I made an examination of the physical conditions in this bureau. I found they had organized a board of management with three assistant directors at \$5,200 a year each, with an application for a salary of \$10,000 for the director. We had always conducted that branch of the service with one director and one assistant. We later took hearings on their estimates. It took us part of two days to hear the witnesses on the matter. Of course, if we took two days on everything of that size in the Government we would never get through. In this bureau they were making claims about savings of over a million dollars that could be made. I was very anxious to have that saved. They testified about it, and in many cases when certain questions were asked, of course, the witness was not able to give a complete reply then to the question, and therefore in every such case I told them that we did not expect them to be able to carry all the details in their heads, and when we sent their evidence back to them for revision we would ask them to supply the missing links.

On the direct testimony they would make a very fine showing of economy that could be effected, but when they supplied the missing links, so to speak, they retracted many of the things they said on the direct testimony and hedged their statements to such an extent that we could not help but reach the conclusion that they could not do the things they said they could do when they testified directly. We expect to make further investigation and recommendation to the Secretary of the Treasury on that activity and perhaps help save some money instead of just talking about it.

Since this bureau has been mentioned, I will tell what we have done.

The amount recommended is \$7,271,530. This sum is \$1,325,855 more than the current appropriations and \$106,900 less than the estimates. The estimates called for 192,742,300 sheets of delivered currency, of which 14,000,000 sheets were for national-bank currency and 178,742,300 sheets for United States currency. The committee recommends a total of 190,242,300 sheets, composed of 14,000,000 for national-bank currency and 176,242,300 for United States currency, a reduction of 2,500,000 in the amount of United States currency. This deduction is due to the elimination of practically that number of sheets on account of the gold reserve and which in the opinion of the Treasury Department was the least important item in the money-printing program.

The appropriations for the bureau for the current fiscal year provide for 150,000,000 delivered sheets of United States and national-bank currency. The demands for new money through money coming in for redemption and increased demands, particularly for \$1 bills, has necessitated the printing by the bureau at a greater rate during the first few months of this fiscal year than the 150,000,000 sheets would provide. It will be necessary, if the present rate of production continues, to authorize for this fiscal year by way of deficiency appropriation additional sheets which will carry the total number of sheets for 1925 to a number at least equal if not in excess of the recommended program for 1926.

The Treasury Department is now operating without any reserve stock of currency, the production of the plant being used from day to day to fill current needs. A program is being prepared in the Treasury Department for building up a reserve stock of paper money which will permit the new notes to become properly aged and seasoned before being issued and provide a safety stock of money which can be issued as the needs arise.

Mr. SUMNERS of Texas. Can the gentleman tell the House what honest-to-goodness service the Budget Bureau renders the Appropriations Committee?

Mr. MADDEN. I will do so. I think the Budget is the greatest achievement accomplished by the Government since its foundation. Before the organization of the Budget system every bureau chief in the Government made his own estimates. Nobody revised them. He submitted those estimates to the head of his department. The department head was presumed to revise them but he usually did not do it. They were assembled for the department, and handed over to the Secretary of the Treasury, who had no power to revise them, but even if he had he was only one Cabinet officer, having equal rank with other Cabinet officers, and he would not dare to exercise supe-

rior authority. A statement of them went to the President of the United States or was supposed to go to him. He had the responsibility of recommending to Congress how they might be revised but had no authority to revise them. He never used this power, and so they came up here in a hodge-podge with innumerable things that ought not to be sent in at all.

When the Budget law was written—and I helped to write it as a member of the select committee—our idea was that we should place the responsibility for the financial activities of the Government somewhere. The question was where to place that responsibility. Should we place it on the Secretary of the Treasury? After serious consideration we decided no, that we must not do that because it would be very embarrassing for the Secretary of the Treasury to be called upon to reject the demands of his colleagues in the Cabinet, and so we placed that responsibility on the President of the United States and made him responsible for enforcement of the Budget act.

Now he is required to assemble all the facts upon which he is required to make an estimate of the activities in which he wants the Government to engage for each year and as nearly as he can estimate the cost of the activities in which he wants the Government to engage.

It is manifest that the President of the United States could not do that personally, and so we gave him an agency, called the Bureau of the Budget. The Bureau of the Budget is not a bureau as such of the Government, for it has no original jurisdiction. It does not speak as a bureau; it speaks as the President of the United States. It represents the President, and as such has the power to go into the bureaus of every department. It has the superior right of way into every department. It can call on anybody in any department for information. It can accept it or reject it, investigate it or not, but the presumption is that they do investigate.

I will tell you what happened as a result of all that: Now, instead of getting the Secretary of the Treasury to send up a conglomerate mass in the form of requests from bureau heads, it is all segregated and analyzed, systematized, and comes up in a systematic form.

Now, I want to say to the gentleman from Texas that these heads of departments who are subjected to the inquests are very much opposed to it. They are restricted in their right to expend public money. They have to think about it before they expend it; they have to squeeze a dollar to see if it is absolutely necessary before they expend it.

Here is what happens now: The chairman of the Appropriations Committee has perhaps a new duty that he never had before. They get turned down by the Budget, or perhaps they want to go to the Budget and they want to find out whether we are going to act on it or not. They come to the chairman of the Appropriations Committee and ask whether there is any possibility of getting favorable consideration for a problem that involves the expenditure of a lot of money if they can get a favorable recommendation from the Budget. Many times we turn them down and it saves millions of dollars to the Treasury. We never accept one of them unless it is an emergency case, such as we had the other day in regard to the poultry pest. We act on such things as that whenever the emergency arises. But if it is merely the desire of some head of a department, or a bureau chief, or a combination of both, to get their hands into the Treasury of the United States and to find out in advance whether they can get a recommendation from the Appropriations Committee in case they get a favorable report from the Budget, they usually find out that they can not do it.

Now, I want to say something about other important items in the bill.

The appropriations for the customs service are reduced from \$16,979,140 to \$16,656,200, a decrease of \$322,940. The amount recommended will provide for the same organization for the next fiscal year as during 1925, the decrease being brought about by a more systematic organization of the service and a more careful control of expenditures.

It is not anticipated that there will be any decrease in the volume of work to be transacted by the customs service during the coming fiscal year. The customs receipts for the first three months of the fiscal year 1925 aggregated approximately \$141,000,000, while receipts for the first three months of the previous fiscal year aggregated \$131,000,000, an increase in the first three months of this fiscal year of \$10,000,000 over the first three months of the previous fiscal year. The customs revenues for the fiscal year 1924 were \$545,000,000. For 1925 they are estimated at \$550,000,000, and for 1926 at \$535,000,000.

Under the Farm Loan Board an increase of \$55,000 is recommended to permit an increase in the number of reviewing appraisers from 4 to 12, at salaries of not to exceed \$5,000 each,

and \$15,000 additional is provided for traveling expenses. The purpose of providing for 12 reviewing appraisers is to have one for each land-bank district who will have supervision of all field appraisers operating in that district. The board is of the opinion that with a competent reviewing appraiser in each district better supervision of the appraisal work will result and will reduce the actual cost to the borrowers and the banks. The salaries of the appraisers as well as all other expenses of the Farm Loan Bureau will be paid from assessments levied upon the system.

Under the Public Health Service I desire particularly to call attention to the committee's action on two items.

The appropriation for the division of venereal diseases has been reduced from \$149,040, for the current year, to a recommended amount of \$50,000, a cut of \$99,040. The sum of \$50,000 is also a reduction below the Budget of \$48,396. The reduction in the amount for the current year is due in part to the elimination of \$25,000 for allotment to the States, and the remainder is a decrease in the amount for the activities of the bureau, both in the department and in the field. In the opinion of the committee the sum of \$50,000 should be adequate for the activities which the division should carry on.

The Budget proposed reductions of \$15,000 and \$10,000, respectively, in the funds for rural sanitation and the regulation of biologic products. These two sums the committee has restored to practically what they are for the current fiscal year, namely, \$75,000 and \$45,000.

Among the items under the jurisdiction of the Supervising Architect's Office the committee has recommended, as it has in previous years, a number of repair and alteration appropriations for specific public buildings for post office, marine hospital, and quarantine station purposes. Some additional amounts are also added to maintenance appropriations on account of the placing in commission during this year of a number of new buildings and the anticipated placing in commission during the next year of approximately 30 more.

One new appropriation item is recommended, and two items are increased above the Budget to which attention should be directed.

A new item of \$100,000 is recommended for the installation of lock-box equipment in public buildings. The amount recommended is based upon needs for such facilities submitted by the Post Office Department. The sum will provide for the purchase and installation of approximately 16,500 boxes of various sizes. Applications are pending for approximately 12,500 boxes, and the appropriation from which this service is supported is not sufficient to handle the demands for it. It was stated to the committee that the receipts from the rental of the boxes would pay for the installation in two years and that thereafter the receipts from rentals would represent a return of 48 per cent on the investment. In addition to the business feature of the proposal, there is the essential of providing adequate postal facilities to the public. It is also estimated by the Post Office Department that the installation of 12,500 boxes would greatly facilitate the delivery of mail which when the boxes are not available must be delivered through the general delivery window or by carrier. It is estimated by the Post Office Department that the saving in this respect would approximate \$90,000 per annum.

The committee recommends an appropriation of \$800,000 for remodeling or extending completed public buildings so as to provide or make available additional space in emergent cases, limiting the expenditure, as the current appropriation does, to not to exceed \$20,000 on any one building. The amount provided for this purpose for 1925 and the estimate for 1926 is \$400,000. The committee has increased this amount to the sum named. The appropriation heretofore granted has been insufficient to handle the number of cases submitted by the Post Office Department as requiring attention. As a general rule the number of approved cases pending has been more than the annual appropriation at the time it became available would care for. The rule of providing additional space has been on the basis of 60 square feet per employee, and the cost of extension has been slightly less than \$6 per square foot of additional space procured.

Applications now on file indicate the amount recommended will be used to exceedingly good advantage for the benefit of the postal facilities.

The amount recommended for repairs and preservation of public buildings is \$930,000. This sum is \$197,000 more than the appropriation for the current year and \$155,000 more than the Budget. The committee believes that this sum can be expended to good advantage in much-needed interior painting

and general repairs to public buildings throughout the country. The number of buildings falling under the distribution of the fund is approximately 1,250, and the condition of many of them can be considerably improved if the additional funds are available.

#### POST OFFICE DEPARTMENT

The estimates for the Post Office Department for the fiscal year 1926 as submitted in the Budget aggregate \$637,376,005.

The total appropriation for the department for the fiscal year 1925 amounted to \$613,645,195.25.

The amount recommended to be appropriated in the bill is \$636,269,415. This sum, compared with the appropriations for 1925 and the estimates for 1926, is as follows:

It is \$22,624,219.75 more than the 1925 appropriations and it is \$1,106,590 less than the amount requested in the Budget.

In connection with the increase of more than \$22,000,000 over the amount for the current year, it was stated to the committee that additional sums will be required for the fiscal year 1925 approximating \$9,000,000, which, if found necessary and allowed, would bring the total for 1925 to \$622,600,000, and the amount recommended for 1926 would therefore be \$13,600,000 more than the total appropriation needs of 1925 instead of \$22,600,000 as the appropriation situation now stands.

The increase shown for the next fiscal year is almost entirely in the items of clerk hire in first and second class offices, transportation of the mail, City Delivery Service, Railway Mail Service, fees to special-delivery messengers, and transportation of foreign mails. These increases are due largely to two factors—the increased volume of mail to be handled and the automatic promotions provided by law for postal employees.

The increases provide approximately 1,925 additional clerks at first and second class offices, 1,400 additional city letter carriers, and 600 additional clerks for the Railway Mail Service.

The appropriation for transportation of the mail by railroads and for mail messenger service is increased from \$104,450,000 to \$112,250,000, or by \$7,800,000. The current appropriation was based upon an anticipated increase in volume of mail to be transported of 6 per cent. The receipts so far this year show an increase of 7.53 per cent. An additional appropriation of approximately \$4,000,000 will be required for 1925 to care for the additional transportation cost. The increase granted is solely due to the increased volume of mail, and it is interesting to point out in this connection that even though the gross cost of carrying the mail is rapidly increasing, the cost for each million dollars of postage receipts is decreasing. Such cost in 1921 was \$212,555 for each million dollars of postage receipts and in 1924 it had been reduced to \$183,836. The reduction has been brought about by more intensive loading of storage cars, curtailment of railway post-office car space not regarded as necessary to the service, and careful supervision of mails moving on the railroads. On the same basis of cost per million dollars of postage revenue as prevailed in 1921 the cost of transporting the mails for the current fiscal year would be approximately \$15,000,000 more than the amount that will be expended for this purpose.

The committee recommends the sum of \$1,700,000 for the village-delivery service. This amount is \$200,000 in excess of the current appropriation and the Budget estimate. Applications pending for extension of this service are far in excess of the number that could be provided with the amount of the current appropriation. The committee is of the opinion that the additional amount granted will provide service of this character in many places which will be able to come up to the requirements necessary to obtain it.

The appropriation for the rural-delivery service carried in the current act is \$89,250,000, of which \$300,000 was made immediately available for the fiscal year 1924, leaving \$88,950,000 for the fiscal year 1925. The amount recommended by the committee is \$88,350,000. This recommended amount is \$600,000 less than the appropriation for 1925 and \$150,000 more than the estimate. It was stated by the Fourth Assistant Postmaster General that the addition of the \$150,000 which the committee recommends would give an appropriation sufficient to take care of the needs for additional routes for the next fiscal year.

The appropriation recommended for the Air Mail Service is \$2,600,000. The amount recommended for this purpose for the current fiscal year was in two items, \$1,500,000 for the service as theretofore operated and \$1,250,000 for the inauguration of night flying, aggregating \$2,750,000. The amount granted is \$150,000 less than the current appropriation. This reduction does not contemplate any reduction in the character or amount of service to be rendered, but is due to the elimination of sums

necessary for this fiscal year for certain facilities and equipment which will not need to be obtained during 1926.

The audited revenues of the Post Office Department for the fiscal year 1924 amounted to \$572,948,778.41, and the operating expenses were \$597,311,269.75, leaving a postal deficit of \$24,362,491.34.

The estimated revenues for the fiscal year 1925, based on reports from the 50 largest offices, indicate that the revenues for the current fiscal year will be approximately \$610,190,000.

The estimated expenditures for the fiscal year 1925 are \$620,320,931.15, leaving an estimated deficit of \$10,130,931.15.

For the fiscal year 1926 the amount recommended in the accompanying bill is \$636,269,415. The Post Office Department estimates that the revenues for 1926 will be 6.1 per cent greater than the revenues for 1925. If this increase in revenues is realized the revenues for 1926 will be approximately \$647,410,000, and the operation of the service, instead of a deficit, would show a surplus of about \$11,000,000.

Comparative statement showing the appropriations for the fiscal year 1925 (including amounts in regular annual, deficiency, and other acts), with the Budget estimates for the fiscal year 1926

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	1925 appropriations in regular annual field classification, and deficiency acts	1925 permanent and indefinite appropriations	Total 1925 appropriations	1926 estimates submitted for regular annual appropriation bills	1926 estimates of permanent and indefinite appropriations	Total 1926 estimates submitted in the Budget	Increase (+) or decrease (-) 1926 estimates compared with 1925 appropriations (column 6 compared with column 3)
Legislative establishment.....	\$14,229,016.00	\$800.00	\$14,229,816.00	\$15,093,745.80	\$800.00	\$15,094,545.80	+\$864,729.80
Executive office and independent offices:							
Executive office.....	440,767.50		440,767.50	439,960.00		439,960.00	-807.50
Civil Service Commission.....	1,012,035.00		1,012,035.00	997,375.00		997,375.00	-14,660.00
Employees' Compensation Commission.....	2,650,600.00		2,650,600.00	2,301,500.00		2,301,500.00	-349,100.00
Federal Board for Vocational Education.....	944,000.00	6,380,000.00	7,324,000.00	855,270.00	7,367,000.00	8,222,270.00	+898,270.00
Federal Trade Commission.....	1,010,000.00		1,010,000.00	950,000.00		950,000.00	-60,000.00
General Accounting Office.....	3,799,852.00		3,799,852.00	3,701,960.00		3,701,960.00	-97,892.00
Housing Corporation.....	882,415.00		882,415.00	743,915.00		743,915.00	-138,500.00
Interstate Commerce Commission.....	4,641,864.00		4,641,864.00	4,913,500.00		4,913,500.00	+271,636.00
Shipping Board and Fleet Corporation.....	30,344,000.00		30,344,000.00	24,330,000.00		24,330,000.00	-6,014,000.00
State, War, and Navy Buildings.....	2,458,115.00		2,458,115.00	2,342,880.00		2,342,880.00	-115,235.00
Smithsonian Institution.....	809,101.66	60,000.00	869,101.66	757,890.00	60,000.00	817,890.00	-51,211.66
Tariff Commission.....	683,240.00		683,240.00	721,500.00		721,500.00	+38,260.00
Veterans' Bureau.....	481,958,272.30		481,958,272.30	405,700,000.00		405,700,000.00	-76,258,272.30
All other.....	1,789,885.00	17,301.79	1,807,186.79	1,558,545.00	19,500.00	1,578,045.00	-229,141.79
Total, Executive office and independent offices.....	533,424,147.46	6,457,301.79	539,881,449.25	450,314,295.00	7,446,500.00	457,760,795.00	-82,120,654.25
Department of Agriculture:							
Department proper.....	46,714,436.00	12,360,750.00	59,075,186.00	44,002,000.00	12,340,750.00	56,342,750.00	-2,732,436.00
Roads' items.....	19,000,000.00		19,000,000.00	83,750,000.00		83,750,000.00	+64,750,000.00
Total, Department of Agriculture.....	65,714,436.00	12,360,750.00	78,075,186.00	127,752,000.00	12,340,750.00	140,092,750.00	+62,017,564.00
Department of Commerce.....	25,844,555.00	3,000.00	25,847,555.00	22,738,514.00	3,000.00	22,741,514.00	-3,106,041.00
Department of Interior:							
Pensions.....	222,500,000.00		222,500,000.00	197,000,000.00		197,000,000.00	-25,500,000.00
Indian affairs.....	12,929,281.80	21,646,000.00	34,575,281.80	12,377,027.67	21,550,000.00	33,927,027.67	-648,254.13
All other.....	33,529,833.00	5,597,269.06	39,127,102.06	30,327,111.00	6,531,457.50	36,858,568.50	-2,268,533.56
Total, Interior Department.....	268,959,114.80	27,243,269.06	296,202,383.86	239,704,138.67	28,081,457.50	267,785,596.17	-28,416,787.69
Department of Justice.....	22,680,956.50		22,680,956.50	24,917,822.00		24,917,822.00	+2,236,865.50
Department of Labor.....	8,651,346.47	25,000.00	8,676,346.47	8,310,260.00	25,000.00	8,335,260.00	-341,086.47
Navy Department.....	278,192,410.87	2,103,260.00	280,295,670.87	287,323,928.00	2,460,050.00	289,783,978.00	+9,488,307.13
State Department.....	16,238,756.29	26,000.00	16,264,756.29	15,999,512.77		16,130,652.51	-134,103.78
Treasury Department:							
Interest, public debt.....		865,000,000.00	865,000,000.00		830,000,000.00	830,000,000.00	-35,000,000.00
Sinking fund and public debt retirement funds.....		471,806,401.00	471,806,401.00		484,766,130.00	484,766,130.00	+12,959,729.00
All other.....	137,644,712.50	26,773,100.00	164,417,812.50	137,759,916.00	26,087,825.00	163,847,741.00	-570,071.50
Total, Treasury Department.....	137,644,712.50	1,363,579,501.00	1,501,224,213.50	137,759,916.00	1,340,853,955.00	1,478,613,871.00	-22,610,342.50
War Department:							
Military activities.....	263,921,731.67	900,000.00	264,821,731.67	258,785,274.00	900,000.00	259,685,274.00	-5,136,457.67
Nonmilitary activities.....	73,761,542.00	5,683,321.00	79,444,863.00	72,616,656.00	6,249,300.00	78,865,956.00	-578,907.00
Total, War Department.....	337,683,273.67	6,583,321.00	344,266,594.67	331,401,930.00	7,149,300.00	338,551,230.00	-5,715,364.67
District of Columbia.....	29,172,153.21	1,226,962.00	30,399,115.21	30,770,471.00	1,565,356.00	32,335,827.00	+1,936,711.79
Grand total, excluding postal, payable from postal revenues.....	1,738,434,878.77	1,419,609,164.85	3,158,044,043.62	1,692,086,533.24	1,400,057,308.24	3,092,143,841.48	-65,900,202.14
Post Office Department and Postal Service.....	613,645,195.25		613,645,195.25	637,376,005.00		637,376,005.00	+23,730,809.75
Grand total, including postal.....	2,352,080,074.02	1,419,609,164.85	3,771,689,238.87	2,329,462,538.24	1,400,057,308.24	3,729,519,846.48	-42,169,392.39

Mr. BYRNS of Tennessee. Mr. Chairman and gentlemen of the committee, the distinguished chairman of the Committee on Appropriations, to whose service as chairman of the committee and also as a Member of this House we are always happy to give great credit, has, with his accustomed force, frankness, and fairness, set forth the details in a general way of these two bills now pending before you. He has also emphasized the fact that we have reached a point where it will be practically impossible to very materially decrease the future expenditures of the Government for its ordinary and peacetime activities unless there is a halt made in the creation of new activities and the imposition of new obligations upon the Government. I know that many propositions are put before Congress and that pressure is exerted from many sections of

the country in favor of increased activities on the part of the Government, and that many of them are most desirable; but we have reached a situation where we must either deny them or put the Government in a position where it can not further reduce its expenditures to any material degree.

I shall discuss that subject in a general way, or in an indirect way, by a reference to figures submitted to the President by way of estimates for the appropriations for 1926.

It has been truly said that tax reduction, which necessarily involves a reduction of expenditures, is the Government's greatest unsolved problem. The President of the United States made economy the keynote of his annual message to Congress. It met a hearty response throughout the country, and the people are confidently looking to the President and to

Congress to bring about the reduction in expenditures and taxes which has been promised them. As the President pointed out, business and agriculture are laboring under the heavy burden of taxation which has been imposed upon them. It is quite true, as the President says, that a very great part of this burden is due to State and local taxation, but that will not absolve the national administration from doing everything it can to reduce the national burden of taxes.

It is quite true that there has been a considerable reduction in appropriations and expenditures during the years immediately following the war. But that was to be expected. When the war closed the Government had contracts and obligations created during and because of the war which it was necessary to carry out; certain war agencies had to be brought to a close and wound up; interest on the public debt was nearly \$200,000,000 per annum more than it is to-day. And as these expenditures were reduced during the years that followed the war appropriations were reduced. It is clear that no political party or administration is entitled to claim any credit for reductions of this kind. The only reductions which will give hope of permanent relief to the people and for which the administration can claim credit are reductions in the ordinary peace-time operations of the Government.

With the purpose only of keeping the record straight I think it well to inquire very briefly as to whether there have been any material reductions of this kind. I do not for one moment question the sincerity of the President in his effort to reduce governmental expenditures, or his very earnest wish for economy. I certainly give every credit to the able and splendid Director of the Budget, who is rendering great service to the people of the United States. I have the greatest admiration for him as a man and as an officer of the Government.

But it is a fact that on account of the reductions which should and would have come in ordinary course, confusion has arisen and the idea exists that there have been greater reductions in the cost of the ordinary business operations of the Government than the facts really show. The President in his very timely message to Congress declared:

Anybody can reduce taxes, but it is not so easy to stand in the gap and resist the passage of increasing appropriation bills which will make tax reduction impossible. It will be very easy to measure the strength of the attachment to reduce taxation by the power with which increased appropriations are resisted. If at the close of the present session the Congress has kept within the Budget which I propose to present, it will then be possible to have a moderate amount of tax reduction and all the tax reforms that the Congress may wish for during the next fiscal year.

I feel very sure that the President will apply this measure to himself as well as to the Members of the Congress who appropriate the money which he, as the head of the Government, expends.

Now, let us examine in what must be a very general way, the figures submitted, in order to see whether or not the administration is entirely justified in all of its claims for pressure exerted and economy effected.

The total amount of the preliminary estimates for the fiscal year 1926, exclusive of the Postal Service, which it is estimated will cost \$637,376,005, is \$3,092,143,841.48.

The original appropriations for 1925 were \$2,973,009,189.94, but later on Congress made supplemental appropriations at the request of the President amounting to \$202,091,393.01, which in all fairness should be added to the original appropriation. The total appropriations for 1925, therefore, up to this time amount to \$3,175,100,582.95, or \$82,956,740.47 more than the original estimates for 1926. But in this connection it must be said that there will be future supplemental estimates and appropriations for 1926. I have in mind now more than \$100,000,000 which, according to estimates, must be appropriated later on for road construction and tax refunds alone. The question of real reduction and economy can only be correctly determined by comparison with appropriations and expenditures of the previous year. An analysis of the figures shows that there has been no material reduction in the ordinary peace-time obligations of the Government. There may have been reductions in some of the expenses but others have been increased and new ones added until the peace-time obligations of the Government have been actually increased.

Why are the estimates for 1926 over \$82,000,000 less than was appropriated for 1925? The answer is that we are constantly paying off the public debt and therefore the amount of interest on the public debt will be \$35,000,000 less in 1926 than in 1925. The Civil War pension roll is constantly decreasing due to the death of the old soldiers and, therefore, \$25,500,000 less will be required for this purpose for 1926 than for 1925. These two items alone aggregate \$60,500,000. But that is not

all. Congress passed the so-called bonus or adjusted compensation act last year. A certificate or sinking fund was provided to which certain payments should be made every year in order that the compensation certificates can be paid at their maturity without unduly increasing the appropriations at that time or disturbing the financial operations of the Government. The first appropriation made for this purpose was for 1925 and amounted to \$135,892,898, which is a part of the supplemental appropriation for 1925. According to the Government actuary the appropriation under this law for 1926 should be \$155,727,372 in order to carry out the intent of Congress when the act was passed and to comply with the representations made at that time. I present the following table submitted by the Government actuary last year showing just what amount should be appropriated during each year of the life of these certificates in order to provide a fund to take care of them at maturity:

Estimate of yearly cost of adjusted compensation, by fiscal years, under provision of H. R. 7959

Year	Adminis- tration	Ten quarterly payments (Sec. VI)	Cash payments	Adjusted service certificate	Total
1925.....	\$1,188,500	\$18,451,274	\$8,178,124	\$119,510,775	\$147,334,673
1926.....	350,000	36,902,544	-----	118,474,828	155,727,372
1927.....	175,000	36,902,544	-----	117,428,577	154,506,121
1928.....	-----	-----	-----	116,378,061	116,378,061
1929.....	-----	-----	-----	115,320,301	115,320,301
1930.....	-----	-----	-----	114,255,433	114,255,433
1931.....	-----	-----	-----	113,180,518	113,180,518
1932.....	-----	-----	-----	112,095,569	112,095,569
1933.....	-----	-----	-----	110,997,706	110,997,706
1934.....	-----	-----	-----	109,886,840	109,886,840
1935.....	-----	-----	-----	108,760,261	108,760,261
1936.....	-----	-----	-----	107,616,448	107,616,448
1937.....	-----	-----	-----	106,451,070	106,451,070
1938.....	-----	-----	-----	105,262,757	105,262,757
1939.....	-----	-----	-----	104,045,709	104,045,709
1940.....	-----	-----	-----	102,797,160	102,797,160
1941.....	-----	-----	-----	101,511,271	101,511,271
1942.....	-----	-----	-----	100,180,864	100,180,864
1943.....	-----	-----	-----	98,800,271	98,800,271
1944.....	-----	-----	-----	97,363,617	97,363,617
Total.....	1,713,500	92,256,362	8,178,124	2,180,324,056	2,282,472,042

The estimates for 1926 call for only \$62,000,000, or \$93,727,372 less than the actuary declared should be appropriated and \$73,892,898 less than was appropriated for 1925. It is evident that this sum will have to be appropriated some time during the next 20 years, the life time of the certificates, and the failure to appropriate it at this time constitutes no saving, but only serves to make a showing of a reduction. I know it is said by way of explanation that this reduction was made because only about half of the ex-service men had applied at the time the estimate was submitted for the bonus certificates, and if no more should apply, then the sum should be sufficient. But the ex-service men have three more years to make application, and it is a violent presumption to say that all or nearly all will not actually apply. If not, then the theory and object of those who favored the law was clearly wrong. Certainly good business would have required that the whole amount of the actuary's figures should have been appropriated, and the failure to ask for the amount indicated by the actuary will cost the Treasury more money in the long run. I suspect this would have been asked had it not been for the fact that by so doing the estimates for 1926 would have been over \$10,000,000 more than the appropriations for 1925.

The following table shows the larger items which go to make up the reduction in estimates for 1926:

Interest on public debt.....	\$35,000,000
Civil War pensions.....	25,500,000
Bonus or adjusted compensation.....	73,892,898
Vocational rehabilitation.....	51,000,000
Medical and hospital treatment.....	7,000,000
Emergency ship fund.....	6,000,000
Total.....	198,392,898

As I have already explained, the reductions in these amounts can not justly be claimed as being due to the exercise of closer economy, and if it had been necessary to appropriate for these purposes the same amount as was required in 1925, then the estimates for 1926 would have been nearly \$200,000,000 more than the 1925 appropriations. And bear in mind that additional or supplemental appropriations will be required for 1926.

