3672. By Mr. HUDSON: Petition protesting against the passage of the compulsory Sunday observance bill (S. 3218) and all other religious legislation, from the citizens of Oxford, Mich.; to the Committee on the District of Columbia.

3673. By Mr. O'CONNELL of New York: Petition of Mr. Karl T. Frederick, of New York, favoring the passage of House bill 745, the game refuge-public shooting ground bill; to the Committee on Agriculture.

3674. Also, petition of William B. Greeley, of New York, favoring the passage of House bill 745, the game refuge-public shooting ground bill; to the Committee on Agriculture.

3675. By Mr. PHILLIPS: Affidavits to accompany House bill 12184, granting a pension to Luther Leroy Funkhouser; to the Committee on Invalid Pensions.

3676. Also, affidavits to accompany House bill 12139, granting a pension to Maude S. Hays; to the Committee on Invalid Pensions.

3677. By Mr. RICHARDS: Memorial of Nevada Legislature, memorializing Congress to expedite action on the Pittman act; to the Committee on Banking and Currency.

3678. By Mr. WELSH: Petition in opposition to compulsory Sunday observance bill (S. 3218) and other religious legislation which may be pending; to the Committee on the District of Columbia.

SENATE

SATURDAY, *February 7, 1925*

(Legislative day of Tuesday, February 3, 1925)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the amendment of the House to the bill (S. 876) to provide for the disposition of bonuses, rentals, and royalties received under the provisions of the act of Congress entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, from unallotted lands in Executive order Indian reservations, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SNYDER, Mr. DALLINGER, and Mr. HAYDEN were appointed managers on the part of the House at the conference.

The message also communicated to the Senate the following action of the House relative to Senate bill 876:

That in respect to the proposed amendment of the Senate to the original text of the Senate bill, not in disagreement between the two Houses, having already been agreed upon, the House can not now act, and the Clerk is directed respectfully so to inform the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7144) to relinquish to the city of Battle Creek, Mich., all right, title, and interest of the United States in two unsurveyed islands in the Kalamazoo River.

ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the President pro tempore:

H. R. 5197. An act to amend section 71 of the Judicial Code, as amended;

H. R. 5558. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds in any sum not exceeding $60,000 for the purpose of improving the sewerage system of the town;

H. R. 10404. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1926, and for other purposes; and

H. R. 10528. An act to refund taxes paid on distilled spirits in certain cases.

NATIONAL FOREST RESERVE COMMISSION

The PRESIDENT pro tempore. The Chair announces the receipt of the resignation of the Senator from Tennessee [Mr. SHIELDS] as a member of the National Forest Reserve Commission, and that he has appointed the Senator from North Carolina [Mr. OVERMAN] to fill the vacancy caused by the resignation.

DISPOSITION OF USELESS PAPERS

The PRESIDENT pro tempore. The Chair lays before the Senate a letter from the Secretary of the Navy, submitted pursuant to law, asking permission for the destruction of certain obsolete papers in the files of the department. The Chair appoints as a committee on the part of the Senate to consider the advisability of granting the request the Senator from Maine [Mr. HALE] and the Senator from Virginia [Mr. SWANSON]. The Secretary will notify the House of Representatives of this action.

PARLIAMENTARY PROCEDURE ON BILL

Mr. ASHURST. Mr. President, regarding the message which has just come from the House, I am sure that if Senators will give their attention to the message they will perceive that it raises one of the most important questions that could be raised in a parliamentary body. I think before formal action is taken on the message some discussion should be had. It so happens that the bill relates to matters pertaining to my State and various other Western States, but it is a parliamentary question that is raised that the Senate ought to consider. I ask that the message may be read.

Mr. CURTIS. Why not merely print the message in the RECORD and let those interested have an opportunity to consider it?

Mr. ASHURST. It is very short. Let it be read at the desk so that Senators may see that it is of great importance and that they may reflect upon it. They will see at once that it is a novel question; it is new to me; and it is a question which ought to be settled. I ask that the message be read at the desk.

The PRESIDENT pro tempore. The message will be read by the Clerk.

The reading clerk read as follows:

That in respect to the proposed amendment of the Senate to the original text of the Senate bill not in disagreement between the two Houses, having already been agreed upon, the House can not now act, and the Clerk is directed respectfully so to inform the Senate.

Mr. ASHURST. Mr. President, just a word further. I will ask the parliamentarians of the Senate to give the subject their consideration, and I ask those who do not claim to be parliamentarians to study it also. The Senate passed a bill. The House of Representatives added amendments to the bill and returned the bill to the Senate, whereupon the Senate made an amendment to the original text of the bill. I have not before in my experience encountered a similar procedure. I think there is no doubt that the Senate has a right to do what it did, but I shall not pursue the matter further at this time. It raises a very serious question which ought to be considered and we ought to take it up on Monday or Tuesday for some discussion. I shall not say anything more on the subject now.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Commerce:

Joint resolution 1, protesting to the Congress and to the Secretary of War of the United States against the continuation of the illegal taking of water from the Great Lakes through the Chicago Drainage Canal

Whereas actions were instituted by the United States in 1908 and 1913 against the Sanitary District of Chicago praying an injunction to restrain the diversion of water from the Great Lakes through the Chicago Drainage Canal in excess of 4,167 cubic feet per second, and over the protest of the Government a decision was delayed until, after the resignation of Judge Landis, on June 18, 1923, Judge Carpenter decided the case in favor of the Government and ordered that the injunction be granted;

Whereas the States of Wisconsin, Minnesota, Michigan, Indiana, Ohio, Pennsylvania, and New York joined in appearing as amici curiae with the United States against the Sanitary District of Chicago in said action on appeal before the Supreme Court of the United States;

Whereas the United States Supreme Court on January 5, 1925, affirmed the decision of Judge Carpenter, holding that the Sanitary District of Chicago has violated the laws of the United States, that its action is in violation of our treaty with Great Britain, and enjoining any abstraction of water in excess of 4,167 cubic feet per second;

Whereas the Legislature of Wisconsin in 1921 ordered and directed the beginning of a suit in the Supreme Court of the United States by the State of Wisconsin against the State of Illinois and the Sanitary District of Chicago to restrain the taking of water from the Great Lakes by the Sanitary District of Chicago, and such action has begun and is still pending, no proceedings therein having been had awaiting the final decision in the case just decided;

Whereas the present illegal abstraction of water from the Great Lakes now, and for many years past, has reached the enormous amount of upward of 10,000 cubic feet per second and has seriously lowered the

levels of the Great Lakes and the St. Clair, Detroit, Niagara, and St. Lawrence Rivers, and has greatly restricted and interfered with navigation thereon;

Whereas the Great Lakes constitutes the greatest waterway in the world, carrying at the present time a tonnage equal to one-fourth of all the railroad tonnage of the United States, at a cost of less than one-fifth that of railroad freight rates, and the diversion by the Sanitary District of Chicago has already increased lake freight rates by not less than $3,000,000 annually and has damaged lake harbors and other works fully $12,000,000;

The enormous diversion has created currents in the Chicago harbor which have destroyed Chicago as a lake port to its own great loss and to the great loss of all other ports thereby deprived of economical lake transportation to and from this great center of the Middle West;

Incalculable damage has been done to farm and other property along the Illinois River and its fishing and pearl industry has been destroyed by the dumping of Chicago sewage into the stream;

The action of the sanitary district in abstracting nearly 10,000 cubic second-feet where less than 1,000 cubic second-feet is necessary or desirable for navigation has rendered futile all projects for a Lake to the Gulf waterway by way of the drainage canal and the Desplaines, Illinois, and Mississippi Rivers, and if continued will forever prevent the development of such waterway;

The Chicago Sanitary District is deriving a revenue of more than $1,000,000 annually from electric power produced by the water so taken, and by this diversion is preventing the United States from obtaining its fair share of water for power purposes at Niagara Falls and along the St. Lawrence River, where the same quantity of water will produce at least ten times the amount of power produced by the sanitary district;

The controversy over the diversion by the sanitary district stands in the way of the immediate undertaking of the St. Lawrence waterway to give to ocean-going vessels access to the Great Lakes and to give to the middle and the northwestern part of the United States the advantages of ocean-going ports and the enormous development of power possible through such improvement of the St. Lawrence River; and

Whereas the Sanitary District of Chicago has repeatedly asked Congress to enact legislation permitting such diversion, and Congress has refused to enact such legislation, and bills are now pending in Congress for such permission, and the sanitary district has repeatedly petitioned Secretaries of War for permits authorizing such diversion, and Secretary of War Stimson in 1913 refused any permission in excess of 4,167 cubic feet per second, and the sanitary district now gives out that it will make application for a permit to increase said amount and is carrying on a propaganda, and gives out that it must continue to take not less than 10,000 cubic feet per second until the year 1945, with the implication that it intends to continue to abstract this amount of water or more during this period and all time thereafter, and will not erect sewage-disposal plants other than to take care of sewage from the growth of population and industries during this time, and the sanitary district is not now making provisions for the immediate practical disposal of sewage by modern methods, as is being done in other large Lake cities; and

Whereas the States appearing with the Government in the recent case take the position that the waters and the right to have these waters flow down the natural watershed of the Great Lakes is a property right of these States within their respective boundaries, and that there has been delegated to the Government of the United States no power to divert these waters for any purpose except possibly so far as needed for the protection and improvement of navigation, for which purpose there will at no time be needed more than 1,000 cubic feet per second along the Chicago, Desplaines, and Illinois Rivers:

Resolved by the assembly (the senate concurring), That the State of Wisconsin hereby respectfully protests to the Congress of the United States and to the Secretary of War against any action by either recognizing or continuing any permit to the Sanitary District of Chicago to divert water from the Great Lakes through the Chicago Drainage Canal for any purpose other than the protection and improvement of navigation;

Resolved, That a copy of this resolution, properly attested by the presiding officers and chief clerks of both houses, be sent to the President of the United States, the Secretary of War, the Presiding Officers of the Senate and the House of Representatives, and to each United States Senator and Member of Congress from Wisconsin;

Resolved, That a copy of this resolution so attested be sent to the governor and the presiding officers of both houses of the legislature in each of the States of the Union, inviting the cooperation of the States in like protest to the Congress and to the Secretary of War.

HENRY A. HUBER,
President of the Senate.
S. W. SCHOENFEHL,
Chief Clerk of the Senate.
H. W. SACHTJEN,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

The PRESIDENT pro tempore also laid before the Senate a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of Senate bill 3927, to promote the flow of foreign commerce through all ports of the United States and to prevent the maintenance of port differentials and other unwarranted rate handicaps, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution adopted by Local Union No. 555, Journeymen Barbers' International Union of America, of Arkansas City, Kans., favoring the passage of the so-called compulsory Sunday observance bill for the District, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the forty-fourth annual Kansas conference of the Seventh-Day Adventists, protesting against the passage of the so-called compulsory Sunday observance bill for the District, which were referred to the Committee on the District of Columbia.

Mr. PEPPER presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of Senate bill 3927, to promote the flow of foreign commerce through all ports of the United States and to prevent the maintenance of port differentials and other unwarranted rate handicaps, which was referred to the Committee on Interstate Commerce.

Mr. LADD presented a memorial of sundry citizens of Maddock, N. Dak., remonstrating against the passage of the so-called compulsory Sunday observance bill for the District, which was referred to the Committee on the District of Columbia.

Mr. WILLIS presented the petition of members of Myra L. Dowling Auxiliary No. 3, United Spanish War Veterans, of Toledo, Ohio, praying for the passage of the so-called Knutson bill, being House bill 5934, granting increased pensions to veterans of the Spanish War and their widows, etc., which was referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (S. J. Res. 117) transferring the possession and control of the Fort Foote Military Reservation in Prince Georges County, Md., to the Chief of Engineers of the Army to be administered as a part of the park system of the National Capital, reported it without amendment and submitted a report (No. 1036) thereon.

Mr. DIAL, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3118) to authorize the Rock Creek and Potomac Parkway Commission to dispose of certain parcels of land, reported it with amendments and submitted a report (No. 1037) thereon.

Mr. BAYARD, from the Committee on Claims, to which was referred the bill (S. 2491) for the relief of August Michalchuk, reported it with amendments and submitted a report (No. 1038) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3514) authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson, reported it without amendment and submitted a report (No. 1039) thereon.

Mr. HARRELD, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2820) authorizing appropriations for medical school building and equipment for Howard University, reported it without amendment and submitted a report (No. 1040) thereon.

He also, from the same committee, to which was referred the bill (S. 3153) to authorize the construction of a nurses' home for the Columbia Hospital for Women and Lying-in-Asylum, reported it with an amendment and submitted a report (No. 1041) thereon.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 5170) providing for an exchange of lands between Anton Hiersche and the United States in connection with the North Platte Federal irrigation project, reported it without amendment and submitted a report (No. 1042) thereon.

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

A bill (S. 1229) for the relief of the estate of Moses M. Bane (Rept. No. 1043);

A bill (S. 2619) for the relief of John Plumlee, administrator of the estate of G. W. Plumlee, deceased (Rept. No. 1044); and

A bill (S. 2647) providing employee's compensation for James McKay, who was injured while in the service of the Quartermaster Corps, United States Army (Rept. No. 1045).

Mr. TRAMMELL also, from the Committee on Claims, to which was referred the bill (S. 3203) for the relief of Joseph

Harkness, jr., reported it with an amendment and submitted a report (No. 1046) thereon.

He also, from the same committee, to which was referred the bill (S. 3510) for the relief of James Doherty, reported it with amendments and submitted a report (No. 1047) thereon.

Mr. LADD, from the Committee on Commerce, to which was referred the bill (H. R. 11280) authorizing the construction of a bridge across Rock River at the city of Beloit, county of Rock, State of Wisconsin, reported it without amendment and submitted a report (No. 1048) thereon.

Mr. STERLING, from the Committee on the Judiciary, to which was referred the bill (H. R. 6645) to amend the national prohibition act, to provide for a Bureau of Prohibition in the Treasury Department, to define its powers and duties, and to place its personnel under the civil service act, reported it with amendments and submitted a report (No. 1049) thereon.

Mr. KING, from the Committee on the District of Columbia, reported a bill (S. 4253) to create the Federal City Planning Commission (accompanied by a report, No. 1050), which was read twice by its title and ordered to be placed on the calendar.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mr. WATSON, from the Committee on Enrolled Bills, reported that February 6, 1925, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 2232. An act to amend section 2 of the act approved February 15, 1893, entitled "An act granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service";

S. 2848. An act to validate an agreement between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co.;

S. 2975. An act validating certain applications for, and entries of public lands, and for other purposes;

S. 3392. An act to amend section 558 of the Code of Law for the District of Columbia;

S. 3622. An act granting the consent of Congress to the police jury of Morehouse Parish, La., or the State Highway Commission of Louisiana to construct, maintain, and operate a bridge across the Bayou Bartholomew at each of the following-named points in Morehouse Parish, La.: Vester Ferry, Ward Ferry, and Zachary Ferry;

S. 3884. An act granting the consent of Congress to the county of Independence, Ark., to construct, maintain, and operate a bridge across the White River, at or near the city of Batesville, in the county of Independence, in the State of Arkansas;

S. 3885. An act granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the Black River, at or near the city of Black Rock, in the county of Lawrence, in the State of Arkansas;

S. J. Res. 135. Joint resolution granting permission to the Roosevelt Memorial Association to procure plans and designs for a memorial to Theodore Roosevelt;

S. J. Res. 154. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

S. J. Res. 155. Joint resolution providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

ADDITIONAL DISTRICT JUDGE, WESTERN DISTRICT OF MICHIGAN

Mr. CARAWAY. Mr. President, I ask unanimous consent to report back favorably without amendment from the Committee on the Judiciary a bill providing for the appointment of a judge in the district of Michigan, and I ask for its immediate consideration.

Mr. KING rose.

Mr. CARAWAY. Before the Senator objects, I should like to state that a judge there is physically unable to discharge his duties, and it is recommended that another judge be appointed. There can be no court held until that is done. The bill follows the ordinary and usual course of providing that when the present judge shall die no one shall be appointed to succeed him. It makes the new appointee the senior judge, with the provisions that go with that kind of legislation enacted heretofore, so that he may discharge the duties in the interim.

Mr. CURTIS. It virtually retires the present judge?

Mr. CARAWAY. It does. It leaves him on the pay roll. He is 64 years of age and can not retire without losing his salary. He can not discharge his duties, and never will be able to discharge his duties in the future, as the people who are acquainted with the situation believe. The bill authorizes the naming of this judge so that the business of the district may be transacted.

Mr. REED of Pensylvania. What district is it?

Mr. CARAWAY. The western district of Michigan.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4056) to provide for an additional judge for the western district of Michigan, which was read, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed, by and with the advice and consent of the Senate, to appoint an additional judge of the District Court of the United States for the Western District of Michigan, whose compensation, duties, and powers shall be the same as now provided by law for other district judges, and said judge shall be held and treated as if senior in commission to the present judge of said court, and shall exercise such powers and perform such duties as by law may be incident to seniority.

SEC. 2. The present district judge for the western district of Michigan shall be held and treated as if junior in commission, and upon the death, resignation, or retirement of the present district judge for the western district of Michigan the vacancy caused by such death, resignation, or retirement of the said present judge shall not be filled.

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

BILLS INTRODUCED

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

By Mr. BALL:

A bill (S. 4251) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of land required for a connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park; to the Committee on the District of Columbia.

By Mr. NORRIS (for Mr. LA FOLLETTE):

A bill (S. 4252) granting a pension to Morgan J. Lovelace; to the Committee on Pensions.

RESTORATION OF ALIEN PROPERTY

Mr. BORAH. Mr. President, last session I introduced a bill with reference to restoring alien property to its owners. I have since amended that measure, but instead of submitting amendments I prefer to introduce an original bill. I now introduce the bill and ask that it be referred to the Committee on the Judiciary. I realize, of course, that it is rather late in the session to hope to get any action, but it is extremely important, it seems to me, since the claim which is now made to the effect that arrangements have been made for the payment of American citizens, that we release this property and get rid of the alien property institution as a matter of self-respect just as rapidly as we can.

Mr. KING. Mr. President, the Senator from Idaho has just directed attention to the fact that a bill has been introduced by him which is before the Judiciary Committee for the restoration of the property which was sequestrated at the beginning of the war belonging to enemy nationals. Two bills have been before the Judiciary Committee for four years for the same purposes. Two bills were introduced at the beginning of the present session of Congress, which have been before the committee and no action has been taken. I do not suppose there will be any action taken upon the bill of the Senator from Idaho, when the other measures, which are broad and comprehensive, are not being considered by the committee. I shall be glad, however, if the committee will take up some of the bills dealing with the matter, as well as the bill introduced this morning by the Senator from Idaho.

The bill (S. 4250) to repeal an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

AMENDMENT TO RIVERS AND HARBORS BILL

Mr. WATSON submitted an amendment intended to be proposed by him to the bill (H. R. 11472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

THOMAS SULLY PORTRAIT OF SAM HOUSTON

Mr. SHEPPARD submitted the following concurrent resolution (S. Con. Res. 29), which was referred to the Committee on the Library:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library be, and it is hereby, requested and directed to undertake negotiations with the owner of the Thomas Sully portrait of Sam Houston with a view to its acquisition by the Government, and to report to Congress the terms on which it may be obtained.

ALFRED B. WILLIAMS

Mr. SIMMONS submitted the following resolution (S. Res. 330), which (with accompanying papers) was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms of the Senate be, and he hereby is, authorized and directed to appoint Alfred B. Williams an additional messenger, who shall be paid at the rate of $1,440 per annum from the contingent fund of the Senate, until the end of the Sixty-ninth Congress, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

ORIGIN AND CAUSES OF THE WORLD WAR

Mr. OWEN submitted the following resolution (S. Res. 331), which was referred to the Committee on Foreign Relations:

Resolved, That the Committee on Foreign Relations shall cause to be prepared for the Senate an authoritative and impartial abstract and index of all authentic important evidence, omitting all inconsequential matters heretofore made available in printed form or otherwise readily accessible, bearing on the origin and causes of the World War. The legislative reference service of the Library of Congress shall be employed for this purpose. The chairman of the Committee on Foreign Relations shall have authority to employ such additional assistance as he may require, at a cost not to exceed $10,000, to be paid from the contingent fund of the Senate. The abstracts shall be submitted to the Committee on Foreign Relations not later than February 1, 1925, and shall be printed for the information of the Senate.

PROPOSED INVESTIGATION OF POWER COMPANIES

Mr. NORRIS. Mr. President, after talking with the Senator from Washington [Mr. JONES], in charge of the pending appropriation bill, and finding that he has no objection if what I am about to propose does not take any great time—and I do not think it will—I ask unanimous consent for the present consideration of the resolution, S. Res. 286, directing the Federal Trade Commission to investigate the alleged Power Trust in the United States and its financial relationship with certain other public utility companies and associations, which was reported from the Committee on Interstate Commerce.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

Mr. MOSES. I do not wish to interpose an objection in my own behalf, but there are several Senators very much interested in the resolution who are not now here.

Mr. NORRIS. The Senator who objected to the consideration of the resolution the other time it was called up is now in the Chamber. I would not have made the request if he had not been present.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the present consideration of Senate Resolution 286. Is there objection?

Mr. WATSON. I have just entered the Chamber. What is the resolution?

Mr. NORRIS. It is the water-power investigation resolution, reported from the Committee on Interstate Commerce.

Mr. WATSON. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. NORRIS. I give notice that when the pending appropriation bill is disposed of I shall move to take up the resolution.

MONONGAHELA RIVER BRIDGE

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H. R. 11367) granting the consent of Congress to the county of Allegheny, in the Commonwealth of Pennsylvania, to construct, maintain, and operate a bridge across the Monongahela River at or near its junction with the Allegheny River in the city of Pittsburgh, in the county of Allegheny, in the Commonwealth of Pennsylvania. It is a bridge bill in its usual form, unanimously reported. It is very important to get the contract completed and start construction of the bridge at once.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Allegheny, in the Commonwealth of Pennsylvania, and its successors and assigns, to construct, maintain, and operate a bridge, with approaches thereto, across the Monongahela River at a point suitable to the interests of navigation, at or near its junction with the Allegheny River, in the city of Pittsburgh, in the county of Allegheny, in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

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

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

RETIREMENT OF WORLD WAR OFFICERS

The PRESIDENT pro tempore. Senate bill 33 is before the Senate as in Committee of the Whole.

Mr. KING and Mr. McKELLAR. What is the bill?

The PRESIDENT pro tempore. It is the bill (S. 33) making eligible for retirement under certain conditions officers of the Army of the United States, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War.

Mr. JONES of Washington. Mr. President, I thought when we took a recess yesterday afternoon that the bill making appropriations for the Departments of State, Justice, and so forth, would come before the Senate to-day and we would proceed with its consideration this morning. However, if it is necessary to ask unanimous consent that Senate bill 33 be temporarily laid aside in order that we may proceed to the consideration of the appropriation bill, I ask unanimous consent.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none.