Now, let us glance for a moment at the estimated expenditures for 1925 and 1926. The total estimated expenditures, including Postal Service, for 1925, are: \$4,144,273,808, and for 1926, \$3,904,927,383. The total estimated expenditures, exclusive of Postal Service, for 1925 amount to \$3,534,083,808,

and for 1926, \$3,267,551,378. This shows a difference of \$266,532,430.

The larger items which go to make up this reduction are as follows:

Interest on public debt.....	\$35,000,000
Adjusted compensation.....	73,892,898
Tax refunds.....	35,000,000
War Finance.....	10,000,000
Railroad Administration.....	12,000,000
Emergency Fleet.....	15,500,000
Ship construction loan fund.....	9,500,000
Pensions.....	18,000,000
Road construction.....	6,000,000
Veterans' Bureau.....	24,500,000
War Department.....	22,000,000
Navy.....	8,000,000
Loans to railroads.....	6,000,000
Total.....	275,392,898

These reductions amount to more than the reduction in expenditures in 1926 over 1925, and a mere inspection will convince anyone that they afford no just reason for a claim of greater economy. I have already explained how the reduction in the expenditures for adjusted compensation was brought about.

The President in his message comments on the reduction in the estimates of \$29,000,000 for the national defense and claims that there will be a surplus at the close of the present fiscal year of \$67,000,000, but in making this claim of surplus the President must have overlooked for the moment the fact that it will be necessary to appropriate at this session more than \$80,000,000 to carry out the shipbuilding program for the Navy, which has been approved by the President. The gentleman from South Carolina [Mr. BYRNES] in a very excellent speech on the naval appropriation bill while it was under consideration in the House the other day very clearly pointed out this fact. He stated that estimates were now pending before the President and which he will shortly submit to Congress of \$20,000,000 for airplane carriers; \$5,250,000 for airplanes for these carriers; \$46,000,000 to begin the construction of the gunboats and cruisers recently authorized; and \$9,180,000 for the modernization of battleships, or a total of over \$80,000,000 yet to be appropriated for 1925. If these figures of the gentleman are correct—and no one has denied them—and if the President's other figures and estimates are correct, we thus see the claim of a surplus of \$67,000,000 on June 30, 1925, and increased tax reduction to that amount fade into a deficit of \$13,000,000 unless some of these expenditures are carried over into 1926, which the gentleman declares can not and should not be done if the act of Congress which was approved by the President is properly carried out.

It is not my purpose to discuss any of the provisions of the pending bill at this time. The distinguished chairman of the Appropriations Committee, to whose faithful and splendid service in the effort to hold down appropriations and to whose fairness I am always happy to bear testimony, has told you that the amount recommended for the Post Office Department amounts to \$636,269,415, which is \$1,106,590 less than the estimates and \$22,624,219.75 more than the appropriation for 1925, due, it should be stated, to the natural growth and increase of the postal business.

The amount recommended for the Treasury Department, exclusive of permanent appropriations, is \$126,911,107. This is \$10,848,809 less than the estimates and \$10,738,605 less than the appropriations for 1925. It is proper to say that this reduction was made possible solely by the elimination of an item of \$12,000,000 for tax refunds which was estimated for and appropriated for 1925. This particular appropriation has been deferred for a deficiency bill and will be made at a later date, and when made will be chargeable to the 1926 appropriation. I make no particular criticism of this omission, but I think it should be made clear, as the chairman, with his usual fairness, has done in the report, that this amount will have to be appropriated later on and therefore constitutes no real reduction.

Mr. Chairman, the reduction of appropriations and expenditures is not a partisan matter and should not be dealt with from a partisan standpoint. It affects every man, woman, and child in every section of the country, for high taxes are always reflected in the high cost of living. It is easy to juggle figures and make claims of economy, but, after all, real and genuine economy will be finally tested by the extent to which the masses, not the favored few, are relieved of their taxes without impairing the power of the Government to meet its proper and just obligations and to retire its public debt as originally contemplated. I repeat, the immediate test of whether or not there has been economy in public expenditures is a comparison of appropriations and expenditures with those of the previous year. The mere fact that appropriations are reduced does not

of itself indicate that economy is being practiced, for the reduction may come about by the natural result of either the completion or cessation of certain public activities or it may result from deferring obligations to a later date. I submit that a fair, unbiased examination of the figures will show that both of these elements have proved important factors in the reductions which have been made during recent years. New activities and new obligations have been very freely created during the past few years, and until there is a halt in this respect little can be expected in the way of a real reduction in the cost of the everyday business operations of the Government. [Applause.]

Mr. VARE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MAGEE].

Mr. MAGEE of New York. Mr. Chairman, I want to say a word in behalf of H. R. 10406, a bill introduced on December 6, 1924, by Mr. ELLIOTT, of Indiana, and providing for a public building program. We have not had a public buildings bill since March 4, 1913. The need of new Federal buildings in many places in the country is extremely urgent. Employees are working under insanitary and intolerable conditions, which are discreditable to the Government.

I call your attention again to a typical illustration in my home city of Syracuse. The first step was taken in June, 1906. In 1910-11 the Government acquired a site, paying \$325,000 therefor. The act of March 4, 1913, authorized an appropriation of \$550,000, which now is utterly insufficient for the construction of a suitable building. In 1916 the Government razed all the buildings on the site, covering a whole block within a stone's throw of the center of the city, except a garage. The buildings torn down were substantial buildings that yielded substantial revenue. Since 1916 there has been no material revenue to city, State, or Government.

This whole block has continued to be a hole in the ground in the heart of the city for some eight years. The situation has been somewhat aggravated during the past year from the fact that owing to abandonment of the Erie Canal, which extended along and adjacent to the southern boundary of the block, the city has removed the bridges connecting North and South Clinton and North and South Salina Streets, filled up the bed of the canal between such streets, and paved with asphalt Clinton Square. This square is just east of the Government's hole in the ground and upon which stands the Soldiers' and Sailors' Monument erected by the county of Onondaga.

An employee to work under sanitary conditions should have 100 square feet of floor space. In the Federal building at Syracuse, in the workroom proper on the first floor, the average for the entire force is 33 square feet per employee. The Government for additional facilities in Syracuse pays in rentals approximately \$45,000 per year. If a private concern ran its business as the Government has been running the public building business, it would soon go into bankruptcy. It does not seem possible that reasonable men would permit such an intolerable condition to exist for any material length of time.

I understand that the Government now pays approximately \$25,000,000 per year in rentals. I further understand that expiring leases can be renewed only at materially enhanced rentals. It is apparent that unless something is done governmental rentals will soon exceed \$35,000,000 annually. The Government needs some new public buildings in the District of Columbia, but this need is no greater than the need for public buildings in many places outside of the District. [Applause.] An argument for public buildings in the District and excluding the rest of the country is, in my judgment, indefensible from any viewpoint. [Applause.] I do not believe that a bill providing for the construction of public buildings solely in the District, or a bill that is ordinarily known as a "pork barrel" bill affecting the whole country, has any chance of passing in the House. My notion is that we can pass only a bill providing for a public building program on a sound business basis. Can anyone say that it is not a good proposition for the Government to expend annually in the construction of necessary public buildings on sites now owned or hereafter acquired an amount not in excess of what the Government pays annually in rentals? Particularly in view of the fact that the rentals are constantly and materially increasing.

I again call to your attention that Secretary Mellon in his report for the fiscal year ended June 30, 1923, made this statement:

The last decade has witnessed a substantial gain in the population of the United States and a remarkable increase in the volume of public business. Prior to 1913 Congress had made provision from time to time for public buildings to meet the growing needs of the public serv-

ice. Since 1913 there has been no legislation to provide increased space in overcrowded public buildings or for additional public buildings in communities where the needs of the service and sound business principles called for housing the governmental activities in Government-owned buildings. A serious condition of congestion exists in the Federal buildings in the more important cities throughout the United States, and the Government is paying for space to accommodate the public business approximately \$20,000,000 annually. This figure is mounting steadily.

The enactment into law of the Elliott bill will relieve the Congress of all responsibility for alleged neglect to construct in the District of Columbia necessary buildings for the preservation of governmental records and for other governmental purposes. It seems to me that the most urgent need in the District is the construction of an additional building for use of the Treasury Department. This bill, if passed, would permit this construction to begin promptly.

Practically the only objection I have heard to this bill is that it might be conducive to "logrolling" and result in some favoritism. I do not share this apprehension. The bill promises a great reform through the elimination of the "pork barrel" and the construction of public buildings within the provisions of the Budget system. The recommendations of the Secretary of the Treasury, as I understand the bill, would be submitted through the Speaker to the Committee on Appropriations of the House. This great committee, comprised of 35 Members, is fairly representative of the whole country. Besides, its recommendations in the premises would be subject to the final action of the House and of the Senate. I feel that the Committees on Appropriations of the House and of the Senate merit the confidence of the Members of the Congress and can be trusted to act fairly and equitably in cleaning up the public-building mess that now faces us.

If the great reform proposed in this bill shall be carried to completion, the result will soon be the saving of millions of dollars annually to the taxpayers of the country. The annual expenditure, instead of being a material burden to the Government, will prove to be a most profitable investment. I think that the public expects the Congress to do business along business lines and to meet pressing and imperative public needs in a reasonable and businesslike way. We can render no more efficient public service than to meet the existing acute and pressing situation by promptly enacting into law the Elliott bill, providing for a public-building program extending over a period of six years within the provisions of the Budget system and not requiring a maximum annual appropriation in excess of the annual rentals now paid by the Government. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. STENGLE].

Mr. STENGLE. Mr. Chairman, I realize that in a few short weeks I shall be known as an ex-Member of this House. While I may appear to be somewhat premature in making reference to that fact at this time, I take this occasion to pay my respects to the comrades, my colleagues with whom I have associated during the past two years. My career in life has been of such a character that it has fallen to my lot to associate with many classes of people. Beginning early in life as a clergyman, passing from that calling into that of a newspaper editor and then as civil service director of the greatest city in the country and from there here, it has been my opportunity to rub elbows with all classes and kinds of manhood to be found in this country, and I say here in this presence that in all my travels, in the mixture of social intercourse, business relations, or professional associations, I have yet to find a body of men who are leading cleaner lives, who are more loyal to the Government or truer to their duties than those found among my associates in this body. I want you all to know as I pass out, of my own volition, from among you, that I take with me the very highest regard for my colleagues, and I shall go from this presence a better citizen and a more loyal American because of this association than I would have been had I remained on the outside.

But, Mr. Chairman, I did not seek this opportunity to deliver a eulogy over my colleagues nor to say farewell to my associates, but rather to bring to the attention of this loyal and faithful body of public servants conditions which surround another body of employees of the Government who are just as loyal, just as true, just as faithful as we ever dared to be, and I refer to the members of the Postal Service of the United States. I believe that I am as well qualified to discuss the life and work of the Postal Service employees as the average man in this House. Away back in 1905, as a newspaper editor, I was brought face to face with the deplorable conditions surrounding the lives and activities of our postal employees. It was then that I registered a vow and took upon myself the

opportunity to proceed from city to city, not as a paid propagandist, but as a volunteer, looking to the interest and welfare of the servants of our Government, to the end that there might be some provision made for the care and upkeep of the old and worn-out faithful servants of the Government, and I am proud to say that I have lived long enough to find that Congress has provided in a way a means by which the old letter carrier, the old post-office clerk, and other employees of the Government may retire from their labors before death shall take them hence. While we have opened that avenue of hope, while we have done something to alleviate to a limited extent the sufferings of old age, we have not yet gone far enough in providing for their care and upkeep, and I am hoping that before I step out of this House and into the shades of private life again it may be my opportunity to cast with you a vote which will widen the opportunity for providing for the superannuated in our national service.

Surely there can be none of us to object very seriously to that, because every dollar that is to provide for the increase of hopefulness, the foundation of financial support, is to be drawn from a fund which has been produced by the sweat of their own brows and saved by the Government into a great common fund to provide for pensions for their old age, and that fund now reaches the sum of more than \$40,000,000. Last year, after having before made some provision for the superannuated among us, Congress saw fit in its good judgment and in its wisdom to decide that those who are yet actively engaged in the Postal Service should have a compensation commensurate with the demands that are being daily made upon them.

And I rejoice that I sat with you last year and heard the roll call and found there were very few recorded as in opposition to giving a square deal to these faithful public servants, and if I remember aright when the final vote was taken in this House there were less than half a dozen out of the 435 Members who recorded their vote in opposition, and in the other body at the other end of the Capitol only three recorded themselves as opposed to giving an honest, decent livelihood to faithful public servants who carry the mail and look after that service. I thought then this was the end of an activity, that this was the final step that would bring joy and happiness into more than 300,000 homes. I have no desire to criticize our beloved President. Somehow or other in his wise judgment he found it incumbent upon himself to veto that good measure. I do not know what the final result will be, whether there is going to be much difference between one's feelings in May and in December or not, but I look with anxiety to the west end of this building and hope that there may be some way found, that there may be something done that will help relieve their suffering, that will render it unnecessary in the future for faithful public servants who rise early in the morning and swing the load of mail upon their backs long, long before some of us think of rising from our warm beds, dash out into the winter's blast or through summer's terrific heat, and do that which is the key to the opening hours of the day, either in industry or in society, to again be compelled to appeal for help.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of South Carolina. I yield the gentleman five additional minutes.

Mr. STENGLE. I say I hope that there can be some way found to provide a better living for these faithful public servants. I know somebody has said that in some of our smaller hamlets where you will find an occasional letter carrier the present compensation ought to be sufficient.

Mr. HUDSPETH. Will the gentleman yield?

Mr. STENGLE. I will.

Mr. HUDSPETH. Does not the gentleman think that on the 6th of next month some relief may be found in another body if a certain vote is cast in a certain direction?

Mr. STENGLE. I do, and I am hoping it will be cast right.

Mr. HUDSPETH. I am in favor of paying an additional salary.

Mr. STENGLE. I want to go further and say to my colleagues that when the final roll is called I trust that this Congress will see that an act of justice is done at our hands. There are to-day, my colleagues, in the city of New York men who are laboring in behalf of the Government as public servants, and at 5 o'clock in the evening they discard the uniform of public service and don the uniform of private cap service, and are driving taxicabs until the midnight hour in order to accumulate enough food and clothing to feed their families. They should get more pay. I urge justice for them, and I appeal to you in behalf of the wives and children of these faithful servants.

I believe in economy just as much as does the man in the White House, but even so-called economy is sometimes merely

a public waste. If I were to starve my horse in order to save the cost of feed, I might be saving corn or oats but I would be losing a valuable animal and suffer a loss much greater than any gain which might have come to me in grain; if I decided to give but scant feed to the pig in my sty in order to economize on the cost of upkeep, I would be hopelessly short of pork when killing time arrived; if I starved my family in order to pile up a bank account, I would most likely be brought face to face with a great deficit when the undertaker's bill was presented. You and I would doubtless call all of these the results of a "penny-wise and pound-foolish" policy, but not one of these acts on our part would be more foolish than to starve faithful public servants who are giving the very best that is in them for the public good. Surely the Good Book revealed the truth when it announced that "the laborer is worthy of his hire." Knowing my colleagues as well as I do, I have no fear as to what your decision will be when the opportunity is given us to decide whether the President's veto shall stand or not.

Mr. Chairman, lest we forget, I submit herewith as a part of my remarks a number of editorials from leading newspapers, all of which declared last year that we were serving justice best when we served the postal servants best. Surely, if it was right to pay decent wages a year ago, nothing has occurred since which would lead an honest man to change his mind.

[From the Chicago Tribune]

It is a fact generally admitted by the higher authorities in the Postal Service, reiterated by employees in the service, and emphasized in the daily experience of persons using the service, that a lack of sufficient high-grade help in the Post Office Department is a growing handicap. This lack of help is attributable almost entirely to one thing—insufficient pay. Capable men are not being attracted to the service as they were some years ago. Much of the work is being put upon the shoulders of temporary workers, untrained workers, substitutes, and other inefficient men. The necessary result is a deterioration of service.

Such a deterioration is a serious handicap to innumerable lines of business. Delay in delivery of letters, parcels, or other items of mail frequently may mean loss of contracts, business misunderstandings, and other damaging effects. The situation ought to be corrected in the general course of business stimulation and prosperity.

It can be corrected to a large extent by the simple process of passing the Kelly bill (H. R. 4123), which is now before Congress. It is nothing more than justice to the loyal post-office workers who were denied such a raise four years ago on the ground that living expenses were coming down.

[From the Indianapolis News]

The increases are the same as those asked for in 1920. It was believed then that the cost of living would soon decline. For more than three years the employees have been receiving pay that was then admitted to be inadequate. Even now the men do not ask that the increases shall be fixed on the basis of present price levels—and they are the only workers who have not insisted on this—but allowance is made for a reasonable reduction in prices.

In common with postal employees all over the country, Indianapolis postal employees believe that the Government should increase their pay. They have demonstrated to the satisfaction of the public that they are underpaid. This situation is bound to affect their work in spite of their sense of duty. A strong appeal is being made to the present Congress for a pay increase. While it is pledged to economy, it is not pledged to continued underpayment of postal employees.

[From The Springfield News]

It ought not to be necessary for citizens to urge their Representatives in Congress to do their utmost to secure the passage of the so-called Kelly bill, which seeks to bring about a more equitable compensation for postal workers. The situation at present is so manifestly unjust to the postal workers that our Representatives in Congress should be able to see through it at a glance without being prodded.

The Government expects much and gets it from the postal workers. But it is niggardly to the point of absolute stinginess in return. The postal workers are a most conscientious and efficient body of men. They are miserably underpaid. Their salaries have not advanced at all in comparison with the increased costs of living. The Kelly bill is designed to secure nothing more for them than fair and just treatment. The Members of Congress who will take the trouble to merely look over the salary provisions for these men will act promptly if they have any conception of what is required of this branch of the public service.

[From the Springfield Republican]

In the main, the Federal Government has proved needlessly and even stupidly stubborn in adjusting the remuneration of its serv-

ants to advanced living costs. The increases granted by Congress have fallen far short of overtaking the depreciated purchasing power of the dollar. The Federal Government, therefore, which should constantly be attracting into its various branches competent clerical, technical, legal, and administrative talent, has undergone the humiliation of seeing some of its essential services needlessly weakened.

The increase in efficiency, measured not by excellence of result but by the amount of labor performed per man, has probably in the past 15 years exceeded that of any other organization, publicly or privately conducted. The post-office workers realize that the country demands lower taxes, but they believe that an exceedingly small readjustment of parcel-post rates would not only make the department self-sustaining but provide for higher salaries.

[From the Springfield Union]

Is there anywhere in any other branch of the public service or in private employment, where a similar degree of intelligence is required, where the responsibility is as great, the work as important, and the labor as arduous, another example of such inadequate compensation and such failure to recognize and reward faithfulness, efficiency, and devotion to duty as in the Postal Service?

It is a shame and a disgrace upon the Government that these faithful, conscientious, and hard-working public servants, in one of the most important branches of the public service, should receive such shabby treatment. Here is a situation which should command the sympathy of every Congressman and enlist his prompt aid in the correction of a manifest injustice. And it must be done soon if the entire Postal Service is not to be disorganized and disrupted.

[From the Boston Herald]

We hope the Representatives and Senators from New England will exert all possible energy in trying to obtain for railway mail clerks, letter carriers, and most, if not all, other postal employees a substantial increase in compensation. It is now altogether too low. It is out of keeping with other services, both in public and private life. Postal employees are without the weapons, through the strike and other forms of concerted action, for obtaining advantages which other large groups of the world's workers enjoy. On that account it is all the more incumbent upon the public, acting through its Federal Government, to treat these efficient representatives of the public welfare decently and generously. Now it is doing neither.

[From the Providence News]

The callousness of Senators and Representatives is astonishing. They know that the pay of the postal men can not in any way meet the rise in the cost of living. They concede that there ought to be a revision that will take care of the railway postal clerks and all others, but they do nothing. The employees, especially those who are married or have dependents, feel that pinch of this economic problem every day of their lives and they also recognize keenly the injustice of which they are the victims. The people of every State ought to demand that proper compensation be provided, in a special bill if necessary, and in Rhode Island they ought to write to their Members of Congress asking that a direct step be taken to adjust the pay of the employees. Every postponement of action is national dishonor. It means that women and children are deprived of necessities of life and that the men who do the work in the service have to retrench at every point to keep out of debt. The adjustment salary bill for the employees ought to precede any action on the bonus, and, in fact, lead all legislation at the National Capital.

[From the Portland (Me.) Press-Herald]

The claim of the clerks and carriers for more pay is based on justice; and consideration has been earned by good service at prevailing low pay. These people had no share in the higher, even prodigal, compensation that was paid during the war. Their burdens were heavier, their work more exacting; they worked on, serving the public that demanded so much from them, and their pay was not increased. The public demand on their service is growing each year. The public expects its mail to be handled with promptness and free from mistakes. It has been getting a very great deal of good service from its clerks and carriers; and has given them scant consideration and poor pay. The public wants good service and is willing to pay decent salaries for it.

[From the Bridgeport (Conn.) Post]

There is no question that the postal employees are underpaid, and that, in fairness to the Nation as well as to the postal workers, salaries must be raised. The service has been patient too long. It is fully justified in its request for higher pay.

[From the Atlanta Journal]

The demand for legislation on this subject is by no means confined to the postal employees; the press of the country in general seems to have been aroused over postal conditions. Many of the leading journals are moving in support of Congressman Kelly's bill, which goes to the heart of the evils that afflict the service, wrecked by war, and that most incompetent of postal officials, the late Postmaster General Burleson.

The question, "Why don't these people go at something else if they can't live on their salaries?" is often met with. No intelligent man ever asks it. The capital of most postal employees is their specialized education obtained by years of service, and which would be sacrificed by a change of occupation. That the postal employees have been faithful is conclusively shown in the latest published summaries. The revenues of the Post Office Department for the fiscal year ending June 30, 1913, were \$266,619,525.65, while on June 30, 1923, they were \$532,828,000. While the revenues of the department have increased 100 per cent, the volume and bulk of mails have more than doubled during that same period, according to the official reports of the Post Office Department. Yet with this great increase in volume of mails and revenues, the number of railway postal clerks is practically the same to-day as during 1913 and 1914. The total number of railway postal clerks has not increased since 1914, while the number of road clerks has actually been reduced by 2,401 during that period, indicating beyond any doubt that the earning power of railway postal clerks has shown a great increase over 1913.

[From the Greensboro (N. C.) Daily News]

All branches of the service are manned by men who average high in industry, intelligence, and efficiency. They are the employees of a Government notoriously extravagant. Without a sensible burden on the public, postal revenues could be increased at any time sufficiently to provide the most generous scale of pay. The men in every department are compelled to work for a bare living wage; by all standards they are underpaid and have been for a decade.

If Congress elects to be consistent, which it does not always do, the increase will be granted as asked; for when, four years ago, they first asked for this relief they were given a small increase and assured that the cost of living would soon decrease. Statistics of the Federal Bureau of Labor show that the average cost of living during September, 1923, was 72 per cent higher for the country than the average in 1913. Food was 49.3 per cent higher; clothing, 76.5 per cent higher; housing, 64.4 per cent higher; fuel and light (excluding electricity) was 81.3 per cent higher. The average loss to each clerk who has been in the service since 1913 thus figures out about \$5,000.

Considering the history of the past decade of their service, the people of the United States, through their Congress, might well treat the postal employees generously at this time to make amends. They do not, however, ask for generosity; they merely ask for simple justice.

[From the Richmond (Va.) News-Leader]

The Kelly bill for the relief of the men in the Railway Mail Service is an unescapable test of congressional justice. The Railway Mail Service affords, perhaps, the country's most striking example of increased productivity at a time when the ignorant have been giving ear to the ruinous doctrine of restricted output. During the last 10 years the bulk and volume of mail have doubled, as have postal receipts. This has meant increasing demands on the Railway Mail Service. More mail had to be handled. Greater speed was required. Yet, for all the increase in load they have carried, the Railway Mail Service has fewer road clerks by 2,401 than in 1914. While some of the reduction in personnel can be attributed to changes in the operating system, most of it must be credited to the skill of the Railway Mail Service and the willingness of the clerks to do more work in less time. Is Congress to reward this spirit on the part of the employees long renowned for loyalty and efficiency? It is unthinkable that Congress will refuse.

[From the Atlanta (Ga.) Constitution]

The work of railway postal clerks is one requiring exact knowledge of mail routings, a particular precision of hand and eye, an especial application to the job in hand, despite a swaying floor in a speeding tight-closed workroom. Added to these technical requirements, railway mail clerks are continually exposed to the hazards of train wrecks, train robberies, and kindred dangers that lurk along the iron ways of commerce.

They must be trustworthy in the extreme, as huge sums in currency and jewels, in negotiable papers of various kinds, in wealth of all descriptions are under their care as they are being transported. The working hours of railway mail clerks are irregular and require much absence from home. There are few tasks more arduous or more exacting than the work of the railway mail clerks. It is a highly specialized calling, and if ever men deserved good pay they do. Congress, we hope, will find a way to do this much-deserved justice.

[From the Memphis (Tenn.) Commercial Appeal]

The Commercial Appeal year in and year out has lots to do with postal folk. They never fail us. They do their work cheerfully. They do it most efficiently. They are not as well paid as they should be. They do not receive as much pay as men doing less important work. They ought to have enough to live decently, pay for some life insurance, and educate their children. The United States Government should adjust the postal salaries to a higher basis.

[From the Durham (N. C.) Herald]

The Post Office Department is essentially a public-service institution. Its main purpose is to render service, and the public is willing to pay for that service. It was not intended as a money maker. Of course, it is essential that economy be used, but only as a preventive of waste, and never at the expense of the service. Most any administration of recent years will point with pride to its Post Office Department and say, "Look what we have done!" But there is another side of it. Whatever has been done in the way of economy has been at the expense of the welfare of the postal employees.

In view of the high type of men required to handle the mails, and the work that goes with that job, and the constant study that they must keep up if they hold their jobs, their request as embodied in the Kelly bill is indeed reasonable and should be granted by Congress without further delay.

[From the Greenville (S. C.) Daily News]

Nobody wants a Congressman coming home shouting that he saved the Government some money at the expense of underpaid employees when they know that at the same time the Government is wasting millions on useless things. The American people are bigger than that.

[From the Winston-Salem (N. C.) Journal]

It is remarkable that the postal system is able to render the quality of service it does when its employees are paid such small wages. With the rise in the cost of living that came close in the train of the World War the postal employees were hard hit. Prices mounted higher and higher, while for years there was no increase in the salaries of these workers. When at last Congress did grant an increase it was small and wholly inadequate. Many employees quit the service. The others held on, loath to desert their posts, and lured on by the hope that things would get back to normal.

Now the postal employees are asking for another moderate and reasonable increase. It ought to be granted. There are other ways in which money can be saved. The maximum pay in the Postal Service is entirely too low. The Post Office Department is one of the most remarkable institutions in the world.

It is remarkable not only for the volume and importance of the business it does, but also because of the low pay its employees receive. It is high time that this last feature be wiped out. Then the efficiency of the service would be augmented and the conscience of the Nation would enjoy a peace that would come with the consciousness that this group of public servants is paid enough to insure a decent living.

[From the Macon (Ga.) News]

There is a general demand for retrenchment in Government expenditures, but it does seem to be a fact that the railway mail clerk has been the step-child among Federal employees for a great many years. There is more than passing merit, therefore, in the demand for relief which will be made for this class of employees when Congress assembles.

The railway mail clerks, like the rest of us, had pretty hard sledding under the late unlamented Burleson, but it can hardly be claimed that they have had full justice since that time. When they asked for adequate increases in 1920 they were told that the cost of living would probably be down to the pre-war basis in a few years, but this has not been the case, and the railway mail clerk's monthly or yearly salary to-day buys less than it did before the war.

In the meantime the volume of mail has doubled since 1913, due largely to the increased popularity of the Parcel Post Service. The number of railway mail clerks has actually diminished. Fewer men are doing twice as much work as they did before the war with less purchasing power for their day's work.

[From the Charlotte (N. C.) Observer]

A Pennsylvania Congressman is presenting a bill by which increases of from 10 to 20 per cent would be allowed all railway and post-office clerks, letter carriers, and rural route service men. These classes have had their minds hopefully upon something of this sort for a dozen or more years. They are the last men in the lists for the increased salary movement to reach. The country will hope with them that the efforts of their Pennsylvania friend will prove successful.

[From the Florida Fruit Grower]

The postal employees deserve better of their country. They are among the cleanest of citizens and yet their pay is not much better than that of a common laborer. The salaried people surely have been hard hit by the rise in the cost of living. Labor gets its \$6 to \$10 per day but the postal employee, mail clerk or carrier, receives \$6 as a maximum, which comes only after long years of service.

[From the Norfolk (Va.) Pilot]

The importance of the Postal Service and the fact that postal employees have no means of increasing their compensation except by an appeal to Congress bespeak favorable consideration for the Kelly bill, which proposes a general advance in postal salaries. No class of workers occupies a more useful relation to organized society in general and to commerce in particular than the men who handle our mails. Few classes of workers perform their assigned tasks with as little complaint or as little effort to promote their own selfish interest. The appeal in behalf of the Kelly bill makes it incumbent on Congress to review in detail the rates of compensation now in force for all grades of postal employees and to determine their adequacy by reference to ordinary standards of living and by comparison with the salaries paid for other classes of work requiring equal ability and similar qualifications.