MUSCLE SHOALS (S. DOC. NO. 196)

Mr. KEYES. Mr. President, I submit a conference report, and ask that the report be printed. I desire at this time to give notice that on Monday I shall ask that the conference report be taken up for consideration.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Without objection, that order will be made, and the conference report will be printed.

The report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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 House Doc. No. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"An act to provide for the national defense; for the production and manufacture of fixed nitrogen, commercial fertilizer, and other useful products, and for other purposes

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*,

"SEC. 1. That the United States nitrogen fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings used in connection therewith; all tools, machinery, equipment, accessories, and materials thereunto belonging; all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, and any others used as auxiliaries of said nitrogen plants Nos. 1 and 2; also Dams Nos. 2 and 3 located in the Tennessee River at Muscle Shoals, their power houses, their auxiliary steam plants and all of their hydroelectric and operating appurtenances, together with all machines, lands, and buildings now owned or hereafter ac-

quired in connection therewith, are hereby dedicated and set apart to be used for national defense in time of war, and for the production of fertilizers and other useful products in time of peace.

"SEC. 2. That whenever, in the national defense, the United States shall require all or any part of the operating facilities and properties or renewals and additions thereto, described and enumerated in the foregoing paragraph of this act, for the production of materials necessary in the manufacture of explosives or other war materials, then the United States shall have the immediate right, upon five days' notice to any person or persons, corporation, or agent, in possession of, controlling, or operating said property under any claim of title whatsoever, to take over and operate the same in whole or in part, together with the use of all patented processes which the United States may need in the operation of said property for national defense, but any lease hereunder, and all contracts for power sold under said lease shall contain the proviso that the power may be recalled by the United States if and when needed in the prospect, or event of war, without payment of, or liability for damages to consumers or others so deprived of said power and no contract or lease shall be valid which does not include this proviso.

"The foregoing clauses shall not be construed as modified, amended, or repealed by any of the subsequent sections or paragraphs of this act, or by indirection of any other act.

"SEC. 3. That in order that the United States may have at all times an adequate supply of nitrogen for the manufacture of powder and other explosives, whether said property is operated and controlled directly by the Government or its agents, lessees, or assigns, under any and all circumstances the amount of fixed nitrogen specified in section 4 hereof must be produced annually on said property and with nitrogen fixation plant No. 2, or its equivalent, and no lease, transfer, or assignment of said property shall be legal or binding on the United States unless such adequate annual production of fixed nitrogen is guaranteed in such lease, transfer, or assignment.

"SEC. 4. That since the production and manufacture of commercial fertilizers is the largest consumer of fixed nitrogen in time of peace, and its manufacture, sale, and distribution to farmers and other users, at fair prices and without excessive profits, in large quantities throughout the country is only second in importance to the national defense in time of war, the production of fixed nitrogen as provided for in this act shall be used, when not required for national defense, in the manufacture of commercial fertilizers. In order that the experiments heretofore ordered made may have a practical demonstration, and to carry out the purposes of this act, the lessee or the corporation shall manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, on the property hereinbefore enumerated, or at such other plant or plants near thereto as it may construct, using the most economic source of power available, with an annual production of these fertilizers that shall contain fixed nitrogen of at least 10,000 tons during the third year of the lease period and in order to meet the market demand, said annual production shall be increased to not less than 40,000 tons the tenth year of the lease period, the terms and conditions governing the annual production within said 10-year period shall be determined by the President: *Provided*, That if in the judgment of the President, the interest of national defense and agriculture will obtain the benefits resulting from the maintenance of nitrogen fixation plant No. 2 or its equivalent in operating condition by so doing, then he is authorized to substitute the production of fertilizers containing available phosphoric acid (computed as phosphoric anhydride P_2O_5) for not more than 25 per cent of the nitrogen production herein specified at the rate of not less than 4 tons of phosphoric acid annually for each annual ton of nitrogen for which the substitution is made.

"The farmers and other users of fertilizer shall be supplied with fertilizers at prices which shall not exceed 8 per cent above the fair annual cost of production.

"SEC. 5. That the President is hereby authorized and empowered to lease the properties, enumerated under section 1 of this act as a whole, with proper guaranties for the performance of the terms of the lease, for a period not to exceed 50 years: *Provided*, That the terms and conditions being equal, the said lessee shall have the preferred right to negotiate with the United States for a lease upon such terms as may then be prescribed by Congress: *And provided further*, That if the United States shall terminate said lease at the end thereof, it shall resume full possession of its property by and in consideration of a payment to the lessee of the then fair value of the improvements upon or in connection with said property, made by the said lessee and which are dependent for their commercial usefulness to the lessee in the production of fertilizer and fertilizer products, upon the continuation of the lease: *Provided*, That said lease shall be made only to an American citizen, or citizens, or to an American owned, officered, and controlled corporation, and if leased, in the event at any time the ownership in fact or the control of such corporation should directly or indirectly come into the hands of an alien or aliens, or into the hands of an alien owned or controlled corporation or organization, then said lease shall at once terminate and the properties be restored to the United States. The Attorney General of the United States is given full power and authority, and it is hereby made his duty, to proceed at once in the courts for cancellation of said lease in the event said properties are found to be alien owned or controlled and are not voluntarily restored. The lessee shall be required and obligated to carry out in the production of nitrogen and the manufacture and sale of commercial fertilizer the purposes and terms enumerated in sections 1, 2, 3, and 4 of this act, and such other terms not inconsistent therewith as may be agreed to in the lease contract. The lessee shall pay an annual rental for the use of said property an amount that shall not be less in the aggregate than 4 per cent for the period of the lease on the total sum of money expended in the building and construction of Dam No. 2 and upon Dam No. 3 after completion, which shall be paid in full each year unless it be shown that due to expenditures in development and improved equipment for the production of fertilizer as provided herein, the lessee may be granted a deferred payment, which shall draw interest at the rate of 4 per cent annually after the first six years of the lease period at either or both dams: *Provided, however*, That no interest payment shall be required upon the cost of the locks at Dam No. 2 and Dam No. 3 nor upon an additional amount to be determined by the President as representing the value of this development to navigation improvement. The lease shall also provide the terms and conditions under which the lessee may sell and dispose of the surplus electric power created at said plants. The lease shall also provide for the protection of navigation at said Dams Nos. 2 and 3 and the lessee shall be required to supply sufficient electrical power to operate all navigation locks at Dams Nos. 2 and 3, free of cost to the United States. The lease contemplated in this section shall be made with the understanding that the United States shall complete and have ready for operation Dams Nos. 2 and 3 and the locks connected therewith, together with the plants and machinery for the production of electric power, and that after the lease is entered into the lessee shall maintain the property covered by the lease in good repair and working condition for the term of the contract: *Provided, however*, That the lessee shall not be required to guarantee the stability of the leased dams nor assume responsibility in case of loss due to acts of Providence nor of enemies of the Government. Time shall be made of the essence of the contract herein provided for, and failure on the part of the lessee to comply with the terms of said contract shall render the same terminable upon six months' notice at the option of the United States, whereupon the United States shall proceed immediately to maintain and operate the leased properties as provided herein: *Provided*, That the United States shall have shown in a proceeding in equity in the United States district court that said failure has actually occurred: *And provided further*, That such court action shall have been sought within one year following the alleged breach of said contract.

"SEC. 6. That in the event the President is unable to make a lease under the terms of the power herein granted to him before the 1st day of December, 1925, then the United States shall maintain and operate said properties described in section 1, in compliance with the terms and conditions set forth in sections 1, 2, 3, and 4 of this act, and under the power and authority prescribed and granted in the following sections of this act.

"SEC. 7. That the President is hereby authorized and empowered to designate any five persons to act as an organization committee for the purpose of organizing a corporation under authority of, and for the purpose enumerated in, this act.

"ORGANIZATION

"The persons so designated shall, under their seals, make an organization certificate, which shall specifically state the name of the corporation to be organized, the place in which its principal office is to be located, the amount of capital stock, and the number of shares into which the same is divided, and the fact that the certificate is made to enable the corporation formed to avail itself of the advantages of this

act. The name of the corporation shall be The Muscle Shoals Corporation.

"The said organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with acknowledgment thereof, authenticated by the seal of such notary or court, transmitted to the President, who shall file, record, and carefully preserve the same in his office. Upon the filing of such certificate with the President as aforesaid, the said corporation shall become a body corporate, and as such, and in the name The Muscle Shoals Corporation, have power—

"First. To adopt and use a corporate seal;

"Second. To have succession for a period of 50 years from its organization, unless it is sooner dissolved by an act of Congress, or unless its franchise becomes forfeited by some violation of law;

"Third. To make contracts, and no such contract shall extend beyond the period of the life of the corporation;

"Fourth. To sue and be sued, complain, and defend in any court of law or equity;

"Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this act; to define their duties, to fix their salaries, in its discretion to require bonds of any of them, and to fix the penalty thereof, and to dismiss at pleasure any of such officers or employees;

"Sixth. To prescribe by its board of directors by-laws not inconsistent with law regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed;

"Seventh. To exercise by its board of directors or duly authorized officers or agents all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary to carry on the business for which it is incorporated within the limitations prescribed by this act, but such corporation shall transact no business except such as is incidental and necessary preliminary to its organization until it has been authorized by the President to commence business under the provisions of this act.

"The corporation shall be conducted under the supervision and control of a board of directors, consisting of five members, to be selected by the President. The directors so appointed shall hold office at the pleasure of the President. The President shall designate a chairman of the board, who shall have power to designate one of the others as vice chairman. The vice chairman shall perform the duties of chairman in the absence of the chairman. Not more than two of such directors shall be appointed from officers in the War Department.

"The board of directors shall perform the duties usually appertaining to the office of directors of private corporations and such other duties as are prescribed by law.

"POWERS OF THE CORPORATION

"The corporation shall have power—

"(a) To purchase, acquire, operate, and develop in the manner prescribed by this act and subject to the limitations and restrictions thereof the following properties owned by the United States:

"1. United States nitrogen-fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with (a) all real estate used in connection therewith; (b) all tools, machinery, equipment, accessories, and materials thereunto belonging; (c) all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, Dam No. 2 at Muscle Shoals, and the hydroelectric power plant connected therewith, together with the steam plants used as auxiliaries of the United States nitrogen-fixation plants Nos. 1 and 2, together with all other property described in section 1 of this act.

"2. To construct, purchase, maintain, and operate all such buildings, plants, and machinery as may be necessary for the production, manufacture, sale, and distribution of fixed nitrogen and other forms of commercial fertilizer.

"3. Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States which are under the direct control of the President or of the War Department, and which the President may deem it advisable to transfer, convey, or deliver to said corporation for use in connection with any of the purposes of this act or for any purpose incidental thereto.

"(b) To acquire, establish, maintain, and operate such other laboratories and experimental plants as may be deemed necessary or advisable to assist it in furnishing to the United States Government and others at all times nitrogen products for military or other purposes in the most economical manner and of the highest standard of efficiency.

"(c) To sell to the United States such nitrogen products as may be manufactured by said corporation for military or other purposes.

"(d) To sell any or all of its products not required by the United States to producers or users of fertilizers or to others: *Provided*, That in the sale of such products not required by the United States Government preference shall be given to those persons engaged in agriculture: *Provided further*, That if such products are sold to others than users of fertilizers the corporation shall require as a condition of such sale the consent of the purchaser to the regulation by the corporation of the prices to be charged users for the product so purchased or any product of which the product purchased from the corporation shall form an ingredient.

"(e) The operation of the hydroelectric power plant and steam power plants at Muscle Shoals and the use and sale of the electric power to be developed therefrom that is not required to carry out the terms imposed by sections 1, 2, 3, and 4 of this act.

"(f) To enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economic basis.

"(g) To purchase, lease, or otherwise acquire United States or foreign patents and processes or the right to use such patents or processes.

"(h) To require an agreement of its officers or employees, as a condition of their employment, that said corporation may obtain domestic or foreign patents upon all discoveries or inventions of said officers or employees made while in the employ of the corporation, and that the said patents shall be and become in whole or in part the property of the corporation.

"(i) To assume any or all obligations of the United States entered into in connection with the construction, maintenance, and operation of the plants to be transferred to the corporation under the provisions of this act.

"(j) To deposit its funds in any Federal reserve bank, or with any member bank of the Federal reserve system.

"(k) To sell and export any of its surplus products not purchased by the United States or by persons, firms, or corporations within the United States.

"(l) To invest any surplus of available funds not immediately used for the operation, construction, or maintenance of its plants or properties in United States bonds or other securities issued by the United States.

"(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the President to lease to other persons, firms, or corporations, or to enter into agreements with others for the operation of such properties not used or needed for the purposes named herein. In the operation, maintenance, and development of the plants purchased or acquired under this act, the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

"CAPITAL STOCK AND BONDS

"The capital stock of the corporation shall consist of 100 shares of common stock of no par value. The operation shall also issue an amount of 20-year bonds bearing interest at the rate not exceeding 5 per cent per annum, which shall be a first lien on the property of the corporation, and in an amount not to exceed $50,000,000, to be sold from time to time as needed to carry out the purpose of this act: *Provided*, That the principal and interest of said bonds shall be paid by the Secretary of the Treasury out of funds in the Treasury not otherwise appropriated upon default at any time in payment as herein provided by the corporation. The terms for the sale of said bonds shall be approved by the President.

"In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at or near Muscle Shoals, Ala., the corporation shall cause to be executed and delivered to the President a certificate for all of the common stock of the corporation. The certificate shall be evidence of the ownership by the United States of all stocks of the corporation.

"In consideration of the issuance of such common stock to the President, the President is authorized and empowered to transfer, convey, and deliver to the corporation all of the real estate, buildings, tools, equipment, supplies, and other properties be-

longing to, used by, or appertaining to the plants and properties to be acquired by the corporation under the terms of this act, and to transfer, convey, and deliver as and when he may deem it advisable any other equipment, accessories, plants, or parts of plants, or other property referred to in this act, and which the corporation is authorized to acquire or purchase from the United States under its provisions.

"DISTRIBUTION OF EARNINGS

"All net earnings of the corporation not required for its organization, operation, and development shall be used—

"(a) To pay interest on the bonds and create a fund for their payment;

"(b) To develop and improve its plants and equipment;

"(c) To create a reserve or surplus fund until such fund amounts to $2,500,000; and

"(d) The remainder to be paid as dividends on the stock into the Treasury of the United States as miscellaneous receipts.

"MISCELLANEOUS

"The corporation shall not have power to mortgage or pledge its assets, or to issue bonds secured by any of its properties, except as hereinbefore provided.

"The United States shall not be liable for any debts, obligations, or other liabilities of the corporation, except the principal and interest of the bond issue herein provided for.

"The corporation and all of its assets shall be deemed and held to be instrumentalities of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation. The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States and the property and moneys belonging to said corporation, acquired from the United States, or from others, shall not be deemed to be the property and money of the United States, within the meaning of any statutes of the United States.

"The accounts of the corporation shall be audited under the regulations to be prescribed by the President, who shall annually report to Congress a detailed statement of the fiscal operations of said corporation.

"SEC. 8. That the President is hereby authorized to complete the construction of Dam No. 3 and the necessary approach to the locks in Dam No. 2 in the Tennessee River at or near Muscle Shoals, Ala., in accordance with report submitted in House Document 1262, Sixty-fourth Congress, first session: *Provided*, That the President may in his discretion make such modifications in the plans presented in such report as he may deem advisable in the interest of power or navigation, and the President is hereby authorized to include Dam No. 3 in the same lease with Dam No. 2 and, except as otherwise indicated, said lease shall be under the same terms as are herein specified for said Dam No. 2.

"The appropriation of $3,472,487.25, the same being the amount of the proceeds received from the sale of the Gorgas steam power plant is hereby authorized for the continued investigation and construction by contract or otherwise as may be necessary to prosecute said project to completion. Further expenditures to be paid for as appropriations may from time to time be made by law.

"SEC. 9. That the surplus power not required for the fixation of nitrogen or for the manufacture of fertilizers or other useful products which will reduce the cost of the fertilizers shall be sold for distribution: *Provided*, That all contracts for the sale of said power for public utility or industrial purposes shall contain the proviso that said power may be withdrawn on reasonable notice, at any time during the lease period, if and when said power is needed for the manufacture of fertilizers.

"That as a condition of any lease, entered into under the provisions of this act, every lessee hereunder which is a public-service corporation, or a person, association, or corporation developing, transmitting, or distributing power under the lessee either immediately or otherwise, for sale or use in public service, shall abide by such reasonable regulation of the services rendered to customers or consumers of power, and of rates and charges of payment thereof, as may from time to time be prescribed by any duly constituted agency of the State in which the service is rendered or the rate charged. That in case of the development, transmission, or distribution, or use in public service of power by any lessee hereunder or by its customer engaged in public service within a State which has not authorized and empowered a commission or other agency or agencies within said State to regulate and control the services to be rendered by such lessee or by its customer engaged in public service, or the rates and charges of payment thereof, or the amount or character of securities to be issued by any of said parties, it is agreed as a condition of such lease that jurisdiction is hereby conferred upon the commission created by the act of Congress approved June 10, 1920, upon complaint of any person aggrieved or upon its initiative, to exercise such regulation and control until such time as the State shall have provided a commission or other authority for such regulation and control: *Provided*, That the jurisdiction of the commission shall cease and determine as to each specific matter of regulation and control prescribed in this section as soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

"That when said power or any part thereof shall enter into interstate or foreign commerce the rates charged and the service rendered by any such lessee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such lessee, or by any person, corporation, or association purchasing power from such lessee for sale and distribution or use in public service shall be reasonable, nondiscriminatory, and just to the customer and all unreasonable, discriminatory, and unjust rates or services are hereby prohibited and declared to be unlawful; and whenever any of the States directly concerned has not provided a commission or other authority to enforce the requirements of this section within such State or to regulate and control the amount and character of securities to be issued by any of such parties or such States are unable to agree through their properly constituted authorities on the services to be rendered or on the rates or charges of payment therefor, or on the amount or character of securities to be issued by any of said parties, jurisdiction is hereby conferred upon the said commission, upon complaint of any person aggrieved, upon the request of any State concerned, or upon its own initiative to enforce the provisions of this section, to regulate and control so much of the services rendered, and of the rates and charges of payment therefor as constitute interstate or foreign commerce and to regulate the issuance of securities by the parties included within this section, and securities issued by the lessee subject to such regulations shall be allowed only for the bona fide purpose of financing and conducting the business of such lessee.

"The administration of the provisions of this section, so far as applicable, shall be according to the procedure and practice in fixing and regulating the rates, charges, and practices of railroad companies as provided for in the act to regulate commerce approved February 4, 1887, as amended, and that the parties subject to such regulation shall have the same rights of hearing, defense, and review as said companies in such cases.

"In any valuation hereunder for purposes of rate making no value shall be claimed or allowed for the rights granted by this act or under any lease executed thereunder.

"SEC. 10. That any lease made under the terms of this act shall provide that not less than $50,000 shall be expended annually for 10 years; and thereafter, such an amount as the President may designate by the lessee in electrochemical research at Muscle Shoals having for its object the improved and cheapened production of high-grade fertilizer materials, and of war gases, light metals, and other electrochemical or electric-furnace products suitable for use in national defense. Said research shall not be confined to laboratory work but shall include investigations made on a commercial or semi-commercial scale, and the lessee shall adopt and install such improved processes as in the judgment of the lessee are determined to be commercially superior to those in use at the time, and the power released by the employment of improved processes shall be utilized for fertilizer production so far as it may be necessary or desirable to do so in order to meet the commercial demand for the fertilizers produced.

"SEC. 11. The President is hereby authorized and empowered to employ such advisory officers, experts, agents or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and the sum of $100,000 is hereby authorized, to enable the President of the United States to carry out the purposes herein provided for.

"SEC. 12. That in order that farmers and other users of fertilizer may be supplied with fertilizers at a maximum net profit not exceeding 8 per centum annually upon the fair annual cost of production, the lessee shall agree to the creation of a board of not more than nine (9) voting members, chosen as follows: The three (3) leading representative farm organizations, national in fact, namely: The American Farm Bureau Federation, The National Grange, The Farmers' Educational

and Cooperative Union of America or their successor or successors (said successor or successors to be determined, in case of controversy, by the Secretary of Agriculture) shall each designate not more than seven (7) candidates for said board in the first instance and thereafter, for succession in office, not more than three (3) candidates. The President shall select for membership on this board not more than seven (7) of these candidates, selected to give representation to each of the above-mentioned organizations, and there shall be two voting members of said board selected by the lessee: *Provided*, That not more than one shall be selected by the President from the same State: *Provided further*, That if either or any of said farm organizations or its or their successors by reason of the expiration of its or their charter or ceasing to function or failing to maintain its organization or for any cause or reason should decline, fail, or neglect to make such designations, then the Secretary of Agriculture, shall make such designation or designations for such or all of said organizations as may so decline, fail or neglect to make such designation; and if such designation is made by the Secretary of Agriculture for only one or two of said organizations, then such designation shall be made so as to give the remaining organization or organizations the same right and in the same proportion to designate candidates for said board as in the first instance and just as though all of said organizations were making such designations: *Provided, however*, That a failure to make designations at any one time shall not thereafter deprive any organization of its original rights under this section: *And provided further*, That the terms of office of the first seven candidates selected by the President on the designation of said farm organizations shall be as follows: Two for a period of two years, two for a period of four years, and the remaining three for a period of six years, and thereafter, the nominations for membership on said board made by the President, except for unexpired terms, shall be for six years, each. None of the members of said board shall draw compensation from the Government, except that any which may be nominated on the designation of the Secretary of Agriculture, under the provisions hereof shall receive from the Government their actual expenses while engaged in work on said board. A representative of the Bureau of Markets, Department of Agriculture, or its legal successor, to be appointed by the President, shall also be a member of the board serving in an advisory capacity without the right to vote. The said board shall employ a competent and disinterested firm of certified public accountants satisfactory to the lessee, which accountants shall determine for the said board what has been the cost of manufacture and sale of fertilizer products and the price which has been charged therefor. The said board shall have authority if necessary, for the purpose of limiting the annual profit to 8 per centum as aforesaid, to regulate the price at which said fertilizers may be sold by the lessee. The said firm of certified public accountants for these purposes shall have access to the books and records of the company at any reasonable time. In order that such fertilizer products may be fairly distributed and economically purchased by farmers and other users thereof, the said board shall determine the equitable territorial distribution of the same and may in its discretion make reasonable regulation for the sale of all or a portion of such products by the company to farmers, their agencies or organizations.

"SEC. 13. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"SEC. 14. That no lease made under the terms of this act shall be transferred without the approval of the President of the United States.

"SEC. 15. That all laws and parts of laws in conflict herewith be, and the same are hereby, repealed."

And the Senate agree to the same.

HENRY W. KEYES,
W. B. MCKINLEY,
JOHN B. KENDRICK,
Managers on the Part of the Senate.

JOHN C. MCKENZIE,
JOHN M. MORIN,
PERCY E. QUIN,
Managers on the Part of the House.

APPROPRIATIONS FOR STATE AND OTHER DEPARTMENTS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11753) making appropriations for the Department of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1926, and for other purposes.

The PRESIDENT pro tempore. An order has already been entered that the formal reading of the bill is dispensed with and that the bill will be read for action on the committee amendments. The Clerk will proceed to read the bill.

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

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

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

Ashurst	Fernald	Keyes	Pittman
Ball	Ferris	King	Ransdell
Bayard	Fess	Ladd	Reed, Pa.
Borah	Fletcher	McKellar	Sheppard
Brookhart	Frazier	McKinley	Shipstead
Broussard	George	McLean	Shortridge
Bruce	Gooding	McNary	Simmons
Bursum	Greene	Mayfield	Smith
Butler	Hale	Means	Smoot
Cameron	Harreld	Metcalf	Stanley
Capper	Harris	Moses	Sterling
Caraway	Harrison	Neely	Swanson
Couzens	Heflin	Norbeck	Trammell
Cummins	Howell	Norris	Underwood
Curtis	Johnson, Calif.	Oddie	Walsh, Mass.
Dale	Johnson, Minn.	Overman	Warren
Dial	Jones, N. Mex.	Owen	Watson
Dill	Jones, Wash.	Pepper	Wheeler
Ernst	Kendrick	Phipps	Willis

Mr. JONES of Washington. I desire to announce that the junior Senator from Connecticut [Mr. BINGHAM] is necessarily absent.

Mr. HARRISON. I wish to announce that the senior Senator from Rhode Island [Mr. GERRY] is detained from the Senate by illness.

The PRESIDENT pro tempore. Seventy-six Senators have answered to the roll call. There is a quorum present.

RESTORATION OF ALIEN PROPERTY

Mr. SIMMONS. Mr. President, for information I should like to ask the Senator from Idaho [Mr. BORAH] a question in connection with the bill which he introduced this morning regarding a subject which is of great importance to some of my constituents, and upon which I confess some degree of ignorance, or at least a lack of information. I ask the Senator from Idaho the question, because he is very much more familiar than am I with the Dawes plan and with the agreement to which our Government has recently been committed with respect to that plan, if there is anything in the Dawes plan or in the recent agreement which commits the United States to the release to Germany of the alien property funds now in our possession?

Mr. BORAH. I do not so understand.

Mr. SMOOT. No; there is not.

Mr. BORAH. I do not understand that there is, but I would not want to discuss the matter at this time, because I might not be entirely accurate. I am proceeding with reference to this other matter upon the same general principle that I have proceeded from the beginning with reference to it, that we ought not to hold this property. In my opinion, it was in violation of an expressed provision of the treaty to have taken it, except at most to preserve it; and it is in violation of the soundest principles of international decency and good morals to hold it. When people come into this country and acquire property here or send money here and invest it in this country they do so under the belief, and really under the guaranty, that their property as the property of individuals will be protected, regardless of the fact that war may obtain between the two nations. It is upon that general principle that I proceed as to details in the other matter; but, if the Senator will permit me, I will defer answering his question until Monday, and meantime I can go into the subject. My opinion now, however, is that his question should be answered in the negative.

Mr. SIMMONS. I will not ask the Senator from Idaho to go further into the matter at this time, but before he answers the question I should like to ask him for further information, the giving of which he can withhold until he is ready to answer the question. If this fund is released to Germany, what arrangements are made in the Dawes plan or in the Paris agreement for the settlement by Germany or German nationals of the claims of our citizens against it or them? I do not ask the Senator to answer that question now, but I am simply asking the question to be answered in the future.

Then, I should like to ask the Senator further if there is any power vested in the executive branch of the Government to determine the question of the return of this property without authority of Congress and except in pursuance of that authority.

Mr. BORAH. With reference to the latter question, I am inclined to answer that there is no such authority. I think that would require affirmative action upon the part of Congress.

Mr. SIMMONS. I was in doubt about it and I desired to have my position confirmed, if I could, by the Senator from Idaho.

Mr. SWANSON. Mr. President, I wish to offer a suggestion and also to give a warning to the American people in regard to recent transactions and their effect on the claims which American citizens have against Germany. The Dawes plan is properly stated, as I understand, by the Senator from Idaho, makes provisions, certainly in a limited way, for the payment of American claimants for damage done by Germany.

Mr. SIMMONS. Mr. President——

Mr. SWANSON. I will yield to the Senator in a few moments, if he will permit me to proceed. The collection of those claims is doubtful and the time is long, and the contention will be made that, having arranged for the settlement of the claims of American citizens against Germany, the fund now in our possession ought to be returned to the claimants of that fund in Germany. That will be the second step.

The third step which will confront the Congress will be that, having released this fund, which was intended to pay American claimants for damages done by the German Government, and having arranged by agreement under the Dawes plan to take care of these claims, which have been so long delayed and the payment of which is doubtful, the United States itself should assume the obligation, morally if not legally, to settle the claims for damages of its own citizens against Germany.

I simply wish to suggest, as the matter progresses, an important consideration will be the effect upon the American taxpayer who will finally be called upon to pay the claims of American citizens for damages for which Germany was responsible during the late war as the conditions finally develop.

I realize that by the treaty with Prussia we agreed to have the property of German nationals in this country protected, and there was a similar obligation on the part of Germany to protect the property of American citizens, but Germany violated that obligation, and I am not going to consent, so far as I am concerned, either morally or otherwise, that the taxing power of this Government and its Treasury shall be utilized to pay claims of American citizens on account of damages which they suffered through the misconduct of Germany during the war.

Mr. SIMMONS and Mr. SMOOT addressed the Chair.

Mr. SWANSON. I yield first to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I am very much indebted personally to the very lucid statement which the Senator from Virginia has given with reference to this matter. His views, as expressed, coincide with mine exactly. If Germany did not owe us a debt growing out of the war for damages done to our citizens, I would, of course, be perfectly willing to see the fund that we now hold in our hands released to Germany or her citizens.

I do not see the wisdom of our turning over this money to Germany, releasing this fund that we have in our possession, and allowing Germany, if she wants to do so, to appropriate the fund which she may thus receive for any purpose she sees fit and postpone for an indefinte period the return of property of American citizens held by it or by its nationals.

Mr. SWANSON. I yield now to the Senator from Utah.

Mr. SMOOT. I will not at this time ask the question I was going to ask the Senator from Virginia.

Mr. BORAH. Mr. President, let me say——

Mr. SWANSON. I yield to the Senator from Idaho.

Mr. BORAH. Let me say that we are here settling with individuals; we are not settling with Germany. When we restore this property we are settling with individuals who came here and invested under the solemn pledge of a treaty that their property would be protected. Not only was there a treaty but it has been for a century and a half a principle of international law. We never can appropriate this property except in violation of a treaty which we made with another government and in violation of a policy for which we have contended from the very beginning of the Government.

Mr. OVERMAN. Has not Germany signed a treaty in reference to the disposition of this fund?

Mr. SIMMONS. The point I was making was not that we appropriate this property, but hold it until we have reasonable assurance that Germany is going to settle like claims of our nationals against her or her citizens.

Mr. BORAH. In other words, Mr. President, foreign citizens came here and invested their money in property; they acquired property, and they acquired it not only under the ordinary rules of international law, but they acquired it under the specific terms of a solemn treaty that it should be protected, regardless of the fact that war might intervene between the two countries.

We seized it. We have practicaly dissipated millions of it by the reckless way in which we have administered it, and now we refuse to turn it back to those individuals who came here under that pledge. The United States has had a most honorable record in the past. I want it preserved.

Mr. OVERMAN. Mr. President, if the Senator will yield to me for a minute——

Mr. SWANSON. I yield to the Senator.

Mr. OVERMAN. I will ask the Senator from Idaho if we have not made two treaties with Germany by which they agreed that this fund which we have here shall go to pay these debts and by which Germany assumes payment to her nationals?

Mr. BORAH. That does not relieve us at all. We could not by treaty relieve ourselves from the ordinary rules of morality and honor.

Mr. OVERMAN. Is not that so?

Mr. BORAH. It is true in a measurable degree, but we knew at the time that agreement was made that Germany was not in a position to pay these nationals, and she is not in a position to pay them within any reasonable time. It does not make any difference how much you may manipulate the situation by treaty; it all results in our confiscating the property of the people who came here and invested under the theory that the American Government would protect the property of people who invested here.

Mr. SWANSON. Mr. President, in reply to the Senator from Idaho, I will say that there was a treaty with Prussia in which we agreed to protect this property in time of peace and in time of war. That treaty was made with the Prussian Government, not with the nationals who came here and invested.

Mr. BORAH. Nobody else could make it.

Mr. SWANSON. Nobody else could make it. Consequently the Prussian Government, when it made that treaty, took the authority to speak for its people who might come here. The Senator voted for the separate treaty of peace with Germany.

Mr. BORAH. The Senator from Virginia is mistaken.

Mr. SWANSON. Did not the Senator vote for that treaty? I do not refer to the Versailles treaty.

Mr. BORAH. The Senator is mistaken.

Mr. SWANSON. No, sir. In that treaty itself Germany agrees with its nationals that this fund shall be used for this purpose, if I understand the separate treaty with Germany.

Mr. SIMMONS. That is my understanding.

Mr. SWANSON. Now, the question arises to what extent in morals, to what extent in law, can a nation make an agreement for its nationals which is binding upon them? That is a question which has been a subject of discussion and diplomatic understanding for years. The question reverts to this proposition: Can the German Government make a treaty for its nationals existing in Germany concerning the property being here with no power of taxation on the part of the German Government to make the property bear its part of the burden? That is a question of proper debate. It is a question on which there may be a proper difference of opinion. There are different precedents involved in it. When that question comes up the next question is, When that money is returned to Germany which she has agreed can be applied for the payment of damages that she did——

Mr. BORAH. We are not going to return any money to Germany. We are going to return it to the individuals who own it.

Mr. SWANSON. Germany has agreed, speaking for her nationals, that this money should be used to settle the claims of people damaged in America on account of the violent acts of Germany. The German Government has agreed that it should be used for that purpose. This Government has agreed, without the consent of its nationals in America, that Germany shall pay under the Dawes plan 2½ per cent a year out of a very indefinite and uncertain fund. This Government having agreed on behalf of its nationals to the method by which these claims should be settled, if this fund is released which the claimants in America understood should be held until a satisfactory arrangement was made, the next step in this procedure will be the claim that there is a moral obligation on the part of the United States Government to pay out of its Treasury the damages done to American citizens by the German Government.

Mr. BORAH. Mr. President, I do not hesitate for a moment to say that if the question is presented of the United States violating its treaty and the soundest principles of international decency and morality upon one side, and upon the other of taxing our people to pay our citizens who were in-

jured, I will unhesitatingly vote to tax the people to pay for those injuries. But it does not follow necessarily that our people would have to pay. We might and perhaps should pay our citizens now, but ultimately we get it from Germany. When we made the treaty with Prussia, which we made in accordance with established principles of international decency, it bound us. We could not relieve ourselves by manipulating the situation with other treaties, the Dawes plan, or anything else. We are under obligation to carry it out. There is not anything more necessary for proper dealings between nations than to know that when a national goes into a country and invests the laws of that country will protect him, especially when a treaty to that effect is made. We can, if we want to, take the immoral position that having got them here under a treaty we will confiscate their property; but it will be worth more to us to observe the rules of decency and honesty than it will to collect this amount of money in this way. Honesty is the best policy among nations as well as individuals. It pays from the standpoint of morals and character and it pays as a matter of business. Our nationals have money invested and hold property in many countries. Do we want to take the position as a mere matter of business, to say nothing of morality and common honesty, that these people have no protection, either under international law or by treaty? Such a revolting doctrine has no place in a national policy of this Republic.

Mr. SWANSON. When this treaty of peace with Germany was made, and that provision was included in it, if I recall correctly—I think I am correct—that was the time to have discussed this question of morals; and if the Senator's position is correct, that provision by which Germany agreed that this fund should be dedicated to this purpose should have been excluded from the treaty.

Mr. BORAH. So far as the Senator from Idaho is concerned, he voted against the treaty, and he denounced to the utmost of his capacity the whole scheme from time to time upon this floor.

Mr. SWANSON. As usual the Senator is consistent.

Mr. BORAH. I am not only consistent but, what is more important, I am right.

Mr. SWANSON. It is a doubtful question to what extent a government can contract for its nationals. The American Government contracts for its nationals about a great many things without their consent. I recognize the situation. I recognize the Prussian treaty. I recognize that Germany ignored it. I recognize that under that treaty some German property came here, and I recognize that there is a moral obligation of right unless Germany had the power to contract for its nationals in morals and in law.

Mr. BORAH. Germany never could contract to relieve us of the obligation which we assumed under that treaty. That was with us. We could not surrender it. The obligation was there, and the moral obligation was there, and we could not give it up upon the theory that we would put upon somebody else the obligation to discharge our obligation.

Mr. SWANSON. I understand, then, that the Senator takes the position that this Government has no right to contract for its nationals in connection with the Dawes plan——

Mr. BORAH. I want to say to the Senator very frankly that I am not asking the citizens of the United States to rely very much upon the Dawes plan. It does not enter into my theory in regard to this matter at all. I advocated what I am advocating this morning long before the Dawes plan was ever suggested. I am only urging the matter anew at this time because those who were opposed to releasing this property until some plan was devised by which to take care of it now claim that they have such a plan; that is all. It does not control me at all. I am in favor of paying our own citizens, but I am in favor of this Government living up to its treaty and the ordinary rules of sound morality.

Mr. SWANSON. Has the Senator examined the Dawes plan recently to ascertain whether or not there is any security in it for the American claimants who were injured and prejudiced?

Mr. JOHNSON of California. Mr. President, why not refer the subject to Messrs. Kellogg, Herrick, and Logan at Paris?

Mr. SWANSON. If I should take the suggestion of the Senator, I do not know what amount of light we will get.

Mr. BORAH. Perhaps that would be all right. I have an idea of my own about it, though.

Mr. SWANSON. The position I take is this, and I want to state it so that my position will be clearly understood.

When the third step comes in this procedure by which the claimants against Germany are to be paid out of the Treasury of the United States, by which the taxpayers are to pay for all the violence and damage that we incurred at the hands of Germany, saying that we have agreed to the Dawes plan, which never has been submitted to the Senate, and consequently the Government has cut off all claims against Germany except so far as provided in the Dawes plan, I am not going to vote to tax the American people to pay these claimants. I think the time is past when the American citizen should be taxed and made to pay for the damages of foreign governments to our citizens. That is what is proposed in connection with the French spoilation claims which have been pending here for years, by which America, it is said, bartered away the damage to its citizens and then proposed to make the American taxpayer pay for the damages done to other Americans.

Mr. BORAH. The Senator would have, then, this kind of a situation: If some foreigner should desire to-morrow to come and invest in the United States and acquire property in the United States, he would not be protected under the ordinary rules of international law, and neither would he be protected although we made a solemn treaty to the effect that his individual property should not be confiscated. The Senator knows that to establish that kind of a rule in international affairs is to create chaos in international dealings. We must practice good faith. It must be understood that if individuals come here and invest, they are going to be protected according to the agreement. Any other rule would create a condition of affairs in which there would be an utter destruction of confidence between nations; and from Alexander Hamilton down it has always been the theory of the American Government that when an individual came here and invested he was fully protected in the rights of his property.

Mr. SWANSON. During war?

Mr. BORAH. During war or at any other time.

Mr. SWANSON. Then, if I understand the Senator, these nationals being in Germany, these funds ought not to have been seized, and they had a right to use those funds to increase Germany's ability to wage war against us.

Mr. BORAH. The Senator says they should not have been seized.

Mr. SWANSON. No; I did not say they should not have been seized. I think it was not improper to control this property to prevent its being used against us, but we were bound to return it when the exigency was past.

Mr. BORAH. I say, the Senator is arguing that I say they should not have been seized. Of course, during a time of war we would have a right to take any step which would prevent property from being used against the American people; but so far as the seizure is concerned, having in mind the manner in which it was executed, I do not hesitate a moment to say that it was in violation of our solemn treaty, and that there is neither morals nor decency behind it.

Mr. SWANSON. Mr. President, this property was seized as a war measure. The treaty was made with the German Government. The German Government has agreed, speaking for its nationals, as to a disposition of this fund. Now the question reverts back, to what extent can a government agree for its nationals? If Germany had not made this agreement, I think the position of the Senator would be correct, unless the property had been used in such a way that the confiscation was just, on account of its being utilized for war purposes, contrary to peace and contrary to the rights of American citizens.

Mr. BORAH. Look at the terms under which we seized this property. According to the statute which we passed for the purpose of seizing it, we did not seize it for the purpose of holding it to be utilized against claims. We were simply taking control of it and administering it as a trustee, to be returned to the people for whom we were administering it. We were bound according to the act by which we seized it to hold it in trust until the war ended and return it.

Mr. SWANSON. But the act of Congress states the terms under which it was seized. The extent to which Germany can agree to get exonerated from its obligations and let this fund be used is a question of international law, a question of precedent; and, if I am correct, there are precedents which say that where a government assumes the right to speak for its nationals, as Germany did in this case, it has a right to do so.

Mr. KING. Mr. President——

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

Mr. SWANSON. I am through.

Mr. SIMMONS. Mr. President, so far as the observance by the American people of good faith in dealing with foreign nations and with the citizens of foreign nations is concerned, I think I have just about as correct and as moral a conception of that principle as the Senator from Idaho.

I do not want the Government to do anything that would violate good morals or good faith. But while we hold the property of certain German citizens, the property of certain

American citizens is withheld by Germany and in Germany. I have in mind now one case where $600,000 in money belonging to an American citizen or firm is impounded in Germany, and it seems utterly impossible at this time to recover it. While we do not wish to confiscate, in the obnoxious sense of that term, the money of the German citizen, I insist that before we release the money we hold we should require Germany to release to our citizens the money of our citizens which is held in Germany. That is a matter of adjustment between these two nations, and my inquiry went to that point; if we release this fund to Germany, what arrangements has our Government made, what provision has it adopted, by which Germany will reciprocate and return the property she holds of our citizens, as it is demanded that we shall do with respect to property of German citizens in our hands?

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

Mr. SIMMONS. I yield.

Mr. PEPPER. I merely wanted to inquire whether it is not true that in the hands of the Alien Property Custodian there are funds of large amount belonging to German citizens and corporations against whom American citizens have large claims, so that the application of the funds in the hands of the Alien Property Custodian in those cases to the payment of American claims would be merely settling accounts between two debtors? It would not be taking A's property to give it to B; it would be taking A's property to give to A's debtor. Are there not many such cases?

Mr. BORAH. I do not know of any such cases.

Mr. PEPPER. I know of one such case.

Mr. SIMMONS. I have been told of one case of that character; and it is deliberately proposed, as I understand, that we release property of German nationals when American citizens have a right to have that property held until their claims are adjusted.

Mr. BORAH. Mr. President, I do not know of any such claim. If there is any such claim, that is a mere matter of detail in the arranging of this settlement. What I am objecting to is that we have had here for five or six years a vast fund, which is being dissipated; vast fees are being paid out; all kinds of expenses are being incurred; people's property is being wasted. We ought to settle the matter, and end it. If there is any accounting upon the different sides, that is a mere matter of detail. But we have no right to hold this property here indefinitely, and to administer it in a way that means the ruin of the particular individuals whose property it is.

Mr. SIMMONS. Mr. President, I agree with the Senator from Idaho that we should not hold this property here indefinitely, but I assert that we ought to hold it here until the United States Government, through its regularly constituted authorities, shall have prevailed upon Germany to do the very thing with respect of the protection of our nationals here by it which the Senator insists we shall do in favor of German citizens. Why should we be in such a hurry to release this property we hold, when Germany shows no disposition to release property belonging to citizens of the United States held by it? I asked the Senator the question because I wanted to get information. I wanted to ascertain whether this Government, in its haste to release this property, has made any arrangement for, or is in negotiation with the German Government, for the purpose of securing like treatment on the part of that Government of our nationals who happened to be caught with property in Germany when we entered the war.

Mr. BORAH. It is possible that Germany has accepted our example, and is willing to confiscate the property. She has an example in our conduct for doing so.

Mr. SIMMONS. I do not believe in one-sided justice, Mr. President. I believe that both parties to this transaction ought to be required to do justice, and I do not feel that the United States is called upon to act with precipitancy with reference to this matter.

There was one matter about which I wanted to be enlightened by some member of the Foreign Relations Committee. Is it understood—when we turn this alien property over, under the treaty between the United States and Germany to which the Senator referred—Germany is to assume responsibility of paying to the owners of the property the amounts due them? I assume that obligation will follow. Am I right about that? If not, it should be expressly stipulated.

Mr. KING. Yes; that is correct.

Mr. SWANSON. I might be mistaken, but I understand that this property was to be used for the settlement of damages Germany had caused to United States citizens, and Germany made that agreement for her nationals. To what extent it can be done in law and morals is, of course, a debatable question, but I am not willing that this fund shall now be entirely dissipated, and American citizens be not provided for by action of this Government, and then have their claims against Germany for illegal acts paid out of the Treasury of the United States. I see no occasion for precipitate action. The German Government has practically contracted for its nationals.

Mr. SIMMONS. So that if this money is returned to Germany under that treaty——

Mr. SWANSON. Not to Germany. The proposition would be to pay it to the individuals.

Mr. SIMMONS. To the nationals. I thought it was to be returned to Germany, and that Germany was to assume the obligation of paying her nationals.

Mr. KING. No.

Mr. SIMMONS. That is a matter which is not of very great importance, however.

Mr. KING. Mr. President, this question is not new in the Senate. Soon after the World War ended I introduced a bill calling for the restoration to German nationals of the property which had been sequestered under an act of Congress passed in 1917. I took the position then that under the treaty which had been negotiated in 1827 between the United States and Prussia, the provisions of which were carried into subsequent treaties made between the German Confederacy and the United States, there was a moral obligation, if not a legal one, upon the part of the United States to restore to German nationals the property which had been sequestered.

I presented the matter to the Senate and quoted from the debates which had occurred in the House and in the Senate when the bill was passed which called for the sequestration of this property. I did not then know that the Senator from Idaho entertained the view which I then expressed, and which I subsequently expressed upon a number of occasions upon the floor of the Senate. I recall that the late Senator from Pennsylvania, Mr. Knox, approved the position which I took.

Mr. OVERMAN. And the Senator from Montana [Mr. WALSH].