[From the Richmond (Va.) Times-Dispatch]

Four years ago the postal clerks asked Congress for a moderate increase in pay because they could not live at all under the existing scale. Congress, spending money for everything else suggested by almost anybody else, granted them only a small increase on the theory that the high cost of living would soon decrease sufficiently to make that increased pay adequate. The cost of living has not decreased to that extent, as everybody knows. Therefore, the postal employees are asking for another moderate and reasonable increase. How it can be refused, if it is refused, is one of the mysteries of the congressional mind.

In 1913, according to estimate, the revenues accruing to the Post Office Department were some \$266,000,000; in 1923, they were some \$530,000,000, which indicates, of course, something like an equal increase in the amount of mail handled. Yet, because of the ridiculous and shameful pay scale, the number of employees classed as postal clerks has been reduced, and those remaining must do twice as much work, with a comparatively small increase of pay.

[From the Lynchburg (Va.) News]

The movement now under way to bring about a reasonable increase in the salaries of railway postal clerks squares with the justly conceived, intelligently predicated public policy. When the present cost and standard of living and the nature and the value of the service rendered by these Government employees are taken into account their case fairly bristles with compelling qualities. For it reveals an altogether inadequately compensated force of Government workers. When measured by the purchasing value of the dollar, the salaries now paid to the several grades of clerks represent in substantial effect a considerably less return than was afforded by the 1913 or pre-war wage.

Aside from these considerations, the rapidly developing efficiency of the Postal Service attests an increased productivity that may be said to have fairly earned a considerable increase in the salary scale. It shows that even if considerations of moral justice are eliminated from the equation, and the matter is regarded exclusively from a cold, practical business viewpoint, the employees of the postal branch of the public service come into court with an impregnable case when asking for the modest increase in their scale of remuneration which is embodied in their legislative program. It should be borne in mind that efficiency and its gratifying fruits such as have been realized in the Postal Service during the past several years can not be maintained if the Government persists in a policy involving insufficiently paid employees.

It is not easy to believe that Congress will prove indifferent to the force of these plain and important considerations, affecting at once the obligations of the Government, justice to its employees, and the interests of the American public—we may say the right of the American public to enjoy a steadily improving administration of the mail service. In this connection practically every man and woman in the United States is naturally and properly concerned.

[From the Chattanooga (Tenn.) Times]

It is argued that the postal employee is a "skilled laborer," which can not be controverted in the vast majority of cases, and it is shown that the salary he receives "would be scorned by skilled workmen in other lines," the charge being made that in many instances "the wife and mother must work to supplement the pay of the postal employee in order to provide properly for the family's needs and the imperative

training of the children." The appeal of the men concludes with the statement: "All that we desire is sufficient salaries to permit a proper standard of living for ourselves and our families, which means provision for the comforts and decencies which go to the promotion of better habits, the development of a higher self-respect, the opportunity for educating our children to the end that all may become more potential in the scheme for making better citizenship."

These are all laudable ambitions and worthy of the highest consideration. If the facts are as related by these employees—and there is no reason to deny them—the Congress will be derelict in its duty to the men composing one of the most important branches of government if it shall reject the appeal these men are making.

[From the Bristol (Va.) Herald]

The postal employees of the country are asking the Government for an increase in salary because the salaries now paid them, which were fixed by Congress nearly four years ago, are not only inadequate for the importance of the duties performed but are not sufficient to properly enable these employees to live in accordance with their proper needs. Possibly some would say that if the postal employee can not get a living wage in his chosen calling he should find some other occupation, but that is not the right view to take of his case. No man desires or should be asked to give up a work for which he has spent years qualifying himself and which he is competent to perform and try his hand at something else. Besides, it is necessary to enroll high-grade men in the Postal Service in order to maintain a proper standard of efficiency; and if the men now in the service should leave it the Government would have to find men to take their places, and in all probability it would have to pay them higher salaries if it could secure them.

Salaries of postal employees are fixed by Congress, and Congress should know that the salaries now paid are not adequate. The postal employees are appealing to the people to help them get a living wage. The people should give due consideration to the appeal.

[From the Atlanta Georgian]

Two bills have recently been introduced in Congress, both of which provide for readjustments in compensation of employees of the Post Office Department. One of the bills was introduced by Representative CLYDE KELLY, of Pennsylvania; the other by Representative CALVIN D. PAIGE, of Massachusetts. While both bills provide for increases in salaries for these faithful and hard-working public servants, the increases, if granted, will hardly measure up to the compensation they in all fairness ought to receive, considering the skilled work they perform and the purchasing power of the dollar in this day and time.

The output in labor upon the part of postal employees is higher to-day than ever before. The volume of work has increased much faster than the number of employees, and for this additional labor postal employees have not received additional compensation. The habits, standard of living, education, and environment of Government employees and their dependents must reflect credit or discredit upon the Government of which they are an intimate and responsible part; and the people, through their Representatives in Congress, should see to it that such employees are fully paid for their faithful service.

The people could not do a greater service to themselves and to their faithful and hard-working public servants than to grant the increase in compensation provided in the measures now before Congress, and the Georgian bespeaks for all postal employees the immediate and favorable consideration of this very meritorious, though belated, recognition of faithful and devoted service.

[From the Columbus (Ohio) State Journal]

In his annual report the Postmaster General recommended a more equitable payment for the postal employees when working overtime, but he was silent on the increased pay for regular service. His suggestion was fine as far as it went but he might have gone further and lost no merit. The claim of the clerks and carriers for more pay is based on justice, and consideration has been earned by good service at prevailing low pay. These people have no share in the higher, even prodigal compensation that was paid during the war. Their burdens were heavier, their work more exacting, they worked on, serving the public that demanded so much from them, and their pay was not increased. The public wants good service and it is willing to pay decent salaries for it.

[From the Cleveland (Ohio) Plain Dealer]

The United States Government can not afford to pay its postal employees less than enough to keep their ranks recruited with capable, self-respecting men. This means a salary level high enough to permit proper living standards for themselves and their families.

Postal workers in Cleveland are starting a movement to persuade Congress to authorize an increase in salaries for men in their branch of Government service. And to meet the criticism that the post office

now loses too much money to justify a larger salary expenditure the Cleveland men suggest that parcel-post rates, now far too low to meet the cost of the service, be advanced.

It was but a small concession the Government made in the postal salary increase in 1920, the expectation being that the cost of living would soon descend. This hope has not been fulfilled, and postal salaries remain wholly inadequate.

This is not a matter between the employees and the Government alone, Business demands efficient postal service. Delay in handling and distribution of mail because of inadequate personnel costs the country each year an amount probably as large, if not larger, than the salary increase sought by the workers.

[From the Cleveland (Ohio) News]

While we pass derisive comment on what Bolshevism, inflation, repudiation, and other consequences of war have done to rubles, marks, francs, lire, and pounds, we shall do well to note the condition of the dollar. The Department of Labor, for example, has just been reminding us that the dollar value has fluctuated a bit in the last 10 years, sometimes getting as low as 40 cents. Even now, according to the Government statisticians, a dollar's purchasing power is only 65 cents as compared to 100 cents in 1913.

The Railway Mail Association decided at its recent convention to ask Congress for more salary—at least \$2,600 a year for distributors and \$2,800 for clerks in charge. We hope they get it and shall do what we can to that end. It is far too little to pay nowadays for skilled labor such as is expected of railway mail handlers. Postal service is not above improvement; fair pay for good men would improve it more than costly airplane routes. Moreover, a government that does not preserve its 100-cent dollar from depreciating to a 65-cent or a 40-cent value should be first to pay its employees enough more dollars to protect them from loss.

[From the Buffalo (N. Y.) Evening News]

Representative KELLY, of Pennsylvania, has introduced a bill in Congress to advance the maximum pay of a carrier from \$1,800 to \$2,400 a year. He would make provision for this increase by reclassifying parcel-post rates. He maintains that this can be done without making the rates burdensome to the public. Whether this is the best way to adjust the matter remains to be determined. If it is, all right. If it isn't, then let some other way be found. These faithful public servants ought to receive a decent living wage.

[From the Buffalo (N. Y.) Evening Times]

Postal employees throughout the country are asking for a raise in pay to enable them to keep step with the cost of living.

They are entitled to it and should get it. Never was an argument more convincing, conclusive, and consonant with the requirements of justice than that upon which these faithful workers for the public base their request.

During 16 years the total advance in salaries of the post-office forces of the Nation has amounted to but 50 per cent over the rate of 1907. That is no more than half the increase in the cost of livelihood, and it is less than half what skilled wage earners in industrial occupations and other private employ have been receiving.

One hundred per cent rise in the cost of living, 115 per cent and upwards for the wages of skilled labor in the mass, 50 per cent for the postal employees—that sums up the arithmetic of the case.

Figure it out for yourself. You won't have to do much figuring. Any way it is looked at it is impossible under existing conditions for the Postal Service man to obtain an adequate subsistence for himself, bring up his family in reasonable comfort, to say nothing of saving something for a rainy day.

It is a state of affairs that should be remedied and that speedily. Congress should lose no time in giving heed to the petition of the postal employees and to the comprehensive and fair-minded public opinion that backs them up in their appeal.

[From the Rochester (N. Y.) Democrat and Chronicle]

We have classical authority for the statement that republics are ungrateful. Our own country is not entirely free from criticism in this respect. Sometimes this apparent lack of appreciation, to use a more euphonious term, is the result of thoughtlessness or carelessness, and sometimes it comes about because of mistaken judgment. It is probably due to one or the other of all of these causes rather than any conscious failure to do justice that the thousands of postal employees have been neglected in the matter of pay. But whatever the cause may be the result has been a grave injustice to the faithful group of Government workers.

This is not fair. It is injustice. Undoubtedly it would require the expenditure of considerable money to equalize the pay of postal employees so that they might be on a par with the other workers of the country. But that would not be as lamentable as a continuation of

this manifest unfairness in their treatment. There are ways in which economy in Government finances may be promoted, but it is not economy but parsimony to withhold from faithful and hard-working men the means of a decent living. When the letter carriers ask for a square deal in the way of wages they are asking that which is their due. It is to be hoped that Congress will see the matter in this light and be quick to put an end to a situation which is no credit to the Government.

[From the New York Telegraph]

A bill will be introduced at this session of Congress providing for an increase in the salary of postal employees. It should pass. Postal employees have the same calls upon them that are made upon other folk. They pay as much on an average for rent; they find it no less expensive to rear their families; they are not favored by butcher, baker, or candlestick maker. We do not intend to go into any extended praise of the service rendered, but it is pertinent to say that the post office is wisely administered and that its army of employees functions every minute of the day. Efficiency is perhaps more highly developed than in any other governmental department. Regularity of delivery is taken for granted. The people have confidence in the service, and they should be willing to pay reasonably for that service. We hope to see the measure for relief pressed to an early passage.

[From the New York World]

This Congress should give some attention to the pay of the Government's post-office clerks and letter carriers. It is demanded by the good of the service as well as by decent dealing.

The present maximum pay of letter carriers is \$1,800 a year. This may be a living compensation in country towns where rents and other necessary costs are relatively low, but it is inadequate in the large cities; and for New York, with its crushing expense of housing, it is almost grotesquely inadequate. How is a postal clerk or letter carrier to maintain a family in decency on such pay?

But humane considerations do not alone govern, little as the Government can afford to ignore these considerations. The Post Office Department can not do its work efficiently or sufficiently. It can not command good service when other employments are paying more. Its best men are drifting away from it wherever opportunity offers, and when that is lacking they are taking on outside work which overtaxes their strength and diverts their energies. Everybody in this city, at least, knows how that is from the steadily declining quality and promptness of the service.

The Postmaster General recommends a more equitable adjustment of pay for overtime. This is well as far as it goes, but Congress will be asked to raise the pay to \$2,400 a year maximum, which more adequately meets this pressing need and should have active consideration.

[From the Albany (N. Y.) Times-Union]

An imperative duty which Congress should hasten to perform at its current session is the enactment of legislation increasing the salaries of employees of the Post Office Department. The compensation received in all branches of this service is wholly inadequate to meet the requirements of the high cost of living and every principle of fair play and justice demands that this condition be rectified. No employees of Uncle Sam serve with greater fidelity or render more arduous service than the men who handle the mail of the Nation, and they certainly are entitled to remuneration commensurate with the volume and importance of the work which they perform. The movement for this most necessary wage increase is nation-wide, for there is universal recognition on the part of the American people that the letter carriers and mail clerks and post-office clerks and members of the other branches of the mail service should receive salaries higher than those which are now paid them by the Federal Government.

The United States Government has circulated a report drawn by an economic expert which says that \$2,300 are required yearly to properly maintain a family of five persons, yet this same Government is paying the employees of its post-office service several hundred dollars a year less than the figure it tells the American people in this report is the amount of money that should be expended for the support of the family of average size. Just where the consistency resides in this condition it is surely difficult to see. The inadequacy of the increases which the post-office employees have received is perceptible at a glance. The increase of \$200 in wages granted by the Moon-Madden bill in 1918 constituted a raise in the purchase power of the dollar to \$1.16%, or just 16% per cent, whereas in the month in which this bill became a law the dollar declined in value to 51 cents. In fact, the postal employees since July 1, 1913, have been receiving an average pay of \$1,450, an increase over their 1907 salary of just \$250 per year, or 20½ per cent. In numerous cities the post offices have lost many of their employees who could not afford to stay in the service at the salaries which the Government is paying.

These conditions should not be permitted to continue. The Federal Government should pay salaries to its post-office employees which will enable them to meet the existing high cost of living and to properly

support and maintain their families. This is simply justice. There is no reason why the Government should shirk its responsibility and its duty in this connection. The Post Office Department employees in every branch of its service are deserving of the utmost consideration. Their duties are exacting, are multitudinous, are most important. And yet these men are woefully underpaid. It is hoped that Congress will take up this matter at once and enact legislation to wipe out this injustice—to adequately compensate these public employees.

[From the Philadelphia Inquirer]

Better pay for post-office employees is so obviously a matter of justice that Colonel Kemp's advice to his staff to press for it is timely. Unless something is done while the appropriations are pending, postponement will be inevitable. The Government is notoriously slow in doing justice to its servants in this respect, though it can be lavish enough in other directions. The time is one for economy, of course, and many things otherwise expedient must be postponed in consequence. But there is no economy in paying less than a living wage. Salaries in the post office have not begun to keep pace with the cost of living.

What gives the clerks and carriers a stronger claim upon consideration is the fact they have not allowed their discontent to demoralize the service. It may be doubted if the increase of labor per man has been as great in any other department or in any private employment. The growth of the business has been so marked that the revenues have practically doubled in 15 years. Yet the working force is hardly 25 per cent larger. This means that the individual members have much more put upon them than they used to have. It is surprising that the morale of the force has not suffered more. But there will be an inevitable loss of efficiency as the older employees retire, since the present salaries can not attract to the service the kind of men it needs.

The primary aim of the Post Office Department is to give service, not to make money. It does not appear, however, that higher pay for employees would mean a serious deficit. The employees themselves believe that a very slight readjustment of the parcel-post rates would make the department self-sustaining, even with higher salaries. If this could be done without imposing upon the business of the country a too heavy burden, there could be no great objection to it. But something must be done in the name of justice for a hard-working and faithful body of Government employees.

[From the Detroit Free Press]

The country expects prompt, efficient, accurate, and honest service from its post-office clerks and carriers and generally it gets what it demands. But in return for their faithful and intelligent work the postal employees as a whole receive salaries so meager that they would scarcely attract an unskilled laborer, and are distinctly below what is considered a fair living wage. In cities such as Detroit, where costs are high, the post-office worker who attempts to support a family on his stipend is close to want most of the time.

Such a situation as this can not continue. Either Congress must come to the rescue with substantial pay increase, or the service is going to suffer serious deterioration. Indeed, it is little short of a marvel that the morale in the Post Office Department has been maintained up to this time as well as it has. The one possible explanation of the success of the department heads in preventing demoralization is the fact that the postal employees for the most part are Americans with high ideals regarding service and faithfulness. They stay on out of pride and from a sense of patriotic duty.

There is, however, an end to all devotion, and signs which indicate that this end is being reached among postal employees are plentiful. Postmaster John W. Smith in discussing the local situation in the columns of *The Detroitian* says:

"Fifteen years ago, men were voluntarily transferring from the police and fire departments into the Postal Service. To-day postal employees are going into other lines of work to the detriment of the Postal Service. Uncle Sam has no chance to retain a good man. He does not pay enough.

"For 14 months the Detroit post office has been unable to hold a single civil service examination for carriers and clerks for no other reason than that the salary inducement is so low in comparison with the starting point in other classes of work that few are willing to undertake the jobs.

"A conservative estimate would place the number of clerks and carriers in this city who are to-day ready to quit their jobs and go into some other business in which they can earn a living salary at 75 per cent. Three-fourths of the employees to-day are simply holding on to the jobs in the hope that Congress will take some sort of measures to relieve the present conditions."

There is no reason to suppose that the situation in Detroit is peculiar to the community. The condition here is substantially the condition in other large centers. The postal employees are at the limit of their patience, as they have a right to be. And unless they get decent pay increases soon, they are going to quit wholesale and let the country whistle for an adequate and dependable postal service.

The postal employees certainly ought not to be forced into any such action. Congress will have to reckon with an indignant people who are about to engage in a general election if it allows the matter to go any further.

The people of the United States want economy in government, but they do not want penuriousness that results in "sweatshop" pay standards and ruins a branch of the public service whose maintenance at a high point of efficiency is absolutely necessary to good commercial and industrial conditions.

This country needs to cut off every legitimately avoidable expenditure, but it can not afford to grind the faces of those who serve it faithfully and well.

[From the Detroit News]

The postal employees have always possessed, and still have, an esprit de corps, a pride in the service, unequaled in any other public department. This is now in danger. A country can not starve its employees and expect them to remain proud of their jobs. It is nothing short of a miracle that a great deal of the old spirit still persists in the Postal Service, that brains distracted by a fierce struggle to make both ends meet devote themselves day after day to improving postal efficiency without any other reward than a consciousness of duty well performed.

To be sure, there is a huge annual deficit in the Post Office Department. But this has nothing to do with the pay of postal employees. If the postal rates were doubled, the deficit might be wiped out. But the people have never held that the Navy should be paid for by our sea-coast communities, or that only those who send mail should bear the entire expense of the post office. The receiving end is just as important as the sending, and the service is not so much individual as it is communal. Efficiency is thus not a local, but a national question; and the entire Nation, as receivers of service as well as originators of it, should foot the bill.

There is no question that the postal employees are underpaid, and that, in fairness to the Nation as well as to the postal workers, salaries must be raised. The service has been patient too long. It is fully justified in its request for higher pay.

[From the Seattle (Wash.) Times]

The reasonable request of the postal employees for an increase in salary should be granted by Congress without delay. Two worthy purposes would be served by hastening this somewhat overdue legislation—recognition would be given a large group of faithful and efficient employees not now adequately paid, and the service itself would be strengthened. In addition there is the sentimental reason that the American people want to see the mail carriers and the clerks well treated.

For many years the low salaries paid postal employees were something of a reproach on this great Nation. It took changed economic conditions incident to the war in Europe to bring the country to a realization that the cheery, plodding, faithful man who brought the letters every day had children at home who must be clothed and sent to school and a wife who struggled bravely to make the meager pay check from Uncle Sam stretch over a month.

When the public began to take an interest in the case of the mail man and of the clerk in the post office, Congress heard from home. That interest and the fact that the Postal Service no longer was able to keep its best men brought about an adjustment of salaries and a reclassification.

While something was done during the war, the sum total was insufficient. Congress moves slowly. Sometimes it appropriates money lavishly and at other times it displays amazing parsimony. In the case of the postal employees Congress exhibited great frugality. Therefore they are compelled to come back for bare justice.

If there were no other considerations, it would be good business to pay the postal employees better salaries. The Postal Service is doubtless the greatest single business in the world. During the last decade the receipts increased 100 per cent and the weight of the mails doubtless was many times greater. In spite of this tremendous expansion the force of letter carriers was increased only 27 per cent. It meant heavier packs and harder work, but the force uncomplainingly assumed the new service obligations.

The post office is indispensable to our social and economic welfare. We require men to be technically trained almost beyond belief. There is unceasing pressure for better service, yet with the low wages men are constantly leaving. The net result of the present policy is a breakdown of the service.

Postmaster General New well stated the postal policy of the United States when he said:

"I believe that the primary function of the department is to render service. Service should be efficient and satisfactory. It should meet the reasonable demands of business and social life. Its cost should be regulated by careful administration along lines of business and economy.

"When this is secured the question of a strict balancing of expenditures with receipts becomes of secondary importance."

In the case of the postal employees good service and the requirements of simple justice call for better pay. They should have their increase without quibbling or hickering. Public opinion will support Congress if the bill now pending is passed and will demand an accounting if it is not passed.

[From the Seattle (Wash.) Post Intelligencer]

Postal employees occupy positions of public trust and confidence that should entitle them to better salaries, aside from the fact that their duties often require long hours of fatiguing work. The Government has been fortunate in securing the services of a high type of faithful citizens, who have given of their best, regardless of the fact that they are underpaid. They should encourage these men to remain in the service by giving them adequate pay.

[From the Kansas City (Mo.) Star]

Postal employees are efficient workers, engaged in a service vital to the country. They are chosen by competitive test, not by political preference. Almost without exception they are faithful, loyal, and devoted to the service.

Yet these men are underpaid. They have not received a living wage in more than 10 years. While living costs increased since 1913 to as much as 100 per cent in 1920, and now stand more than 65 per cent above the level of 10 years ago, the wages of postal employees have been advanced only 10 to 20 per cent.

It can not be expected that the more competent men will remain indefinitely in the Postal Service or that efficient men will be attracted to it unless the wage scales are adjusted to a reasonable basis in keeping with present living costs. The interests of the country at large, as well as justice to these workers, demand the change.

[From the Kansas City (Kans.) Kansan]

During the entire period of the war, while skilled and unskilled labor alike was advancing phenomenally in wage scales, the postal employees, or, in other words, the largest group of skilled workmen in the world, received not one penny advance. These men are asking for and have a right to have what appears to be, in view of the increased cost of living and altogether unprecedented conditions brought about by the war and subsequent adjustments, a very modest figure for a "living wage." There can be no question as to the justice of the demands the association is making.

[From the Post Dispatch]

No body of men and women work harder or more faithfully than those in the Postal Service. The demand upon them is constant, and at times very severe. And the comparatively few exceptions prove that, on the whole, the service is efficient, in spite of repeated charges that Government service is less competent than other lines of work. The eye of the public is always upon the postal workers, and we seldom have cause for complaint, either on account of slowness or inefficiency.

The brief submitted to the St. Louis Chamber of Commerce asserts that the local postal employees have not had an adequate increase of pay since 1913. A recent estimate showed that the purchasing power of the dollar to-day is about 60 cents. As the workman is worthy of his hire, the plea of these public servants should be heeded, to the end that they shall receive adequate pay, and that the service shall be maintained on a basis that will not only satisfy the workers but induce competent men and women of character to seek employment in the postal department.

[From the St. Louis Times]

The compelling argument that opportunities in private business are endangering the Postal Service would seem to contain the right appeal to Congress in support of a plan to increase the pay of the men who make up that service. It has long been a matter of common knowledge and general admission that the Postal Service has not been short of wonderful in its efficiency. It has proceeded on its vast way with no heating of the engine, no joining of the brakes, no slow leaks. It has been and is the right arm of business.

The proposed laws will not only regulate salaries but will make the future of long-service men attractive by the increase of retirement annuities, these payments to be made from a fund that will be created by deductions from the pay of the men in the work. If the pending bills become laws there will be an instant tendency to stay the drift out of the profession, to raise again the standard of admission. In a word, the old-time efficiency of the Postal Service will be insured.

[From the Des Moines (Iowa) News]

Now the postal carrier, along with other postal employees, is petitioning Congress for an increase in salary. He thinks he is entitled

to enough money to keep up with the rising cost of living. He is not asking any reward for his loyalty or his fidelity to duty, although he merits consideration on those points alone. He merely wants enough material returns to maintain a proper standard of living. He does not believe his present salary permits of that.

The postal employee is right. He does deserve more money. Congress ought to give it to him. He has a right not only to enough money to keep body and soul together; he merits enough more to procure those modest comforts which make life worth living and enable him to maintain a certain degree of self-respect.

Postal employees have earned and are earning this reward. If this were not true, the case might be different. But Congress, if it grants this request, will not be making anybody a donation. It will be merely paying a debt long due to a loyal, efficient, and hard-working branch of the Government service.

[From the Providence (R. I.) Journal]

The added cost of the Postal Service annually in increased compensation and allowances is estimated by the author of the measure at \$100,000,000. Chairman MADDEN, of the House Appropriations Committee, has expressed the opinion that it would reach more than twice that sum. Mr. MADDEN, as guardian of the Federal Budget, naturally wants to be shown where the revenue to meet the new expenditure is to come from. Mr. KELLY is prepared to enlighten him—revise the parcel-post rates upward. Regardless of this particular measure, of course, parcel-post charges should be overhauled. The package business ought to be profitable for the Government. It always was for private concerns, and is now despite Government competition. The schedules chiefly benefit mail-order houses.

The Kelly plan of compensation readjustment is mainly grounded in the fact that in 40 years there has been an increase of but \$400 in the maximum salary of postal clerks and carriers. Manifestly, the race with the cost of living has not been on anything like equal terms.

[From the St. Paul Pioneer Press]

Both of these measures should be passed. When the last reclassification was made in 1920 postal employees were denied the full increase to which they were entitled, on the theory that the cost of living would presently decline. There has been no decline to justify the continuance of present wage levels in the service, and in fairness to the employees these increases should be granted. Considering the character of the work which these men do and the remuneration to be had in other forms of employment, these new scales represent no more than bare justice. Certainly the efficiency of the service can not be maintained under the old.

The work of the Postal Service has been multiplied in recent years. Some place the increase so high as 100 per cent in the last decade. Meanwhile there has been only a negligible increase in the number of employees. In some branches, as in the Railway Mail Service, there has been actually a decrease. The increase is therefore not only essential to the men, and therefore essential to the commerce which is affected by the efficiency of its Postal Service, but has in fact been earned. Some very slight readjustments in the parcel-post rates, which the Postmaster General is authorized to make, should easily provide the new revenue without causing injury to any interests.

[From the Detroit News, February 12, 1924]

It is a peculiar characteristic of Congress that caution and parsimony are most in evidence where the public service is most vital. Such necessary activities as the Postal Service and the Patent Office literally have to beg for years on the doorsteps of Congress for the means of scant living, irrespective of how many millions Congress may be passing for diverse activities of less importance to the American people.

The favorite escape Congressmen adopt when a department becomes penniless to the point of collapse is to frame some temporary relief measure, termed a "life-saver," and then forget the matter. In the Postal Service such temporary action has been repeated several times within the past four or five years, and still the very grave impairment of the department's efficiency through neglect of its personnel goes unremedied.

If the postal employees are not worth such a schedule as the one proposed, H. R. 4123, they are worth nothing, and if they are worth anything they are worth that much and should be receiving it. The public will not accuse Congress of imprudence if, in this instance, it abandons its traditional temporizing methods and does its part in restoring a proper living standard to the postal employees and incidentally preserves the self-respect of the American people.

[From the Detroit News, February 15, 1924]

The postal clerks and carriers are now asking Congress for larger pay. But Congress is trying to fit postal expenses to postal receipts, and wipe out the annual deficit of the Post Office Department. This can only be done by perpetrating a terrible injustice, not only on the

postal employees but on all the people of the United States, for low pay means, eventually, poor service, and the money saved in balancing the postal budget will be lost ten times over by the people of the United States in low post-office efficiency. The horse that is flogged and starved dies sooner or later; and unless the postal employees are paid reasonable wages, the post office must one day break under its increasing burden. The collapse of the service is near at hand unless protective measures are taken; and the first of these measures is an increase in wages.

[From the El Paso (Tex.) Times]

The postal clerks' salary schedule ought to be moved up considerably as soon as Congress meets. This is true not only because it is justice but because if the public knew the conditions that is what the public would want.

[From the Seattle (Wash.) Union Record]

Your mailman is asking your assistance in getting a real living wage. Since 1912 his wages have been increased only 59 per cent, while the cost of living has risen nearly 100 per cent, leaving the mailman relatively worse off than 11 years ago, when his conditions were by no means ideal. It may be that in order to grant an increase to the mail-service workers it will be necessary to increase postage. It may be that economies may be worked out in other matters that will permit postage rates to remain as at present. In either case it is neither fair nor honest to expect the mailman to bear the burden of rising costs in this most essential branch of our social life. The request for increased wages should meet with the earnest support of all classes of citizens, and Congress must be made to realize that a great public sentiment stands behind any action it may take looking toward an upward adjustment of postal wages. Write your Congressman and Senators to-day and let them know your sentiments.

[From the Wyoming State Tribune (Cheyenne)]

The urgent need of economy in Government expenditures ought not to stand in the way of an increase in the pay of post-office clerks and carriers. The present maximum pay of carriers is only \$1,800 a year, and the difficulties of living on that, especially in the case of a man with a family, are obvious.

There has been a tendency of late to look upon the Post Office Department as a money-making concern, the accounts of which ought to balance, if not show a profit, at the end of the fiscal year. But while the postal revenues ought not to be wasted by extravagance, appropriations for the department should not be pared down at the expense of faithful employees. The best service possible is what the public has a right to demand. It is too much to expect when these employees are underpaid and dissatisfied.