Mr. KING. No; I do not recall that he presented his views. I am glad to know that the Senator from Idaho favors the return of the property seized by the Alien Property Custodian to those to whom it belongs.

Mr. President, the bill which I offered went to the Judiciary Committee and I have endeavored to get some consideration of the measure, but no action was taken. Later the committee did report a bill, which in part accepted the view which has been expounded by the Senator from Idaho, namely, a bill which provided for the return to German nationals of substantially $50,000,000, the amount to be allocated to them being according to their respective claims, but in no case to exceed $10,000.

Just a word about the legal phase of this proposition as it has been discussed. I have no doubt but that a government may have the right, if it has constitutional authority, to expropriate the property of its own nationals. Germany, under her pre-war constitution, had authority to expropriate for public use the property of her nationals. When the German Republic formed its constitution it contained a provision under which private property might be taken by the Government for public use.

As I understand, the German Government has sought to apply that principle of its constitution, and to expropriate if not the corpus at least the use of the property of its nationals which was found in the United States and seized by the Alien Property Custodian.

Germany undoubtedly had the legal right, and, according to municipal and international law, the moral right to expropriate the property of her nationals for public use and upon just compensation being paid therefor, the same as the United States has the right to expropriate the property of its nationals. So Germany did that; at least, she expropriated the use of the property, under the Versailles treaty; and under the so-called Berlin treaty she provided that the property of her nationals, then in the hands of our Alien Property Custodian, should be held by the American Government until satisfactory arrangements had been made by Germany to liquidate the claims of American nationals against the German Government.

Mr. SIMMONS. Have we held it with that understanding?

Mr. KING. I think that has been the view of the Government and Congress in dealing with this sequestrated property. There are precendents, numerous ones for the action of Germany. The United States made a treaty with Spain following the Spanish-American War which called for the taking of private property belonging to American nationals, by the Government of the United States. This property consisted of

claims which American citizens had against Spain, and our Government in effect announced that it would cancel the claims of our nationals against Spain, and assume the obligation of compensating them for the property (choses in action) principally, and claims for damages for property lost or destroyed during the war, under such circumstances as would make Spain liable to the owner of the same even though they were not Spanish citizens.

This procedure was a taking by our Government of the property belonging to American citizens. Spain received credit in settling her obligations to the United States and the latter paid its citizens the established and valid claims which they had against Spain. So I say as a legal proposition Germany had the right to expropriate the property or its use for an indefinite time of her own nationals, which was in the United States, and provide that its custody should remain in the hands of the United States. Germany could exercise the right of eminent domain by a treaty and expropriate the corpus of the property of her citizens, or only its use, and consent that it should be held by the United States until she had settled, or made satisfactory arrangements to settle, the claims of American nationals against Germany or her nationals.

Another proposition is suggested; that is, whether the war terminated the treaty which existed between the United States and Germany.

Mr. SIMMONS. Mr. President, as I understand the Senator now, he says that under this arrangement he has just been discussing Germany was to assume the obligation of paying her nationals the losses they had sustained by reason of the seizure of their property by the United States.

Mr. KING. I do not think the treaty states that, but when Germany expropriated the property, or the use of the property, because the treaty was the assertion of the power of eminent domain against the property of German citizens, undoubtedly an obligation was incurred by Germany, under her constitution, to reimburse her nationals, because her constitution provides that private property may be taken by the State for public use. It is conceded by international law writers the taking of property for war purposes is a taking for public use.

Mr. SIMMONS. I think the Senator is entirely justified in assuming that Germany did enter into that obligation as a matter of law.

Mr. KING. There was an implied obligation, at least. It is quite likely Germany did not seek the consent of Germans whose property had been seized by the Alien Property Custodian, to enter into the Versailles treaty or the Berlin treaty, both of which constituted "a taking" of private property.

Mr. OVERMAN. By implication, at least.

Mr. KING. Undoubtedly.

Mr. SIMMONS. By implication, at least, so far as her citizens were concerned. As I understand the Senator, the theory of that arrangement was that we were to hold the property seized by the Alien Property Custodian until Germany satisfied American claims.

Mr. SMOOT. Mr. President, will my colleague yield?

Mr. KING. Until they made satisfactory arrangements.

Mr. SIMMONS. That being so, without Germany having made those arrangements, or even made a gesture toward those arrangements, except what may be included in the Dawes plan, it seems to me that we are a little precipitous in wanting to turn over this property.

Mr. SMOOT. Mr. President——

Mr. KING. I yield to my colleague.

Mr. SMOOT. I call the Senator's attention to the fact that Congress has already acted upon a part of that fund. Congress authorized the return to the individuals of any claim in an amount less than $10,000.

Mr. KING. Up to $50,000,000.

Mr. SMOOT. And that has been done. All claims amounting to less than $10,000 have been paid under an act of Congress.

Mr. FLETCHER. That was done at the time with the understanding that we still had enough left in the fund to protect the remaining American claimants.

Mr. SMOOT. I think there is to-day about $350,000,000 in the fund, and I think that is about what the claims amount to.

Mr. OVERMAN. We had full hearings before the committee, and it was alleged there that there was plenty of money ready to pay our claims.

Mr. SIMMONS. Let me ask the Senator from Utah a question. He is the head of the Finance Committee. He is a great authority upon financial matters. I want to ask the Senator from Utah if there is any authority for any department of the Government to turn over any part of this money held by the Alien Property Custodian without an authorization by Congress?

Mr. SMOOT. I will say to the Senator that in my own opinion, and I have not made any examination of the matter so it is just an offhand opinion, the money can not be distributed without an act of Congress.

Mr. SIMMONS. That is matter about which I wished to elicit an expression of opinion of Senators, especially Senators upon the Committees on Foreign Relations and on Finance, and I am glad to know that upon this question the Senator from Utah, who is chairman of the Committee on Finance, concurs with that of the Senator from Idaho, who is chairman of the Committee on Foreign Relations.

Mr. KING. That matter has been thoroughly canvassed by the Judiciary Committee and has been discussed on the floor since. It is clear that under the act of Congress under which the property was sequestrated, it can not be restored to German nationals except by an act of Congress; and that is the reason why repeated efforts have been made before the Judiciary Committee to have a bill reported out providing for restoring the property of German nationals. I took the position when I first introduced a bill to restore the sequestrated property that there was a moral obligation, if not a legal one, to restore the property which we had seized to the German owners of the same.

When Congress passed the act under which the property of enemy aliens was seized, it was understood that we were to hold it as a trustee until the war was over and then to restore it to those to whom it belonged. As I have contended and as other Senators have contended before the Judiciary Committee, we should restore the property, notwithstanding it would lessen the chances of American citizens to promptly receive compensation for the wrongs which they have sustained at the hands of the German Government.

I was not willing that the transgressions of the German Government which resulted in losses to American nationals should be visited upon the heads of innocent German nationals who have made investments in the United States upon the strength of treaties, the first one of which was signed in 1827, and the spirit if not the letter of which had been continued in various treaties and were embodied in the treaty which existed between the two countries when the United States declared war against Germany. I have felt there was a moral obligation, waiving the question of technical rights, for us to restore the property of the German nationals. I take this position notwithstanding the provision relative to eminent domain found in the new German constitution, and notwithstanding the act of expropriation by Germany of her nationals' property, executed by the treaty of Berlin. I believe that not only because of the obligations of the treaty which existed between the United States and Germany when we entered the war, but because of the broad and just principles of international law, we should restore to those who invested in the United States the property which we have seized. These are practical considerations also, which justify if they do not demand such a course. These I have discussed upon former occasions during the past four years.

Mr. SIMMONS. I assume that the Senator, who shows great solicitude about our doing exact justice to German nationals, is equally as much interested in Germany doing just as exact justice to American nationals?

Mr. KING. Yes. I think the Senator was in error, if he will pardon me, when he assumed that Germany had confiscated or was unlawfully or illegally withholding the property of Americans.

Mr. SIMMONS. I did not go that far. I said there was impounded in Germany at this time, in one particular case I know of, $600,000 of money that the American claimants had not been able to secure. But what I was interested in and what I was insisting upon was that before we release the property our Government should make some arrangement with Germany by which she would reciprocate and likewise release the property that she holds belonging to American citizens. I want to ask the Senator if he knows of any special effort on the part of the executive department looking to that consummation and if the Senator is interested in legislation looking to that consummation, and whether any such legislation is pending?

Mr. KING. I think the fact that our Government negotiated a treaty with Germany or entered into an arrangement under which the Mixed Claims Commission was created and charged with the duty of ascertaining the validity of all claims of American nationals against Germany and against the German Government, and the validity of claims of the American Govern-

ment against the German Government, and vice versa, does show a sincere effort to protect American citizens and provide for the payment of their just claims against Germany. The Mixed Claims Commission under the administration of Judge Parker, a very able jurist, has made most remarkable progress in executing the stupendous task laid at its door. Within a few months it will have concluded the work of passing upon more than 12,000 claims presented for its determination. My information is that the probable judgments or awards against the German Government for injuries to and losses sustained by American nationals will be less than $250,000,000.

Mr. FLETCHER. May I inquire of the Senator at that point if he does not see that his position and the position taken by the able Senator from Idaho leads to the proposition that a foreign citizen coming to the Unted States and acquiring property here thereby has greater and more extensive guaranties than does an American citizen, because according to their contention he has the guaranties of his own government and in addition to that the guaranties of the United States that insure him against any possible use of his property in time of war or at any other time. The Senator speaks about the moral obligation of the United States toward those nationals. What about the obligation of the United States toward its own citizens?

Mr. BORAH. Of course, we have an obligation toward our own citizens. We will discharge it, I trust. We are big enough and rich enough to be honest with our own and with those who come here trusting in our honor.

Mr. FLETCHER. I protest there is not the slightest element of confiscation in the use of this alien enemy property for the protection of our citizens and, if necessary, for the payment of American claims.

Mr. BORAH. In other words, if we should take possession of the Senator's property and utilize it for the payment of somebody else's claims, then the Senator would not think he had been done an injustice?

Mr. FLETCHER. That is not the case here at all, in my judgment.

Mr. KING. I do not understand the proposition of the Senator that a German citizen has a double guaranty. A German citizen's property in the United States is subject to being sequestrated by our Government to the same extent as the property of American citizens. The United States seized German vessels at the outbreak of the war—vessels owned by German citizens. And I think we took real estate owned by Germans, but needed in the prosecution of the war. The power of the United States to condemn the property of aliens for a public use and upon payment of just compensation can not be challenged. Property owned by German nationals in the United States was acquired under the guaranties of a treaty, and the treaty, indirectly if not directly gave the same guaranties that the Constitution of the United States gives to American citizens, namely, that the Government will not take the property of its own citizens or the property of German nationals except for public use, and then only by making just compensation.

But I ask the Senator to remember the language of the statute under which we took this property and the discussion which occurred in the House and in the Senate when the statute was under consideration. We said in effect that we were to hold it in trust. What is the duty of a trustee? Is it to hold the property indefinitely or to confiscate it? There may be confiscation of property when we do not destroy the corpus of it. An indefinite holding of property may amount to a "taking." If I hold the property of the Senator from Idaho, his cattle or his sheep, for an indefinite period, it may amount to confiscation. If we impound the seized property for a long period, it would probably amount to a confiscation of the same.

The Senator from Idaho was right when he said that some of the property seized has depreciated in value and that there has been waste. There have been many cases in which in my opinion property was sold injudiciously, improperly, at prices less than the fair market value of the same. I think that Congress made a mistake when it authorized the Alien Property Custodian to dispose of any or all of the property seized by him, subject, of course, to the approval of the President.

I want to answer one suggestion made by the Senator from North Carolina [Mr. SIMMONS]. I think Germany more carefully observed the treaty between her and the United States than did the latter as it related to the property of nationals of the two countries. Germany did not seize the property of American citizens which was located in Germany for many months after we had enacted the statute authorizing seizure of property of German nationals. Soon after the war ended Germany sought to return to Americans the property which had been seized by Germany. My information is that substantially all such property was speedily returned to the owners of the same. It is possible that there are some cases where the owners have not yet received their property. That may result from the fact that a controversy exists as to who are the rightful owners. There may be divers claimants or liens against the property. Judicial proceedings may be necessary to clear up the matter. It may be that the American claimants can not agree among themselves as to the disposition to be made of the property.

There are many questions, as the Senator will see, that may hold property in the hands of the stakeholder until the claimants are able to determine their respective interests so it may be properly allocated.

I have heard of a number of other cases where Americans deposited money in German banks prior to the war, and disputes arose between the depositors and the banks or the German Government as to the amount in gold which the American claimants were entitled to receive. In some cases they were tendered depreciated German marks. I have no doubt there are a number of cases that have not been determined, but my information is that practically all claims have been settled and that Germany is endeavoring to make full and satisfactory restitution to all American citizens.

Mr. SIMMONS. But only if she could do it in depreciated marks.

Mr. KING. I think Germany has been trying to make fair composition with all American nationals who had property in Germany when the war broke upon us.

Mr. FLETCHER. Suppose the Claims Commission as now constituted has actually found that Germany took possession of the property of an American citizen during the war and appropriated it and used it, and the commission has found she owes that American citizen so much money——

Mr. KING. That is, the German Government?

Mr. FLETCHER. Yes. Shall that American citizen wait 25 years for his money or ought he to be protected out of this fund in the hands of the Alien Property Custodian?

Mr. KING. I will answer the Senator's question by suggesting another case. What are we doing with the claims of American nationals against Mexico?

It is alleged that the nationals of Mexico and the Government of Mexico, between them, have killed more than a thousand American citizens; that Mexican nationals or Mexican troops and Mexican military authorities have injured and confiscated American property of the value of hundreds of millions of dollars. There are many claims against Mexico which are of long standing, but not a dollar has been paid. What is the duty of the American Government in respect to American citizens? Shall the United States seize the property of Mexican nationals which is in the United States and hold it until Mexico settles all claims of American citizens against Mexico or its nationals? Obviously not. The law of retaliation can not be applied in such a way as that. I submit, Mr. President, that it is not in consonance with the treaty, to say nothing of international law and the high principles of morality which should govern international relations, for the American Government to try to offset claims of American nationals against the German Government by confiscating the property of German nationals which was acquired in the United States, or invested in the United States, under the guaranties of treaties between the two Governments. It is the duty of the United States—answering the second part of the Senator's question—as soon as the Mixed Claims Commission shall have reported their findings, and adjudges that the German Government owes American nationals $100,000,000 or $200,000,000, whatever the sum may be, to present the claims to the German Government and demand payment, whether Germany will immediately respond or whether she will be able to respond, I shall not attempt at this time to state.

Concede that she will not be able promptly to respond—that, in my judgment, would not justify a departure from the high principles of international morality for which I am contending, so as to warrant the United States in saying, "If you will not pay our nationals judgments which have been found by the Mixed Claims Commission, we will seize $350,000,000 worth of property owned by German nationals now in the hands of the Alien Property Custodian, property which was acquired pursuant to treaty and which we sequestrated under the promise that we would hold it as trustee and restore it when the war was over."

The Senator from Pennsylvania [Mr. PEPPER] has suggested that some American citizens who may obtain judgments or awards against Germany have valid claims against some German whose property is in the hands of the Alien Property Custodian. If there be such cases, of course, these claims should be liens upon the property of the German debtors.

I repeat, our Government should promptly demand of Germany the payment of all sums found due to American citizens, and if Germany should not pay, then our Government would be relegated to the same course that any sovereign State must pursue when injury has been done to its citizens by a foreign power or its nationals.

In my opinion Germany is desirous of meeting any awards pronounced by the Mixed Claims Commission and will exert her full power to satisfy the reasonable demands of our Government or its citizens. It seems to me that the proposition is very simple. We restore to the Germans the property which belongs to them, and when it shall have been determined what is due us we make demand upon the German Government, and the German Government then must use every means at its command to make payment.

I might say to the Senator from North Carolina [Mr. SIMMONS] that under the present revenue system obtaining in Germany a considerable part of the fund which we now hold would be taken by the German Government for taxes if returned to the owners of the same. There is no reason why our Government should not negotiate with Germany, so that the part that would be collected by Germany as taxes should be paid to the United States, to be applied toward the settlement of the awards made by the Mixed Claims Commission. It seems manifest that Germany has the right to exercise the taxing power against her own citizens whether their property is in Germany or in the United States. There may be grave doubt as to whether or not Germany can exert her taxing power against the corpus of real estate situate beyond her borders, but I think it is competent for her to tax the incomes of her citizens derived from property in other lands. If we were to restore the property held by the Alien Property Custodian to the owners of the same, the German Government could and probably would tax it very heavily. So a part of the property which would be restored to the German nationals would undoubtedly be taxed by the German Government and, as most of it is cash, covered into her treasury, and would thus be available to meet the obligations of the Government.

There is another question that I think some Senators have overlooked in regard to this subject—and this will tend to support the proposition of the Senator from North Carolina. I do not think that we have the right, "technically," to restore this property without the consent of the German Government. The German Government, as I have indicated, exerted the power of eminent domain with respect to property of her nationals which is in our possession. Having exerted the power of eminent domain, and having seized the use of it, if not the corpus of it, then if we attempted to restore it to the owners without the consent of the German Government, and if then we should make a demand upon the German Government to pay our nationals, Germany could say "We left with you $350,000,000 by treaty, and you have turned it back to our nationals without our consent." I recall when we made the appropriation of $50,000,000 at the last session of Congress I immediately suggested to the property officials of our Government that they should not pay any portion of the amount until consent of the German Government had been obtained, and a release secured from any obligation that might exist upon our part to retain such property, in virtue of the treaty of Berlin as well as the treaty of Versailles.

Mr. SIMMONS. Mr. President, I want to say that I feel amply compensated for provoking this controversy. My familiarity with the subjects discussed was limited; I hoped by the interrogatories I propounded to the Senator from Idaho to get more information, and I have obtained from that and other Senators who have participated in the discussion information which I regard as of great value, and I have no doubt that other Senators have also been enlightened by the discussion.

I wish to repudiate, however, Mr. President, any suggestion that may be conveyed by the remarks of the Senator from Utah that I or anyone agreeing with my views had the remotest idea of suggesting confiscation by the United States of the property of Germans in the possession of United States.

The United States is bound to deal fairly and according to international law and custom treaty stipulations with this fund and with the claimants, and it will do so. All I am insisting upon—and that is the point of difference, as I see it, between the Senator from Utah and myself—is that the properties impounded respectively by the United States and the German Governments, that which is held, shall be held subject to some mutually satisfactory arrangements between the two countries for reciprocal payments or settlement with the creditor nationals of the two countries. The Senator from Utah, however, seems to think that it is the duty of the United States, without regard to the attitude of Germany, to turn the property so held by it over to the German claimants and to trust the good faith and the integrity of the German Government to deal with like justice toward American claimants. I am not quite so well satisfied, as the Senator from Utah seems to be, that Germany would show the same correct moral sense of obligation and duty as he is insisting this Government shall show.

Mr. KING. Mr. President, will the Senator make one slight modification there? I said, as I recall—at least I intended to say—that before turning the property over I should want the consent of the German Government, and I indicated that when we passed the bill to restore the $50,000,000 I suggested to the department that it ought not to pay any part of that amount until the German Government had signified its willingness that that should be done.

Mr. SIMMONS. I would prefer that the Senator put it in another form, and say until the German Government had signified in a practical way that it would extend the same treatment toward American nationals whose property it had impounded and sequestered the United States Government should not proceed further to release the impounded funds of German nationals now in our possession.

Mr. DIAL. Mr. President, I do not know that it is profitable to continue the discussion of this matter; but it has been over six years since the armistice, and I am very glad the matter has been discussed here to-day. I hope that this Government and the German Government will expedite the settlement of all these claims. It seems to me that sufficient time has elapsed. No doubt the Mixed Claims Commission has reported on many claims, the amounts have been fixed, and I should be very glad indeed to have the representatives of our Government settle these matters and let the money get back into the hands of the individuals who own it, so that the trade of our country with the people of Germany, Austria, and Hungary can be resumed to the full extent.

I tried to put this money to use under a revolving fund bill some time ago, in order to help expedite the sale of our surplus agricultural products, and also to put the people of those countries in possession of our raw materials, which they needed and which they could manufacture; but as Senators have seen fit to vote against that bill I take it that can not be accomplished at this session. Therefore I hope the matter will be expedited and soon settled up.

I should be glad also to see our Foreign Relations Committee and our Government look into the resumption of trade with Russia and all the countries of the world. I am glad to note that last year the people of Russia purchased in the United States something over 230,000 bales of our cotton for export to that country, and this year they are purchasing a larger amount. I trust that business relations, at least, between our Government and all the other governments will soon become settled, so that we can carry on our business in a satisfactory way. We desire purchasers for our raw agricultural products, thereby mutually benefiting all. Let our Government talk the matter over with Russian representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the President pro tempore:

H. R. 6070. An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hamakua, on the island and county of Hawaii, Territory of Hawaii; and

H. R. 11248. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1926, and for other purposes.

BLATTMANN & CO.

Mr. PEPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) for the relief of Blattmann & Co., having met, after full and

free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the sum proposed insert "$97,804.70"; and the House agree to the same.

GEORGE WHARTON PEPPER,
HENRIK SHIPSTEAD,
CLAUDE A. SWANSON,
Managers on the part of the Senate.
G. W. EDMONDS,
J. D. FREDERICKS,
Managers on the part of the House.

The report was agreed to.

APPROPRIATIONS FOR STATE AND OTHER DEPARTMENTS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11753) making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1926, and for other purposes.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Secretary will read the bill.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the subhead "Miscellaneous objects, Department of Justice," on page 30, line 10, after the word "government," to insert "and including a director of the Bureau of Investigation, at not exceeding $7,500 per annum," so as to read:

Detection and prosecution of crimes: For the detection and prosecution of crimes against the United States; for the protection of the person of the President of the United States; the acquisition, collection, classification, and preservation of criminal identification records and their exchange with the officials of States, cities, and other institutions; for such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General; hire, maintenance, upkeep, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary; purchase and exchange of a motor-propelled passenger-carrying vehicle to cost not to exceed $3,000, exclusive of the exchange allowance on any vehicle given in part payment therefor; firearms and ammunition, such stationery and supplies for use at the seat of government or elsewhere as the Attorney General may direct, including not to exceed $10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph and to be expended under the direction of the Attorney General; per diem in lieu of subsistence when allowed pursuant to section 13 of the sundry civil appropriation act approved August 1, 1914, including not to exceed $295,000 for necessary employees at the seat of government, and including a director of the Bureau of Investigation at not exceeding $7,500 per annum, $2,177,500; for the investigation of the official acts, records, and accounts of marshals, attorneys, and clerks of the United States courts and the territorial courts, and United States commissioners, for which purpose all the official papers, records, and dockets of said officers, without exception, shall be examined by the agents of the Attorney General at any time; and also, when requested by the presiding judge, the official acts, records, and accounts of referees and trustees of such courts, including $43,000 for necessary employees at the seat of government, $117,000; in all, $2,294,500, to be expended under the direction of the Attorney General.