[From the Bluefield (W. Va.) Daily Telegraph]

The branch of the Government that is underpaid and the most discouraged by the treatment of the Government is that branch that is closer to all the people. It is the Railway Mail Service. Every letter is handled by these men; every citizen receives a direct service at their hands. No other department serves the whole population as these men do.

There is a movement to have the present Congress adopt legislation looking to the betterment of conditions in this branch of service. There is no more meritorious measure before Congress than this. The men are deserving an increase in salary. They give their lives to a service that is exacting and requires many years of preparation. There is continual study to be made, and a vast expenditure of time when not on duty to preserve the efficiency required. Then the hazard is greater than any other Government employees are exposed to. While these men are required to pass educational and mental tests and to keep thoroughly conversant with changes and developments, yet they are in the same danger railroad men are, and yet they do not receive as much in wages.

The postal clerks deserve an increase in salaries and the betterment of conditions. Congress should act favorably.

[From the Minneapolis (Minn.) Daily Star]

The Star believes its readers would be doing a very just thing if they would drop a note to their Congressmen asking them to support the Kelly bill. If efficiency, punctuality, politeness, and faithful service in general have anything to do with the matter of wages, the postman will get what he is entitled to. And whoever heard of a letter carrier lacking in efficiency, punctuality, politeness, or faithfulness? We have searched a memory that goes back more years than we really care to recall, and we never remember one of these servants in gray who did not possess all of these traits.

[From the Colorado Springs (Colo.) Gazette]

The postal department is a case in point. There is no governmental service where efficiency counts for so much. Delay in accuracy, carelessness in handling the mails, can mean the loss of millions of dollars a day to business. No direct money saving that possibly could be effected would even begin to offset this indirect loss. Therefore, there is need for seeing to it that the Postal Service is organized and financed in such manner as to give maximum service.

It is said of postal employees that they are underpaid. That can easily be believed. Request for reasonable compensation will find general sympathy, as a matter of simple justice. But there is another factor that forces added consideration. The Postal Service, particularly in the cities, is losing good men, well trained, capable, trusted men, who find compensation in other endeavors so great, in contrast to their own pay, as to compel them as a matter of self interest to leave the service. For the same reason, it is becoming increasingly difficult to find competent workers to take their places. A condition which finds trusted men leaving the department and few good men taking their places must soon strike hard at departmental efficiency. To perpetuate such a condition is not to further economy. It is, in fact, the reverse. A new postal salary bill has been introduced in Congress. It and the conditions which prompted it ought to be thoughtfully studied, both in justice to the army of postal employees and to the department whose continued efficient functioning is of so vital importance to the Nation's business.

[From the Trinidad (Colo.) Picketwire]

This is particularly true of the postal employees, notoriously the poorest paid and admittedly the most faithful and hardest workers on the Government pay roll.

By no stretch of imagination is the maximum pay of carriers and clerks, \$150 a month, adequate to support a family decently considering the high cost of living.

Railway mail clerks on the road and in terminals receive a maximum of \$2,300 annually, or less than \$200 a month, and in the case of the former they are put to an expense at the end of their runs away from home which makes a serious inroad in their pay checks.

Trinidad is vitally interested in seeing that its 64 postal employees are given justice. Most of them own their own home, pay taxes, and all of them constitute a very desirable class of citizens.

There is plenty of room for economy in the expenditure of Government money without denying the postal workers a reasonable demand now pending for a wage increase of approximately 22 per cent. It was refused them over three years ago on a promise that living costs would go down, but this promise has not been kept.

Living costs have increased 69 per cent since 1913 and in that time the postal workers have received wage raises amounting to 35 per cent.

Let's cut out the "pork barrel." Everyone is in sympathy with such economy. On the other hand, the American people will not oppose paying a decent living wage to the 300,000 persons employed in their Postal Service.

[From the Detroit News]

The intention of the originators of the service, whose logic is clearly sound and effective, has been permitted to lapse, and the Postal Department is no longer assured of integrity by its own command of the continuing service of a high-grade employee, but obtains that integrity only when employees are willing to furnish it out of their own sense of honor and at a sacrifice of their material prosperity.

There is no excuse for such a condition; least of all in the United States. The Postal Service has thousands of very splendid employees, whose integrity and loyalty is beyond question. That is small thanks, however, to the Government which, acting for the people, compensates them with shameful inadequacy. Little wonder that many more thousands of splendid employees go elsewhere; they have to live and society has no right to ask them to sacrifice the welfare of themselves and their families to convenience official penuriousness.

The Postal Service should revert to its original status; it should employ a uniformly high type of individual for the most vital department; and by fully adequate compensation should retain that high type for the public service.

[From the Superior (Wis.) Telegram]

Of course taxes are high and economy is desirable, and the bill is pretty sure to be fought on these grounds by persons who wish to use the public money in a way which will be more to their own personal advantage and political success or that of their party. Economy is the one most desirable thing in the National Government at present, but true economy includes spending wisely as well as refraining from spending unwisely.

It is more than suspected that there are in the Government employ, chiefly in Washington bureaus, a good many persons who do not really perform adequate service for the pay received. Here is an excellent chance for economy. But when it comes to the postal employees everybody knows that they are not loafing on the job. There is a high tradition of public service and hard work among the postal employees, and there are very few who do not live up to it. Men of high character and a good deal of ability are required for postal work, and it is highly unbecoming—more than that, deeply disgraceful—that these faithful, able, unselfish employees of the United States should not be more adequately paid.

[From the New York Evening Journal]

The postal workers are about the only great body of public servants who have been entirely overlooked in this matter of a decent living wage.

While workers, in private as well as public life, have been advanced on every side to meet the mounting cost of living, these men have been forced to struggle along on practically the same pay as that which they received when a dollar bought twice as much as it does to-day.

This manifestly is unjust.

Despite the manner in which they have been neglected they have gone along faithfully performing their work.

The letter carrier sees you every day when he makes his rounds delivering mail.

He always has a smile and a cheery "Good morning." He doesn't grumble and tell you his woes. He often brings you good news.

In the depth of winter he trudges along through snow and sleet—a hero in gray, never slacking an iota because of the condition of weather.

At Christmas time he plays Santa to every kiddie but his own.

Just as uncomplaining as the men you meet outside are the men and women who sort the mail inside the Federal building.

It is time something was done for them.

The wage they are receiving now, although the same in dollars and cents, really is but half in value and purchasing power what they got years ago.

Many organizations all over the country have indorsed their appeal for a decent living wage.

Congress, however, seems to remain deaf to the appeal.

Perhaps it will change now, for the powerful patrolmen and firemen's organizations are on the job.

They are fighters who know how to put a proposition.

They will bring luck and success to the postal workers.

[From the Detroit Free Press]

It will be a great advantage to the whole country if the members of the House of Representatives Committee on Appropriations will read with care and with open minds what Postmaster John W. Smith, of this city, has to say regarding the salaries paid to postal employees in Detroit and in other large centers of population, and regarding the consequent difficulties in the way of keeping up effectiveness and morale.

Under the circumstances it does not in the least seem astonishing that service sometimes is slow and faulty. The wonder is that it continues to be anywhere nearly adequate. Nor would it be tolerable and escape serious breakdowns except for the devotion of some veteran employees who, rather than desert a department for which they cherish a feeling of loyalty, live on semistarvation doles from the Government, eked out by what they can earn from other sources and by what sometimes amounts to charity.

But the present hand-to-mouth situation can not continue indefinitely, and unless Congress does something very soon, unless, indeed, it does something in a remedial way at the present session, there is almost certainly going to be a crash. No new blood of any account is being acquired—the service has become like a sieve as far as that is concerned—and the old blood upon which the department depends is gradually oozing away. The strain is becoming worse all the time and is approaching the breaking point.

This condition does not appear to be the result of any conscious desire in Congress to be niggardly or oppressive with faithful, hard-working employees of the Government. It is largely the result of the failure of Members, particularly of members of the Appropriations Committee, to really understand the situation.

Again, if any "country" Member of Congress thinks he and his constituents are not concerned with the postal troubles of the cities and are inclined to let them look after themselves, he is losing sight of the important fact that the Postal Department serves the whole country and that what hurts one part hurts another. The mere fact that his own district is well served will not help much if the large municipalities, to which most of the mail goes and whence most of the mail arrives, become the victims of a partial breakdown. Such a catastrophe will affect the Nation much as heart breakdown affects a man.

[From the Boston Globe]

The Postal Service can not be mechanical. No machine has ever been invented, or ever will be, which will read the addresses on letters and parcels. Human brains and faithfulness are required all through it. Emphatically it is a human service. For that reason the men and women who compose it must be treated with fairness. They can not live on dignity, and to oblige them to seek extra money elsewhere after doing exacting tasks for Uncle Sam for eight hours a day is sheer folly. The quality of the service can only be maintained if the conditions are made sufficiently attractive to draw into it the type of human ability that it must have.

[From the Norfolk (Va.) Ledger-Dispatch]

The public, we feel sure, is quite willing that Government employees, of whom so high a standard of skilled efficiency is exacted, should receive a wage equal to if not a little in excess of the amount usually paid to the employees in private industry.

[From the Christian Science Monitor]

The reasonableness of this movement may be seen in the fact that the present salary raises are the same which were asked for in 1920. At that time it was commonly felt that the cost of living would soon decrease. This, of course, it has not done, at any rate to the extent that was then expected, and thus the employees for the last three years have been receiving a salary which has been recognized as insufficient for their needs. The men do not, however, ask that they shall be fixed on the basis of present price levels, but are willing to make allowances for any ordinary reduction in prices. That some adjustment which would be fair to the employees and satisfactory to all parties involved is needed is certain, and it is reasonable to hope that such a solution to the problem will be worked out.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield to the gentleman from Georgia [Mr. MOORE].

Mr. MOORE of Georgia. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting a short article on the Atlantic Coast Highway, extending from Maine to Florida. This has reference only to the extension from Georgia. It is descriptive of the highway.

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

There was no objection.

Mr. MOORE of Georgia. Mr. Speaker, under the leave granted to extend my remarks in the RECORD, I insert the following article which appeared in the Savannah Morning News December 24, 1924, by Miss Jane Judge, of Savannah, Ga.:

HISTORIC ROUTE IN SOUTH GEORGIA TRAVERSED BY THE ATLANTIC COASTAL HIGHWAY—PURITAN SETTLEMENT AT OLD MIDWAY, SCOTCH SETTLEMENT AT DARIEN, FORT FREDERICA AT BRUNSWICK, DATE TO COLONIAL TIMES—SIX COUNTIES RICH IN COLONIAL TRADITIONS

When the important link of the Atlantic Coastal Highway from Savannah to the Florida line is constructed it will lead through a section of south Georgia which is full of historic interest.

The entire South Atlantic Coastal Highway route has been characterized as the most historic route in the country. In the highway district proposed for south Georgia it will pass through six counties—Chatham, Bryan, Liberty, McIntosh, Glynn, and Camden—all of which are identified with the colonial history of the State.

Savannah, in Chatham County, as the site of the colony of Georgia, presents to the tourist an ideal stopping place, offering the comforts and attractions of a progressive modern city and the interest of ancient traditions and an honorable history. A monument to James Edward Oglethorpe, founder of the colony, is among the most important of the notable monuments on Bull Street, for the bronze figure is by Daniel Chester French, one of the best sculptors in America, and the base and setting were designed by the late Henry Bacon.

The bones of Gen. Nathanael Greene rest beneath the monument to his memory on Bull Street, opposite historic Christ Church, where John Wesley preached. These remains were disinterred and removed some years ago from the Greene burial lot in Colonial Cemetery to their present resting place.

Colonial Cemetery itself is not only a beauty spot, with its many rare flowering shrubs and trees, but as the burying ground of the early settlers possesses unusual historical interest. Here are found the grave of Gen. Lachlan McIntosh, another Revolutionary general; the grave of Edward Malbone, of Rhode Island, the famous miniature painter; and many others of unique interest, such as may be seen in few cemeteries of the country. The remains of Gen. Samuel Elbert, Revolutionary general, and later Governor of Georgia, were disinterred some years ago from his family burying ground on a deserted plantation on the Savannah River, and have been reinterred in Colonial Cemetery.

Near the mouth of the Vernon River, a short distance from Savannah, is Wormsloe, the oldest plantation in Georgia, formerly the country seat of Noble Jones, the companion of Oglethorpe on his first voyage to America in 1733 and a distinguished officer of the Crown. It is still owned and occupied by his descendants. Here the late Wymberley Jones DeRenne, whose son is now the occupant of Wormsloe, built a library dedicated to the founder of the family in America for the collection and preservation of documents and books on Georgia history, the only complete collection extant and containing many papers and books, as well as autograph letters and papers, not found elsewhere.

Bonaventure, the ancient seat of the Tattnalls, now used as a cemetery, is one of the show places of the county. It dates back to 1762, and is famous for its magnificent oaks which, tradition says, were planted in the avenues in the form of a monogram combining the letters M and T, the initials of the Mullrynes and Tattnalls. Mary Mullryne, daughter of the original owner, having married Josiah Tattnall, who came to Savannah from Charleston, S. C., and became owner of Bonaventure.

Nine miles from Savannah is situated Bethesda, the oldest orphanage in America, founded by George Whitefield, associate of John and Charles Wesley, in 1740. The road cut at that time from Savannah to Bethesda is said to be the oldest highway in Georgia, although this is open to doubt. Christ Church, in Savannah, where the Georgia colonists first worshipped, is also associated with John Wesley, who preached there. This is the oldest church in the State and stands in the downtown section on its original site. It was founded in 1743; the original building was destroyed by fire, rebuilt, destroyed by hurricane, rebuilt, and the present building finally erected.

The grave of Tomo-Chi-Chi, friend of Oglethorpe and famous Indian chieftain, is one of the interesting spots on Savannah's main boulevard, Bull Street. It is marked by a rough boulder of Georgia granite.

Not only has Chatham County much of historic value connected with the colonial history of the State but there are in Savannah monuments and other buildings associated with Revolutionary times or commemorating heroes of the Revolution. Besides the graves of Revolutionary generals in Colonial Cemetery, there are other memorials of this period of Georgia history. A monument to the Pole, Count Pulaski, friend of America and of freedom, hero of the Revolution, stands on Bull Street in one of the most beautiful of the city's many little parks or "squares," as they are colloquially called. There is a story, not too well authenticated, that Pulaski is buried beneath this monument, another story that he was buried a few miles from Savannah at Greenwich, but the best opinion seems to be that he died and was buried at sea near Savannah. He was mortally wounded fighting for American liberty at the siege of Savannah, October 9, 1799.

Tondee's Tavern, where the Sons of Liberty met and which was before the Revolution a rallying place for the social life of the town, has long since disappeared, but the site is marked by a bronze tablet, placed by the Colonial Dames on the wall of the present building.

Near the site of the Central Railroad Depot was the famous Spring Hill redoubt, where Count Pulaski and Sergeant Jasper fell mortally wounded during the siege of Savannah. On the Augusta Road, 2 miles above Savannah, occurred one of the boldest captures in the history of the Revolution when Sergeant Jasper with a comrade at arms rescued six American soldiers from the British, who were taking them as prisoners of war from Ebenezer to Savannah. Jasper Spring at this point has been marked by the Daughters of the American Revolution.

Chatham is the only county in the State with a complete system of permanent paved highways. Victory Drive, a memorial to the soldiers and sailors of the World War, leads over 18 miles of highway from Savannah to the Atlantic Ocean. It is a superb engineering feat, crossing marshes and rivers on its way to the sea over a route of rare scenic beauty, and connecting the city with the picturesque town of Tybee, the playground of Georgia.

Within a few weeks the great steel and concrete bridge, with steel swing span, across the Savannah River will be completed, connecting the Georgia and Carolina shores and cementing nearly 200 years of friendship between Savannah and Charleston, between South Carolina and Georgia. This friendship was begun when Colonel Bull arrived in Savannah a few days after the colonists had landed with a message from the South Carolina General Assembly to General Oglethorpe and when other South Carolinians followed with their best servants to assist in the naming of Savannah's principal boulevard, which to this day is called "Bull Street." It is now a beautifully paved street which leads from the river to the corporate limits and there connects with the avenues leading on the one hand to the Tybee Highway and on the other to the South Atlantic Coastal Highway through the historic counties of south Georgia.

Savannah is not only rich in memorials of colonial days and Revolutionary days, but its nineteenth century traditions are carefully preserved. From this port the first steamship to cross the Atlantic sailed in 1819, and the original model of the steamship *Savannah* is to

be seen in the city hall. The visit of President Madison in that year, the visit of Lafayette in 1825, are matters of record and the houses in which they were entertained are still standing. Here, too, ended Sherman's march to the sea, and the house which he used as headquarters, now the home of Judge and Mrs. P. W. Meldrim, is one of the most beautiful architecturally as well as one of the most interesting historically which the city possesses.

The Telfair Academy of Arts and Sciences, left to the city as a bequest from the Telfair sisters, is the finest art gallery south of Washington. Unique as a building, having been the old Telfair residence, it houses a remarkable collection of modern paintings, a collection of sculpture from Greek and Roman models, and the beginnings of a collection of rare old furniture. In Savannah, too, is the home of the Georgia Historical Society, the building in which its collection of books and papers is kept being another Telfair bequest, Hodgson Hall.

Fourteen miles from the sea on the west side of the Ogeechee River are the ruins of an old town, Hardwick, one of the "lost" towns of Georgia. This is in Bryan County, a part of the coastal highway route of great scenic beauty because of its splendid oaks, virgin forests, and lovely river views. Only fragments tell where once stood the town of Hardwick, which was favored by two governors under the Crown for the site of the capital of the State. The dream was never realized. When Bryan County was organized in 1793 Hardwick became temporarily the county seat, but 40 years later it had almost disappeared. Named for an eminent lord chancellor of England, this lost town is situated 2 miles from Genesis Point, a locality made famous by Fort McAllister during the war between the States. James Maxwell, a pioneer settler in Bryan County, with his brother Thomas and other residents of South Carolina, founded in 1747 the town of Belfast, which still bears that name. Blocks of tabby mark the site of the historic Maxwell home, famous for its social life in the colonial period. James Maxwell was one of the trustees to whom was delegated the task of laying out the town of Sunbury, now one of the dead towns of Georgia. He was a member of the first provincial congress of Georgia and is thought by some historians to have been the "Lieutenant Maxwell" who fought with General Oglethorpe at the famous Battle of Bloody Marsh.

On the old military road between Savannah and Darien, which this historic section of the South Atlantic Coastal Highway traverses, stands Midway Church, an ancient landmark situated in Liberty County in the angle which the road makes with the road to Sunbury. It is built of wood, two stories high, and is about 130 years old, the present building having replaced the temporary structure built of logs in 1754, which was the first house of worship of the Puritans in Georgia. From the stock of the founders of this settlement have come two signers of the Declaration of Independence—Lyman Hall and Button Gwinnett—two Revolutionary generals, two commodores, one President of the United States, four governors of Georgia, and many other distinguished publicists and statesmen, scientists, educators, and historians. One of the early pastors of Midway Church was the father of Oliver Wendell Holmes, the Rev. Abiel Holmes.

The historic old churchyard at Midway is a shrine of American history. In the center of the churchyard is an obelisk erected by the United States Government in 1913 to two Revolutionary patriots who lived at Midway—Gen. James Screven and Gen. Daniel Stewart. Liberty County was created in 1777 and was named to commemorate the patriotism of the Midway settlers who, after the passage of the stamp act, became champions of liberty. In advance of the rest of the Province of Georgia, they sent Dr. Lyman Hall to the Continental Congress as a Delegate from the Parish of St. John, Hinesville, the county seat. When organized Liberty County embraced McIntosh and part of Bryan. The Liberty Independent Troop survives to the present day, and is the oldest military organization of any kind except the Chatham Artillery of Savannah. It was organized in 1791 or 1792.

The forefathers of Theodore Roosevelt are buried in Midway Churchyard, as are the ancestors of the first Mrs. Woodrow Wilson, and the father of the famous scientists, John and Joseph LeConte, both of whom were products of Midway. Virtues and valor of the settlers of Old Midway are commemorated by a tablet placed on the walls of the churchyard by the Georgia Society, Colonial Dames.

Sunbury is another of the old "lost towns" of Georgia, of which nothing remains but tradition, although in colonial days it was a rival of Savannah. The graveyard, overgrown and neglected, with its headstones crumbling, alone remains. There is nothing now to tell that it was once a thriving seaport and a center of culture. Many of the New England Puritans and other settlers of Old Midway, only 10 miles away, established homes here, and here was developed the once famous Sunbury Academy of the Rev. William McWhir, one of the noted educators of the colonial period in Midway. He is buried in the old Sunbury Cemetery. The first Masonic lodge ever organized in Georgia is traditionally supposed to have been instituted by Oglethorpe himself under an old oak at Sunbury, and the Union Society of Savannah, then the Society of St. George, met under this oak tree

in the person of certain British prisoners of war to preserve its character during the Revolution, from which the tree received the name of "Charter Oak." Boxes made from the wood are still owned in Savannah.

Darien, the county seat of McIntosh County, is one of the oldest towns in Georgia, having been founded by General Oglethorpe himself. McIntosh County was formed in 1793 out of Liberty, and was named after the McIntosh clan, members of which accompanied Oglethorpe to Georgia. Gen. Lachlan McIntosh, whose grave is in Colonial Cemetery, Savannah, is one of the foremost Revolutionary generals of Georgia. This earliest Scotch settlement in Georgia was called New Inverness and was situated on the banks of the Altamaha, 12 miles above St. Simon, as an outpost against the Spaniards. To the military post and the outlying district they gave the name of Darien, a name the town bears to this day. These sturdy Highlanders, headed by John Mohr McIntosh, chief of one of the most powerful clans in Scotland, defended the colony of Georgia against attack. With the assistance of Indian guides furnished by Tomo-Chi-Chi, Capt. Hugh Mackay laid out the road between New Inverness and Savannah, which is now to become part of the coastal highway.

It was at Darien that the large turpentine and lumber trade of southeast Georgia found an outlet to foreign and domestic markets and it became an important port of shipment for these and other products and at one time rivaled the other ports of the State. Twelve miles northwest of Darien on the banks of the Altamaha stood Fort Barrington, named after a friend and kinsman of Oglethorpe. Fort Barrington was renamed Fort Howe and during the Revolution was taken by the British. While the old fort is gone, the military road between Savannah and Fort Barrington is still called the old Barrington Road.

Next to Chatham County itself there is no part of Georgia of greater historical interest than Glynn County, a name which the southern poet, Sidney Lanier, has made known the world over. It is almost as closely associated with Oglethorpe as is Chatham County. Brunswick, the county seat, was named for the royal house of England. The oldest of Georgia's historic ruins, Fort Frederica, built in 1735, two years after the founding of the colony, commands the entrance to the Altamaha River, and some of the guns used against the Spaniards are still on its ramparts. The trip to Frederica may be made by water or by highway. The highway passes the old battle ground of Bloody Marsh, where, in 1742, Oglethorpe in command of 900 men resisted the invasion of the Spaniards and defeated an army of 5,000 with his little handful of soldiers. It was the decisive battle of the colonial period, putting a stop to Spanish depredations and a check upon Spanish ambitions. On the eve of this battle, so far-reaching in its effect on the American colonies, General Oglethorpe wrote to the trustees: "But we are resolved not to suffer defeat. Rather would we die like Leonidas and his Spartans if we can but protect Georgia, Carolina, and the rest of the Americans from desolation." This is another spot which has been marked by the Colonial Dames and the Society of Colonial Wars.

The highway passes, near Frederica, the famous Wesley Oak, under which both John and Charles Wesley preached. It is at the gateway of Christ Church Graveyard, where some of the earliest settlers lie buried. There is a new chapel on the site of the old church, but the ancient parish register of the original church is still preserved.

On the road to Frederica, about a mile distant from the old fort, stood the home of General Oglethorpe, his only home in America. Near here were the homes of many wealthy planters whose names are a part of Georgia's colonial history. Ten miles north of Frederica was one of the most splendid of the early estates, Hampton's Point, the home of Maj. Pierce Butler, where Aaron Burr in later days, when his fortunes had declined, found refuge.

There was another noted country seat at Hampton's Point, the home of John Couper. That Aaron Burr also stayed there was attested for many years by his autograph scratched on a window pane. The estate has a greater claim to glory because it produced Constitution Oak, the splendid old tree which was cut down to make the keel of the frigate *Constitution*, "Old Ironsides." The stump was long the object of historic interest. It no longer remains, but the spot where the tree grew is still remembered.

Brunswick was first declared a port of entry in 1763. It has one of the finest harbors on the South Atlantic coast. The progressive step of connecting the city and its harbor with historic St. Simon Island by a permanent highway across the marshes of Glynn has recently been accomplished. Near the approach to this highway is to be seen the "Lanier Oak," where Georgia's most eminent and most beloved poet, Sidney Lanier, is said to have received his inspiration for his "Marshes of Glynn." The city of Brunswick itself is distinguished by its avenues of oaks, older than the colony of Georgia, as their great trunks and intertwined branches testify. One of the most celebrated is "Lover's Oak," twin trees closely knit together, gnarled and ancient. This tree is only less famous than the Lanier Oak, which stands in solitary grandeur facing the marshes.

General Oglethorpe was a resident of Glynn County from 1736 to 1742, and both John and Charles Wesley lived for some time at Frederica. Thomas Butler King, who first conceived the idea of a transcontinental railway, lies buried in the old churchyard at Frederica, together with other great men of the early nineteenth century.

Camden County was created in 1777 from two old colonial parishes, St. Marys and St. Thomas, and was named after the Earl of Camden, champion of a free press and friend of the American colonies. St. Marys, the county seat, is a beautiful old town with an Old World atmosphere such as not found elsewhere in the country. It was once an important port of entry, but is now a place of quiet Arcadian beauty. Seven miles from St. Marys are the ruins of an old structure built of tabby which is believed to have been a Spanish mission equipped for defense against the Indians. It is thought by some historians to antedate the arrival of Oglethorpe at Savannah.

The grave of Lighthouse Harry Lee is on Cumberland Island. Here, too, is buried the widow of Gen. Nathanael Greene, who married after her first husband's death one Phineas Miller. Fort St. Andrew, built by Oglethorpe in 1733, stood at the north end of the island, and at the south end Oglethorpe built Fort William, which commanded the entrance to St. Marys. Traditions and stories surround the little Presbyterian Church at St. Marys, which is its most interesting building historically. In the old burial ground there is the grave of John Brown, soldier of the Revolution, marked by a marble slab. Forty-five miles above St. Marys is the famous old town of Coleraine, where a treaty of peace and friendship was signed in 1796 between the President of the United States and the Creek Indians. This is marked by a marble boulder, placed by the Daughters of the American Revolution.

Mr. MADDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. HILL].

The CHAIRMAN. The gentleman from Maryland is recognized for 10 minutes.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, I have listened with a great deal of interest to what was said by Mr. MADDEN, the chairman of the Committee on Appropriations, on the subject of the functioning of the Budget. I think that we who have served in the House before the Budget law was passed and since the Budget has been in effect realize that the Budget is the greatest coordinating unit in the whole Government. At the same time, while the Budget is functioning as it does, I think we should proceed as soon as possible to make the corresponding reorganization of the executive departments in order to eliminate overlapping duties and to carry out that efficient and economical coordination of the executive departments to which we are pledged.

We are considering the Treasury Department appropriation bill for 1926. In the next year the total cost for the Prohibition Unit itself will be \$10,266,380. One-third of the whole expenditure of the Department of Justice is now applicable to the enforcement of the Volstead Act, and in the Department of Justice appropriation bill, which will soon come to you, you will be asked as the portion of the Department of Justice's contribution toward prohibition for appropriations to the extent of \$8,305,940. The additional cost of the Coast Guard this year attributable to the attempt to enforce the Volstead Act is \$9,745,496. And so this one act, the Volstead Act, in the next fiscal year for these three specific items, which are by no means all of the cost, will amount to \$28,319,816.

This over \$28,000,000 contained in these three items is only a part of the cost to the Federal Government of the first experiment it has ever made of taking over local police powers that belong to the individual States.

No one stands more firmly than I do for a strong Federal Government. I stand, however, for a Government strong in the things for which the Federal Government was created and for which it exists. If \$28,000,000 or \$56,000,000 is needed to enforce the laws of the Federal Government, or even if ten times that last sum is needed, I am in favor of making the appropriations; but is it not our duty to consider very seriously the meaning of the amount of demands for money and the character of uses for which this money is demanded? Year by year the amounts of money demanded and appropriated increase, and year by year newer and stranger experiments for enforcing the Volstead Act are offered by the Federal Prohibition Commissioner and his allies, the Anti-Saloon League.

Nothing that I can say will prevent you making the demanded appropriations, but I can invite your attention to certain extraordinary facts that appear in the hearings on this bill—facts that when carefully considered should convince you of the futility of Federal absorption of the local police powers of the States.

Where will you stop in your efforts to enforce a law that is fundamentally wrong? In the past unenforceable laws have been repealed. When will you open your eyes to the real status of the Volstead Act?