Mr. KING. Mr. President, I desire to ask the Senator in charge of the bill a question with reference to this entire item for the detection and prosecution of crimes.

I find here a provision for—

the acquisition, collection, classification, and preservation of criminal identification records and their exchange with the officials of States, cities, and other institutions.

Is that new legislation?

Mr. JONES of Washington. No; I understand that that item has been carried in the bill for some little time.

Mr. KING. How much increase is there under the provisions of this bill for this item, or the items in this paragraph over preceding appropriations? I find that this paragraph calls for $2,294,500.

Mr. JONES of Washington. There is a decrease of $108,294 over the current appropriation.

Mr. KING. What was the appropriaton for this purpose in 1916 or 1917?

Mr. JONES of Washington. I can not tell the Senator that. The Clerk will probably find that in just a moment. I imagine that the appropriation in this bill is considerably greater than the 1916 appropriation.

Mr. KING. The Senator will discover that the appropriation here for the Department of Justice is very greatly in excess of the appropriations for 1915, 1916, and 1917.

Mr. JONES of Washington. I have no doubt about it.

Mr. KING. Did the evidence before the committee support the view that this enormous appropriation of $2,294,500 was required for the work comprised within the provisions of this section?

Mr. JONES of Washington. I will say to the Senator that the Senate Committee on Appropriations did not take any additional testimony with reference to this item; but I tried to go over the hearings before the House committee, and I think the hearings there fully justify the action that the House has taken.

The Clerk has handed me a statement from which I find that the appropriation for 1915 for these prosecutions was $485,000; for 1916, $485,000, with a deficiency of $25,000; for 1919, coming after the war, it was $1,000,000, with a deficiency of $1,350,000.

Mr. KING. That was at a time when Congress passed resolutions for investigating various aliens alleged to be guilty of sedition, and called for their deportation.

Mr. JONES of Washington. Yes; that is true.

Mr. KING. And I understand that the greater part of that appropriation was expended pursuant to instructions given by Congress.

I notice in the same appropriation, on page 32, an item of $1,000,000, to be expended in the discretion of the Attorney General for the investigation and prosecution of war frauds.

Mr. JONES of Washington. Let me, if I may, suggest to the Senator that that proposition will be discussed, possibly at considerable length, after we get through with the committee amendments. The Senator from Tennessee [Mr. MCKELLAR] is going to offer an amendment, I think, to reduce that appropriation to $500,000.

Mr. KING. I am going to offer an amendment to that provision myself, but I shall be very glad if the Senator will do so; and I shall pretermit any discussion of that item until the amendment is offered by the Senator from Tennessee. I should like to ask the Senator, however, if this is the creation of a new office:

And including a Director of the Bureau of Investigation at not exceeding $7,500 per annum.

Mr. JONES of Washington. No; it is not. The Senator probably knows Mr. Hoover, who is now at the head of the Bureau of Investigation in the Department of Justice. Some little time ago Mr. Burns had the position that Mr. Hoover now occupies. This is not a new position.

Mr. KING. Then what is this amendment for?

Mr. JONES of Washington. This amendment is to give Mr. Hoover the salary that that position has been paying for some time, and that he has been getting. If this were left out, and it were to go under the reclassification act, his salary would go down to something over $6,000. He is generally regarded, I think, as one of the best officials we have, and it is not thought that it would be right to reduce the salary that he has been getting for some time; so we put in the item in that way.

Mr. SMOOT. Mr. President, I will say to my colleague that the bill provides that wherever there is one person in a grade within a class the salary shall not be more than the average of all the classes within that grade. That brings this position down to about six thousand seven hundred and odd dollars. I am quite certain if the Senator has met the gentleman who holds this position that he knows that if there is anyone who should receive a salary of $7,500 it is this particular man. Therefore, we have made an exception in this case and have provided in this bill for paying him just what he is receiving now. There are hundreds of others that are affected by the same provision, but no exception has been made in their cases. They will either have to take the amount or else leave the service.

Mr. KING. By that does the Senator mean that there are others who stands out like solitary peaks, and will have to be graded down unless we make exceptions?

Mr. SMOOT. They are not such high peaks as this particular peak.

Mr. FLETCHER. Mr. President, why should not the reclassification act itself supply the exceptions, if exceptions are necessary? First we pass a general law and then we come

along and make exceptions to it in separate acts. Why should we not provide in the law itself for exceptions?

Mr. SMOOT. Then, of course, we would put that whole power in the hands of the department heads, and what would happen would be that every one of these salaries would be increased to $7,500.

Mr. KING. Does the Senator think it is wise to make these exceptions?

Mr. SMOOT. I am sure that it is, or I would not have voted for it at all.

Mr. KING. It seems to me that the reclassification has not worked satisfactorily. I think the reclassification has been too much concerned in enlarging the salaries of those in the higher grades, and that many of the salaries have been advanced far more than they should have been. I have in mind one particular case where a certain person was getting $2,400. The duties which are being performed now are not much different, but the position is called by a different name and the salary has been advanced to over $5,000.

Mr. SMOOT. I can not call to mind a case of that kind. I do know, however, that the classification law, in cases such as the Commissioner of the General Land Office, the Commissioner of Indian Affairs, and the different commissioners, decreased the salary from $7,500 to $6,700. Time and time again amendments have been offered to the bill on the floor of the Senate to increase the salary of one or the other of those commissioners to $7,500. I remember that the last one, just before the passage of the reclassification act, was the Commissioner of Pensions. A splendid man was holding that position at the time, and there was no question in the world that he ought to have received that amount for the work that he did; but as long as one of the commissioners received $5,000 it was thought that all ought to be treated alike. The reclassification bill treated them all alike and put them in the class of $6,700.

Mr. KING. Does not the Senator think that, generally speaking, the reclassification board considered with some little favoritism the higher grades, and that if there was any discrimination it was against the lower grades?

Mr. SMOOT. No; taking the percentages—and I have gone over the matter very carefully because of the fact that I was not very much enamored of the classification act, as the Senator knows—I find that the percentages of increase are the largest between the salaries of $900 and $1,200. The next highest percentage is between $1,600 and $2,000, and then it jumps from there immediately up to about $4,000, and that is the next grade, graded on percentages.

I want to assure the Senate that this particular man can leave the service of the United States at once and get more money; but he is loyal and has been loyal, and I should hate very much to see him leave the Government service.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Marshals, district attorneys, clerks, and other expenses of United States courts," on page 40, at the beginning of line 16, to strike out "$30,000" and insert "$25,000," so as to read:

For the purchase of law books, including the exchange thereof, for United States judges, district attorneys, and other judicial officers, including the nine libraries of the United States circuit courts of appeals, including not to exceed $25,000 for the purchase of the Federal Reporter and continuations thereto as issued, to be expended under the direction of the Attorney General: *Provided*, That such books shall *in all cases* be transmitted to their successors in office; all books purchased thereunder to be marked plainly, "The property of the United States," $65,000.

The amendment was agreed to.

The next amendment was, under the subhead "Penal institutions," on page 43, line 22, after the name "Kansas," to strike out the comma and the words "of which $20,000 shall be available only for drainage," so as to read:

For miscellaneous expenditures, including the same objects specified under this head for the penitentiary at Leavenworth, Kans., and not exceeding $500 for maintenance and repair of horse-drawn and motor-propelled passenger-carrying vehicles, $183,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Foreign and Domestic Commerce," on page 50, line 11, after the word "him," to strike out "$335,861" and insert "$340,861," so as to read:

Commercial attachés: For commercial attachés, to be appointed by the Secretary of Commerce, after examination to be held under his direction to determine their competency and to be accredited through the State Department, whose duties shall be to investigate and report upon such conditions in the manufacturing industries and trade of foreign countries as may be of interest to the United States; and for the compensation of a clerk or clerks for each commercial attaché at the rate of not to exceed $3,000 per annum for each person so employed, and for janitor and messenger service, traveling and subsistence expenses of officers and employees, rent outside of the District of Columbia, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, books of reference, and periodicals, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications, travel to and from the United States, and all other incidental expenses not included in the foregoing; such commercial attachés shall serve directly under the Secretary of Commerce and shall report directly to him, $340,861.

The amendment was agreed to.

The next amendment was, on page 51, line 4, after the name "United States" to strike out "$432,600" and insert "$457,600," so as to read:

Promoting commerce, Europe and other areas: For all necessary expenses, including investigations in Europe and other areas, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, purchase of books of reference and periodicals, maps, reports, documents, plans, specifications, manuscripts, newspapers (both foreign and domestic) not exceeding $400, and all other publications for the promotion of the commercial interests of the United States, rent outside the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to further promote and develop the foreign and domestic commerce of the United States, $457,600, to be expended under the direction of the Secretary of Commerce.

Mr. FLETCHER. Mr. President, may I ask the Senator about the cause of that increase? There is an increase of $25,000.

Mr. JONES of Washington. Mr. President, there are four increases here of $25,000, and I will state to the Senator in just a few words the basis upon which the committee acted.

The committee felt that this is a very critical time with reference to the expansion of our foreign trade; that we are going to have our strongest competition for world trade during the next two years. The committee felt that with the stabilization of conditions in Europe the people of Europe are going to go out and seek the markets of the world and use every possible means of securing them, and so we thought that an appropriation of $100,000 additional for these four branches of this service was fully justified. Therefore we put an additional $25,000 on four different items here, as the Senator will note in the bill. That is above the Budget estimate; we appreciate that, and I have stated to the Senator the general view of the committee, and the general reason why we did it. Every member of the committee expressed himself as heartily in favor of that action.

Mr. FLETCHER. Generally speaking, I am in favor of taking steps to broaden our markets and develop our trade and commerce. I think it is a very excellent thing to do now, but I was not quite advised as to the specific use of the money. It is to send out additional agents or representatives, is it?

Mr. SMOOT. I can perhaps explain in a very few words the basis of the action of the committee. I will take just one industry as an example. Our moving-picture industry, as everybody knows, has been one of the greatest of our industries to do business in foreign lands. In fact, we furnish 90 per cent of all of the moving-picture films in the world outside of the United States. We furnish practically all of them here. In the last year there has been a movement on foot in all foreign countries, and in some of the countries there have been laws passed, or attempts to pass laws, virtually to destroy that trade abroad. There is no need of my going into the details of those cases, because I do not think it would do any good.

Mr. OVERMAN. That does not affect this provision. We gave $15,000 extra for that service.

Mr. SMOOT. I am only citing that as an example. What we want is to have a man who knows the business from beginning to end, one who has an education sufficiently broad, and one who is particularly qualified to appear before the officials of any government when this industry is attacked, one who can watch and guard it, and call attention to anything affecting it in any part of the world. He can travel from one country to

another and guard and protect the interests of that industry in this country.

I only mention that as one example. As the Senator from Washington has said, there are four increases provided for. I could refer the Senator to the trade in South America, which has grown by leaps and bounds. As the Senator from Washington has so well said, when Europe gets back on an even basis and gets to work again it is going to be harder for us than it ever has been in the past to maintain our trade abroad, and what little we appropriate for this purpose now, and particularly the increases, I am quite sure will bring results.

Mr. FLETCHER. The increases pertain to commerce in Europe and other great areas, and also to South and Central America?

Mr. SMOOT. Yes.

Mr. FLETCHER. And in the Far East?

Mr. SMOOT. Yes; in the Far East.

Mr. FLETCHER. The idea is that we may have some one qualified to represent us in taking care of our trade in those regions?

Mr. SMOOT. In taking care of that foreign business.

Mr. McKELLAR. Mr. President, I just want to say to the Senator that the Democratic members of the committee fully agreed to these increases. They all believed that this was a very appropriate time to increase the number of our trade attachés abroad, so as to increase American business. The particular case to which the Senator from Utah referred, of the moving-picture man, is provided for separately. That is not provided for in the four increases to which attention has been called. That makes five increases in all. The amount of $15,000 was applied specifically to the moving-picture industry. I think it is as little as we can do, and I think the money will be well spent. I wish I could say that all the rest of the money appropriated in this bill would be as well spent.

Mr. WALSH of Massachusetts. Mr. President, I would like to have the attention of the Senator from Utah. I was very much surprised a few days ago to have my attention called to the great increase in appropriations for this bureau in recent years. I think the total appropriations have increased in a few years to over $1,000,000 for the Bureau of Foreign and Domestic Commerce. Am I correct?

Mr. SMOOT. It is more than that.

Mr. WALSH of Massachusetts. What is the total?

Mr. JONES of Washington. Something over $2,000,000.

Mr. WALSH of Massachusetts. A few years ago it was a few thousand dollars. What is the amount for the Bureau of Foreign Commerce? Perhaps that is the figure I have in mind.

Mr. JONES of Washington. It is all one bureau, the Bureau of Foreign and Domestic Commerce.

Mr. WALSH of Massachusetts. What I wanted to observe is this: We have been increasing our appropriations very rapidly to promote business abroad, and that is commendable; but it seems to me we are a bit inconsistent. We have been niggardly in our appropriations for the Tariff Commission. We have denied them the appropriations they have asked to enable them to extend their investigations. On the one hand we are increasing appropriations so that American business men may get information on which they may extend their foreign business, but we are denying to the industries of this country the helpful information which they could get from the Tariff Commission if the Tariff Commission were given the money to enable them to make the necessary investigations.

Mr. SMOOT. We have given the Tariff Commission whatever was estimated by the Budget.

Mr. JONES of Washington. We have increased the estimate.

Mr. SMOOT. Yes; we have increased it.

Mr. WALSH of Massachusetts. Does the Senator remember that a year ago, in response to a resolution asking how many petitions of business concerns were pending before that commission and how many the commission was unable to act upon because they did not have the funds, they replied that there were something like 75. They then stated in response to my resolution that a special appropriation of about $400,000 would be necessary to enable them to conduct the investigations which they believed to be necessary. They did not get it. Whether the appropriation bill for the fiscal year beginning July 1 will carry that advance or not I do not know.

The point I want to make is this, that we have been restricting and limiting investigations by our Tariff Commission, and the way to help business in the first instance is to let our industries know, through the Tariff Commission, all available facts that are necessary for the promotion of American business and for the development of American industries, and especially information which goes to show the difference between the cost of production here and the cost abroad.

The business people of this country have been complaining that they have not been able to get that information; that the Tariff Commission has had so many problems before it, and there has been such a lack of money, that the commission has not been able to function satisfactorily.

I also want to call attention to the fact that while we are extending our appropriations in our efforts to secure foreign business for American business men, we have not in a corresponding manner given assistance to the Tariff Commission to enable them to furnish to American industries and American business men the information which they should have. I hope the Senator sympathizes with the contention I make.

Mr. SMOOT. I certainly do sympathize with it.

Mr. WALSH of Massachusetts. It does little good to go out and get foreign business if the business men here at home can not get, through the Tariff Commission, the information which they desire, and which they believe is necessary in order to enable them to compete with foreign producers.

Mr. SMOOT. Mr. President, I thank the Senator for his remarks and I assure him that I am deeply concerned in the subject to which he has just referred.

Mr. KING. Mr. President, in view of the statements just made by the Senator from Massachusetts, if I may have his attention, I am prompted to inquire of him whether he believes that the Tariff Commission as at present constituted, and as we are advised it is to be constituted in the future, if the Executive has his way, will serve the ends which he has in view, and will be of advantage to our country, either to the consumer or to the producer?

Mr. WALSH of Massachusetts. I will say, in answer to the Senator, that I have been contemplating making some observations before the session ends about the propaganda abroad to destroy the present Tariff Commission. I was very much surprised to read an editorial in a leading Washington paper recently advocating the abandonment of the bipartisan character of the Tariff Commission, and asserting that it was the opinion of that newspaper—and I have heard the comment made elsewhere—that the Tariff Commission should be a strictly partisan body, an instrumentality wholly in sympathy with the Executive, to carry out his tariff policies and his theories. I will say frankly to the Senator that if that idea shall be carried out, we might just as well abolish the Tariff Commission. The power to tax the people—and tariffs are forms of taxation—should never be delegated to a tribunal that is not elected by the people.

Mr. KING. I think it is being carried out, and will be carried out, if the present administration has its way, and we might just as well abolish it, because it will cease to perform any useful purpose. It will be merely the tool of the protected interests.

Mr. WALSH of Massachusetts. They will be special pleaders for special interests paid by taxes collected from all the people, which is practically the same thing as what the Senator has said—the tools of the special interests. I look forward with very keen regret to the possibility of this valuable commission being diverted toward partisan ends. It ought to be a semijudicial body, finding out the facts which Congress and the Executive ought to have upon which to base tariff rates. I say frankly to the Senator that I hope the suggestions which have been made about changing the character of that commission will not be carried out. It does not seem probable that any Chief Executive of this country would be a party to the construction of that commission in such a manner as to promote the theory of tariff protection that one political organization or one political party might have. I have too much confidence in the present Chief Executive to believe he would approve of any change in the Tariff Commission that would destroy its bipartisan character and purpose.

Mr. SMOOT. I am quite certain that the Senator may rest assured that the President of the United States has expressed no idea of that kind, and I do not think he would do so.

Mr. WALSH of Massachusetts. The Senator will agree that there is some propaganda to that effect.

Mr. SMOOT. The only thing I have read along that line was the editorial referred to by the Senator. I have not seen in another paper in the United States any such idea expressed.

Mr. WALSH of Massachusetts. I have seen several papers which are devoted to the principle of tariff protection advocating substantially the same proposition. There really has been quite a little comment to this end in the press, which has surprised and somewhat alarmed me. When the information

of the Tariff Commission ceased to be unbiased its usefulness ceased. It should give facts and not recommend duties.

I want to say to the junior Senator from Utah [Mr. KING] that I think it was a mistake to give to the Tariff Commission the powers that were given in the last revenue law.

Mr. KING. The flexible provision?

Mr. WALSH of Massachusetts. Yes; the flexible provision. Of course, tariff duties should be changed from time to time, but only after full discussion in the open and not behind closed doors.

Mr. KING. Undoubtedly; and I think it is unconstitutional.

Mr. WALSH of Massachusetts. It has tended to make judges instead of investigators of facts of the commission. It has diverted their thought and mind from the work of mere investigations into questions of policy with which Congress alone should deal. It has tended to change the whole theory for which the commission was constituted. The flexible provisions have absorbed nearly all the funds and energies of the commission. The power to bribe for partisan or financial advantage has been encouraged, for now it is possible for the commission to grant indirectly special favors to chosen interests.

Mr. KING. There is no doubt of that.

Mr. WALSH of Massachusetts. I say this to the Senator, that so long as there is a law which permits the industries of this country to petition the Tariff Commission to have investigations made we ought to give the Tariff Commission money to make those investigations or else repeal the law. They should not be put in the position in which they are now, when they can not get any investigations made because the money is not available.

Mr. KING. Mr. President, I hope that if the Tariff Commission is continued it will be with the understanding that it functions as designed by those who established it. They believed we should have a nonpartisan Tariff Commission, which should, without bias or prejudice or political control, obtain facts upon which sound tariff legislation might be projected. President Roosevelt advocated such a commission, and public opinion supported the measure which was enacted. Mr. Roosevelt perceived the pernicious way in which most tariff measures were enacted; the lobbying and logrolling and the intriguing of special interests to secure inordinate tariff rates in order that they might increase the prices charged to the American people. And when he broke with his party he denounced its then latest tariff law and the "crooked" activities of "crooked interests."

President Wilson and the Democratic Party were committed to a policy which required the creation of a tariff commission. It was believed that such an organization could be of service, not only to Congress but to the country; that it could obtain data needed by Congress in drafting revenue measures. Their purpose was to present to Congress and to the country all pertinent facts relating to tariff questions, and particularly to legislation dealing with exports and imports. It was never supposed that the commission would seek to promote the cause of any political party or to procure only data in support of some particular economic or political view. The commission was to be a real fact finding commission—not a partisan commission—a commission interested only in obtaining all facts, the consideration of which would be imperatively required in the formulation of tariff legislation.

We know, if we are to believe the press and current reports in Washington, that one of the ablest men on the Tariff Commission is soon to leave it, I do not think voluntarily but because of unpleasant situations which have been developed on account of his insistence upon pursuing a course dictated by his conscience and mature and enlightened judgment.

I have no doubt but that an effort is being made now by selfish and protected interests in the United States, by monopolies and trusts, to control the Tariff Commission appointments that are soon to be made. I have no doubt that every force possible will be marshaled and all the machinery of the Republican Party that can be controlled will be put into motion for the purpose of making the Tariff Commission a mere instrumentality of the protected interests and a vehicle to serve their ends.

It is needless to remark that in serving their ends the interests of the American people will be ignored.

But, Mr. President, I shall not pursue that subject further. Referring to the remarks of the Senator from Massachusetts, he thought the appropriation for use by the bureau to aid in developing foreign trade and commerce was but $700,000. As I have hastily examined the figures, the aggregate sum will be more than $2,000,000 for such purpose. This department, like other departments and Federal agencies, started out in a modest way, but soon its demands became startlingly great; and this bill reveals that the appetite of this governmental agency is becoming insatiable.

Mr. WALSH of Massachusetts. How long have we been making appropriations for this particular bureau?

Mr. KING. The department was first called the Department of Commerce and Labor.

Mr. WALSH of Massachusetts. But this particular bureau is of recent origin.

Mr. KING. Yes.

Mr. WALSH of Massachusetts. I do not think we have had it more than six or eight years.

Mr. McKELLAR. It was established in 1914, as I recall.

Mr. KING. Let me call attention to some of the items of appropriation for the Bureau of Foreign and Domestic Commerce. First is for salaries in the District of Columbia, $266,477. There will not be intensive investigation in foreign lands by the enormous personnel functioning here in the District of Columbia. Of course some of the employees paid from this sum give their attention to purely domestic matters.

The next item is commercial attachés, amounting to $340,861; promoting commerce in Europe and other areas, $457,600, and out of that $53,000 may be used for salaries here in the District of Columbia.

Mr. McKELLAR. Mr. President——

Mr. KING. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator understands, of course, that is for the Bureau of Foreign and Domestic Commerce, and the domestic part of it is to be found in the appropriations to which he alludes, namely, $266,477, on page 49, and the $53,000, on page 51, and there may be other items. The bureau is operated as one and looks after both foreign and domestic commerce.

Mr. KING. The Senator will discover that on page 47 $230,380 is carried for clerical help in the District. If that is for domestic commerce, then what is the $266,477 for?

Mr. McKELLAR. They are both used in the carrying out of the operations of the Bureau of Domestic Commerce and Foreign Commerce, too, because it is all under the control of the Secretary of Commerce.

Mr. KING. Mr. President, I wanted to make some further observations on the subject now under consideration, but the Assistant Sergeant at Arms whispers to me that the subcommittee of the Finance Committee is in session and considering an important matter calling for my presence. I hope the bill will not be passed during my absence.

Mr. McKELLAR. Mr. President, I am sorry the Senator must leave, because I have the facts and figures which I think answer completely the Senator's contention about these items of expenditure. These are items which are justified in every way, according to my information, and I have the facts and figures before me taken from the hearings which I want to insert in the RECORD and which I will now do if the Senator from Utah has concluded. I am sorry that he has to leave.

In answer to what the Senator from Utah has said, I desire to call attention to the evidence given in the hearings before the Senate committee, at page 50, by Doctor Klein, the assistant chief of the department, where he said:

> There has been an enormous growth of our trade down there. Our total trade in Latin America in 1914 was $798,000,000. Last year it was $1,940,000,000. That is an increase of 143 per cent in 10 years. We are egotistical enough to feel that at least to a certain extent that has been due to the efforts of the Department of Commerce. There is this rather significant fact in that connection: We have a very careful history of the trade between the United States and the 16 countries in which we were authorized to establish offices in the course of the last three years. Of those 16 countries, 13 showed very heavy increases of trade, and 3 showed a slight falling off. On the other hand, in those countries where we have had no offices the increase of trade has been much less than in those where we have had offices.

I also read from the hearings before the House committee. I am going to call the attention of the Senate to the succinct statement referred to by Mr. Klein in the statement I have just read. It is a table appearing at page 9 of the House hearings. Without reading the figures I ask permission to insert the table in the RECORD at this point.

The PRESIDING OFFICER. Without objection, that order is made.

The table is as follows:

Total trade (combined imports and exports) of the United States in 1919, 1921, and 1924 (estimated) with countries in which 16 offices of the Bureau of Foreign and Domestic Commerce have been established since July 1, 1921

Countries	Location of bureau offices	Calendar years			Per cent of increase, 1924 over 1913
		1913	1921	1924 [1]	
		Millions of dollars	*Millions of dollars*	*Millions of dollars*	
Greece	Athens	4.4	51.1	40.7	834
Rumania	Bucharest	3.4	5.1	1.4	[2] 60
Cuba	Habana	198.3	418.1	601.4	203
British India	Calcutta, Bombay	81.3	135.0	136.5	68
Philippine Islands	Manila	45.8	98.7	161.4	252
Brazil	Sao Paulo	140.8	154.4	227.7	62
Colombia	Bogota	23.4	61.7	87.6	275
Dutch East Indies	Batavia	8.4	64.5	69.5	732
Egypt	Alexandria	19.4	35.7	32.1	65
China	Canton	65.4	209.4	228.9	250
Germany	Hamburg	536.1	452.7	535.3	----------
Finland	Helsingfors	4.0	15.3	18.0	348
Uruguay	Montevideo	9.5	26.3	26.4	178
Canada	Ottawa	545.3	92.9	1,031.4	89
Porto Rico	San Juan	72.5	118.1	159.6	120
Sweden	Stockholm	25.5	57.3	80.5	216

[1] Estimated on basis of figures for 10 months ending Oct. 31, 1924.
[2] Per cent decrease.

Note that trade of all but three countries (Greece, Rumania, and Egypt) shows increases since 1921.

Mr. McKELLAR. I read further from the report just a brief statement:

It will be observed from the foregoing table that only three countries show a decrease, mainly due to political conditions, whereas 13 show a marked increase, from 200 to 700 per cent. While the bureau is not completely responsible for this increase in business, there is no doubt that a great deal of it is directly due to the agencies established in these countries for that purpose.

I differ entirely with the Senator from Utah upon this subject. I recall when the department was established. I was at that time a Member of the House and as active as I knew how to be in helping to establish the bureau and in getting a proper appropriation for it. I know that trade in the products of the State from which I come has been beneficially advanced in various foreign countries through this bureau of the department. It is one of the most valuable bureaus in the Government. It is one that we should foster because we all want to increase our foreign trade. I think it would be very unwise to reduce the amount. I think the increase of the Budget allowance is proper and right, and I hope will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 52, line 14, after the word "Commerce," to strike out "$248,040" and insert "$273,040," so as to read:

Promoting commerce, South and Central America: To further promote and develop the commerce of the United States with South and Central America, including personal services in the District of Columbia and elsewhere, purchase of furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, books of reference and periodicals, reports, plans, specifications, manuscripts, documents, maps, newspapers (both foreign and domestic) not exceeding $400, and all other publications, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to be expended under the direction of the Secretary of Commerce, $273,040, of which amount not to exceed $99,080 may be expended for personal service in the District of Columbia:

The amendment was agreed to.

The next amendment was, on page 53, at the end of line 7, to strike out "$243,734" and insert "$268,734," so as to read:

Promoting commerce in the Far East: To further promote and develop the commerce of the United States with the Far East, including personal services in the District of Columbia and elsewhere, purchase of furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, maps, newspapers (both foreign and domestic) not exceeding $400, and all other publications, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to be expended under the direction of the Secretary of Commerce, $268,734, of which amount not to exceed $95,771 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 54, at the end of line 14, to strike out "$618,054" and insert "$633,054," so as to make the paragraph read:

Export industries: To enable the Bureau of Foreign and Domestic Commerce to investigate and report on domestic as well as foreign problems relating to the production, distribution, and marketing in so far as they relate to the important export industries of the United States, including personal services in the District of Columbia not to exceed $575,404, traveling and subsistence expenses of officers and employees, purchase of furniture and equipment, stationery and supplies, typewriting, adding, and computing machines, accessories and repairs, books of reference and periodicals, reports, documents, plans, specifications, manuscripts, and all other publications, rent outside District of Columbia, and all other incidental expenses connected therewith, $633,054.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Lighthouses," on page 75, line 8, after the word "depots," to strike out "$4,031,000" and insert "and not exceeding $8,500 for contingent expenses of the office of the Bureau of Lighthouses in the District of Columbia, $4,039,500," so as to read:

General expenses: For supplies, repairs, maintenance, and incidental expenses of lighthouses and other lights, beacons, buoyage, fog signals, lighting of rivers heretofore authorized to be lighted, light vessels, other aids to navigation, and lighthouse tenders, including the establishment, repair, and improvement of beacons and day marks, and purchase of land for same; establishment of post lights, buoys, submarine signals, fog signals; establishment of oil or carbide houses, not to exceed $10,000: *Provided*, That any oil or carbide house erected hereunder shall not exceed $1,000 in cost; construction of necessary outbuildings at a cost not exceeding $500 at any one light station in any fiscal year; improvement of grounds and buildings connected with light stations and depots; restoring light stations and depots and buildings connected therewith: *Provided further*, That such restoration shall be limited to the original purpose of the structures; wages of persons attending post lights; temporary employees and field force while engaged on works of general repair and maintenance, and laborers and mechanics at lighthouse depots; rations and provisions or commutation thereof for working parties in the field, officers and crews of light vessels and tenders, and officials and other authorized persons of the Lighthouse Service on duty on board of such tenders or vessels, and money accruing from commutation for rations and provisions for the above-named persons on board of tenders and light vessels or in working parties in the field may be paid on proper vouchers to the person having charge of the mess of such vessel or party; purchase of rubber boots, oilskins, rubber gloves, and coats, caps, and aprons for stewards' departments on vessels; reimbursement under rules prescribed by the Secretary of Commerce of keepers of light stations and masters of light vessels and of lighthouse tenders for rations and provisions and clothing furnished shipwrecked persons who may be temporarily provided for by them, not exceeding in all $5,000 in any fiscal year; fuel and rent of quarters where necessary for keepers of lighthouses; purchase of land sites for fog signals; rent of necessary ground for all such lights and beacons as are for temporary use or to mark changeable channels and which in consequence can not be made permanent; rent of offices, depots, and wharves; traveling expenses; mileage; library books for light stations and vessels, and technical books and periodicals not exceeding $1,000; traveling and subsistence expenses of teachers while actually employed by States or private persons to instruct the children of keepers of lighthouses; all other contingent expenses of district offices and depots, and not exceeding $8,500 for contingent expenses of the office of the Bureau of Lighthouses in the District of Columbia, $4,039,500.

The amendment was agreed to.

The next amendment was, on page 77, line 17, to increase the appropriation for surveys and necessary resurveys of coasts on the Pacific Ocean under the jurisdiction of the United States from "$292,000" to "$321,420."

Mr. FLETCHER. Mr. President, may I inquire of the Senator from Washington the reason for that increase? There is an increase of $29,420 there.

Mr. JONES of Washington. That is a Pacific coast survey. We have given the current appropriation. We had Colonel Jones before the committee. He came there at our request and we asked for the situation. His testimony clearly shows that we would have to lay up the vessels for about two months in each year if we reduced the amount of the appropriation. The committee felt that the work ought to be carried on. We provided just a few years ago splendid vessels to do the work, and we thought it would really be a very great

detriment unless we carried it on. We restore the current appropriation. We do not increase it over the current year.

Mr. SMOOT. In other words, it will cost the Government no greater amount to do one-sixth more work for the additional pay than if the amount was cut down so they would have to lay up for two months in each year.

Mr. FLETCHER. Is this a continuous work out there?

Mr. SMOOT. Yes; it will be continuous for a number of years, and this will reduce the time one-sixth.

Mr. JONES of Washington. The 5-year program will be pretty well carried out if there is no interruption.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 79, line 18, to reduce the total appropriation for field expenses of the Coast and Geodetic Survey, from "$631,020" to "$626,550."

The amendment was agreed to.

The next amendment was under the subhead "Bureau of Fisheries," on page 82, line 8, after the word "stations" to strike out "$250,000" and insert "$252,500," and at the end of line 10, to strike out "$428,860" and insert "431,360," so as to make the paragraph read:

For pay of employees in the field, as follows: Alaska service, $47,210; employees at large, $39,450; distribution (car) employees, $33,600; employees at fish cultural stations, $252,500; employees fish rescue station, Mississippi River Valley, $19,600; employees at biological stations, $39,000; in all, $431,360.

The amendment was agreed to.

The reading was continued to line 4, page 83.

Mr. JONES of Washington. There is a mistake in the print in line 4, page 83. It should appear there that the House appropriation was $386,250, and that that was stricken out by the Senate committee and increased to $400,000. That should be the amendment.

The PRESIDING OFFICER. The amendment corrected by the Senator from Washington will be stated.

The READING CLERK. On page 83, line 4, strike out "$386,250" and insert "$400,000," so as to read:

Propagation of food fishes: For maintenance, repair, alteration, improvement, equipment, and operation of fish-cultural stations, general propagation of food fishes and their distribution, including movement, maintenance, and repairs of cars, purchase of equipment (including rubber boots and oil skins) and apparatus, contingent expenses, temporary labor, and not to exceed $10,000 for propagation and distribution of fresh-water mussels and the necessary expenses connected therewith, $400,000.

The amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, may I call the attention of the senior Senator from Utah [Mr. SMOOT] to the fact that I have been looking up the resolution to which I referred and the report made by the United States Tariff Commission?

Mr. SMOOT. I remember very well the resolution to which the Senator refers.

Mr. WALSH of Massachusetts. I find that the report was made some time near the close of the last session. In that report it was stated that the Tariff Commission had instituted 37 investigations and that there were 75 bona fide petitions of industries in the country which could not be given the investigation desired because Congress had not furnished the necessary funds for that purpose. The report further stated that the amount of money that would be necessary to carry on the investigation was $396,000. I would like to ask the Senator from Utah if that situation has been remedied?

Mr. SMOOT. Not entirely, I will say to the Senator from Massachusetts, although there have been many of those 75 investigations completed and some other matters added that have been investigated. I do not know whether or not this came about from a resolution which was submitted by the Senator from Massachusetts himself, but I think it did.

Mr. WALSH of Massachusetts. Yes. The industries in my State were complaining that they could not get a hearing; that they could not get the information they desired; so I submitted the resolution asking how many petitions had been filed, how many cases had been heard, and how many were pending which could not be heard. The report was made in answer to that resolution.

Mr. SMOOT. I will say to the Senator that they are not current; I am sure of that.

Mr. WALSH of Massachusetts. I think the Senator from Utah, the chairman of the Committee on Finance, will agree with me that we ought to give these industries all the information that is possible in order to help them, and especially information such as the cotton and other manufacturers of my State desire, in order to be informed as to what extent imports were interfering with the cotton business of this country. We ought to get that information for them before beginning to spend large sums of money abroad in order to get this information, important as it is. I hope that the Senator from Utah, as chairman of the Committee on Finance, will see that the necessary funds are available for the use of this commission in order that they may make thorough investigations into all the facts that are necessary to promote American industry.

Mr. SMOOT. I think such funds ought to be provided, Mr. President.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 84, at the beginning of line 20, to insert "and roads," and on page 85, at the end of line 7, to strike out "$300,000" and insert "$310,000," so as to make the paragraph read:

Alaska, general service: For protecting the seal fisheries of Alaska, including the furnishing of food, fuel, clothing, and other necessities of life to the natives of the Pribilof Islands of Alaska, improvement, repair, and alteration of buildings and roads, transportation of supplies to and from the islands, expenses of travel of agents and other employees and subsistence while on said islands, hire and maintenance of vessels, including $10,000 to be used in providing a reserve supply of food, clothing, medicines, and other necessities on the Pribilof Islands, and for all expenses necessary to carry out the provisions of the act entitled "An act to protect the seal fisheries of Alaska, and for other purposes," approved April 21, 1910, and for the protection of the fisheries of Alaska, including travel, subsistence (or per diem in lieu of subsistence) of employees while on duty in Alaska, hire of boats, employment of temporary labor, and all other necessary expenses connected therewith, $310,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Naturalization," on page 91, line 12, after the word "buildings" to strike out the semicolon and "carrying into effect section 13 of the act of June 29, 1906 (34th Stat. p. 600), as amended by the act approved June 25, 1910 (36th Stat. p. 765), and in accordance with the provision of the sundry civil act of June 12, 1917, for which purposes $20,000 of this appropriation shall be immediately available," so as to read:

General expenses: For compensation, to be fixed by the Secretary of Labor, of examiners, interpreters, clerks, and stenographers, for the purpose of carrying on the work of the Bureau of Naturalization, provided for by the act approved June 29, 1906, as amended by the act approved March 4, 1913 (Stat. L., vol. 37, p. 736), and May 9, 1918 (Stat. L., vol. 40, pp. 542–548, inclusive), including not to exceed $51,440 for personal services in the District of Columbia, in accordance with the classification act of 1923, and for their actual and necessary traveling expenses while absent from their official stations, including street-car fare on official business at official stations, together with per diem in lieu of subsistence, when allowed pursuant to section 13 of the sundry civil appropriation act approved August 1, 1914, and for such per diem, together with actual necessary traveling expenses of officers and employees of the Bureau of Naturalization in Washington while absent on official duty outside of the District of Columbia; telegrams, verifications of legal papers, telephone service in offices outside of the District of Columbia; not to exceed $20,000 for rent of offices outside of the District of Columbia where suitable quarters can not be obtained in public buildings; and for mileage and fees to witnesses subpœnaed on behalf of the United States, the expenditures from this appropriation shall be made in the manner and under such regulations as the Secretary of Labor may prescribe, $680,000.

Mr. JONES of Washington. By unanimous consent, that amendment goes over until Monday.

I now desire on behalf of the committee to offer the amendment which I send to the desk.

Mr. KING. Is the amendment now proposed by the Senator from Washington an amendment to an amendment?

Mr. SMOOT. No; it is a separate committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 5, line 13, after the numerals "$45,000," it is proposed to insert:

Provided, That after June 30, 1924, vice consuls while in charge of a consulate general or consulate during the absence of the principal officer shall be entitled to additional compensation in the same manner and under the same conditions as foreign service officers as provided in section 17 of the act of May 24, 1924.

Mr. JONES of Washington. Mr. President, I wish to adhere to the rule against putting legislative provisions upon an appropriation bill as closely as possible, but——

Mr. KING. I shall raise the point of order against the amendment.

Mr. JONES of Washington. The amendment is subject to a point of order, I will say to the Senator; but let me state briefly what it proposes to do, and then, of course, if the Senator shall make the point of order, it will be good.

Under the general act, which is known as the Rogers Act, it is provided that certain subordinate foreign-service officials when acting as principals shall have their salaries increased to half of that of the principal. The purpose of the amendment, briefly, is simply this: If a vice consul, by reason of the absence of his principal, the consul, enters upon the duties of the consul and discharges those duties, during that time his salary shall be increased up to one-half of the salary of the principal. It seemed to the committee that that was just and right. So on that ground we propose the amendment. Of course, it is subject to a point of order. However, it is urged by the Secretary of State in a letter to the committee, and it appealed to the committee as being nothing more than fair that when the vice consul is discharging the duties of the consul he shall at least have half the salary of the official whose duties he is performing. That, briefly, is the reason for the amendment.

Mr. KING. Let me ask the Senator from Washington what is the salary of a vice consul as compared with the salary of a consul whose place he might fill?

Mr. JONES of Washington. I do not know. It is evidently in many cases not half of the salary of the consul, because this amendment proposes to permit the salary to be raised to only half of the salary of the consul. I have not examined to ascertain just what the salaries of the consuls or vice consuls are in the different places, and they vary, so far as that is concerned, my recollection being that there are a number of different classes. However, the purpose of the amendment, I repeat, is to put the vice consuls on the same basis as are certain other officials. I will read to the Senator from Utah the letter from the Secretary of State in which he quotes the law. The Secretary says:

> The act of February 15, 1915, provides:
>
> "And for such time as any vice consul shall be lawfully authorized to assume charge of a consulate general or consulate during the absence of the principal officer at the post to which he shall have been appointed or assigned he shall be entitled to receive, in addition to his regular salary or compensation as a subordinate consular officer or employee, compensation equal to the difference between such salary or compensation and 50 per cent of the salary provided by law for the principal consular officer at such post."

That was the law in 1915. The letter continues:

> This provision was made applicable to foreign-service officers only by section 17 of the act of May 24, 1924, popularly known as the Rogers Act, in the following language:
>
> "That for such time as any foreign-service officer shall be lawfully authorized to act as chargé d'affaires ad interim or to assume charge of a consulate general or consulate, during the absence of the principal officer at the post to which he shall have been assigned, he shall, if his salary is less than one-half that of such principal officer, receive, in addition to his salary as foreign-service officer, compensation equal to the difference between such salary and one-half of the salary provided by law for the ambassador, minister, or principal consular officer, *as the case may be*."

It appears that a vice consul is not included within the term "foreign officer," and so the Secretary says:

> By this change and through a probable inadvertence, since both foreign-service officers and vice consuls take charge of consulates in the absence of their principals, vice consuls not of career—that is, vice consuls who are not foreign-service officers within the meaning of the Rogers Act—are not entitled to additional compensation—

When they perform the duties of the consul. There is the letter of the Secretary of State with reference to that matter.

Mr. KING. I do not quite understand one statement in the letter. Does the law provide that if an ambassador is absent and somebody shall be designated to take his place, that he shall have one-half the salary of the ambassador?

Mr. JONES of Washington. Yes; if some foreign-service officer takes his place. That is in accordance with the Rogers Act, but the term "foreign-service officer" apparently does not include a vice consul. Vice consuls are not considered as foreign-service officers. The sole purpose of the amendment is to provide that where the vice consul performs the duties of consul he shall have half of the salary of the principal.

Mr. KING. The Senator from Washington will see that if the principle which seems to have been riveted upon us in the Rogers law shall be carried into all governmental activities, whenever any chief of a department or any officer holding some position of authority is absent or is called away, immediately the subordinate who takes his place temporarily will either enjoy all of his salary or an increase over the salary which the subordinate gets under the law.

Mr. JONES of Washington. Let me suggest to the Senator that that is a bridge which we shall cross when we reach it.

Mr. KING. It seems to me the adoption of the amendment would establish a very bad precedent.

Mr. JONES of Washington. We have provided that a foreign-service officer when he takes the place of his principal shall get half his salary. Whether it is right to do it or not I will not say, but we have done it. Here is a vice consul, rendering practically the same service but who does not come under the class of "foreign-service officers," and yet he does perform the duties of his principal. It seems if we are going to let the other law stand, it is only fair and right that when this vice consul discharges the duties of his principal he shall have half the salary.

Of course, I do not anticipate Congress is going to proceed along the line suggested by the Senator from Utah at all, but if it shall, then, it seems to me, it would be nothing but fair that we should take care of those who are called upon to perform the duties of the principal.

Mr. KING. Take the attachés provided for in this bill, and various other employees under the Treasury Department and other agencies of the Government who will go abroad and who will have subordinates with them; if we extend this bill as contemplated by the amendment offered by the Senator, there is no reason why the subordinate who goes with the attaché, if the attaché is called away, should not get his salary, or at least an increase over the salary he was drawing up to that time.

Mr. JONES of Washington. The Senator is mistaken. Such attachés are not in the Diplomatic Service or under the Secretary of State.

Mr. KING. I understand that.

Mr. JONES of Washington. Of course, if we should hereafter provide that where an attaché is absent some other man should get half his salary when he fills his place, and then if we should leave out other employees who may be called upon properly to fill the place, of course it would be unfair not to treat them all in the same way. But, as I look at it, here is a case where we have made certain provisions in the law, and the amendment is simply to meet the situation that arises where another person under similar circumstances and the same conditions is called upon to do the same thing. We simply try to treat him right. If the provision of the Rogers Act was not just, of course it ought not to have been enacted, but we have enacted it; we have made it the law, and it seems to me that unless we think that provision is improper and ought to be repealed, we ought to take care of the vice consuls. That is the consideration that appealed to the committee.

Mr. KING. The Senator can see that if we establish this principle in the State Department, the demand will be made that it be established in all of the departments.

Mr. JONES of Washington. I hardly think so.

Mr. KING. I do not see any reason why we should discriminate in favor of the State Department in these respects, particularly in view of the fact that the State Department employees now are supposed to be selected from the classified service, and the very fact that a young man who is vice consul or who is acting as vice consul is temporarily assigned to duty as consul increases his chances for promotion and gives him greater prestige, and he gets compensation in many ways by the added responsibility that temporarily rests upon him.

Mr. JONES of Washington. I know the Senator appreciates that the Rogers Act does not apply to all the employees of the State Department, but merely applies to those in the foreign service.

Mr. KING. I understand that.

Mr. JONES of Washington. That is the whole situation. I do not know of anything else to add. It does seem to me, however, that if we are to allow the provision of the Rogers Act to stand that foreign-service officers shall get this pay when they fill the positions of their principals, if a vice consul is called upon to do the same thing, he certainly ought to be treated in the same way; and that is all the amendment proposes to provide.