I wish to call your attention to four points in reference to the bill now before you. First, to the question of law enforcement by posters and billboards, for there is in the appropriation this year a new theory of law enforcement; second, the Federal subsidy which is paid to eight prohibition States, in which were seized over 70 per cent of all the distilleries and fermenters that were seized in our whole Nation, composed of 48 sovereign States; third, the violation of the Volstead Act by the Federal prohibition agents themselves in the purchase of evidence; and, fourth, the great increase in the number of arrests for violation of the Volstead Act.

Now, first let us look at this extraordinary new theory of government, to wit, government and law enforcement by billboards and posters. In the appropriation act are these words:

Not to exceed \$50,000 for dissemination of information and appeal for law observance and law enforcement, including the necessary printing in connection therewith.

Gentlemen, this shows the utter absurdity to which those favoring this particular law will go. Are we to expect in the future to be greeted by billboards all through our cities and along our highways saying, "Do not murder anyone to-day," "Do not rape any person this afternoon," "Do not commit arson before you sleep." And yet here, for the first time in the history of this Nation we are to have the country plastered—as much as \$50,000 will do it—with posters saying, "Do not buy from a bootlegger to-day."

Mr. BLANTON. Mr. Chairman, will the gentleman yield? Mr. HILL of Maryland. I will yield with pleasure.

Mr. BLANTON. If we could put all these posters in the city of Baltimore, it would be money well spent. The gentleman could hardly object to that? [Laughter.]

Mr. HILL of Maryland. I am glad the gentleman raised that point, because it gives me an opportunity to say to you that over 71 per cent of the distilleries that were seized and 74 per cent of the fermenters that were seized last year were seized in the prohibition States that I shall now name; eight States which now really invite us to look after and to legislate to enforce their own State laws and which in effect are receiving a subsidy for the enforcement of laws which they themselves do not attempt to enforce.

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

Mr. HILL of Maryland. Yes.

Mr. TINCHER. Does the gentleman say that there is such an enforcement law in his State and that it is not necessary now to enforce the law there?

Mr. HILL of Maryland. The hearings on this bill show that there is very little breach of Federal law in the State of Maryland.

Mr. TINCHER. I understand the gentleman had some trouble in getting himself arrested in his State for violating the law.

Mr. HILL of Maryland. I did have more trouble in getting myself indicted by the Federal agents for violating the Volstead law than I had in conducting the office of the United States attorney for Maryland for five years. But finally I was successfully indicted and acquitted. [Laughter.]

Mr. TINCHER. But the gentleman was in safe hands. He was in the hands of his friends.

Mr. HILL of Maryland. No; they were not all friends. There were some enemies on that jury.

Now I wish to refer to the remarks of the Federal Prohibition Commissioner, Mr. Haynes, as to what he expects to do with posters and billboards, and then I wish to speak as to the use of a Federal subsidy in the dry States.

Law enforcement by posters and billboards! That is a new theory in jurisprudence that can best be explained by Prohibition Commissioner Haynes. Here is what he said to the committee:

Mr. HAYNES. My idea with reference to the poster feature would be that they could be used in places where many people congregate, such as Federal buildings or on billboards where the greatest number of people would see them. They would simply contain an appeal to loyalty to the Constitution and the support of the Government and law. I think they would make a fine appeal.

The CHAIRMAN. What effect would that have upon the bootlegger?

Mr. HAYNES. I do not know that it would have any helpful effect on the bootlegger. But it would certainly have an effect upon many who have been buying his supply.

Nothing could more explicitly emphasize the fundamental impropriety of the Volstead Act than the alleged need to have

the Federal Government use posters and billboards in order to plead with the public to obey one of the criminal laws of the United States. The advocacy of such a measure is a clear admission that intelligent public opinion is not back of the Volstead Act. The advocacy of such a measure by the head of the Prohibition Unit is one of the best possible arguments for the transfer of attempted enforcement of the Volstead Act from the Treasury Department to the Department of Justice, where it would be treated like any other criminal law and not as a very special and super law which requires exhortation by posters and billboards at post-office curbs and camp meetings.

The demand for exhortation by posters and billboards is perhaps caused by the deplorable conditions in Georgia and several other of the most loudly prohibition States, as exposed by the hearings on this bill.

In view of the large amount of seizures shown by the Federal Government, it can not be conceived that the State authorities, in addition, are attempting to enforce their own dry State laws in these eight dry States. Therefore it seems that they have shunted the costs and difficulties of prohibition on the Federal Government.

The hearings show the following seizures by Federal prohibition directors and by general prohibition agents during the fiscal year ending June 30, 1924 (hearings, p. 483):

States	Distilleries	Fermenters
Alabama.....	437	8,819
Florida.....	303	3,632
Georgia.....	737	16,389
Kentucky.....	551	6,010
North Carolina.....	780	11,731
South Carolina.....	423	3,075
Tennessee.....	1,141	13,674
Virginia.....	1,074	5,810
Total for 8 dry States.....	15,446	168,140
Total for 40 other States.....	2,208	23,856
Total.....	17,654	191,996

<sup>1</sup> 71 per cent.  
<sup>2</sup> 74 per cent.

<sup>3</sup> 29 per cent.  
<sup>4</sup> 26 per cent.

<sup>5</sup> 100 per cent.

By the Constitution there were to be in the United States two distinct and separate types of jurisprudence. The Federal Government was to have its own laws and its own courts to enforce them, while each individual State was to have its own separate laws and courts. Maryland did not want the Volstead Act as a State law nor did New York. Therefore the only Volstead Act in either Maryland or New York is the Federal Volstead Act. Georgia, however, wanted a State Volstead Act as well as a Federal Volstead Act. When, however, the Federal Government stepped in, Georgia stepped out and left the prohibition question to the Federal Government, which thereupon bears the cost of trying to enforce a law that Georgia claims to want enforced. Therefore, here is another subsidy to Georgia.

On the subject of Federal subsidies the following editorial from the Baltimore Sun of December 26, 1924, contains many observations of value and many facts that are worthy of serious consideration:

#### FEDERAL SUBSIDIES

In the matter of Federal subsidies it takes two to make a bargain. Congress may grant them, but the States need not accept them unless they want to "match dollars" with the Federal Government. A good result of the attention these subsidies are now attracting and the objections they are arousing is that they will be scrutinized more carefully in the future.

In 1924 the National Government appropriated \$145,000,000 to the States under Federal aid acts—about one-twentieth of its total expenditures. There is great inequality between the amounts contributed by the States in Federal taxes and the proportionate returns in these subsidies, but this discrimination, while exciting some protest, has had little to do with the growth of opposition to the principle involved. How wide the discrimination is may be judged by a few figures. New York in 1924 paid in Federal taxes \$690,415,425 and received through State aid acts \$4,020,455; Nevada paid \$761,499 and received \$885,759; Michigan paid \$221,380,005 and received \$2,339,480; Kentucky paid \$28,574,914 and received \$1,592,612; New Mexico paid \$1,131,323 and received \$1,119,187; Maryland paid \$34,349,218 and received \$714,744. Maryland has declined to accept one appropriation for a small amount under the industrial rehabilitation act of 1920. But it has done as much as any other State to oppose the rapid growth of these subsidies and to protest against their invasion of the State's field, as well as against the resultant building up of great bureaucracies in Washington.

Most of the causes for which appropriations from the States are asked are meritorious in themselves. Those backing them are zealous, persuasive, and tireless. Once on the statute books, the States hesitate to refuse the doles; they want their share. The movement being launched, there comes insistent demand for more and more money, more and more employees, until the States awake to the fact that there is another well-intrenched Federal agency in their midst with ever-increasing activities.

Appropriations have grown to the present amount from the insignificant sum of \$6,500,000 in 1914, only 10 years ago. The rapidity of the development in the matter of demands on State and Federal revenues justifies the uneasiness expressed concerning it entirely aside from the objections advanced on the ground that there is in progress an insidious invasion of local autonomy.

According to the hearings, distilleries are places that have some semblance or form of official authority. According to the hearings, stills are places that have never been registered at all, not only in the mountains but now in the cities. Read carefully the tabulation of these seizures in the last fiscal year in the eight States which I have prepared from the tables in the hearings. Eight out of 48 States contributed 71 per cent to the seizure of distilleries. That is over 5,000 out of 7,000. In the seizure of fermenters—I do not know precisely what a fermenter is, but I understand it is a kind of private still in the home—in the seizure of fermenters in these eight prohibition States they received indirect subsidy by having the Federal Government carry on their own work and having 68,000 out of 91,000 seizures.

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

Mr. HILL of Maryland. Yes.

Mr. CRAMTON. Does the gentleman intend to intimate that the enforcement of a Federal law in those States should subject those States to censure?

Mr. HILL of Maryland. No.

Mr. CRAMTON. And if it does, and speaking of subsidies, does the gentleman think that the creation of another Federal judgeship in Maryland would be a sort of subsidy for the enforcement of Federal laws?

Mr. HILL of Maryland. I will say to the gentleman that in Maryland we need another Federal judge, not for the enforcement of criminal laws but for the consideration of maritime and other civil cases. I will also say to the gentleman that I cite these figures—which I shall put in the RECORD—to show that it is not State enforcement laws that bring enforcement of prohibition, because here is the extra-dry State of Georgia appearing as the greatest hotbed of distilleries and fermenters in the whole Nation, whereas the State of Maryland, with the same activity by Federal agents, makes a showing of but 39.

Mr. CRAMTON. Does the gentleman intend to convey the impression that if Congress does provide another Federal judge for Maryland, it is to be with the express understanding that that judge is not to enforce the eighteenth amendment? Is that the understanding?

Mr. HILL of Maryland. No; because any judge who at the present time accepts a position as Federal judge can not do anything except to expect to be a police court judge for at least one-third of his time.

Mr. BROWNING. Will the gentleman yield?

Mr. HILL of Maryland. Yes; with pleasure. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has one minute remaining.

Mr. BROWNING. Does the gentleman think that these figures indicate that these eight States are the only ones which are making a definite effort to enforce the law?

Mr. HILL of Maryland. No; these are Federal figures, and they do not show anything the States are doing.

Mr. BROWNING. But they do show that the States are for law enforcement?

Mr. HILL of Maryland. These figures show that the Federal unit, with about as many agents in Maryland as in the other States, has made 39 seizures of distilleries and fermenters in Maryland as against 17,126 in Georgia.

Mr. BROWNING. Does not the gentleman think there is something in the local attitude of the people as to whether they enforce it or not?

Mr. HILL of Maryland. Undoubtedly; and the local attitude of the people in Georgia and in these other States is that they do not enforce their laws, but they let the Federal authorities do it.

Mr. KNUTSON. Will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. KNUTSON. Has the gentleman any definite information as to the number of stills that are in successful operation in the country at the present time?

Mr. HILL of Maryland. No; but the gentleman understands there is one to every three houses, especially in Kansas and certain other States. [Laughter and applause.]

Now, briefly as to the two remaining points to which I desire to invite your attention. The violation of the Volstead Act by Federal agents in order to induce others to violate the Volstead Act and to thus secure convictions is indecent and immoral. Last year I offered an amendment to prevent the sort of thing that helped break down the ancient régime in Russia, but here I only desire to read to you how \$150,000 was spent in 1924. Here is what appears in the hearings at page 528:

PURCHASE EVIDENCE FOR PROHIBITION ENFORCEMENT

The CHAIRMAN. It was stated at the last session that in 1922 about \$150,000 had been spent for the purchase of evidence in connection with prohibition enforcement and approximately \$200,000 had been spent in 1923. How much has been expended in 1924 for this purpose?

Mr. JONES. In 1924 there was either spent or obligated for the purchase of evidence \$155,507.92.

The CHAIRMAN. Why is it necessary to spend this amount of money?

Mr. JONES. That is about the only way, Mr. Chairman, that our agents have of making cases that will stick in court. They can not convict on hearsay, and a person who buys from a bootlegger and is not an agent will not testify in court against the bootlegger, because that would cut off his source of supply. So it is necessary for agents to make the purchase, and they can testify in court that they personally have made the purchase, in that way getting evidence on which a conviction may be had.

The CHAIRMAN. What check do they exercise in the expenditure of the money to see that it is properly safeguarded?

Mr. JONES. The agent puts it on his monthly expense account and swears to it. He must show that he has made a case resulting from a buy.

"Intent" is not an element in the Volstead Act. If I buy bootleg brandy for a sick baby and perhaps save a life thereby, I still violate the Volstead Act, and my good intent is no defense. So if a prohibition agent induces some one to sell him bootleg brandy he breaks the law just the same, even though his intent is to send the vendor to jail as a law violator. It is immoral to break a law and to induce others to break a law in order to make convictions under the law. It is this type of thing that democratic government was founded to fight, yet here, as to one law only, it is tolerated by Congress. A law that requires such methods for its so-called enforcement is not like other laws.

Lastly, here are the statistics that show the present situation as to prosecutions under the Volstead Act to-day, and in 1920, 1921, 1922, and 1923. I take them from page 475 of the hearings:

Prosecutions under the national prohibition act in Federal courts

	Fiscal year—				
	1920	1921	1922	1923	1924
Criminal cases made.....	7,291	29,114	34,984	49,021	143,428
Convictions.....	4,315	17,962	22,749	34,067	137,794
Acquittals.....	125	765	1,195	1,770	12,131
Cases dropped.....	655	2,570	4,799	6,893	18,592

<sup>1</sup> Figures for the fiscal year 1924 are not complete, as reports of cases made and prosecuted in the latter part of the fiscal year have not yet been received in the prohibition unit.

Seven thousand two hundred and ninety-one cases in 1920; 49,021 cases in 1923. With the returns for 1924 not yet complete, the Prohibition Commissioner admits 43,428 so far for 1924—six times as many prosecutions as there were five years ago. What kind of a law is this? Is it not different from other Federal laws?

Year by year the costs of the Volstead Act mount higher and higher. By and by you will come to a point where even you will not increase the appropriations. Then, and I hope before then, you will realize that the Volstead Act is an impossible and unenforceable law.

As the new year approaches, I again suggest a remedy for the ills with which you are dealing in the appropriations for Volsteadism made in the pending bill. I propose for your consideration the following substitute for the Volstead Act. Repeal the Volstead Act and enact the following:

SECTION 1. Each State shall for itself define the meaning of the words "intoxicating liquors" as used in section 1 of Article XVIII of the amendments to the Constitution of the United States, and each State shall itself enforce within its own limits its own laws on this subject.

SEC. 2. Any person who transports or causes to be transported into any State any beverage prohibited by such State as being an "intoxicating liquor" shall be punished by the United States by imprisonment for not more than 10 years or by a fine of not less than \$10,000 nor more than \$100,000, or by both such fine and imprisonment.

The first section of my proposed enforcement act is based on the theory of local option; the second section is based on the theory of the Webb-Kenyon Act, by which the United States guarantees the States from outside interference. The proposed substitute, taken as a whole, permits concurrent action each in their own sphere by the United States and by the individual States to carry out the provisions of the eighteenth amendment.

The time has come when Maryland and similar law-abiding States should be protected from the illicit distilleries of Georgia and other "fermenter" States. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. WINGO].

The CHAIRMAN. The gentleman from Arkansas is recognized for 10 minutes. [Applause.]

Mr. WINGO. Mr. Chairman, I may not have time to read all of the article upon which I am going to comment and, therefore, I ask unanimous consent to extend my remarks in the RECORD by printing it in extenso.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent, in the extension of his remarks, to embody an article from a newspaper. Is there objection?

There was no objection.

Mr. WINGO. Mr. Chairman, I am one of those who believes that it is a wise policy for public men to eschew politics in either the discussion or the handling of our foreign affairs. That being the viewpoint I have, I am naturally gratified to be able to say that of which I am firmly convinced and which I think should be stressed at this time, namely, that 99 per cent of the thoughtful American people agree most heartily with President Coolidge in this declaration of the position of our Government in a recent message to Congress. I quote from the President's message:

I am opposed to the cancellation of these debts—

He is discussing the debts of foreign nations to us for war loans—

and believe it for the best welfare of the world that they should be liquidated and paid as fast as possible. I do not favor oppressive measures, but unless money that is borrowed is repaid credit can not be secured in time of necessity, and there exists, besides, a moral obligation which our country can not ignore and no other country can evade. Terms and conditions may have to conform to differences in the financial abilities of the countries concerned, but the principle that each country should meet its obligation admits of no differences and is of universal application.

I repeat, Mr. Chairman, that 99 per cent of the American people are a unit in that conviction, expressed so clearly by the President of the United States in his recent message to Congress. I say that fact can not be stressed too strongly at this time by reason of recent occurrences, which, I think, was very ably and clearly referred to by Col. George Harvey in the leading editorial in the Washington Post of yesterday, which editorial, under the permission granted, I shall extend in full in the RECORD.

One of the striking things in that editorial which I think should be stressed is this statement, discussing the recent conversations—as I believe they call them—of the ambassador of France with the Secretary of the Treasury:

But the plain truth is that certain diplomatic episodes of the past few weeks have given rise to painful doubts of the sincerity of France in her dealings with the United States; and that, in the present condition of world affairs, is a very serious matter.

I take it, Mr. Chairman—and I am glad to believe it is true—that the tenor of this editorial, so diplomatically drawn and so pointed in its conclusions, can be accepted and should be accepted by France as a very clear statement of the attitude of this administration, and they should realize, as I said in the beginning, that 99 per cent of the thoughtful American people are back of that attitude.

No nation can accuse the United States of being other than liberal and fair in this matter. Some of our citizens think we have been too liberal, but the position that the President

and our Debt Commission take is one that no honest nation can criticize. This fact should be brought home to those people that there is no support, of any considerable quantity in this country, of those gentlemen who are going up and down the land advocating the cancellation of these debts. There is another fact that should be driven home to their minds as practical statesmen, and it is embodied in the quotation from the President's message that I have quoted, and that is: "Nations are just like individuals. They can not treat with indifference their obligations without suffering in prestige and credit."

There are debts that are more binding in the court of honor than in the courts of law, but it is more damaging to the selfish, material welfare of a man and of a nation to resist the one than it is the other. Good faith, honor, and selfish interest require that nations as well as individuals pay their debts and meet their obligations, fairly, honestly, and to the full extent of their ability.

Mr. KINCHELOE. Will the gentleman yield?

Mr. WINGO. I yield to the gentleman.

Mr. KINCHELOE. In a news item in this morning's Post, speaking of this matter it is stated that the hands of the Secretary of State, Mr. Hughes, are tied in the matter. Can the gentleman conceive of what has arisen whereby the Secretary of State, who is the spokesman of this country on international affairs, has his hands tied in matters of this kind?

Mr. WINGO. I did not see the statement. I do not know what it refers to, but I say this, as I have said before. Whatever may be our differences, among the American people I think we are a unit back of the President and the Secretary of State upon the proposition announced very clearly in the President's message as the policy of the administration on this foreign-debt proposition.

Of course, we must recognize that in handling matters of this kind sometimes circumstances make it rather difficult to move with that degree of speed we would like to see, and for that reason I am not critical of the Secretary of State.

My object in discussing the matter to-day was mainly to get this editorial in the RECORD and to stress the fact that the American people, irrespective of party, are back of this administration on this question, and appreciate to the fullest extent the condition of the peoples of the nations who owe us, having perfect faith that sooner or later they will see that not only honor but that self interest will require them to promptly and in good faith meet their obligations. [Applause.]

Mr. Chairman, under leave granted me to extend my remarks in the RECORD I insert an editorial from the Washington Post, as follows:

THE FRENCH DEBT—IS REPUTATION LIKELY TO FOLLOW DEFAULT?— WAS LOUCHEUR RIGHT?—MISGIVINGS OF THE PEOPLE—A QUESTION OF SINCERITY—WHAT OUR GOVERNMENT MAY HAVE TO DO

(By George Harvey)

It would be a pity, indeed, if the ending of the long and admirable service of M. Jusserand as ambassador of France to the United States should be marred in the slightest degree for whatever cause, but it is none the less a fact, which can not, in consideration of our own self-respect, be longer ignored, that his departure is attended by a sense of deep disappointment on the part of the American people. We would not think for a moment of attributing any part of responsibility for this deplorable circumstance to his excellency; nor would we hold to account the Government, of which he is the honored representative, by contrast with its predecessors; but the plain truth is that certain diplomatic episodes of the past few weeks have given rise to painful doubts of the sincerity of France in her dealings with the United States; and that, in the present condition of world affairs, is a very serious matter.

As long ago as November 25 the press was apprised through official channels that Ambassador Jusserand had sought and obtained interviews with Secretary Mellon, chairman, and Secretary Hughes, a member, of the debt commission, with the avowed purpose of effecting a settlement of the financial obligation of France to the United States. Both of these two high officials took the proposal seriously. Not only they, but the President, according to published reports, "were gratified that the French move appeared probable before February 1, when the life of the commission would expire and necessity would arise for an appeal to Congress for an extension."

Treasury officials informed the correspondents further that the ambassador's approach was not the consequence of a hint from this Government, but was wholly voluntary and was made with full knowledge of "the American attitude that an adjustment should follow the lines of the British settlement."

Thereupon Secretary Mellon called a meeting of the Debt Commission and recounted the conversations, and subsequently, replying to a question as to whether the ambassador was "specially authorized by his

Government" to make the overtures, Representative Crisp, a member of the commission, said, decisively, "Of course, I assume that he was or he would not have conferred with the Secretary of the Treasury."

Apparently the French Government did not coincide in this view. On November 29 the Associated Press telegraphed from Paris that "there appears to be a difference in understanding between departments," and continued:

"Finance Minister Clementel has let it be understood that Ambassador Jusserand has been negotiating with Secretary of the Treasury Mellon concerning funding of the war debt, while the Foreign Office says that if M. Jusserand has been talking on the debt subject to Secretary Mellon, it was only from a natural desire on his part to advance as far as possible all questions pending before he leaves his post. The French ambassador, it was added, received no special instructions with reference to a settlement of the debt, and no negotiations have been undertaken, it was declared."

"The discrepancy," according to the dispatch, was "explained in political circles as probably due to a misconception by the Minister of Finance as to the different sorts of diplomatic talks—that when M. Clementel was informed M. Jusserand had seen Secretary Mellon the minister assumed the talk amounted to negotiations."

M. Clementel confirmed this impression, immediately following a cabinet meeting, by "expressing belief that the American Government would grant a decided reduction in the rate of interest on the debt and a hope that there would be a similar substantial reduction in the principal."

Premier Herriot leaped into the muddled waters on December 4.

"The talks," he said in an official statement, "which have taken place in the last few days between the French Ambassador to Washington and the American Secretary of the Treasury on the subject of a settlement of the French debt to America should, in spite of certain statements to the contrary, be considered only as having the character of simple semiofficial exchanges of views."

Why the Premier should have waited a whole week before clearing up the "discrepancy" between the foreign and the financial departments, amounting to a positive contradiction, was not quite clear until the circumstance was noted that the Right Hon. Austen Chamberlain, Foreign Secretary of the British Empire, was to arrive in Paris on that day and, spurred on by English resentment at France's apparent determination to settle first and exclusively with the United States, might propound embarrassing questions with respect to discrimination against her original ally.

In any case, the Premier's declaration clearly reduced the Jusserand proposal from the gravity which had been attached to it by the President and his two foremost Cabinet officials to the merest gesture.

Even so, the ambassador betrayed no dismay. Speaking in New York three days later, in the notable presence of his country's chief American bond seller and of the president of Princeton, who considered it "not only the duty but the great privilege of the United States" to cancel debts, M. Jusserand said:

"Allusion has been made to our debts to you. The papers are in doubt as to whether my talks on the subject have been conversations or my conversations talks. Whatever they may have been, I hope it will not be impossible to arrive at some agreement.

"I am sure you will recall that while you were making ready we were engaging the enemy. I think you should know that not more than one-sixth of that money went to France. The rest of it was spent in the United States, and I hope that account will be taken of our special position on that use of the money while you were preparing, and also that while we were borrowing we were also lending to our allies, and that not one of them has paid us.

"When we pay we shall pay to the last cent; but I think you will not forget that we spent more blood than any of the Allies, much treasure, and that we were the only country that supplied the battle field."

While we would be of the last to utter obvious reflections upon even the most ex parte statement in the happy yuletide season, it is impossible to ignore the following Christmas-eve message contained in a telegram to the Herald-Tribune:

"PARIS, December 24.—Ambassador Jusserand's speech in Washington Tuesday on the French debt to the United States has drawn a sharp rebuke from the Herriot government, it was learned to-night. The Premier was highly displeased, it is said, and immediately cabled the ambassador demanding that during the 15 days in which he is to remain in Washington he shall maintain silence or expect to be recalled.

"In his speech Ambassador Jusserand declared that after a 'breathing spell' France could and would begin payments, but he indicated that she would expect preferential treatment because the war was fought largely in France.

"The official view on the debt situation in Paris is understood to be that Jusserand's conferences with Secretary Mellon were entirely on his own initiative and were not authorized by the Foreign

Office. The results not only have been negative, in the opinion of Government officials, but have had a bad reaction on congressional circles.

"Finance Minister Clementel, who might have been expected to touch on the question, however lightly, in his Christmas message to the American people prepared to-day for the Herald-Tribune, did not mention war debts."

That is to say, coming down to brass tacks, the French Government resents the making of even a polite and meaningless gesture by their own ambassador to the very people who are now zealously striving in emulation of one another to show their high regard and to prove their deep affection for him upon the eve of his departure and probable retirement from the service.

Meanwhile there comes from Paris, in a telegram from Mr. Edwin L. James to the New York Times, information that "as matters now stand, the French will not in the near future make a definite proposal for debt settlement to the United States but will first try to make terms for adjustment of her debt to England."

That is, again, to say, that France proposes to play England against the United States and to lament to each that she can make no settlement with the one because, alas, she would be called upon to pay the other—a horrifying and impossible proposition. *Le Temps*, semiofficial organ of the Government, is deeply distressed by the circumstance that both Great Britain and the United States think that France should not settle with one without consideration of the other, and magnifies this wholly natural feeling into a truly dreadful "Anglo-American controversy," which has "a tone very disagreeable to us"—as well, we should say, it might.

"What we must remember," sternly declares *Le Temps*, "is that the English, like the Americans, turn to France and demand that she settle her debts, which, for political as well as financial reasons, ought first to be subjected to severe revision."

That is to say, for the third and last time, for the present at least, that M. Loucheur, the ablest and frankest of French Ministers of Finance in recent years, spoke the exact truth when he said to the writer of these lines and subsequently declared for publication that France considered all of her debts "political, not financial," and had not the remotest intention of ever paying any of them.

Now it may be that the exact truth thus plainly enunciated by Mr. Loucheur two years ago is not the exact truth to-day, but the evasive shillyshallying of the past few weeks has done much to convince the American people that it is.

If not, the proof is ready at hand and can be quickly furnished. France will not admit that she is a repudiator, but she can not deny that she is a defaulter. For various obvious reasons, as often happens to debtors, she can not pay. For various other reasons, more hazy, she can not see her way clear to promise ever to pay. What, then, can she do, what should she do, other than any corporation would surely do if confronted by a like condition? Call a meeting of her two creditors, of course, give them full access to all information respecting her assets and liabilities, resources and prospects, and seek the fair, just, and generous settlement which assuredly, though not necessarily upon the same terms, because of diverse circumstances, she would receive. If any other way of liquidating her obligations, to her honor and her credit can be found, very well; but it is not visible, and we do not believe it exists.

President Coolidge set forth plainly the irrevocable position of the United States when he said in his recent message to Congress:

"I am opposed to the cancellation of these debts and believe it for the best welfare of the world that they should be liquidated and paid as fast as possible. I do not favor oppressive measures, but unless money that is borrowed is repaid credit can not be secured in time of necessity, and there exists besides a moral obligation which our country can not ignore and no other country can evade. Terms and conditions may have to conform to differences in the financial abilities of the countries concerned, but the principle that each country should meet its obligation admits of no differences and is of universal application."

England had already borne convincing testimony to her adherence to this principle when, at tremendous sacrifice, she paid on the nail all that in generous consideration of her sturdy and splendid determination to maintain her financial integrity inviolable was asked of her.

France may do likewise. We sincerely hope so, far more for her sake than for ours. But if not, the proverbial "wounds of a friend" would cease to be "faithful" if we should fail to notify her that the events of the past few weeks have, as we said at the outset, given rise to grave misgivings of her good faith in the minds of the American people, who, after all, can not forget that they are taxing themselves \$160,000,000 a year to pay the interest upon the money which they borrowed to loan to France upon her honor as security.

There seems to be no occasion for our own Government, flouted though some consider it to have been, to do anything except perhaps to intimate courteously through our ambassador in Paris that any further communications respecting debt settlements should be plainly labeled "official" or "conversational" and should embody a definite proposal.

Later it may appear desirable to inquire whether bonds offered for sale through private bankers to the American public constitute a lien prior to that of the general loan of the United States and rest upon security which is, in substance if not in form, the property of the American people; but this is a remote contingency which we trust it will not become necessary to contemplate.

Mr. WINGO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back two minutes.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, each and every Member of the war Congress is responsible to the American people for what we did with their bond money which they contributed by reason of laws then passed.