Mr. KING. I presume that soon, when the captain of a ship is temporarily called away or is ill and the next in rank takes

his place, we will have to elevate him and give him additional compensation, and so on all down the line. I do not see where logically or in justice we are going to draw the line.

Mr. JONES of Washington. I should say if we should provide in case the captain of a ship is absent the first lieutenant shall have his salary and then there should arise such a condition that not only the captain but the first lieutenant were disabled and the second lieutenant were to perform the captain's duty, it seems to me it would be nothing but fair that the second lieutenant should have that compensation; but until we do provide something of that kind by general legislation, of course, we are not confronted with the proposition with reference to second lieutenants. In this case, however, we have provided that where a certain class of foreign-service officers go into the principals' place they get a certain salary. Here is another man, a vice consul, who is frequently called upon to discharge the duties of consul, and it appealed to the committee that we ought to treat him under such circumstances the same as we treated the others.

Mr. KING. I ask the Senator if he can see any reason why we should apply the rule to these particular officers and not apply it to others, particularly those who are engaged abroad? Speaking for myself, I see no reason why we should adopt that rule with respect to those who serve abroad and not apply it to those who serve at home.

Mr. JONES of Washington. I am not on the Foreign Relations Committee; I was not on the committee when the Rogers bill was considered. I took the judgment of the committee, as we have to do oftentimes; and so I am not prepared offhand to give the Senator the special reasons that warranted the committee in taking that action, and that would not warrant them in taking action in other cases; but we have taken that action, and it seems to me that unless we are going to undo that and repeal that law it is nothing more than just and right that we should give the vice consul when he fills the place of his principal the salary allowance proposed.

Mr. KING. If the provision in the law was a mistake and ought to be repealed, the Senator sees it will be more difficult to secure its repeal if we increase the mistake, if we broaden the error and bring others into its benefits.

Mr. JONES of Washington. I do not think so.

Mr. FESS. Mr. President, will the Senator from Utah permit me to ask the Senator from Washington in charge of the bill a question?

Mr. KING. Yes.

Mr. FESS. I understood the Senator from Washington to say that the vice consuls were not classed as foreign-service officers.

Mr. JONES of Washington. They do not seem to be classed as foreign-service officers according to the letter of the Secretary of State.

Mr. FESS. I have before me the classification, and I notice that vice consul of career, consular assistants, interpreters, and student interpreters are listed as foreign-service officers unclassified. I think the vice consuls are foreign-service officers. That is the provision of the Rogers law.

Mr. JONES of Washington. I am taking the letter of the Secretary of State. I do not pretend to know, myself. The Secretary of State says they are not classed as foreign-service officers in the sense of the statute.

Mr. KING. Mr. President, I confess that I dislike to raise a point of order, which, of course, would defeat the amendment; and yet I think the provision to which I have called attention is an error, although there may be some persuasive arguments in favor of giving these increases in compensation, and there may be strong reasons that would justify a departure from what I conceive to be sound policies. What I am afraid of is this: I will say to the Senator very frankly that if it becomes known that we have given to those engaged in foreign service an advantage, and have provided that those who are in subordinate positions may be elevated, because of the absence of their chief, to the position held by the chief for a little while, and they are to get increased compensation, in every department of the Government, if the chief of a bureau, or the head of a department, or the head of a commission is temporarily absent for a day, or for a week, or for a longer period, and some subordinate ipso facto takes the place or is designated to take the place, he will demand additional compensation, and so down the entire line. We will have to change existing law, and it will affect thousands and perhaps tens of thousands of employees in the Government service, and, of course, add immeasurably to the expenses of the Government.

I agree with the Senator that it seems unjust in this service, if this increase is proper, to discriminate against the vice consuls. If we have given it to all others in this particular branch of the service, it would seem that we ought to give it to the residue; but the principle as I understand it is wrong, and I believe that this precedent will become a basis for increasing demands so that we will have to extend this policy to every branch of the Government, or else we will have to amend the law which deals with foreign service.

I shall not raise the point of order, although I think it ought to be raised. I do not think the committee ought to have offered this amendment. They ought to have considered this matter in connection with other agencies of the Government. They ought to have talked it over with the Bureau of the Budget and found how far-reaching this precedent will be, and then, after their matured judgment had been obtained, they ought to have submitted it to Congress. I do not want to take the responsibility of defeating this amendment in view of the unanimous recommendation of the committee; but I do say that it is bad legislation, and it is a mistake, and in my judgment it will be the lever by which the doors of the committee will be pried open and large sums of money taken out to be devoted to increasing the compensation of a multitude of other employees of the Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, that disposes of all the committee amendments except the one which goes over until Monday, so I ask unanimous consent——

Mr. McKELLAR. Mr. President, I have an amendment that I desire to offer.

Mr. JONES of Washington. Yes; I ask unanimous consent that individual amendments may now be offered, notwithstanding the consent that was given when we started on the bill to consider committee amendments first.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. McKELLAR. Mr. President, on page 32, line 19, I move to strike out the numerals "$1,000,000" and to insert in lieu thereof the numerals "$500,000."

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 32, line 19, it is proposed to strike out "$1,000,000" and to insert "$500,000."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I should like very much to have Senators listen to what I have to say about this amendment. I took part in the deliberations of the committee, and I agreed upon all the items in this bill, and I think they are all very fair, except this one.

Mr. President, a little more than two years ago the Congress established in the Department of Justice what was known as a war-frauds section and appropriated $500,000 for it. At the same time they established in the War Department a war-frauds section and appropriated $500,000 for that section. The section in the War Department was for the purpose of employing accountants.

This is really a very important matter, and I hope Senators may become interested in it for a few moments. I know that it is an unpopular thing to ask to practice real economy. The kind of economy that we hear so much about in the newspapers is one kind of economy, but this is a real economy. Here we are about to throw away, in my judgment, a million dollars of the people's money, and I feel that it is almost the duty of Senators before they vote on this matter to understand for what they are voting.

Mr. KING. Mr. President, will the Senator yield? I agree with the Senator. I think this is a very important matter, and I suggest the absence of a quorum.

Mr. McKELLAR. I hope the Senator will not do that. I do not know whether there will be more Senators present afterwards or not; and if I could impress the Senators who are here with the facts in this case, I feel sure that no Senator, if he knows the facts, is going to vote for this appropriation of $1,000,000.

The PRESIDING OFFICER. Does the Senator insist on the suggestion of the absence of a quorum?

Mr. KING. Mr. President, I feel that the matter is so important, and I agree so thoroughly with the Senator that this item is improper, that I think we ought to have more Senators here.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

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

Ashurst	Frazier	McKellar	Sheppard
Bayard	George	McLean	Shipstead
Brookhart	Gooding	McNary	Simmons
Bruce	Hale	Mayfield	Smith
Bursum	Harreld	Means	Smoot
Butler	Harris	Moses	Stanfield
Cameron	Harrison	Neely	Sterling
Capper	Heflin	Norris	Swanson
Caraway	Howell	Oddie	Trammell
Couzens	Johnson, Calif.	Overman	Underwood
Cummins	Johnson, Minn.	Owen	Warren
Curtis	Jones, Wash.	Pepper	Watson
Dial	Kendrick	Phipps	Wheeler
Ernst	Keyes	Pittman	Willis
Fernald	King	Ransdell	
Fess	Ladd	Reed, Pa.	

Mr. JONES of Washington. I desire to announce that the Senator from Connecticut [Mr. BINGHAM] is necessarily absent.

The PRESIDENT pro tempore. Sixty-two Senators have answered to the roll call. There is a quorum present.

Mr. McKELLAR. Mr. President, as I was stating when I was interrupted, I know it is not a popular thing to undertake to save to the Treasury of the United States the sum of $500,000, but when I see an absolutely wasteful, useless expenditure of money I feel that it is my duty to bring it to the attention of the Senate at any rate.

Mr. NORRIS. I wish the Senator would state just what his motion is.

Mr. McKELLAR. My motion is to amend on page 32, line 19, by striking out "$1,000,000" and inserting in lieu thereof "$500,000."

My reason for offering that amendment is this, that in 1922 the Government embarked upon a program of prosecuting what were termed "war frauds cases." We appropriated $500,000 that year for the War Department in order to have the accounts gone over by expert accountants, and at the same time we appropriated $500,000 for the Department of Justice, to enable them to employ accountants and to employ lawyers to prosecute war frauds. In 1923 a similar appropriation was made for each department. In 1924 a similar appropriation was made. In 1925, $250,000 was appropriated for the War Department, and the Bureau of the Budget recommended that $1,725,000 be appropriated for the Department of Justice for the prosecution of these war frauds. This year, as a deficiency appropriation, $200,000 was appropriated for the Department of Justice, making in all $3,450,000 which have been appropriated, and about twice that amount have been collected by the two departments. In order to bring the matter directly to the attention of Senators, this particular year we have appropriated $700,000 for the Department of Justice alone for the prosecution of war frauds. What has been the result of that appropriation up to date?

We have employed 26 lawyers, most of them high priced; innumerable accountants, one of them getting $18,000 a year; and we have collected, with all this vast force of lawyers and this array of accountants, $157,000, in round figures, by way of compromise, and the 26 lawyers have tried only three lawsuits, getting judgments of a little more than $14,000.

They have spent already nearly $400,000 and they have collected $170,000. In the name of heaven, Senators, are we going to permit this to go on, such a result, when we have employed 26 lawyers with a vast array of accountants? I am going to give the exact figures as to the number and what they are paid. They have tried only three lawsuits since July 1, 1921. Let me show what they were. No one has been convicted. There have been no criminal prosecutions. From July 1, 1924, to January 30, 1925, they got a judgment against the Graves Real Estate Co., M. Z.—whatever that means—for $14,000. They got a judgment against Wilfred W. Montague for $111.65. They got a judgment against John Y. Stokes et al. for $80. Two magistrate-court cases, and one judgment of $14,000, marked "M. Z." As I have said, what that "M. Z." means I do not know. Here we have 26 highly paid lawyers and so many accountants that you could hardly get them in the department, one of them drawing $18,000 a year, and in seven months' time they have secured one judgment of $14,000, a second judgment of $111.65, and a third judgment of $80.

Mr. President, on that showing what did the Bureau of the Budget do? They recommended an appropriation of $1,725,000, and recommended that we increase the force of lawyers from 26 to 105. What are they going to do? They say they have 700 cases. If they have 700 cases and they try them at the rate of three for every seven months, how long would it take them to finish them? It would take them many years. Every person in the Senate now would be dead before they got through with the 700 cases, and if they increase the appropriation to $1,725,000 and employ 105 lawyers, the youngest of us would be in his grave before they would get through trying those 700 cases.

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

Mr. McKELLAR. I yield.

Mr. NORRIS. Can the Senator give us the names of the 26 lawyers and the salaries they get?

Mr. McKELLAR. I will do that with a great deal of pleasure. I read from page 24 of the hearings.

Mr. KING. House hearings or Senate hearings?

Mr. McKELLAR. Senate hearings. I want to say that the two young gentlemen who appeared before our committee in charge of this work are very fine young men. I think if they would devote their time to prosecuting lawsuits instead of building up a bureau they would get good results, because they seemed to me to be earnest, intelligent, fine young men, and I have no criticism to make of them. I am criticizing the system. I am criticizing the project. I am criticizing the results they have obtained.

Department of Justice: War transactions section.
Compensation requirements for personnel at January 1, 1925.
Chief attorney, directors, $10,000.

The two directors get $10,000 each.

Chief attorney, $10,000; senior attorney, $6,000; senior attorney, $6,000; senior attorney, $5,200.

The names are so constantly changing that it is difficult to keep up with them. I am giving the number of attorneys on the roll. I think they all have private assistants who are paid fees, or the most of them have.

Attorney, $5,000; attorney, $4,600; attorney, $4,200; attorney, $4,000; attorney, $3,800; associate attorney, $3,000; assistant attorney, $2,400; special counsel, $10,000; special counsel, $7,500; special counsel, $6,500; special counsel, $6,000; special counsel, $3,000.

Mr. NORRIS. Mr. President——

Mr. McKELLAR. I have not finished; but I am just wondering how proud these high-paid attorneys must feel in having obtained three judgments—two magistrate court judgments and one judgment of $14,000.

Mr. NORRIS. I would like to interrupt the Senator there, if he will permit me. I draw the conclusion, and I would like to know whether it is correct, that these attorneys are not employed by the year. I judge that from the salaries the Senator has read.

Mr. McKELLAR. Most of them are employed by the year, but special counsel are not employed by the year, as I understand it. I proceed:

Cantonment group: Chief attorney, $10,000.

The Senator from South Carolina [Mr. DIAL] asks me how many attorneys there are to each judgment. There are 26 attorneys, and three judgments. It can easily be seen how many of these high-paid counsel there are to each judgment. Three into 26 will go eight and two-thirds times.

Mr. SMITH. How much does the two-thirds get?

Mr. McKELLAR. I do not know. I think they all get enough, judging from these figures:

Cantonment group:
Chief attorney, $10,000.
Senior attorney, $6,000.
Senior attorney, $5,200.
Chief engineer—

My heavens! When I look back over my professional life and remember how, with one stenographer, I tried the most important cases, how I had to work with those cases, and then compare what the poor, plodding private lawyer in private practice has to contend with, and read these figures—the comparison is marvelous.

Chief engineer, $6,000.
Engineers, $4,800.
Investigator, $3,000.
Senior investigating assistant, $2,400.
Ordnance quartermaster examiners:
Senior investigating assistant, $2,400.
Senior investigating assistant, $2,300.
Senior investigating assistant, $2,100.
Senior investigating assistant, $2,000.
Senior investigating assistant, $1,860.
Clerks, stenographers:
Junior administrative assistant, $2,800.
Chief stenographer, $2,100.
Clerk, $2,040.
Senior stenographer, $1,860.

Senior stenographer, $1,800.
Senior stenographer, $1,680.
Senior stenographer, $1,500.
Assistant clerk, $1,500.
Junior stenographer, $1,680.
Junior stenographer, $1,440.
Junior stenographer, $1,320.
Watchman—

I wonder whether they were watching those three judgments, or whether they were watching these lawyers. I wonder what place a watchman has in this division.

Mr. WHEELER. Perhaps they were watching to see that they did not steal the Department of Justice.

Mr. HEFLIN. If the Senator will permit, they probably had them out watching so they could notify them if somebody came along, and wake them up.

Mr. McKELLAR. I do not know what function a watchman has in that place. The Senator from Alabama may be right.

Messengers, $1,260; messenger, $1,020; watchman, $1,140.

There were two watchmen. As some Senator has suggested, probably they were there to keep the law books from being stolen. Perhaps so. They got judgments, two magistrate-court judgments, one for $80 and one for $111, and a real judgment of $14,000. But I continue:

Accounting-investigation: Special executive officer, $18,000.

He gets $3,000 more than the Chief Justice of the United States receives.

Mr. SMITH. Nearly as much as a Senator gets.

Mr. McKELLAR. Nearly three times as much as a Senator gets. An $18,000 accountant. And they got three judgments, one of $80, one of $111, and one of $14,000, in seven months.

Chief accountant and auditor, $5,200; assistant chief accountant and auditor, $4,600; assistant chief accountant and auditor, $4,200; assistant chief accountant and auditor, $3,800; accounting auditor, $3,300; accounting auditor, $3,000; assistant accounting auditor, $3,000.

Principal accounting and auditing assistant—some of them are auditing assistants and some of them are assistant auditors, and I wonder what distinction there is? The marvellous thing is that they can all get in the department every day and not run over each other.

Assistant accounting and auditing assistants:
Principal accounting and auditing assistant, $2,700; principal accounting and auditing assistant, $2,500; principal accounting and auditing assistant, $2,400; principal accounting and auditing assistant, $2,100; senior accounting and auditing assistant, $2,400; senior accounting and auditing assistant, $2,200; senior accounting and auditing assistant, $2,000; another one at $2,000; another one at $1,860; accounting and auditing assistant, $1,800; clerk, $1,780; clerk, assistant, $1,680; another one at $1,500; junior clerk, $1,400; typist—they have one typist there, $1,440.

Mr. President, when we compare that vast array and realize that this bureau of the Government has been in existence for three years and in the last seven months has recovered only three judgments, it is clearly and palpably a willful waste of the people's money. There is some talk about economy. No man who can be in favor of economy can vote for this million-dollar appropriation. The surprising thing to me is how the House ever passed it.

I think $500,000 even is too much. I think it would be far better and cheaper for the Government to go out of the business entirely rather than to keep this vast array of lawyers down there.

The only reason why I have offered an amendment to reduce the amount to $500,000 is to serve notice on them that unless they bring about some results by the time the next Congress meets we will abolish that bureau entirely.

Mr. HEFLIN. Mr. President——

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. HEFLIN. I am in hearty sympathy with the fight the Senator is making. He is right. I want to ask the Senator if they have collected any of those judgments?

Mr. McKELLAR. I do not know.

Mr. HEFLIN. They have just recovered the judgments?

Mr. McKELLAR. Yes.

Mr. HEFLIN. And the Senator does not know whether the money has been collected or not?

Mr. McKELLAR. Whether they have collected them or not I do not know. It reminds me of the story of the two darkies who met on the street. One of them said, "Jim, what you think about dat wife of mine. She is the beatenest woman about money I ever seed in all my life. She is just wantin' money all de time, money in de mornin', money in de midday, money at night. Money, money, money am all dat she talks about, just money, money, money." His friend said, "What do she do with all dat money, Jim?" Jim said, "I dunno, I aint never give her none yit." [Laughter.] I do not know whether the bureau has ever collected any of that money "yit" or not. I can not say. I have very grave doubts about the collection of any of the money.

Mr. JONES of Washington. Mr. President, may I suggest to the Senator from Tennessee in fairness to him that it seems likely that we shall not be able to dispose of his amendment to-day?

The Senator from Utah [Mr. KING] wants to take some little time on the question, and I thought it was hardly fair to let the Senator from Tennessee go on and finish his speech on the matter, because he is talking squarely to it, and then when he gets through ask to have the matter go over until Monday.

Mr. McKELLAR. I shall conclude in just a few moments.

Mr. JONES of Washington. I was not doing it to get the Senator to conclude. I suggest to the Senator that it seemed to me I should not let him go on and finish his speech and then immediately ask to have the amendment go over until Monday.

Mr. McKELLAR. The Senator does not intend to have a vote on my amendment this afternoon?

Mr. JONES of Washington. We will not be able to do so. The Senator from Utah wants to speak on it.

Mr. McKELLAR. Why can we not vote on it? The great trouble is in getting Senators to listen whenever it comes to economy. That is a word that we talk about in the open frequently, and now here is an opportunity to practice economy. This appropriation is absolutely indefensible. It is impossible for any man to defend it, in my judgment.

Mr. JONES of Washington. I do not think the Senator appreciates my motive. I thought I was favoring the Senator and treating him as I think he ought to be treated. I do not want to treat him unfairly. The Senator from Utah said he wanted to speak about an hour on the amendment.

Mr. McKELLAR. If the Senator does not think we are going to get a vote this afternoon, I am perfectly willing to let it go over until Monday.

Mr. JONES of Washington. I would like to get a vote to-day, but I am satisfied we will not be able to do it. I thought it was not fair to the Senator, who is in earnest about the matter, to have him go on and make his speech and lay the amendment over until Monday. I did not think that would be just the right thing to do.

Mr. McKELLAR. May I ask the Senator another question? Why can we not dispose of the whole matter by the Senator accepting my amendment and let the question be determined this afternoon?

Mr. JONES of Washington. Oh, I could not do that.

Mr. McKELLAR. Then I prefer that it should go over, and I will continue my remarks on the subject on Monday.

Mr. JONES of Washington. I thought it would be fair to the Senator to suggest that. I ask unanimous consent that the pending amendment may be laid aside and that other amendments to the text of the bill may be considered.

Mr. McKELLAR. If the Senator will permit me, I would like to have the matter stand as it is, with the understanding that we will take up my amendment and vote on it first on Monday.

Mr. JONES of Washington. I want to have some other amendments disposed of this afternoon. It probably will not take very much time. That is the reason why I made the request I did. I want the Senator's amendment to be considered as the pending amendment on Monday.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent that the pending amendment may be temporarily laid aside that other amendments may be considered, and that this amendment shall be the pending amendment on Monday. Is there objection? The Chair hears none and it is so ordered.

Mr. REED of Pennsylvania. I offer the amendment which I send to the desk, and ask to have it read.

The PRESIDENT pro tempore. The amendment submitted by the Senator from Pennsylvania will be read.

The PRINCIPAL LEGISLATIVE CLERK. On page 90, line 6, after the word "patrol," to insert a colon and the following additional proviso:

Provided further, That hereafter any employee of the Bureau of Immigration authorized so to do under regulations prescribed by the Commissioner General of Immigration, with the approval of the Sec-

retary of Labor, shall have power without warrant (1) to arrest any alien who in his presence, or view, is entering, or attempting to enter, the United States in violation of any law or regulation made in pursuance of law regulating the admission of aliens, and to take such alien immediately for examination before an immigrant inspector, or other official having authority to examine aliens as to their right to admission to the United States, and (2) to board and search for aliens any vessel, railway car, conveyance, or vehicle in which he believes aliens are being brought into the United States, and such employee shall have power to execute any warrant, or other process issued by any officer, under any law regulating the admission, exclusion, or expulsion of aliens.

Mr. McKELLAR. Is that intended to be offered as an amendment to the pending bill?

Mr. REED of Pennsylvania. Yes. Of course, I understand it is subject to a point of order as general legislation, but it is offered by unanimous direction of the Committee on Immigration, and for the sole purpose of clarifying the authority of the border patrol of the Immigration Service.

Mr. McKELLAR. It applies only to aliens?

Mr. REED of Pennsylvania. It applies only to the arrest of aliens in the act of entering the country.

There has been some doubt about the authority of those men to make arrests. We want to make it very clear that they have no right to make arrest except on sight of a violation of the immigration law as to illegal entry. They have no right to go into an interior city and pick up aliens in the street and arrest them, but it is just at the border where they are patroling that we want them to have this authority.

Mr. McKELLAR. May I ask the Senator whether the amendment would apply to aliens already in the country?

Mr. REED of Pennsylvania. Oh, no; not at all.

Mr. McKELLAR. It only applies to those who are seeking to get in clandestinely?

Mr. REED of Pennsylvania. Yes; and who are caught in the act of getting in.

Mr. FLETCHER. A violation in the presence of the officer?

Mr. REED of Pennsylvania. It must be in sight of the officer himself; otherwise he has to get a warrant. We are all on the alert against granting too much power to these officials to act without warrant.

Mr. McKELLAR. If it applied to all aliens there might be objection to it. There may be aliens who have been here and who under the law would have a right to return. There are such aliens who have been outside of the United States for a while and who are entitled to return. But if it applies only to aliens who are trying illegally to get into the country, it seems to me it ought to be adopted. I shall not object to the amendment.