I want to call attention again to the kind of obligation that our Government, under the authorization of Congress, took from every foreign government when we lent them money. These obligations were taken from time to time, covering various bond issues and made applicable to those issues, but except as that difference of issues may appear the obligations otherwise are all drawn alike, and I am going to read the form of obligation executed after the issuance of and made applicable to the seventh series of Liberty bonds, exemplifying the obligations that were given our country by the Republic of France. And so that it may be better understandable, I am going to put the total principal we loaned France in this one obligation because, substantially, it is in the same form of all of them. If you would add together the amounts of all of these obligations which at various times France executed and gave our Government, made applicable to the ones under the seventh series, you would have this kind of form and this kind of obligation, which, leaving out dates, substantially recites the form of each and all of them, to wit:

CERTIFICATE OF INDEBTEDNESS  
(\$3,340,606,376.97)

The Government of the Republic of France, for value received, promises to pay to the United States of America, or assigns, the sum of \$3,340,606,376.97 on demand, with interest from the date hereof, at the rate of 5 per cent per annum. Such principal sum and the interest thereon will be paid at the subtreasury of the United States in New York, or, at the option of the holder, at the Treasury of the United States in Washington, in gold coin of the United States of America of the present standard of weight and fineness, or, at the option of the holder, at the Credit Lyonnais, Paris, France, in pounds sterling at the buying rate for cable sterling on Paris in the New York market at noon on the day of such demand, as determined by the Federal Reserve Bank of New York, and at any such place of payment without deduction for any French taxes, present or future.

This certificate will be converted by the Government of the Republic of France, if requested by the Secretary of the Treasury of the United States of America, at par, with an adjustment of accrued interest, into an equal par amount of 5 per cent convertible gold bonds of the Government of the Republic of France, conforming to the provisions of acts of Congress of the United States known, respectively, as second Liberty bond act, third Liberty bond act, and fourth Liberty bond act. If bonds of the United States issued under authority of said acts shall be converted into other bonds of the United States bearing a higher rate of interest than 4½ per cent per annum, a proportionate part of the obligations of the Government of the Republic of France of this series acquired by the United States under authority of said acts shall, at the request of said Secretary of the Treasury, be converted into obligations of said Government of the Republic of France, bearing interest at a rate exceeding that previously borne by this obligation by the same amount as the interest rate of the bonds of the United States issued upon such conversion exceeds the interest rate of 4½ per cent, but less than the highest rate of interest borne by such bonds of the United States.

(Signed) J. J. JUSSERAND,

*For the Government of the Republic of France.*

Dated this — day of —, 1919.

It is possible that concerning some of these obligations Mr. Jusserand had some other authorized representative of the Government of the Republic of France to sign same in his stead, but the foregoing substantially is a reproduction of the kind of obligation that was given us by the ambassador of the Government of the Republic of France, Mr. J. J. Jusserand, and they were dated according to the different loans and issues.

Is there a lawyer in this House, or in this Republic, or in any other country, who could draw a more binding legal obligation than that? What is there about that obligation that makes it questionable? It is past due, with the interest provided therein, according to its face, for it specifies that it is payable "on demand," and we have demanded settlement, not

a payment in cash, but a funding, extending over a period of 63 years, and at a much lower rate of interest than France agreed to pay. We are sympathetic and lenient.

Mr. McKEOWN. Will the gentleman yield?

Mr. BLANTON. In just a moment I will gladly; but kindly excuse me for the present.

The indebtedness which France owes our Government now amounts to over \$4,000,000,000. With the interest computed only to November 15, 1923, the debt aggregated the sum of \$3,990,657,605.64. It will add nothing more to the wealth of our Government or of our people for the debt to be funded. It will benefit only France and her people. For we now hold the legal obligation of France aggregating over \$4,000,000,000, now past due and payable, and by our offering to let France fund it we are proposing to let France give us in lieu of our past-due obligation her new obligation extending her payments over 63 years with lower interest. Hence funding is a matter of special concern and interest favorable to the Republic of France and the French people, who alone would benefit thereby, for if this debt were funded to-day the Government of the United States would get no better legal obligation than it already has. The new obligations that Great Britain has given the United States Government in funding its debt are of no greater legal value than this obligation of France which we now hold for over \$4,000,000,000, covering principal and interest, of money lent her.

I can not understand why this is not a question that concerns every Member of Congress equally. And it is time for us to speak up when we hear even rumors of a possible attempted repudiation. Your vote and mine will be necessary to settle what is done about the matter.

If France should adopt such an unwise course as to attempt to repudiate this debt by refusing to refund, she could not repudiate it, for legally she is already bound, and morally she is doubly and trebly bound, and her past-due interest-bearing obligation is in our hands and is stable and legal. I can not understand how anyone with even a sense of gratitude remaining could devise an excuse and say that because the battle field of the World War was laid in France that we who had nothing to do with the placing of the battle field there should be held responsible for the great calamity that befell that country.

I remember very distinctly in May, 1917, within a month after this Congress was forced to declare our Government in a state of war, the High Commission of France appeared here on this floor and was cordially and sympathetically received by the House of Representatives. I remember the supplicating attitude and demeanor of the high commissioner, Monsieur Viviani, when he spoke from that platform, and that of the marshal of France with their retinue who appeared with them. What was their attitude then? Did they hold this Government responsible because the battle fields of the World War were laid in France? Why, the World War had been in progress at that time three long years. No; it was an attitude of benign supplication; it was an attitude of the people of France coming to us for help and assistance, appearing under a representation that England was upon her knees, that France was upon her knees, that Italy was upon her knees, and that Russia had already given up, and it was a question of getting men, money, and help of all kinds to save them; and it, then, was their war which had been in progress for three long years.

Did we hesitate? Not a moment, and there was not a single vote against giving France everything she asked of us. This Republic came to their relief and loaned France over \$3,000,000,000.

When this high commission and the other representatives of France were asking for these loans, did they then say anything about considering them gifts, and not executing legal obligations for them? Oh, no! They were loans, pure and simple, with the same rate of interest that American citizens were paying for their public money.

These obligations, signed and executed by the Republic of France, are not mere scraps of paper. The Republic of France can not afford to treat them as scraps of paper. For France knows the civilization of the world whipped and condemned the Imperial German Empire for treating its obligations as scraps of paper.

Now, because of certain exigencies concerning which we had nothing to do, there is a delay by France in funding this legal and moral debt to our Government. I do not believe the delay will last long. I believe the people of France will wake up to the moral obligations which were mentioned by our friend from Arkansas [Mr. Wingo] a moment ago. I think they will, not in the interest of our Government, because our obligation

given us by France already is good, but in the interest of the French people, they will come in and fund this debt.

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

Mr. BYRNS of Tennessee. I yield to the gentleman three minutes more.

Mr. McKEOWN. Now will the gentleman yield?

Mr. BLANTON. I yield.

Mr. McKEOWN. Does the gentleman from Texas apprehend that the French people will repudiate her debt when, after 83 years, during which time all kinds of governments have been in charge of France, they have paid every one of her debts?

Mr. BLANTON. No; I do not. I believe if the propagandists will let the question alone that within a very short time this debt will be funded amicably, because it is for the interest of the French people to do so. They know that our Government will give them the same terms, 63 years, and a lower rate of interest, like we did England and other governments to fund it, and it is for their benefit, not ours, that they should fund and take advantage of it.

I want you to remember the fact that every contact we had with France during the war we paid for to the highest limit. When we sent soldiers over there to defend and aid France we paid for their carriage—we paid French boats for carrying the men across the water, and paid them the highest limit for every soldier that went to the rescue of France and the civilization of the world. When we got over there we paid dearly for every piece of ground used, for every piece of lumber, for every mite of damage we did to public roads, for every mite of damage we did to any kind or piece of property we paid the limit without a murmur, without a question, and paid in cash or its equivalent. We have paid every claim of theirs made upon us, and they have been numerous and many. They have amounted to way up in the hundreds of thousands.

Now, what else? After the war closed we had some supplies that had cost millions of dollars to the people of this country. France wanted them, said they needed them, for rehabilitation, and we sold the supplies and took their obligations after the war closed for over \$400,000 and sold them for a few cents on the dollar. Many of these supplies so sold over there were shipped back to this country and sold here in competition, by private concerns who got hold of them, in competition with products of our own factories, and that went on to such an extent that it was stopped by act of Congress and by rules and regulations of various departments of the Government. I know one thing. I represent 315,000 people in this Government. I believe that every one of them are willing to-day to do everything they can to help France along and extend the time, let her pay it when she can, but every one of the 315,000 people in my district expects France eventually to pay every dollar that she owes this Government. [Applause.]

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

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Chairman and members of the committee, you will remember that about a year ago we had before the House a bill similar to this one, in that it carried appropriations for the Post Office Department. You remember at that time the House put an additional million dollars into the bill for the purpose of putting into operation rural routes that had been inspected but were hanging over.

I want to call attention for a moment to how that affected the Rural Mail Service of the country. The last report of the Postmaster General says, on page 34—and this was published in November, 1923—that during the last 10 years, up to that time, the number of rural routes had been increased by about 1,600, or nearly 3.8 per cent.

That is about 160 routes per year for the 10-year period. Since the appropriation was increased last year by our putting the additional million dollars into the sum available to be expended by the Fourth Assistant Postmaster General the number of routes has increased in this way:

June 30, 1923, there were 44,312; June 30, 1924, there were 44,624; December 1, 1924, there were 44,969; and from the time that we provided the funds last year up to this time there have been 655 new routes put into operation. What does that mean? It means that the people are getting mail facilities that they never had before; and you, as Congressmen representing some of these people, when you go to the Fourth Assistant Postmaster General to get rural routes established, he does not tell you that Congress has not provided the money and consequently he can not give you the service you ask for.

There were established 655 routes from June 30, 1923, to December 1 of this year. That is nearly half as many as were established in the 10-year period up to the time this last report was written, November, 1923.

I want to show you the situation with which we are now confronted. I shall read a stereotyped paragraph—and I say stereotyped in the sense that all the letters now being received in regard to establishing routes include it. I think this paragraph will throw some light upon the situation. Here is a letter dated November 12, 1924, in reply to a letter asking that a route be established at Lambert, Miss. Here is one dated December 1, 1924, asking that a route be established at Drew, Miss. Here is one dated December 1, 1924, asking that a route be established at Glen Allen, Miss. Each one of these letters contains this paragraph:

I regret to state, however, that the estimates of the department for the maintenance of the Rural Delivery Service for the new fiscal year provides for a material decrease in the amounts available for extensions of this service, which decrease is of such large amount that we will be compelled to restrict expenditures for new rural routes and extensions of routes to cases where an actual emergency exists or where such routes or extensions are absolutely essential to the preservation of existing facilities.

Let us see what they propose to do in the way of giving us this additional service that the people are entitled to. On page 233 of the hearings on this bill, which we are now considering, we find that during the past year, because we gave them the money, they expended \$275,000 for extension of routes. They also put into operation 525 routes during that year, according to this statement, at an average cost per route of \$1,830. This would amount to \$960,750, which they have spent for this service. What did they estimate for 1926? One hundred thousand dollars all told. How many routes will that put into operation? Sixty-eight, and that is all the service that is being provided for in this bill along that line.

Mr. MADDEN. Oh, I beg the gentleman's pardon. We added \$150,000 to what they recommended, and the Fourth Assistant Postmaster General said that that would be all that they could properly use.

Mr. BUSBY. Very well. Let us see just how far that goes. I find that the chairman in his opening statement in the examination of the Fourth Assistant Postmaster General says—and this would be called a leading question in a court of law:

The CHAIRMAN. The next item covers the personnel in the Rural Delivery Service, or the rural carriers. The current appropriation for this service is \$89,250,000 and for 1926 you are asking \$88,200,000. Of course, when you take into consideration that included in that \$89,250,000 there was \$1,000,000 put in by the House that really was not needed, there is not much reduction.

They spent a good part of that additional million dollars. It was needed, and unless you give the Post Office Department a margin to operate on it can not give full service, for they can not go to the limit in making expenditures for service.

I call attention now to a letter received by me from the Fourth Assistant Postmaster General. I asked him a question about how much money would be expended. He did not answer that directly, did not seem to understand what information I desired, and he said:

It would seem appropriate to say that some of these items of cost in connection with the Rural Delivery Service are not fixed in any way and vary widely—

And then goes on—

but that a working balance must always be maintained, even if as a result of such administrative action there may be an unexpended amount to be covered back into the Treasury.

Of course, we know that he is bound to have a margin between his expenditures and the amount available in order to take care of these emergency cases. All I want is for us to get together and provide sufficient funds available for him to expend, if necessary, and if they are not expended any balance will certainly be covered back into the Treasury.

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

Mr. BUSBY. Yes.

Mr. ALLGOOD. I notice here that the committee recommends an increase of \$4,000,000 to letter carriers in the city delivery service.

Mr. BUSBY. I noticed that.

Mr. ALLGOOD. And I do not see why they should make a discrepancy, because half of the people live in the country in the United States.

Mr. BUSBY. I really think that with the increased demand for mail facilities and service, we will have to increase the amounts for city carriers, but certainly we ought not to turn around and cut off \$900,000 for service that we are expecting to provide, and ought to provide for the people in the country. I have no feeling on this proposition as between one part of the service and the other. I think it all ought to be provided for, and if the funds are provided and not expended, it is not wasted. Why not provide it? The letter to which I have already referred tells you that we can not have any more rural routes put into operation for the next year, because next year's estimates are too low to carry them if put into operation.

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

Mr. BLANTON. If the gentleman can just get 36 friends of his amendment here when he offers it, we will then have one majority over the committee, and we can probably pass the amendment.

Mr. BUSBY. I want to get before the House the necessity for this proposition. I went down to the Post Office Department and was told that they had plenty of money to put rural routes into operation and that they could keep them in operation until June 30, 1925, but that after June 30 they would not be able to continue them because the department would have no money with which to carry them on. We have a part of the \$1,000,000 we provided in the last Post Office appropriations bill that can be used to put routes into operation, and can be used to carry them until next June, but after June they must be dropped because the estimates and amounts provided in this bill are so low for maintaining this service.

Before this session of Congress convened we were receiving letters like the one just shown you telling us that the Post Office Department can not establish these routes, although they have been inspected and approved and ought to be put into operation, because we are not giving them money for the fiscal year ending June 30, 1926, with which to carry the service along.

There is another feature I wish to call your attention to in connection with the Fourth Assistant Postmaster General's statement regarding estimates contained in this letter.

For instance, on page 233 of the hearings, he says:

Mr. BILLANY. \* \* \* We have already put in 314 since the 1st of July and now have 523 cases pending establishment.

The CHAIRMAN. You will put in how many more?

Mr. BILLANY. We expect to put in about 100 more during 1925.

The CHAIRMAN. That will leave how many?

Mr. BILLANY. That will leave us 423 to carry over from 1925 to 1926.

The CHAIRMAN. Have they been examined by the inspectors?

Mr. BILLANY. Most of them have, but not all.

The CHAIRMAN. Have they been recommended?

Mr. BILLANY. Most of them have been recommended.

Mr. BYENS. You will put some of them in this year?

Mr. BILLANY. Yes, sir; about 100.

The CHAIRMAN. He says they have already put in 314, and that they will put in about 214 or 215 more. There would still be a lot left over.

Mr. BILLANY. Yes, sir; besides what will come in during the balance of 1925 and during 1926.

Now, gentlemen, here is the sum and substance of the whole proposition. It is not proposed in this bill to carry sufficient funds, according to the statement of the Fourth Assistant Postmaster General, to give this service what is—

Mr. MADDEN. Will the gentleman read what the Fourth Assistant Postmaster General says? The gentleman did not read it all. He said that with the balance left over he would have all that was needed.

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

Mr. BUSBY. I am very sorry my time has expired. I would like very much to fully answer that statement. But I hope I have made myself clear. I will get to it again later. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I agree in part with what the gentleman from New York [Mr. MAGEE] had to say in regard to the public-building program, but I do not agree with him as to the manner in which, under his plan, the money is to be apportioned.

There is no question but that the public buildings are needed by the Government throughout the whole Nation. There is no question but that they need new public buildings in Wash-

ington. But the plan proposed by the gentleman is not the proper way to make the appropriations and at the same time be fair to all the communities of the Nation. He proposes to put it into the hands of the Committee on Appropriations. Why does he not go a little further and try to get the Committee on Rivers and Harbors to put their bill into the hands of the Committee on Appropriations?

The fact is that the Committee on Appropriations ought to consist of one Member from each State of the Union. There ought to be 48 Members on that committee. You may say that that would be too many. But that committee has a great deal to do, and therefore it ought to have on it one man representing every State in the Union, because they dispense the taxes collected from every State of the Union.

I have as much faith and confidence in the present personnel of the Committee on Appropriations as has any man in the House. I think they are discharging their duty just as ably as any committee that could be selected from this House. But I am simply talking about the principle of the proposition, and I say that the proper way, in my humble judgment, to settle the building program is to let the Committee on Public Buildings report its bill in and designate the places where buildings are to be constructed, and then let the committee pass upon the question as to when these buildings will be put up. Fix your program to the extent of \$25,000,000 a year for 10 years, a building program, but fix definitely the places where the structures are to be built; fix it in the bill to be presented by the committee.

Now, you hear a great deal about "pork barrels." Gentlemen, you know what a "pork barrel" is. Appropriations for public objects are called "pork" by those who have already the things the others want. What the other fellow is trying to get is called "pork." The man over here, for example, has his part already, but when another man who has not gotten his wants something done for his district that is what the former man calls "pork." That is all there is to this "pork-barrel" matter. [Laughter.] I want mine, but when I want it it is called "pork." The same is true with respect to other matters.

The only just and fair way is to bring in the bill and put the places in the bill. I will never vote so long as I am in this House to give the right to any man to spend \$25,000,000 a year wherever he wants to in erecting post offices and courthouse buildings throughout the country. Down in my country we never had a public building, although we had appropriations made since 1911. They said such buildings cost too much. But we got them to go to work and cut out the frills and this fol-de-rol of decoration and give us regular useful buildings, and we have now buildings down there within the limit fixed in the appropriation. It is just as nice and sanitary as could be wished, and these are buildings that will fulfill every want of the public for years to come. Cut out the style and cut out the fancy work in marble and in decoration and give the people nice, comfortable buildings that will serve the purpose. So long as you are going to adhere to the policy of furnishing excessive trimmings and magnificent piles of stone according to certain ideas and schools of architecture, you can not get the buildings, because you will not spend the money necessary to get them.

I do not propose to vote for a bill that is going to let some department say when you will build a public building in my district. There will be complaints coming here from all sides from Members saying that they were discriminated against. They will say they did not get fair treatment. But if you will designate in the bill the places where the buildings are to be constructed I am willing to have the Appropriation Committee of this House say when those buildings shall be built. [Applause.]

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

Mr. BYRNS of Tennessee. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. LOZIER].

The CHAIRMAN. The gentleman from Missouri is recognized for five minutes.

Mr. LOZIER. Mr. Chairman and gentlemen, I very much regret that every thoughtful person in America will not have an opportunity to read the illuminating, persuasive, and instructive addresses delivered on the floor of this House this afternoon by the distinguished chairman of the Committee on Appropriations [Mr. MADDEN] and the able ranking Democratic member of that committee [Mr. BYRNS of Tennessee]. This bill carries an appropriation of \$763,180,522 for the maintenance of the Treasury and Post Office Departments for the fiscal year of 1926. The granting of this large sum, more than three-quarters of a billion dollars, is a matter of great public

concern and far-reaching importance, because every dollar this bill appropriates must be collected from the American people by some system or form of taxation.

The expenditures of the United States Government approximate \$4,000,000,000 annually. When these appropriations are made there are no funds in the Treasury of the United States to meet this vast expenditure. Before the amount carried by the several appropriation bills can be paid the Government must reach out, lay its hand upon the citizen, and by the exercise of its taxing power collect from the American people a sum sufficient to cover these appropriations. Excessive appropriations mean excessive tax burdens. When we increase appropriations we make inevitable ever-increasing tax schedules. We can not hope for a substantial reduction in taxes unless we substantially reduce appropriations.

These appropriation bills deal with the business or fiscal affairs of the Nation. Therefore, a careful consideration of every appropriation bill is necessary if we are to grant the American people any relief from the ever-increasing cost of Government and the rapidly increasing burden of taxation.

I assert that the appropriation bills constitute the most important work of the Congress. They are more important than revenue bills, because the amount of money carried in our appropriation bills determines the amount of money that we must raise by taxation. And yet the American people have not a proper conception of the work of the Congress in framing and enacting the great appropriation bills which cover all the activities of our Government. This is largely the result of the attitude of the great metropolitan newspapers. They give no space to the debates on appropriation bills. Seldom do they inform their readers that Congress is at work on appropriation bills. The weeks and months of patient labor and painstaking and intelligent attention given by the Committee on Appropriations and by Congress to the great supply bills are not mentioned in the press dispatches.

During the last session of Congress, when the appropriation bills were being considered, the press gallery was practically deserted, and for weeks and months the great newspapers of the Nation carried to their readers no information that this Congress was busily engaged in the enactment of appropriation bills for the maintenance of our institutions.

When a revenue bill is pending, propaganda burdens the mails, loads every desk, and fills every newspaper. Every detail of the proposed legislation is given publicity, and what is said in debate is printed from coast to coast. But when it comes to the consideration of appropriation bills, the newspapers are not interested and the public is not concerned.

Is it not strange that the American people will work themselves into a frenzy over revenue bills that will tax them to the extent of \$4,000,000,000, and be absolutely unconcerned and indifferent in reference to appropriation bills that expend the \$4,000,000,000 taken from them in the form of taxation? The newspapers are supposed to disseminate public information and mold public opinion, but seldom do they mention in their columns the most important work that this Congress performs, namely, the enactment of the several appropriation bills by which are expended the revenues collected from the people by the several forms or systems of taxation. Congress gets no credit for what it is doing in the way of administering the fiscal affairs of the Nation.

In my campaigns, in discussing the manner in which the American Congress functions and in defending the law-making department of our Government, I stated that there was no more important legislative act than a proper consideration of our appropriation bills.

I told my audiences that when I came to Congress I entertained some prejudice against the gentleman from Illinois [Mr. MADDEN], who is the able chairman of the Appropriations Committee, because for years I had read the newspapers and remembered that he had a sharp tongue and that sometimes he had said some bitter things against the Democratic Party. [Laughter.] But after seeing him in action during the last session of Congress and after having observed the manner in which he guarded the Treasury of the United States, his fidelity to the public service, his aggressive opposition to profligacy and extravagance and his devotion to the principle and policy of economy in the expenditure of public funds, I said then, and I now repeat, there is no measure and no standard by which the value of his services to the people of America can be computed. [Applause.] I also made the same statement about the ranking Democratic member of that committee [Mr. BYRNS of Tennessee]. These two members and their associates on the great Committee on Appropriations have rendered the American people a service of such magnitude that it would be exceedingly difficult to overestimate its

value. It has been their hard duty and difficult task to hold the purse strings of the Nation, prevent extravagant appropriations, and direct public expenditures along proper and wholesome lines. The only fault I find with the great Appropriations Committee is that, in my opinion, the sums granted for the War and Navy Departments and for the maintenance of our Military and Naval Establishments are in excess of the real needs of these departments, and I am hoping that this great committee may at all times hereafter "pare to the bone" these appropriations for our naval and military activities.

This Congress can render no greater service to the Nation than by scrutinizing carefully every appropriation bill and eliminating every appropriation that is not necessary to enable our Government to function efficiently.

When Congress recessed on December 20 the newspapers carried the announcement that Congress had been in session three weeks and accomplished nothing, when in truth and fact both the House and the Senate had made rapid progress in legislative matters. The House during that short time had considered, whipped into shape, and passed three great appropriation bills carrying the expenditure of nearly three-quarters of a billion dollars. These great appropriation bills were not passed in a perfunctory manner, but the various items were discussed on the floor of the House, every proposed expenditure carefully considered, and numerous amendments proposed and adopted. And yet, notwithstanding the House had considered and passed three great appropriation bills covering the Departments of Agriculture, Interior, and Navy, and calling for the expenditure of about \$700,000,000, the newspapers recklessly announced to their readers that Congress had been in session three weeks and done nothing. [Applause.]

However, we should not be disturbed by the failure of the newspapers to give Congress due credit, because, after all, duty requires that we give these appropriation bills thorough consideration, and we are answerable to our conscience and to our constituents for the manner in which we handle the finances of the Nation. By watching these great supply bills and withholding appropriations where they are not needed we can render a real and worth-while service to the people who contribute in the form of taxes the funds necessary to carry on our governmental activities. [Applause.]

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

Mr. BYRNS of Tennessee. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. I thank the gentleman from Missouri and the gentleman from Tennessee very much, first, for the statements made by the gentleman from Missouri, and, second, for the time yielded to me by the gentleman from Tennessee.

The CHAIRMAN. The gentleman has 12 minutes remaining.

Mr. MADDEN. Mr. Chairman, I yield seven minutes of that time to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman, following the remarks made by the gentleman from Maryland [Mr. HILL] in reference to the amount appropriated in the bill now under consideration for the enforcement of the prohibition law, I want to say that while I am in full accord with the gentleman's attitude in seeking a modification of the law, I do not share his views in the method by which he approaches the desired end. The gentleman complains that the amount appropriated is too great and that the law has been enforced in certain parts of the country too vigorously. Well now, gentlemen, if you are serious about this prohibition law you will have to appropriate about three or four times as much as you are appropriating in this bill to even commence to enforce the law. I believe in law enforcement as long as the law is on the statute books.

I estimate, conservatively, that there is at least \$1,000,000 worth of liquor imported into this country a day, with an equal amount of profit to the wholesalers. No such traffic could possibly be carried on without the knowledge of the officials responsible for the enforcement of the law. What is being done to stop this wholesale importation?

The President of the United States has twice recommended in his messages to Congress that the enforcement division of the Treasury Department be placed under civil service. There is a definite, concrete suggestion. Why not follow it? If this amount is to be judiciously expended Congress should immediately provide legislation by which some of the riffraff now in the prohibition department could be kicked out and civil-service requirements established, and an army of enforcement agents provided that have the moral, the intellectual, and the physical requirements to enforce that law. You are simply playing with it. The total of \$23,000,000, as provided here, might do something, if you seek to stop the wholesale

traffic. But the trouble is that your reports now show thousands and thousands of arrests of the little fellows. All of this force is devoting its time and energy to the little retail bootlegger. Why, on page 18 of the bill you provide this:

That for the purpose of concentration, upon the initiation of the Commissioner of Internal Revenue and under regulations prescribed by him, distilled spirits may be removed from any internal revenue bonded warehouse to any other such warehouse.

What do you suppose that is for?

Mr. HUDSON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. HUDSON. Would the gentleman consider a gentleman from Ohio by the name of Remus a petty bootlegger?

Mr. LAGUARDIA. I understand he is conducting business in Atlanta. Why, gentlemen, Mr. Remus only recently was instrumental in the reorganization of two distilleries. No; I do not consider him a retailer; I consider him a wholesaler. But to get back to page 18 of the bill, there you provide for the removal of liquor from one warehouse to another warehouse. What do you suppose that removal of liquor from one warehouse to another is for? It is liquor when it leaves warehouse B and water when it gets to warehouse C.

Mr. WINGO. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WINGO. Not for the purpose of controversy but so I can follow the gentleman, this question occurred to my mind while the gentleman from Maryland [Mr. HILL] was talking. The gentleman in the opening of his statement said he agreed with the gentleman from Baltimore as to the desired end but disagreed as to the method. What I would like to know is: What is the desired end from the viewpoint of the gentleman from New York?

Mr. LAGUARDIA. As long as you have the law on the statute books, enforce it and stop bootlegging; stop corruption, stop disregard for the law and the corruption and graft in public office. That is what I mean. Enforce the law impartially. Do not go after the little fellow and let the big fellow go. Do not permit some to drink choice vintages and others to be poisoned.

Do not enforce the law against the little fellow and let your wholesalers go scot free because they have the proper connection. That is what I mean.

Mr. WINGO. Does the gentleman think that is the desired end that "the gentleman from Baltimore" had in mind?

Mr. LAGUARDIA. The gentleman knows what "the gentleman from Baltimore" had in mind, and I do not.

Mr. WINGO. The gentleman said he agreed with him in trying to arrive at the desired end but disagreed as to the method, and I was trying to find out, in my humble way, just what was the desired end that the gentleman from Baltimore and the gentleman from New York had in mind.

Mr. LAGUARDIA. The gentleman from New York had in mind having law enforcement and not have us make believe we are enforcing the law in this country. I want to know whether or not the people of this country want prohibition. We can not tell until we have prohibition.

The gentleman from Arkansas only a few moments ago stood on the floor of this House and supported the President in one of his recommendations, and now I will support the President of the United States when he says to kick out the riffraff and kick out the bums and put this department under the civil service, and get real men to enforce the law, and then we will ascertain whether this law can be enforced or not. That is what I mean by it.

Mr. WINGO. If the gentleman will permit me, I think I might agree with him in the desired end he states; but does the gentleman think the only way you can reach that end is to put it under civil service? The gentleman recognizes that under the present method of Republican politics it is impossible to do that as long as you have political appointments.

Mr. LAGUARDIA. The gentleman tried to reform the Republican Party once, but he did not make much of a success of it, and I do not think they are going to take my advice now.

Mr. WINGO. Oh, no; I never tried to reform the Republican Party.

Mr. LAGUARDIA. I am talking about myself. I do not think they are going to follow my advice now.

Mr. WINGO. The gentleman is wiser now.

Mr. LAGUARDIA. I hope so.

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. How are you going to enforce the law when 17 hours of persuasive argument will induce the foreman of a jury in Baltimore to let a distinguished gentleman make cider?

Mr. LAGUARDIA. It seems to me that if the distinguished gentleman whom my friend from Texas refers to wanted to really test the law, he should have put in no defense, and after the State had put in its case he should have rested; then the jury could come in with a verdict of guilty; then he could have appealed. Then we would have the law established on appeal, because law is made by the decisions of appellate courts and not by the verdict of a jury in a particular case.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MADDEN. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, I have been joshed a good deal around the House to-day about an editorial, a copy of which I hold in my hand and which appeared on yesterday in the Washington Post, and just why so distinguished a paper, so influential and responsible a paper, should waste a full column on a cynical, critical, half-witty, satirical editorial I can not quite understand. I read it four or five times and can not understand the density of the gentleman who wrote it—and by the way, I suppose it is a gentleman, who calls himself "The Bystander." Just what The Bystander means or stands for, of course, is subject to many opinions. A bystander might be a single onlooker or he might be a bum around a fish market who has nothing else to do. However, The Bystander wrote this, and in a number of places he says that the same beneficent Providence that makes guinea pigs also made FRED BRITTEN. Well, I take it that the same Divine Providence also made The Bystander. The same Divine Providence made Volstead and JOHN PHILIP HILL. He also made beautiful peacocks, and is directly responsible for the legs of the high-minded and talented editor in chief of the Washington Post. You probably have seen them in short silk breeches in the Court of St. James. That same Providence also made the naval expert whose desire to improve the American Navy gave him columns, aye, pages, in the Washington Post recently.

The entire editorial shows a desire for supreme sarcasm, and yet The Bystander's desire to be funny overshot his mark.

I want you to understand, gentlemen, I am not attributing this editorial to Col. George Harvey. He is much too smart and too refined a man to pull such a boner.

For the benefit of some of you who have not read it, the editorial refers to the caustic ink and pleasant sarcasm of the great Macaulay, and then the writer recognizes his own feebleness of power to do me, as he says, full and signal justice because of my statement on the floor of the House—a statement so clear that any child could understand it.

There is an attempt at ugly sarcasm. He says that the reason for his editorial is to reprimand Mr. BRITTEN; reprimand me because of his failure to understand English. He says, in part:

We do not object to Mr. BRITTEN amusing himself with saber rattling—if he must have his toys let him play with them—but we shall have to reprimand him, for his own good, of course, for trying to mislead the House of Representatives.

I want you gentlemen who are accustomed to the language of the House to see if I really attempted to mislead you. He says further:

We quote from our invaluable contemporary, the CONGRESSIONAL RECORD of December 18:

"Mr. BRITTEN, The Secretary of the Navy and the highest ranking naval officers in our service say that Japan is making great military preparations."

That is what they have said in congressional hearings. Then, going further—

"and I assume that any warlike activity of Japan may be ultimately directed against us."

Now, that is very plain. That is my assumption. There is no question about that. The language is very clear, and is not attributed to anyone else.

A little later Mr. FRENCH asked Mr. BRITTEN if he wanted it understood that the Secretary of the Navy and the high officers of the Navy had said that Japan was making military preparations that might be directed against the United States, or was that only Mr. BRITTEN's own observation.

Well, when I said I assumed that a certain condition presented itself, of course it was my personal opinion.

To which Mr. BRITTEN, unabashed, made this reply:

"I want it clearly understood that no Secretary of the Navy and no high ranking officer of the Navy indicated Japan was making mili-

tary preparations with the view of directing those preparations against the United States. That latter expression was my personal opinion."

Anyone with an ounce of brains in his head would have understood my plain language, but The Bystander writes:

So, Mr. BRITTEN having made the House believe he was reflecting the Secretary of the Navy, driven into a corner by Mr. FRENCH, confesses he was drawing upon his own imagination.

What a silly attitude for a great newspaper to take. Then it says:

This may be the ethics of the ninth district, whose representative Mr. BRITTEN is. Meanwhile Mr. BRITTEN's conscience and likewise his digestion, we presume, do not trouble him.

I repeat that in my first statement I plainly assumed that some day those military preparations might be directed against us. I was not aiming to mislead the House. That was my personal observation. I hope that while we may have differed on the Navy or on the wet and dry issue or on many other issues, just as big city districts will differ from country districts, I hope I have never attempted deliberately, directly, or indirectly to mislead the House. That is never my intention, gentlemen, and I want you to realize that. I repeat, it is hard to understand the logic or the intent of The Bystander.

I introduced a resolution the other day, which had been introduced after very serious deliberation, calling for a conference on the Pacific coast. The Post this morning quoted an editorial about that resolution, which said it should be voted down.

Now I am going to ask the Clerk to read, in my time, a real editorial, appearing on Christmas Day in the Chicago Tribune.

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

Mr. BRITTEN. Mr. Chairman, I ask to proceed for five minutes.

The CHAIRMAN. The time has been limited by the House, and all time has expired. The Clerk will read.

The Clerk, reading the bill, read as follows:

*Be it enacted, etc.,*

TITLE I—TREASURY DEPARTMENT

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1926, namely:

Mr. BRITTEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent that I may proceed out of order.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. BRITTEN. Mr. Chairman, this Chicago Tribune editorial is very short and I will ask the Clerk to read it in my time. First, let me say that the Chicago Tribune has a circulation of a million copies. It is often referred to as the world's greatest newspaper. Its editorials are quoted and reprinted in all of the principalities of the world and in every language on earth because of their classic character and honesty of purpose. The Tribune, I am glad to say, prints an editorial which treats favorably the resolution that I offered the other day.

With no desire to promote jingoism I want you gentlemen to understand that I think our Government and every Member of Congress who attempts to pussyfoot and gum shoe about Japan, simply because the Japanese are sensitive and take offense easily, is pursuing the wrong attitude; we should look the cards squarely in the face. If Japan is making preparations we should recognize the fact and talk about it and act accordingly. No one wants war with Japan, and I can not see a threatening speck on our peaceful horizon, and yet if other nations are making preparations for war we must assume that they are doing so with a purpose and to do otherwise will surely cost us dearly in the end. Now I will ask the Clerk to read the Tribune editorial.

The Clerk read as follows:

THE PACIFIC CONFERENCE

Sooner or later there will be a conference between Canada, the United States, Australia, and New Zealand on their Pacific problems. The Tribune thinks it should be sooner. Congressman FRED BRITTEN, who proposed it to the House not long ago, thinks it should be soon. In Australia and in Canada some leaders say it should be soon. Others say no. But in any case it will come. The communion of interest is there. The pressure for solution is there. Some time the English-speaking peoples on the Pacific will talk it over.

Congressman BRITTEN's proposal for a Pacific conference is therefore apropos. It has advertised the idea, and though his proposition may not be realized at once it will come about the sooner and the easier for his pioneering. It has called attention to the basic need for unity of front on the Pacific Ocean. It has emphasized the community of our problems. It is a directive gesture of importance.

Nor is his proposal warlike. It does accent the common-sense demand for naval efficiency; it does direct our eyes to the demands that may be put upon our Navy; but it is a step, nevertheless, toward a peaceful solution of Pacific difficulties. Perhaps it is the only peaceful solution, for white unity of policy in the western ocean will be a conservative policy. The consolidation of our problem there will be based solely on a defensive interest in mutual security and peace by reasonable preparedness.

Mr. BRITTEN's proposal will help to raise the western problem into the spotlight of national interest. It will turn the eyes not only of our Eastern States but of Great Britain to that new and most important field. The Pacific basin is the cradle of a huge future.

Mr. BRITTEN. Mr. Chairman, I included in my resolution the word "white"—white nations on the Pacific. I did it purposely and deliberately, but after thinking it over and reading various editorials for and against the resolution it might be well to modify that and say "all peoples of the Pacific" and take Japan and China in for a solution of the difficult problems of the Pacific.

I am just as sure, gentlemen, as I stand here this minute that some day in your lifetime and mine—and that is not going to be very far off—there will be a conference of the people living on the Pacific to settle, as the Chicago Tribune rightfully says, their many difficulties. It will be a peaceful conference, it will not be a jingo conference, it will not be one to determine navies and armies and armaments, but in the interest of peace, justice, friendship, and the very life of the countries themselves. I offer apology to no one for having introduced that resolution. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, \$12,000; Undersecretary of the Treasury, \$10,000; three Assistant Secretaries of the Treasury, and other personal services in the District of Columbia in accordance with the classification act of 1923, \$158,180; in all, \$180,180: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, and in grades in which only one position is allocated the salary of such position shall not exceed the average of the compensation rates for the grade: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, or (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by "the classification act of 1923," and is specifically authorized by other law.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. In December, 1923, when the first appropriation bill embracing this new lump-sum system was before the House, I then called the attention of my colleagues to the fact that it was going to result in abuses which the Congress could not control; that where the head of a department was given the arbitrary authority under such a lump-sum provision to slide favorites up to higher positions and higher salaries, and then slide those not so favored down to lower positions and lower salaries, just so certain averages were maintained, there was inevitably going to be abuses.

I called attention to that fact in the consideration of almost every one of the supply bills we had that year. Our distinguished chairman said he thought that they had safeguarded the lump-sum provision by the limitation they put in the bill, and he thought it would protect the people of the Government and the employees. I then dissented from that view, and to-day the chairman of this great committee [Mr. MADDEN] has admitted on the floor that this kind of a provision had been a failure. He said that there had been numerous promotions in several departments that were wholly without justification. He went further than that, he said there had been many promotions, many salaries raised for employees in several depart-

ments that were wholly without merit and without facts warranting same.

So he has been mistaken. And this committee of 35, whom I frequently support in holding appropriations within Budget estimates—this special committee of 35—has been mistaken, and Congress in approving their action has been mistaken, and we have all permitted these abuses to go on under the lump-sum plan.

In spite of all these admitted abuses we have still this kind of a lump-sum policy continued, with the verbiage in the bill changed a little here and there, but the lump-sum plan is the policy continued in every supply bill offered to Congress by the Appropriations Committee. The three supply measures that we have already passed before Christmas and sent over to the other end of the Capitol will permit of these same abuses, and I predict that the chairman will come in later and say that the abuses still continue. This bill will permit them, and these abuses are going to continue just as long as the other 400 Members of the House will sit by and permit these lump sums to be put in appropriation bills.

The time is coming when you will have to return to and follow the advice given from the floor by many distinguished chairmen of this committee, including the present one, before he became chairman. I have listened to him many times discourse against lump-sum appropriations in years gone by. I heard the former distinguished chairman of the Committee on Appropriations, Mr. Goode, say that it had to stop, that he was going to stop having lump-sum appropriations; and yet they are continued on. How much longer are we going to stand for it?

Mr. MADDEN. It is impossible to make other than lump-sum appropriations under the classification law. There is but one remedy, and that is to repeal that law.

Mr. BLANTON. The only proper remedy was suggested by the gentleman from Delaware [Mr. Boyce] this morning when he said that every single position of the Government ought to be stipulated by law and the salary for it should be stipulated by law. This classification act provides what salary a certain position shall carry, and each department should be made to tell us just how many employees they need in each grade and class; and then the Congress ought to exercise its function and give so many employees in the various classes with stipulated salaries to each bureau of the department and not let them go beyond that amount a single dollar. When we do that we will stop these abuses, and we will not do it until we get rid of these lump-sum appropriations; and I am going to keep working at it and fighting against it until some of these days I believe it will be stopped.

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

Mr. BYRNS of Tennessee. Mr. Chairman, it is rather easy to criticize lump-sum appropriations, but let me suggest to my good friend from Texas [Mr. Blanton] that if he were to undertake under the law as now written to do otherwise than make lump-sum appropriations, in the manner recommended by the Committee on Appropriations, he would find himself in a very difficult situation.

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

Mr. BYRNS of Tennessee. Yes.

Mr. DOWELL. Is it not possible for the department to make these allotments of positions annually in such a way that the Appropriation Committee can have the information as to exactly how much each person is to receive in the department under the law that we have passed?

Mr. BYRNS of Tennessee. The departments furnish directly to the Budget, and the President supplies the information to Congress, as to the number of positions it is expected will be needed during the fiscal year, and also as to the grade. I call the gentleman's attention to the fact that Congress passed the classification act a year or two ago. I was one of those who voted against it at the time because I felt that there was a possibility of some abuse, and I may say that fear has been justified by later developments in a number of specific instances. Under that law it was provided that the clerks and employees in the District should be rated twice a year, in November and in May, and their salaries increased when their rating justified it. If Congress now undertakes to make an appropriation of a fixed sum for an employee to begin on July 1, it would in effect be nullifying the law which provides that the clerk shall be rated twice a year and promoted whenever the circumstances justify it. In other words, it would cut off from the clerks just what Congress tried to give them, viz., the right to expect promotions whenever their services justified a raise in salary.

Mr. DOWELL. But my inquiry suggested that if this were an annual rating the Committee on Appropriations would have that rating for the year and that they would then know exactly the amount which each one would draw.

Mr. BYRNS of Tennessee. Undoubtedly.

Mr. DOWELL. Then can not such a change be made without in any way affecting the general principle of the law which we enacted and at the same time have the specific appropriation for each individual in the department?

Mr. BYRNS of Tennessee. The idea of the gentleman could be carried out, but we would first have to amend the law, and the Committee on Appropriations has no authority to report legislation. The law now provides, if I remember correctly, for two ratings in each year, in November and May.

Mr. DOWELL. The only change that would be necessary in order to make specific appropriations would be to make this annual instead of semiannual.

Mr. BYRNS of Tennessee. I can see where that might possibly serve the purpose, but, as I say, we would first have to amend the law. Of course the Committee on Appropriations can not by recommendation on an appropriation bill bring in any such proposition. We are compelled to follow the law. The gentleman from Texas [Mr. Blanton] criticizes the committee for appropriating lump-sum appropriations. The Committee on Appropriations, I was about to say, is compelled to recommend these lump-sum appropriations, just as it has done. A year ago, I confess to the gentleman, I entertained a different opinion.

Mr. MADDEN. And, by the way, we discussed that a great deal in the committee.

Mr. BYRNS of Tennessee. It was the very earnest wish of the chairman and all members of the committee to make specific appropriations if possible, but after thoroughly discussing it we came to the unanimous conclusion that it is impossible under the law to do anything more than to submit a lump sum and hedge it about as carefully as we can and, as we attempted to do a year ago, with limitations and restrictions.

Mr. DOWELL. Having found a defect in the situation, finding that there is a possibility of amending the law in some respects that would permit the specific appropriation, and to get the appropriation, would it not be a wise thing to make these ratings annually instead of twice a year?

Mr. MADDEN. If the gentleman from Tennessee will permit, I would say that when the bill to classify was in conference—and there were two bills—it was found that one of the bills carried a provision for annual classifications and the conferees after very careful consideration—and, of course, I was not one of them—decided that to make the classification so that promotions could be made only once a year was too rigid, and they took that out and brought back to the House and the Senate a bill which eliminated it, and we are now acting under the new provision as agreed to by both houses after the bill went through the conference.

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

Mr. BYRNS of Tennessee. Yes.

Mr. LAGUARDIA. Why would it not be possible to have a line of positions such as we have in the New York City budget, which is over \$380,000,000 a year, and then if a vacancy occurs in any of the lines an employee can be promoted to another line, and each position is specified and limited in the law itself?

Mr. BYRNS of Tennessee. If you did that you would be doing just what the House and the Senate evidently intended should not be done. You would make this law too rigid and prevent these clerks and employees from getting their promotions at various times.

Mr. LAGUARDIA. It does not work out that way in New York City.

Mr. BYRNS of Tennessee. We make our appropriations here for the fiscal year, and when we appropriate so much money for a clerk for the fiscal year 1926, necessarily that clerk is denied promotion during the year, for the head of the service has no right to give him a promotion where his salary has been actually and definitely fixed for the year by the Congress.

Mr. LAGUARDIA. Under our system, as long as there is a vacancy in another line he is promoted to the other line.

Mr. BYRNS of Tennessee. There is no reason why they can not be promoted or advanced to a vacancy; but where there are no vacancies, the gentleman can see that it takes from the head of the service any power to give the employee or clerk that increase which the law says he shall have.

Mr. LAGUARDIA. But as long as you have such a system it piles up, and in time you have the whole department top-heavy.

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

Mr. BEGG. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee may have five minutes more. I want to ask him a question.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the gentleman from Tennessee may have five minutes more. Is there objection?

There was no objection.

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

Mr. BYRNS of Tennessee. Certainly.

Mr. BEGG. The gentleman from Tennessee made the statement a moment ago that the committee is unanimous against the lump-sum appropriation method.

Mr. BYRNS of Tennessee. No; the gentleman misunderstood what I said. I said it was the desire of every member of the committee a year ago, when the first appropriations were recommended under the reclassification law, to do otherwise than make lump sums possible, but after mature consideration we considered that was not possible.

Mr. BEGG. I so understood the gentleman. Does the law compel him, under the assay offices and mints, for example, to make a lump sum? A year ago you made specific appropriations. I appreciate the fact that that is further on in the bill, but it is so closely in touch with this situation that I thought the gentleman could answer that now. That is on pages 32, 33, 34, and 35. Our assay offices and mints have a lump sum, and last year they were specific salaries. Now, do you lump it so that you gentlemen have to call attention to it, or does the law compel you to do it?

Mr. BYRNS of Tennessee. The gentleman will remember that a year ago, at the time these bills were reported, the Personnel Classification Board had made a report only with reference to the District of Columbia.

Mr. BEGG. I understand that, and I appreciate that. But the thing I wanted answered was this question: Was it because the report was made since that compels you to do the same thing outside the District as you are compelled to do in the District?

Mr. BYRNS of Tennessee. We can not do otherwise than make the lump-sum appropriation where the classification applies, and the same reason applies with reference to these positions as with reference to positions in the District of Columbia.

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

Mr. BYRNS of Tennessee. Yes.

Mr. BOYCE. Are not the grades determined from the character of the services performed?

Mr. BYRNS of Tennessee. Yes.

Mr. BOYCE. Does or does not the Classification Board fix the number of grades in each department?

Mr. BYRNS of Tennessee. The law fixes the number of classes in each grade, seven in each grade.

Mr. BOYCE. Does or does not the Classification Board determine how many persons are required in each of the grades?

Mr. BYRNS of Tennessee. No; the Classification Board does not do that.

Mr. BOYCE. Who does?

Mr. BYRNS of Tennessee. The estimating body is supposed to do that.

Mr. BOYCE. Does not the Committee on Appropriations have information as to the number of persons required for each grade?

Mr. BYRNS of Tennessee. Precisely. The list is furnished to the committee through the Budget and the amount of money that will be needed.

Mr. BOYCE. And the committee is informed as to the salary of each person in the several grades?

Mr. BYRNS of Tennessee. What would the gentleman do? Suppose they report that they will need three in a certain class and four in another class and five in another. Suppose one of the five under this law is entitled to an increase during the fiscal year. Are you going to deny him this right for a whole year?

Mr. BOYCE. Are promotions made from a lower position to a higher position when that grade is filled?

Mr. BYRNS of Tennessee. They would not promote in that sense, but they would give such salary as the rate of efficiency justified under the law.

Mr. BOYCE. Is not that based on the character of the work performed?

Mr. BYRNS of Tennessee. That is based on the character of the work performed; yes.

Mr. BOYCE. And the character of the work performed in one grade is different from that performed in another grade?

Mr. BYRNS of Tennessee. I suppose it is. Theoretically it is.

Mr. BOYCE. In other words, the law does not contemplate an increase in salary while in a particular grade based on mere favor?

Mr. BYRNS of Tennessee. That is not the theory of the law.

Mr. BOYCE. These grades are like a flight of steps—from the lower grade up?

Mr. BYRNS of Tennessee. Yes.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. BYRNS of Tennessee. Mr. Chairman, may I have two minutes more? There was a statement I desired to make.

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

There was no objection.

Mr. BYRNS of Tennessee. As I understand it, the abuses to which the gentleman from Texas referred have occurred more particularly in the grades where there was only one employee. As explained by the gentleman from Illinois [Mr. MADDEN] this morning, in such cases, although the Congress had endeavored and thought it had succeeded in providing that only the average should be paid, the Comptroller General rendered an opinion to the effect that that provision did not apply to grades where there was only one employee. Therein the departments abused, as I construe it and believe, the intent and confidence of the Congress, and immediately shot those particular employees up to the maximum of the grades in which they were allocated, raising some from \$5,000 and even less to \$7,500, others from \$6,000 to \$7,500, some from \$3,000 to \$5,600. There are a number of instances of that sort which the committee thought, and the Congress thought, had been guarded against. The committee has recommended additional language here so as to specifically provide that the provision as to the average shall apply to all grades, regardless of whether there are more than one in that grade or not, so as to get around the opinion of the Comptroller General, who, while he is the supreme court in matters of that kind, I do not hesitate to say I believe was clearly wrong, and I know that his opinion violated the spirit and intent of the act of Congress.

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

Mr. STENGLE. Mr. Chairman, I rise to speak.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. STENGLE. I rise, Mr. Chairman, to ask another question or two of the distinguished gentleman from Tennessee, who has so ably explained the lump-sum provision. I notice that on page 2, line 3—if the gentleman does not mind taking his book—it is provided as follows:

Three Assistant Secretaries of the Treasury and other personal services in the District of Columbia.

So much. Will the gentleman kindly tell me, if it is within his knowledge, how he arrived at that total?

Mr. BYRNS of Tennessee. The gentleman means the \$158,180?

Mr. STENGLE. Yes.

Mr. BYRNS of Tennessee. Well, from the estimate submitted by the Budget; and, of course, that estimate contained a statement as to the number of employees who would be needed.

Mr. STENGLE. And did not mention the name of the incumbent of any one of those positions?

Mr. BYRNS of Tennessee. No.

Mr. STENGLE. On the contrary, it specified in that report so many stenographers at so much, so many clerks at so much, and so on down?

Mr. BYRNS of Tennessee. Yes.

Mr. STENGLE. Now, I want to ask the gentleman if they get a report in detail like that, why can they not submit to this House that detailed request and allow us to pass upon that rather than upon a lump sum that tells us nothing?

Mr. BYRNS of Tennessee. There would be no trouble about submitting that to the House, but I submit to the gentleman that writing it in an appropriation bill would be an entirely different matter.

Mr. STENGLE. I suggested to the gentleman last year and submitted to him a copy of a budget similar to this one of the great city of New York, in which that very thing was done,

and each and every line, as the gentleman will recall, had a code number, and there was no way possible for a violation of even the spirit of the reclassification, because that code acted as a check upon the department head. Why can not that be done here?

Mr. BYRNS of Tennessee. Do I understand the gentleman to contend or to insist that the appropriation bill should carry each individual clerk, not necessarily by name but specifying each individual clerk in this bill and the amount of the salary?

Mr. STENGLE. It is my opinion, if the gentleman pleases, that we ought to write in detail when we come to spend such vast sums of money. The public at large has no way, in reading this bill, of determining where that money goes. But we have submitted to us in detail, in accordance with the gentleman's own suggestion, so many clerks and so many stenographers at so much; we then read that and cast it into the wastebasket, and we then come here and consider a lump sum. I believe it is a protection to the Treasury of the United States to make every safeguard and every check that is possible, even if it requires ten times as much paper as this bill includes.

Mr. BYRNS of Tennessee. I agree with the gentleman as to the necessity of checks and safeguards.

Mr. STENGLE. I want to submit to the gentleman this further suggestion: If that had been done last year, it is my humble opinion that the distinguished chairman would have been able to discover much sooner what he did discover in the last few weeks, because you would have had a check on these fellows.

Mr. BYRNS of Tennessee. Of course that is true, if it is possible to do that; but as I understand the situation I do not see how you can carry out the spirit of the reclassification act and give to these clerks the promotions and the increases in salaries to which they are entitled under the act in the manner set forth by the gentleman unless you were to have a system of annual ratings instead of semiannual ratings.

Mr. STENGLE. Let us accept that. Does the gentleman contend that every time some one does something in the public service that requires a little reward we must create a new line or a higher place for him?

Mr. BYRNS of Tennessee. No.

Mr. STENGLE. You can only promote when there is a vacancy above.

Mr. BYRNS of Tennessee. Of course, the gentleman does not make any such contention as that, but the gentleman does contend that where clerks of similar salaries and in similar grades show a proper efficiency and rating to entitle them to receive an increase they ought to have it rather than have it go to some one higher up, which did happen under the law as passed last year in many instances.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLANTON. Mr. Chairman, I ask to withdraw my pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

Mr. BLANTON. Mr. Chairman, I offer an amendment: On page 3, line 3, strike out the following words:

The classification act of 1923.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 3, line 3, strike out the words "the classification act of 1923."

Mr. BLANTON. Mr. Chairman, I want to take just a moment to answer the gentleman from Tennessee. When I was guilty of lese majesty in making a slight criticism of the committee—

Mr. MADDEN. The gentleman never is.

Mr. BLANTON. I knew it would be the distinguished gentleman from Tennessee [Mr. BYRNS] who would get up and verbally chastise me for it. Had the one criticizing been from this other side of the aisle it would have been the gentleman from Illinois [Mr. MADDEN] who would have done the chastising. That is a part of the modus operandi of the committee. When a Democrat criticizes the committee the ranking Democrat on the committee gets up and spansks him and when a Republican is so bold as to criticize the committee the spanking comes from the ranking member of the committee on his side.

Mr. BYRNS of Tennessee. I did not know the gentleman had ever been spanked in his life.

Mr. BLANTON. Yes; I have, verbally.

Mr. MADDEN. I hope the gentleman does not think we are in a conspiracy.

Mr. BLANTON. But I never get sore over it. Here is the dilemma in which the committee finds itself. It says there are great abuses under the present system and that the only thing which stands in the way of correcting these abuses is the fact that there are semiannual ratings instead of annual ratings and that this great and all-powerful Committee on Appropriations has no authority to stop the semiannual ratings.

Mr. MADDEN. They are not confined to semiannual ratings. They can do it every morning.

Mr. BLANTON. Well, every morning. If there were annual ratings, I take it, the committee could change this lump-sum plan. Both the chairman of the committee [Mr. MADDEN], and also the ranking Democratic member of the committee [Mr. BYRNS of Tennessee], each admit that if we would repeal the one provision and require the ratings to be made annually, then we could specify in each supply bill just how many employees in each grade at specified salaries we would give to each department of Government, which would stop these lump-sum appropriations and would stop these admitted serious abuses.

It is the rating merely that takes place more frequently than annually that keeps them from stopping these abuses. Yet from the speech of the gentleman from New York [Mr. MAGEE] we assume that the Committee on Appropriations is now seeking to take over the functions of the Committee on Public Buildings and Grounds; that it is soon going to take over the functions of the Rivers and Harbors Committee; and possibly it is soon going to take over the functions of the Shipping Board and the Emergency Fleet Corporation. With all that power, why is it they can not force a repeal of this one little provision on ratings and make them annual?

Here is the situation in a nutshell. My friend, the gentleman from Tennessee, and he is my friend—he just spanked me on paper—knows this to be a fact, and he can not deny it: That unless the Committee on Appropriations ordains it no employee can be raised unless there is a vacancy. The gentleman from New York [Mr. STENGLE] was correct about that, but when he tried to pin down the gentleman from Tennessee on it, the gentleman would not answer him. Unless so willed by the Committee on Appropriations a department can not make a promotion unless there is a vacancy, even under this classification act, but with these lump sums they make vacancies.

Mr. MADDEN. Yes; they can do it if there is the money available.

Mr. BLANTON. Oh, yes; if there is the money, and your Committee on Appropriations usually gives them the money. They get all the money they want under lump sums, and then slide the unfavored employees down out of a higher grade to a lower grade, which makes a vacancy, and then they slide their favorites up from a lower to the higher grade with big salaries. Here is what you ought to do. You ought to change that rating to an annual rating.

Surely this committee has influence enough to repeal this one little provision. No man in this House, with one exception, even has a chance at promotion oftener than just once every two years. Of course, the gentleman from Pennsylvania [Mr. VARE] has more frequent opportunities. The gentleman sometimes holds three very important positions at one time.

Mr. VARE. Is it merited?

Mr. BLANTON. Yes. You are not going to get this gentleman to say it was not merited.

Mr. VARE. Thank you.

Mr. BLANTON. Here is what we ought to do: We should repeal this provision and make these ratings annual ratings and then we ought to give every department just so many employees in each class with ratings and salaries specified. In the professional positions there are seven classes, and we should provide so many in class 7, which is the highest; so many in class 6, class 5, class 4, class 3, class 2, and class 1. Then in the clerical positions, where there are 14 different ratings—14 different ways we now give these bureau chiefs the right to pull up the favorites and pull down the non-favorites—we ought to give each department just so many employees in each class, with ratings and salaries of each class specified in each supply bill.

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

Mr. BLANTON. When you do that, then you will get away from this vicious lump-sum appropriation business, and you can then correct these abuses.

Mr. BOYCE. Mr. Chairman, I rise in opposition to the amendment.

My thought about the situation is this: The Congress is invested with the taxing power. It puts its hands into the pockets of the taxpayers.

Mr. MADDEN. That is what we tell them every day when we refuse their requests for appropriations.

Mr. BOYCE. That being so, and charged with the power and duty of taxation to meet the needs of the Government, the Congress should ever keep in mind the reasonable disbursement of the money which it levies upon the taxpayers.

It does seem to me from what I have been able to observe since I have been here, the Congress has often surrendered the matter of distribution of the public moneys too much to departmental heads. I can not see any great difficulty in the way of Congress keeping a closer grip upon the expenditures of the public moneys. I appreciate the situation of the Committee on Appropriations under the law. But if extravagance is indulged in and abuses become apparent, Congress should amend the law. I regard the classification act as supplemental to the act creating the Budget Bureau. I think the latter act having been passed, somebody conceived the idea of the classification act in order to checkmate the intention of the Budget act.

Mr. MADDEN. Will the gentleman allow me to interrupt?

Mr. BOYCE. Yes.

Mr. MADDEN. The classification act was originated by the employees of the Government.

Mr. BOYCE. I can not help who conceived it.

Mr. MADDEN. And, of course, their hope was that it would write specifications for the various jobs in the Government service.

Mr. BOYCE. The purpose of the Budget act was in the right direction. I approve of the act. It was not intended to give encouragement to favoritism. The character of the services to be performed, and the value of the service to be rendered were clearly intended to be recognized.

Mr. MADDEN. And that employees, regardless of who they were, would go in the places the specifications called for.

Mr. BOYCE. And be transferred from place to place when additional services should be required, or where vacancies should occur. Merit of the employee, and nothing else was to be the controlling influence in awarding increase of pay and advancement in classification was to follow the needs of the service and merit of the person advanced.

Mr. MADDEN. And get the pay of that rating.

Mr. BOYCE. Yes.

Mr. MADDEN. What they did and the thing about which I was complaining in what I said this morning was that many of the bureau chiefs—and I presume it was with the sanction of the chief of the department—apparently banded themselves together and organized a committee to raise the pay of their own chiefs and themselves at the expense of those down the line who had nobody to plead for them, and we are trying to stop that. That is all we are trying to do. Of course, while the classification act lasts our committee has not the power to do more.

Mr. BOYCE. I appreciate the position of the committee fully.

Mr. MADDEN. That is where our trouble lies.

Mr. BOYCE. But should Congress, should the House, permit things to go on which you as chairman of the Appropriation Committee have confessed?

Mr. MADDEN. No; I think we ought to regulate it, and that is why I called it to the attention of the House, so that the House might have notice of it.

Mr. BOYCE. Can we expect relief from the departments? The pressure brought against the heads of the departments is too great. You can not bring the same effective pressure against 435 Members of this House or against 96 Members at the other end of the Capitol such as can be brought against a single head of a department.

Mr. MADDEN. It is hard to tell just what to do, because every time you do it in one way you find it circumvented by some ingenious fellow along another line.

Mr. BOYCE. I take it that the Budget which is submitted to the President is largely based upon the classification act. Am I right in that?

Mr. MADDEN. Yes; that is the object.

Mr. BOYCE. I see no reason when the Budget is submitted to the President and he submits it to the Congress why Congress can not—at least, from time to time—pass permanent acts based upon the Budget, whether it be approved in whole or in part by Congress.

Mr. MADDEN. The classification act is a permanent act, and that is what we are acting under.

Mr. BOYCE. But it is at least a partial failure.

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

Mr. BLANTON. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

#### INTERNAL REVENUE SERVICE

Office of the commissioner: Commissioner of Internal Revenue, \$10,000; for the assistant to the commissioner, three deputy commissioners, and other personal services services in the District of Columbia, in accordance with in the District of Columbia, in accordance with the classification act of 1923, \$810,000; in all, \$820,000.

Mr. MADDEN. Mr. Chairman, I move to strike out the unnecessary words on page 17, line 15.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. MADDEN moves to strike out, on page 17, line 15, the words "services in the District of Columbia, in accordance with."

The amendment was agreed to.

Mr. MADDEN. And I also ask unanimous consent that the spelling of the word "classification" be corrected.

There was no objection.

The Clerk proceeded with the reading of the bill and read to the end of line 5 on page 32.

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10982) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes, and had come to no resolution thereon.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DENISON (at the request of Mr. WILLIAMS of Illinois), indefinitely, on account of illness.

To Mr. OLIVER of Alabama, for two days, on account of important business.

To Mr. BRAND of Georgia, until January 6, on account of important business.

To Mr. JOHNSON of Texas, for three days, on account of death of father.

To Mr. RICHARDS, for an indefinite period, on account of treatment for defective hearing.

#### ADJOURNMENT

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 59 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 30, 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:

754. A letter from the Secretary of War, transmitting a draft of proposed legislation "to authorize the payment of taxes on United States properties in Canada, to relieve disbursing officers, and dispose of certain munitions plants in Canada"; to the Committee on Military Affairs.

755. A letter from the Secretary of War, transmitting a draft of proposed legislation "authorizing an appropriation to continue construction of additional facilities at Walter Reed General Hospital"; to the Committee on Military Affairs.

756. A letter from the Secretary of the Navy, transmitting a list of disbursing officers of the Navy who have been relieved of losses from November 19, 1923, to and including December 12, 1924; to the Committee on Expenditures in the Navy Department.

757. A letter from the chairman of the national legislative committee of the American Legion, transmitting Sixth Annual Report of the American Legion at St. Paul, Minn., September 15 to 19, 1924 (H. Doc. No. 517); to the Committee on World War Veterans' Legislation and ordered to be printed, with illustrations.

758. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Navy Department for the fiscal year ending June 30, 1925, to provide for increasing the fire protection at the

Naval Observatory, Washington, D. C. (H. Doc. No. 518); to the Committee on Appropriations and ordered to be printed.

759. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the legislative establishment of the United States, for conveying votes of electors for President and Vice President of the United States (H. Doc. No. 519); to the Committee on Appropriations and ordered to be printed.

760. A communication from the President of the United States, transmitting, with a letter from the Bureau of the Budget, a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, for the fiscal year ending June 30, 1925, for the economic surveys of reclamation projects (H. Doc. No. 520); to the Committee on Appropriations and ordered to be printed.

761. A communication from the President of the United States, transmitting, with a letter from the Bureau of the Budget, a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1924, for the purchase of capital stock of the Inland Waterways Corporation (H. Doc. No. 521); to the Committee on Appropriations and ordered to be printed.

762. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill "To authorize the Secretary of the Navy to extend the nurses' quarters at the naval hospital, Washington, D. C., and to construct necessary additional buildings at certain naval hospitals"; to the Committee on Naval Affairs.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WINTER: Committee on War Claims. S. 1180. An act for the relief of J. B. Platt; without amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. S. 1370. An act authorizing the granting of war-risk insurance to Capt. Earl L. Naiden, Air Service, United States Army; with an amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10401) granting a pension to Mary A. E. Howard; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10476) granting a pension to Susan F. Rutherford; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10793) granting a pension to Laura V. Adams; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10819) granting an increase of pension to Clara Harlan; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10464) granting an increase of pension to Ella M. Shaffer; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10961) granting an increase of pension to Mary A. Baldridge; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH: A bill (H. R. 11063) to pension soldiers who were in the military service of the United States during the period of Indian wars, campaigns, and disturbances, and widows, minors, and helpless children of such soldiers, and to increase the pensions of Indian war survivors and widows; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma: A bill (H. R. 11064) creating a national board of public works, defining the duties thereof, and for other purposes; to the committee on Public Buildings and Grounds.

By Mr. RAKER: A bill (H. R. 11065) to provide for the protection of certain navigable waters in the State of California; to the Committee on Rivers and Harbors.

By Mr. FRENCH: A bill (H. R. 11066) to authorize the construction of a bridge across the Pend d'Oreille River, Bonner

County, Idaho, at the Newport-Priest River Road crossing, Idaho; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11067) to provide for the relinquishment by the United States of certain lands to the county of Kootenai, in the State of Idaho; to the Committee on the Public Lands.

By Mr. MAJOR of Illinois: A bill (H. R. 11068) to appropriate \$15,000 for the purpose of purchasing a site for a Federal building and \$100,000 for the purpose of erecting a Federal building thereon, in the city of Hillsboro, Ill., and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11069) to appropriate \$100,000 for the purpose of erecting a Federal building in the city of Carlinville, Ill., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS of Oklahoma: A bill (H. R. 11070) to amend an act entitled "An act to provide adjusted compensation for veterans of the World War, and for other purposes," and providing that any veteran of the World War holding an adjusted-service certificate may, at his option, secure a Government loan on such certificate, or surrender such adjusted certificate for cash; to the Committee on Ways and Means.

By Mr. MONTAGUE: A bill (H. R. 11071) to give the Supreme Court of the United States authority to make and publish rules in common-law actions; to the Committee on the Judiciary.

By Mr. BOX: A bill (H. R. 11072) to amend the immigration act of 1924 by making the quota provisions thereof applicable to Mexico, Cuba, Canada, and the countries of continental America and adjacent islands; to the Committee on Immigration and Naturalization.

By Mr. MOONEY: A bill (H. R. 11073) to authorize the demolition of the present river customs office building at Cleveland, Ohio, and for the reconstruction of a new building on its present site at a cost not exceeding \$15,000; to the Committee on Public Buildings and Grounds.

By Mr. MADDEN: A bill (H. R. 11074) to authorize the reduction of, and to fix, the rate of interest to be paid by carriers upon notes or other evidences of indebtedness heretofore issued under the provisions of section 207 of the transportation act, 1920, or section 210 of said act, as amended by an act approved June 5, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. DYER: A bill (H. R. 11075) to extend the limitations of time upon the issuance of medals of honor, distinguished-service crosses, and distinguished-service medals to persons who served in the Army, Navy, or Marine Corps of the United States during the World War; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 11076) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922; to the Committee on Ways and Means.

By Mr. WILLIAMSON: A bill (H. R. 11077) authorizing the issuance of patents to the State of South Dakota for park purposes of certain lands within the Custer State Park, now claimed under the United States general mining laws, and for other purposes; to the Committee on the Public Lands.

By Mr. REED of West Virginia: A bill (H. R. 11078) to create and establish a commission, as an independent establishment of the Federal Government, to regulate rents in the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H. R. 11079) to authorize a five-year building program for the public-school system of the District of Columbia which shall provide school buildings adequate in size and facilities to make possible an efficient system of public education in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RANKIN: A bill (H. R. 11080) for the restoration of the post-office building at Corinth, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. HADLEY: A bill (H. R. 11081) to authorize an appropriation for the construction of a road on the Lummi Indian Reservation, Wash.; to the Committee on Indian Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 11082) authorizing an investigation, examination, and survey, for the control of excess flood waters of the Mississippi River below Red River Landing in Louisiana and on the Atchafalaya Outlet, by the construction and maintenance of controlled and regulated spillway or spillways, and for other purposes; to the Committee on Flood Control.

By Mr. CHINDBLOM: A bill (H. R. 11083) to amend section 1003 of the revenue act of 1924; to the Committee on Ways and Means.

Also, a bill (H. R. 11084) to amend paragraph (a) of section 1014 of the revenue act of 1924; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 11085) granting a pension to Eva A. Porter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11086) granting an increase of pension to Rachel Dennis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11087) granting an increase of pension to William A. Bettis; to the Committee on Pensions.

By Mr. BARBOUR: A bill (H. R. 11088) granting an increase of pension to Walter S. Reynolds; to the Committee on Pensions.

By Mr. BEERS: A bill (H. R. 11089) granting an increase of pension to Mary J. Miller; to the Committee on Invalid Pensions.

By Mr. BEGG: A bill (H. R. 11090) granting an increase of pension to Mary A. Schwab; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11091) granting an increase of pension to Sarah C. Dennis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11092) granting an increase of pension to Mary E. Wentz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11093) granting an increase of pension to Lavinia R. Porter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11094) granting an increase of pension to Prudence E. Bair; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 11095) granting a pension to Mathilda Hoff; to the Committee on Pensions.

By Mr. CANNON: A bill (H. R. 11096) granting a pension to Oliver Ellis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11097) granting a pension to Jennie Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11098) granting an increase of pension to Eliza Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11099) granting a pension to Joseph Burnett; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 11100) granting an increase of pension to Sarah J. Mersereau; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 11101) granting an increase of pension to Mary Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11102) granting an increase of pension to Amanda Tyner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11103) granting a pension to John C. Gray; to the Committee on Invalid Pensions.

By Mr. FLEETWOOD: A bill (H. R. 11104) granting a pension to Alice J. Selby; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 11105) granting an increase of pension to Maria Bliss; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 11106) granting an increase of pension to Antonio Alberto Madero; to the Committee on Pensions.

By Mr. FREDERICKS: A bill (H. R. 11107) granting a pension to Adelaide E. Frieeseke; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 11108) granting a pension to Joseph W. Campbell; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 11109) granting an increase of pension to Lewis C. Jones; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 11110) granting a pension to Mary E. Bowman; to the Committee on Pensions.

By Mr. HADLEY: A bill (H. R. 11111) granting an increase of pension to Alice Luth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11112) granting a pension to Edith Heude-Brouck; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 11113) granting an increase of pension to Mary A. Burrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11114) granting an increase of pension to Ayner Browne; to the Committee on Pensions.

Also, a bill (H. R. 11115) granting a pension to Katherine S. Halfhill; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11116) granting an increase of pension to Elizabeth A. Line; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11117) granting an increase of pension to Benjamin F. McKee; to the Committee on Invalid Pensions.

By Mr. WILLIAM E. HULL: A bill (H. R. 11118) granting an increase of pension to Ann Boggs; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 11119) granting an increase of pension to Salome Trotochand; to the Committee on Pensions.

Also, a bill (H. R. 11120) granting an increase of pension to John G. MacFarlane; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 11121) granting an increase of pension to David Ebner; to the Committee on Pensions.

By Mr. LINEBERGER: A bill (H. R. 11122) for the relief of C. P. Dryden; to the Committee on Claims.

By Mr. LONGWORTH: A bill (H. R. 11123) granting a pension to Joseph Rombach; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 11124) granting a pension to Noah S. Warner; to the Committee on Pensions.

Also, a bill (H. R. 11125) granting an increase of pension to Eliza Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11126) granting an increase of pension to Henrietta M. Spears; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11127) granting a pension to Elizabeth Keller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11128) granting an increase of pension to Polly Roundtree; to the Committee on Invalid Pensions.

By Mr. MADDEN: A bill (H. R. 11129) for the relief of the heirs of Frank Kleiminger; to the Committee on Claims.

By Mr. MANLOVE: A bill (H. R. 11130) granting a pension to Sarah A. Neece; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11131) granting a pension to Emma S. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11132) granting a pension to Bertha C. Hammer Rentfrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11133) granting a pension to Ella Coffman; to the Committee on Pensions.

Also, a bill (H. R. 11134) granting an increase of pension to Mary E. Fountain; to the Committee on Pensions.

Also, a bill (H. R. 11135) granting a pension to Mary E. Hood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11136) granting an increase of pension to Jemima A. Grafton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11137) granting an increase of pension to Matilda J. Eubanks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11138) granting an increase of pension to Ella Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11139) granting an increase of pension to Nancy A. Murray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11140) granting an increase of pension to Lucretia Sandlin; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 11141) granting a pension to Benjamin F. Ewing; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 11142) for the relief of William D. McKeefrey; to the Committee on Claims.

By Mr. ROBSON of Kentucky: A bill (H. R. 11143) granting a pension to John M. Day; to the Committee on Pensions.

Also, a bill (H. R. 11144) granting an increase of pension to Lindy Slusher; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 11145) granting an increase of pension to Mary A. Watkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11146) for the relief of Dennis W. Scott; to the Committee on Military Affairs.

By Mr. SANDERS of Indiana: A bill (H. R. 11147) granting an increase of pension to Benton Curtis; to the Committee on Pensions.

Also, a bill (H. R. 11148) granting an increase of pension to Mary R. Hamilton; to the Committee on Invalid Pensions.

By Mr. SMITH: A bill (H. R. 11149) granting a pension to John G. Williams; to the Committee on Pensions.

Also, a bill (H. R. 11150) granting a pension to Sarah J. Garthwait; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 11151) granting a pension to Fannie M. Yarrington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11152) granting a pension to Margaret C. Westbrook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11153) granting a pension to Hattie E. Harvey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11154) granting a pension to Sate L. Retan; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 11155) for the relief of John O'Brien; to the Committee on Military Affairs.

Also, a bill (H. R. 11156) granting an increase of pension to Catherine F. Edsall; to the Committee on Invalid Pensions.

By Mr. THOMAS of Oklahoma: A bill (H. R. 11157) for the relief of Annabel Young; to the Committee on Claims.

Also, a bill (H. R. 11158) for the relief of Lee N. Wallis; to the Committee on Claims.

By Mr. THOMPSON: A bill (H. R. 11159) granting an increase of pension to Lucy Lamb; to the Committee on Invalid Pensions.

By Mr. FINCHER: A bill (H. R. 11160) granting a pension to Richard H. Williams, alias Humphrey Price; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 11161) granting an increase of pension to Daniel W. Savage; to the Committee on Pensions.

Also, a bill (H. R. 11162) granting an increase of pension to Thomas E. Whalen; to the Committee on Pensions.

Also, a bill (H. R. 11163) for the relief of Capt. Asa G. Ayer; to the Committee on Claims.

By Mr. TREADWAY: A bill (H. R. 11164) granting an increase of pension to Alice L. Pond; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 11165) granting an increase of pension to Mary C. Marvin; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 11166) for the relief of Joseph R. Gallagher; to the Committee on Claims.

#### PETITIONS, ETC.

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

3278. By the SPEAKER (by request): Petition of Nemisio Y. D. Roca, San Fernando, Pampanga, P. I., urging the independence of the Philippine Islands; to the Committee on Insular Affairs.

3279. Also (by request), petition of Grand Army of the Republic, opposing the coinage of the 50-cent Stone Mountain coin; to the Committee on Coinage, Weights, and Measures.

3280. Also (by request), petition of convention of the Seventh Day Baptist Church, Walworth, Wis., favoring the distribution of literature to schools and homes and the incorporation of regular instruction on the effects of narcotics in the curriculums of public schools and colleges; to the Committee on Printing.

3281. By Mr. BARBOUR: Resolution adopted by the Sacramento (Calif.) Bar Association, urging the enactment of legislation increasing the salaries of Federal judges; to the Committee on the Judiciary.

3282. By Mr. FULLER: Petition of the Reno (Nev.) Chamber of Commerce, favoring the enactment of the Gooding bill (S. 2327) to amend section 4 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

3283. Also, petition of the Western Glass Co., of Streator, Ill., favoring increase of postal rates on all classes of mail except the first class; to the Committee on the Post Office and Post Roads.

3284. Also, petition of the Allied Postal Employees' Legislative Committee, of St. Louis, Mo., favoring speedy enactment of the bill (S. 1898) increasing pay of postal employees; to the Committee on the Post Office and Post Roads.

3285. Also, petition of the National Industrial Traffic League, opposing any general revision of freight rates, but that the entire question of freight-rate revision be left solely in the hands of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

3286. Also, petition of the Chicago Post Office Clerks' Union, No. 1, favoring enactment of the bill (S. 1898) for the readjustment of the salaries of postal employees; to the Committee on the Post Office and Post Roads.

3287. Also, petition of the Union Furniture Co., of Rockford, Ill., opposing the Howell-Barkley bill (H. R. 7358); to the Committee on Interstate and Foreign Commerce.

3288. Also, petition of the Merchants & Farmers Trust & Savings Bank, of Ottawa, Ill., and the Rockford National Bank, of Rockford, Ill., favoring the McFadden bill (H. R. 8887); to the Committee on Banking and Currency.

3289. Also, petition of the Emerson-Brantingham Co., of Rockford, Ill., opposing the Howell-Barkley bill (H. R. 7358) and the Gooding bill (S. 2327); to the Committee on Interstate and Foreign Commerce.

3290. By Mr. HAWLEY: Petition of 246 citizens of the State of Oregon, protesting against the passage of the Sunday observance bill (S. 3218); to the Committee on the District of Columbia.

3291. By Mr. MOONEY: Letter from S. Ulmer, indorsing bill to relieve stranded refugees in certain European cities; to the Committee on Immigration and Naturalization.

3292. By Mr. O'CONNELL of New York: Petition of Parent-Teachers' Association of Public School No. 99, Queens, Kew Gardens, Long Island, N. Y., favoring the postal salary increase bill (S. 1898); to the Committee on the Post Office and Post Roads.

3293. Also, petition of the Hollis Civic Association, of Hollis, Queensboro, N. Y., favoring the postal salary increase bill (S. 1898); to the Committee on the Post Office and Post Roads.

3294. Also, petition of the Ivy Club, of New York City, favoring the Perlman bill amending the immigration law; to the Committee on Immigration and Naturalization.

3295. By Mr. RAKER: Petition of Charles G. Bond, New York, N. Y., urging passage of the McFadden bill; to the Committee on Banking and Currency.

3296. Also, petition of Dried Fruit Association of California, San Francisco, Calif., resolution opposed to Senate Joint Resolution 107; to the Committee on Interstate and Foreign Commerce.

3297. Also, petition of G. F. McNoble, president California State Bar Association, Stockton, Calif., urging passage of the Reed bill for increase of Federal judicial salaries; to the Committee on the Judiciary.

3298. Also, petition of the National Council of Jewish Women, New York, N. Y., urging upon Congress the passage of a joint resolution admitting to the country such refugees who have visés and are physically, mentally, and morally acceptable under the immigration laws of the United States; to the Committee on Immigration and Naturalization.

3299. Also, petition of W. P. Wing, secretary California Wool Growers' Association, San Francisco, Calif., urging that additional appropriations be secured for the further development of the livestock market news service; to the Committee on Appropriations.

3300. Also, petition of W. P. Wing, secretary California Wool Growers' Association, San Francisco, Calif., urging the adoption of a national range policy applying to all public lands regardless of present status; to the Committee on the Public Lands.

3301. Also, petition of W. P. Wing, secretary California Wool Growers' Association, San Francisco, Calif., urging Congress to pass enabling legislation making it mandatory on all manufacturers to supply information regarding consumption of wool by the woolen and worsted spinners of the United States; also, urging that all animals, animal products, and other carriers originating in countries where infectious diseases are known to exist will be admitted only after strict inspection under Federal supervision; to the Committee on Agriculture.

3302. Also, petition of Chamber of Commerce of the State of New York, protesting against the child-labor amendment to Federal Constitution; to the Committee on the Judiciary.

3303. Also, petition of Mrs. Charles E. Gamble, California State Grange, Santa Rosa, Calif., protesting against the passage of the Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

3304. Also, petition of A. W. McKenzie, secretary Bieber Farm Center, Bieber, Calif.; Milford Farm Bureau, Milford, Calif., and C. F. Lore, Madeline, Calif., protesting against the discontinuance of the land office at Susanville, Calif.; to the Committee on the Public Lands.

3305. Also, petition of N. H. Sloane, general manager California Development Association, San Francisco, Calif.; R. M. Hagen, general manager California Cattlemen's Association, San Francisco, Calif., and Charles E. Virden, San Francisco, Calif., urging that \$65,000 be included in agricultural appropriation bill for forest experiment station, and urging \$1,000,000 instead of \$66,000 for cooperative fire-protection work under Clarke-McNary Act; to the Committee on Appropriations.

3306. Also, petition of Frank Winch, Wilmington, Del., protesting against the passage of the Brookhart game refuge bill; J. P. Cuenin, San Francisco, Calif., urging support of the game refuge bill; to the Committee on Interstate and Foreign Commerce.

3307. Also, petition of Jesse L. Taylor, Hayfork, Calif.; Theodore Orcutt, Tecnor, Calif.; Charles E. Colby, Oak Run, Calif.; Helen A. Cunningham, Chinese Camp, Calif.; Elmer H. Gum, Auburn, Calif., and 8 other signers, all indorsing and urging immediate passage of Senate bill 1898 for the increase of salaries to postal employees; to the Committee on the Post Office and Post Roads.

3308. Also, petition of D. W. Boylan, Johns-Manville Co. of California, San Francisco, Calif.; W. E. Johnson, secretary Aberdeen Chamber of Commerce, Aberdeen, Wash.; Pioneer Association of the State of Washington, protesting against changing the name of Mount Rainier; also W. J. Milroy, president

Thurston County Pioneer and Historical Society, Olympia, Wash., protesting against changing the name of Mount Rainier; to the Committee on the Public Lands.

3309. Also, petition of Abe Darlington, Placerville, Calif., and 37 other signers of a petition, protesting against the passage of the compulsory Sunday observance bill (S. 3218) or the passage of any other religious legislation; also, George H. Palmer, Anderson, Calif., and 89 other signers, protesting against the passage of this bill; to the Committee on the District of Columbia.

3310. By Mr. SMITH: Petition of Chamber of Commerce, American Falls, Idaho, urging the enactment of a universal draft law applicable to the resources of the country as well as to men, which it is believed will serve as a deterrent against possible unjust wars in the future; to the Committee on Military Affairs.

3311. By Mr. SINNOTT: Petition of sundry citizens of the State of Oregon, protesting against the passage of the Sunday observance law (S. 3218); to the Committee on the District of Columbia.

3312. By Mr. TINKHAM: Petition of the Army and Navy Union of the United States of America, Boston, Mass., favoring increase of pension to Civil and Spanish-American War veterans; to the Committee on Pensions.

3313. By Mr. WURZBACH: Petition of sundry citizens of San Antonio, in the State of Texas, protesting against the passage of Senate bill 3218, the Sunday observance bill; to the Committee on the District of Columbia.

## SENATE

TUESDAY, December 30, 1924

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

O Lord, our God, we approach Thee this morning with thanksgiving, for Thou hast been very gracious unto us. Thou hast caused the days as they multiply to bring us fresh mercies and to qualify us for duties agreeable to Thy holy will. Grant that the admonitions of Thy providence and the directions of Thy spirit may enable us to understand more and more clearly the high obligations of service to Thee, our God, and to the country in which we live. The Lord glorify Himself in this hour. We ask in Jesus' name. Amen.

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

### PETITIONS AND MEMORIALS

Mr. BROOKHART presented the memorial of L. Haskell and sundry other citizens of Garwin, Iowa, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. McLEAN presented the petition of the Woman's Christian Temperance Union, of Danielson, Conn., praying for the passage of House bill 6645, the so-called Cramton bill, proposing to amend the national prohibition act; to establish a bureau of prohibition in the Treasury Department and to place its personnel under the civil service, etc., which was referred to the Committee on the Judiciary.

He also presented the petition of members of the congregation of St. Paul's Church, of New Haven, Conn., praying for the adoption of such measures as will aid in the establishment of world peace, which was referred to the Committee on Foreign Relations.

He also presented petitions of the United Spanish War Veterans of Hartford and Philip H. Sheridan Council No. 1467, Royal Arcanum of New Haven, both in the State of Connecticut, praying for the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented the petition of the Congregation B'Nai Jacob, of New Haven, Conn., praying for the admission into this country of certain aliens now stranded at various European ports, which was referred to the Committee on Immigration.

### SETTLEMENT ON FEDERAL IRRIGATION PROJECTS

On motion of Mr. KENDRICK, the Committee on Irrigation and Reclamation was discharged from the further consideration of the bill (S. 3605) to provide for aided and directed set-

tlement on Government land in Federal irrigation projects, introduced by him December 8, 1924, and it was indefinitely postponed.

### BILLS INTRODUCED

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

By Mr. JONES of Washington (for Mr. McCORMICK):

A bill (S. 3777) to permit the United States of America to be made defendant, and to be bound by decrees and final judgments entered, in land-title registration proceedings in the circuit court of Cook County, Ill., and courts of appeal therefrom, under the provisions of an act concerning land titles, in force in the State of Illinois May 1, 1897; to the Committee on the Judiciary.

By Mr. CAPPER:

A bill (S. 3778) to establish standard weights for loaves of bread, to prevent deception in respect thereto, to prevent contamination thereof, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. KENDRICK:

A bill (S. 3779) to provide for aided and directed settlement on Government land in irrigation projects; to the Committee on Irrigation and Reclamation.

By Mr. McLEAN:

A bill (S. 3780) granting an increase of pension to Mary Duffy (with accompanying papers); to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 3781) granting an increase of pension to Marvel J. Nash; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 3782) granting the consent of Congress to the Great Southern Lumber Co., a corporation of the State of Pennsylvania, doing business in the State of Mississippi, to construct a railroad bridge across Pearl River at approximately 1½ miles north of Georgetown, in the State of Mississippi; to the Committee on Commerce.

By Mr. RANSDELL:

A bill (S. 3783) to amend the United States cotton futures act and the United States cotton standards act; to the Committee on Agriculture and Forestry.

By Mr. CAMERON:

A bill (S. 3784) to provide for the acquisition of a site and the erection thereon of a Federal building at Yuma, Ariz.; to the Committee on Public Buildings and Grounds.

### PROPOSED COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. SHEPPARD. Mr. President, pursuant to the notice I gave on yesterday, I offer the following Senate resolution and ask its reference to the Committee on Rules.

The resolution (S. Res. 287) was read and referred to the Committee on Rules, as follows:

*Resolved*, That part 1, Rule XXV, Standing Rules of the Senate, be, and the same is hereby, amended by adding a new paragraph to read as follows:

Committee on World War Veterans' Legislation, to consist of 16 Senators.

### CATHERINE V. COSTELLO

Mr. CURTIS submitted the following resolution (S. Res. 288), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Catherine V. Costello, widow of William J. Costello, late a private of the Capitol police, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

### PRESIDENTIAL APPROVAL

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on December 24, 1924, the President approved and signed the joint resolution (S. J. Res. 159) providing for the control and eradication of the European fowl pest and similar diseases in poultry.

### THE INTERNATIONAL MAP OF THE WORLD (S. DOC. NO. 177)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

*To the Congress of the United States:*

I transmit herewith a report by the Secretary of State recommending a request to Congress to enact legislation pro-