Mr. JONES of Washington. If the amendment can be agreed to without much discussion I do not think I shall make the point of order against it; but I want to say that I am not going to treat this as a precedent to warrant the withholding of points of order against other amendments that may be proposed which may be subject to a point of order. As the Senator from Pennsylvania has said, I understand the amendment has been passed upon by the Committee on Immigration unanimously, and he has been urged to present it as an amendment to the pending bill. Under those circumstances I shall not make the point of order against it, but I want it understood that I shall not consider this a precedent to let other amendments come in.

Mr. NORRIS. Mr. President, I would like to ask the Senator from Pennsylvania a question, if he will permit me.

Mr. REED of Pennsylvania. Certainly.

Mr. NORRIS. All I know about the amendment is from hearing it read. It is a little bit drastic, it seems to me, and I want to inquire what is provided in the amendment as to what shall be done with the person arrested. Is there any limitation about it?

Mr. REED of Pennsylvania. The amendment provides that they shall be immediately taken before an immigration inspector for hearing.

Mr. McKELLAR. Suppose the result of the hearing is against them, are they to be transported back to their homes at the expense of the Government?

Mr. REED of Pennsylvania. Not at all. They are transported back to the nearest port in their home country at the expense of the carrier which brought them. If they cross the river on their own legs, as they can do most of the year on the Mexican border, they are merely put back into Mexico.

Mr. McKELLAR. Suppose one came from Asia Minor, does the amendment make it obligatory upon the steamship bringing that would-be immigrant over here to take him back to Asia Minor?

Mr. REED of Pennsylvania. That is provided for under the present immigration law itself.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. SHIPSTEAD obtained the floor.

Mr. HARRISON. Mr. President, the Senator from Minnesota desires to address the Senate, I understand. Will he permit me to offer an amendment and have it pending so he can address himself to it?

Mr. SHIPSTEAD. Certainly.

Mr. HARRISON. On page 55, line 5, in the item for domestic commerce and raw-materials investigations, I move to amend by striking out "$115,000" and insert in lieu thereof "$234,000."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 55, line 5, strike out "$115,000" and insert "$234,000."

Mr. JONES of Washington. I make the point of order against the amendment that it is not covered by an estimate and is not reported by a standing committee. I will say to the Senator, however, that the Budget estimate, I understand, is $125,000.

Mr. HARRISON. I understand that. I realize the Senator can make his point of order.

Mr. JONES of Washington. If the Senator will propose an amendment to make it $125,000, I shall have no objection.

Mr. HARRISON. I was going to follow it up with that proposal, because, while I believe it should be made the full amount I have asked, I appreciate that I probably can not get it. I therefore withdraw the amendment which I have just offered and move to amend by striking out "$115,000" and inserting in lieu thereof "$125,000."

The PRESIDENT pro tempore. The amendment will be stated.

The PRINCIPAL LEGISLATIVE CLERK. On page 55, line 5, to strike out "$115,000" and insert "$125,000," so as to read:

Domestic commerce and raw-materials investigations: For all expenses, including personal services in the District of Columbia and elsewhere, purchase of books of reference and periodicals, furniture and equipment, stationery and supplies, typewriting, adding and computing machines, accessories and repairs, medical supplies and first-aid outfits, reports, documents, plans, specifications, manuscripts, and all other publications, rent outside of the District of Columbia, traveling and subsistence expenses of officers and employees, and all other incidental expenses not included in the foregoing, to enable the Bureau of Foreign and Domestic Commerce to collect and compile information regarding the disposition and handling of raw materials and manufactures within the United States; and to investigate the conditions of production and marketing of foreign raw materials essential for American industries, $125,000, of which amount not to exceed $100,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

Mr. WILLIS. Mr. President, there has been some discussion to-day touching the Bureau of Foreign and Domestic Commerce. I ask unanimous consent to have printed in the RECORD at this point and referred to the Committee on Commerce certain statements from the Cincinnati Chamber of Commerce and from other business organizations relative to that bureau.

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

EXECUTIVE OFFICE CINCINNATI CHAMBER OF COMMERCE,
December 30, 1924.

Hon. FRANK B. WILLIS,
Care Senate, Washington, D. C.

DEAR SIR: The Cincinnati Chamber of Commerce, through its board of directors, is in favor of the enactment of the Winslow-Jones bill, creating a foreign commerce service of the United States, and known as H. R. 7034 and S. 3384.

It appears to our board of directors and our membership that there is nothing more important to the foreign trade of the United States than such a service as is now rendered by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, and it is certainly good, sound policy to put such an establishment on a permanent basis.

In indorsing the above bill we are not advocating the establishment of something new, but simply desire to establish on a permanent basis what is now conducted on a year-to-year basis, and we urge the early passage of the bill.

The Cincinnati Chamber of Commerce represents manufacturing, commercial, and professional interests of the city of Cincinnati and industrial districts and is endeavoring to promote the foreign commerce of the United States in cooperation with other agencies.

The work of this organization has been greatly helped by the aid given it by the existing foreign service of the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

We earnestly request your assistance in securing the passage of the above-mentioned bill.

Yours very truly,

A. JULIUS FREIDBERG, *President.*
W. C. CULKINS,
Executive Vice President.

EXECUTIVE OFFICES THE INTERNATIONAL
B. F. GOODRICH CORPORATION,
Akron, Ohio, U. S. A., February 1, 1925.

Senator FRANK B. WILLIS,
United States Senate, Washington, D. C.

DEAR SIR: There is before the House Committee on Interstate and Foreign Commerce a measure introduced by Mr. WINSLOW, of Massachusetts, designated H. R. 4517. We are exceedingly anxious to see this bill passed, as we deem it to be a necessary support to one of the most practical and valuable of all the Government agencies, namely, the Bureau of Foreign and Domestic Commerce. This bureau, in our opinion, is furnishing to American business the most businesslike service which we find in any Government department.

We rely on it, and it always responds by serving us in an intelligent, thorough, and, above all, a most prompt manner.

Anything that can be done to increase the efficiency of this bureau is, we submit, a service to American business. Should this bill pass the House and come before the Senate, we respectfully ask that you give to it the fullest support which your judgment may warrant.

Very truly yours,

W. C. ARTHUR, *Vice President.*

THE AMERICAN PULP AND PAPER MILL
SUPERINTENDENTS ASSOCIATION,
Miamisburg, Ohio, January 23, 1925.

Hon. FRANK B. WILLIS,
United States Senate, Washington, D. C.

DEAR MR. WILLIS: I wired you as follows:

"Refer to the annual appropriation for Bureau of Foreign and Domestic Commerce now before Congress. I urge your support for the full amount asked for by Secretary Hoover to carry on the work of our domestic commerce, especially that part for the provision of the waste-utilization program as adopted at the recent conference on utilization of forest products."

Our association is very much interested in the work of utilization of forest products, and we are making every effort possible to advance this work, and we feel that if an appropriation less than the amount asked for by Secretary Hoover is not granted the work that they are endeavoring to do will not avail the purpose it is intended for. I therefore trust that you will use every possible effort in helping to secure an appropriation in keeping with the work that is to be done.

The paper and pulp concerns in the United States are dependent upon the forest products to a very large extent, and unless sufficient wood is obtainable in this country there will naturally be a curtailment of operations for lack of wood from which to make pulp.

Assuring you of our appreciation for any efforts you make to secure a suitable appropriation, we are,

Yours very truly,

R. L. EMINGER, *Secretary.*

NATIONAL ASSOCIATION OF STEEL FURNITURE MANUFACTURERS,
January 5, 1925.

Hon. FRANK B. WILLIS,
Washington, D. C.

DEAR SIR: You will shortly consider the Winslow-Jones bill, S. 3384, H. R. 7034. This bill is very pertinent to the commerce of this country and we, as manufacturers of about 85 per cent of the steel furniture produced, sincerely hope that you will vote in favor of it when the opportunity arises.

By giving a definite status to the Department of Commerce, the result will reflect materially upon this industry. The export of steel furniture increased 36 per cent in 1923 over the previous year, while it is hoped that the 1924 figures will show a greater increase than this. Steel furniture is an all-American product created by American minds and, therefore, it should not be left unprotected to meet foreign competition which is growing. The facilities of the Department of Commerce have already been serviceable to us. The most striking example is that an impostor in Argentine secured a patent which excluded the various basic features of our product from that country. They acted promptly on this and prevented any loss to our members.

It is reasonable to expect that similar conditions will arise with greater frequency in the future. While it is our duty as manufacturers to be alert, you can realize that the Department of Commerce is in a position to advance our interest more advantageously than we can ever hope to, providing they are adequately manned to meet conditions as they arise. Therefore we energetically urge the passing of this bill which will encourage and expand this Nation's foreign commerce, because the service which will be rendered will make it possible for the manufacturer to act without the great precaution which he must now employ. We confidently hope that you will cooperate with us in this matter.

Yours very truly,

J. D. M. PHILLIPS,
Secretary.

SUPERIOR GAS ENGINE CO.,
Springfield, Ohio, December 29, 1924.

Hon. F. B. WILLIS,
United States Senate, Washington, D. C.

DEAR SIR: The writer has paid an extended visit to the different countries in Europe during the past summer and the summer of 1923, seeing a very great need of better representation of our industries and products in many of these countries. I feel there is considerable opportunity for a great deal of our surplus manufactured articles to be placed in a number of the countries wherein little manufacturing is carried on.

Few, if any, of the firms in this country are financially strong enough to maintain individual representation. The firms who need representation are usually the weak and growing ones.

I would strongly urge that you lend every support and effort toward furnishing the necessary financial support from the Government to the efforts of Secretary Hoover in maintaining the organization we now have, and enlarging upon it wherever possible, in order to secure, throughout Europe and South America, an outlet for our surplus manufactured products, and assist the medium and small manufacturer at home in finding a market for his goods.

It is needless for me to mention to you that 25 or 30 per cent of our manufactured product must find a greater market in other countries to maintain prosperity and steady employment of our people.

Most of us in viewing our export business fail to take into consideration that the greater portion of this export is of foodstuffs, which is very good in itself, but we should analyze this and bring to the attention of our American people that increased export of manufactured product must also be brought about.

I trust you will lend every effort to spread out and enlarge upon it.

Very truly yours,

SUPERIOR GAS ENGINE CO.,
Per P. J. SHOUVLIN.

AMERICAN PAPER AND PULP ASSOCIATION,
New York, December 22, 1924.

Hon. FRANK B. WILLIS,
United States Senate, Senate Office Building, Washington, D. C.

MY DEAR SENATOR WILLIS: The Bureau of Foreign and Domestic Commerce of the Department of Commerce is giving definite help to the paper industry.

As a result of developments during and immediately following the war the paper industry finds itself to-day with some considerable overcapacity. To meet this situation in such a way as to allow the mills to run satisfactorily the industry is turning to the development of foreign trade, as other industries are doing, we believe, to the benefit of the business of the country.

You may be somewhat surprised to learn that we are to-day exporting monthly about $2,000,000 worth of paper and paper goods. Our principal markets are in Central and South America, Asia, and Africa. European countries are coming back into these markets, and it is absolutely necessary for us to keep thoroughly well informed of conditions in the nonpaper-producing countries.

The Bureau of Foreign and Domestic Commerce, through their agents in the field, have been giving us very valuable help. We would like very much to see appropriations for the bureau so increased that a few more agents are put into the field, particularly in Central and South America and central Europe.

The aggressive work of the Bureau of Foreign and Domestic Commerce is bringing in information which it has been difficult for them to get to the industries because of their very small printing appropriations. We believe it would be of great benefit to business if the informational service of the bureau could be developed, both through a few more special agents and through funds for printing valuable reports on foreign markets and conditions.

The paper industry in the State of Ohio will appreciate keenly your interest and help in seeing that the Bureau of Foreign and Domestic Commerce gets some additional funds for four or five extra special agents and additional funds for printing reports of value to this industry. With best wishes for the holiday season, I am,

Very truly yours,

HUGH P. BAKER.

WILLARD STORAGE BATTERY CO.,
Cleveland, Ohio, March 14, 1924.

Hon. FRANK B. WILLIS,
Washington, D. C.

DEAR SIR: The writer, as export manager of the above firm, has recently returned from an extended trip through part of Europe and South America, having been gone over a year. He has had an opportunity to judge at first hand the importance of obtaining reliable information regarding local conditions from impartial sources, and he found splendid cooperation from the commercial attachés and Consular Service everywhere he had occasion to call on them.

He therefore sincerely hopes that you will find it possible to give full support to the bill now introduced in the House of Representatives by Mr. WINSLOW on January 3, 1924, which was referred to the Committee on Interstate and Foreign Commerce, recommending the establishment of foreign commerce service in the Department of Commerce. In the writer's estimation this would materially help the American business man and manufacturer in obtaining the most up-to-date information on conditions and possibilities in any given market.

The writer believes that the majority of export managers feel similarly on this subject.

Respectfully yours,

W. P. BARANOWSKI.

BONUSES, RENTALS, AND ROYALTIES FROM INDIAN LANDS

Mr. HARRELD. Mr. President, I ask that the Chair lay before the Senate the action of the House of Representatives relative to the amendments of the Senate to the amendment of the House to Senate bill 876.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The reading clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
February 6, 1925.

Resolved, That the House disagree to the amendments of the Senate to the amendment of the House to the bill (S. 876) entitled "An act to provide for the disposition of bonuses, rentals, and royalties received under the provisions of the act of Congress entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain,' approved February 25, 1920, from unallotted lands in Executive order Indian reservations, and for other purposes," and asks a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. SNYDER, Mr. DALLINGER, and Mr. HAYDEN be the managers of the conference on the part of the House.

That in respect to the proposed amendment of the Senate to the original text of the Senate bill, not in disagreement between the two Houses having already been agreed upon, the House can not now act, and the Clerk is directed respectfully so to inform the Senate.

Mr. HARRELD. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. CURTIS. I suggest that the language of the motion of the Senator from Oklahoma should be changed, because the dispute is not merely over a House amendment to a Senate bill. I suggest that the Senator from Oklahoma move that the Senate insist on its amendments and action and agree to the conference asked for by the House.

Mr. HARRELD. I accept that suggestion. I now recall that the dispute is over the amendments of the Senate to the amendment of the House to the bill.

The PRESIDENT pro tempore. The Senator from Oklahoma accepts the qualification of his motion suggested by the Senator from Kansas. The question is on the motion as modified.

The motion was agreed to; and Mr. HARRELD, Mr. MCNARY, and Mr. ASHURST were appointed conferees on the part of the Senate.

CLAIMS OF CHIPPEWA INDIANS, MINNESOTA

Mr. HARRELD. I ask the Chair to lay before the Senate the action of the House of Representatives in reference to House bill 9343.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 9343) authorizing the adjudication of claims of the Chippewa Indians of Minnesota, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRELD. I move that the Senate insist upon its amendment, agree to the conference asked for by the House of Representatives, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and Mr. HARRELD, Mr. CURTIS, and Mr. ASHURST were appointed conferees on the part of the Senate.

Mr. NORRIS. Mr. President, I had desired to be heard briefly on the motion to appoint the conferees who have just been appointed, but my attention was distracted for a moment to something else.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. SHIPSTEAD] has been recognized.

Mr. SHIPSTEAD. I yield to the Senator from Nebraska.

Mr. NORRIS. As I understand, the question of appointing conferees is a debatable question.

Mr. HARRELD. I merely asked that conferees be appointed.

Mr. NORRIS. Yes; but that is action which requires a motion, and it is subject to amendment; for instance, that the conferees be elected, or it is subject to an amendment naming them in the motion.

Mr. HARRELD. But my motion was that the Chair appoint the conferees.

Mr. NORRIS. I understand that; but that is a debatable question, and I want to debate it merely for a few moments.

Mr. HARRELD. I have no objection to the Senator doing that.

The PRESIDENT pro tempore. What question does the Senator from Nebraska desire to debate?

Mr. NORRIS. I desire to debate the motion to appoint conferees on the bill.

Mr. CURTIS. Let me suggest that I have agreed with the chairman of the Committee on Foreign Relations that early this afternoon we shall have an executive session, and if there is going to be any debate on this matter I hope it may go over until Monday.

Mr. NORRIS. I do not want to have it go over; nor do I want to interfere with the Senator from Minnesota. I was trying to get recognition, but I could not get recognition. I wanted to make a brief statement.

I have before me, Mr. President, a list of 33 Senators—almost a majority of the Senate—who are opposed to this method of appointing conferees. They do not believe in having conferees selected in this way; they did not want to follow such a procedure on the Muscle Shoals bill; and are we now going to take a jump in the dark and appoint conferees here in this instance without any one of those 33 Senators saying a word of objection? Have the conferees, who in this instance have been appointed, taken the oath of allegiance? Have they held up their right hands and promised solemnly that if appointed conferees they will obey the mandate of the Senate?

Mr. President, we are likely to get into all kinds of trouble by proceeding in this manner. What evidence have we here that these conferees are not going to go back on us when they get into the dark corners of a conference committee room where there is no light, where there is no record, and no newspaper correspondent or anybody else to tell the world what is going on? How do we know that these conferees are going to obey the mandate of the Senate? It is a vital matter. Thirty-three honest Senators here, whose names I might read if I wanted to take up the time—but you will find them in the RECORD, Mr. President—are opposed to that kind of a hopscotch way of doing business.

Mr. HARRELD. I am not one of them, I will say to the Senator.

Mr. NORRIS. I did not say the Senator was, and I hope, because I was looking at him, the Senator did not get the idea that I thought he had any blood on his hands. I did not think he was guilty. I merely wanted to call attention to the dangerous ground on which we are treading. I am wondering why, when the Agricultural Committee was on trial and suspended by the neck in the Senate, 33 Senators distrusted them, and held them up before the country as men unworthy to be conferees because of some fear, perhaps, that they might go back on the Senate, while here in the closing hours of the week and without an opportunity to debate the appointment of conferees in this case is jammed through as if a steam roller were behind it. It is a serious matter, Mr. President.

If there were a larger attendance of the Senate present I would read these 33 names, but since there are so few of us gathered around here when this appointment of conferees is being put across, I will hold it out for some future occasion. However, Senators who are interested will find the 33 names voting on the roll call on the appointment of conferees on the Muscle Shoals bill.

Why is it that these Senators now have more confidence in their fellow Senators than they did on that memorable occasion? Why do we now let the Chair appoint conferees with-

out even suggesting to him that before he does so he ought to have them take the oath, make the promise, and pledge themselves openly and above board that when they are appointed to that position they will faithfully and obediently follow the mandate of the Senate?

Mr. HARRELD. I hope the Senator from Nebraska will remember that I am not one of the 33 who cast the vote to which he refers.

The PRESIDENT pro tempore. The Senator from Minnesota has been recognized.

Mr. HARRELD. No objection has been raised, Mr. President, to the appointment of the conferees. I move that they be appointed by the Chair.

Mr. NORRIS. I understood that the motion had prevailed and that the conferees had been appointed.

The PRESIDENT pro tempore. The conferees on the bill have been appointed.

Mr. NORRIS. I had to speak even after the work had all been done. It only goes to show how Senators who are so jealous of the prerogatives of the Senate, and want conferees to be so obedient, forget when they are in a hurry.

APPROPRIATIONS FOR STATE AND OTHER DEPARTMENTS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11753) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1926, and for other purposes.

Mr. SHIPSTEAD. Mr. President, I offer an amendment and ask that it may be read, and lie on the table.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The READING CLERK. On page 20, after line 16, it is proposed to insert the following:

Provided, That the President is hereby respectfully requested to propose to all the nations of the world the conclusion of a convention definitely binding them to terminate all compulsory military, naval, and related service in terms substantially as follows:

I. The high contracting parties to such convention be requested to solemnly engage, each within three years from the date of its ratification of this instrument, to place all their military, naval, aerial, and subsidiary services of offense and defense, and all human labor required for the preliminary preparation of material for such services, on a strictly voluntary basis, and never, during the life of this treaty, in peace or in war, in any circumstances or on any grounds whatsoever, to compel their nationals, or to permit them to be compelled, by conscription, or by any other form of compulsion, whether direct or indirect, whether public or private, to perform military, naval, aerial, or subsidiary service at home or abroad, or engage in war for the collection of any public or private debt.

II. This treaty shall be unconditionally binding upon each of the high contracting parties for 30 years from the date of its ratification, and may not be denounced by any high contracting party within that time. It shall continue to be binding upon each of the high contracting parties indefinitely thereafter, unless denounced by that high contracting party, formal notice given, or the withdrawal three full years in advance of its effective date.

III. The high contracting parties, having in view the possibility that in some countries constitutional provisions may require considerable time to be adjusted so that this treaty may in no way conflict with any fundamental law, agree to regard the adoption by national legislatures of resolutions, or equivalent formal expressions, recording formal acceptance in principle of the treaty as ample guaranty of eventual ratification and as sufficient warrant for action in good faith by each and all of themselves.

Mr. SHIPSTEAD. Mr. President, I am inclined to believe that the amendment is subject to a point or order, but I hope that a point of order will not be made against it. I can not see how it could be offensive to any Senator who will read the text. It has to do with the problem of world peace and disarmament.

Mr. President, I have listened to a great number of proposals for the regulation of international controversies since I became a Member of the Senate, and I have noted with more and more discouragement that no one of them went to the heart of the problem. The world seems ready enough to discuss the trifling details as to whether the arbitrators of an international dispute shall be elected for so-and-so many years, or one or three steps removed from the assembly of the Geneva league, or to discuss the respective merits of the Court of Arbitration at The Hague, or the League of Nations Court of International Justice; but naval, military, aerial, scientific, and human armaments are subjects upon which no real discussion seems practicable. If there have been statesmen throughout the world who have possessed an earnest desire for world peace in order to relieve their overburdened peoples of the crushing weight of preparation for war, they have been harassed, on the one hand, by the professional naval and military men and the other numerous types of warriors that modern science has developed, and, on the other hand, by the industrial groups that seek loan commissions, oil wells, iron mines, and trade, and also in general by those who want the rest of humanity to think that Providence has confided to them the definition of protection of the national interests.

Consequently, no "full, frank, and free discussion" of these basic problems has come, in or out of the League of Nations or any other body, since 1919, for all the promises we had on both sides of the Atlantic Ocean that such would be the case. It is true that technical committees of the league and other groups, like the committees that discussed limitation of naval armament during the meetings of the "conference to conclude the four-power pact" in 1921–22, have made a feeble effort to deal with the outermost fringes of the armament problem; but no frankness has characterized the atmosphere of these discussions, and their programs have centered about things already obsolescent. In fact, the logic of nearly all of these so-called peace organizations have been of the kind revealed by the mother who expressed a yearning desire to have her daughter learn to swim, but refused to permit her to go near the water. So fast does science move that even if much of the equipment of the recent war were now prohibited, new engines of destruction developed since its end would enable a more hideous slaughter than even that of the last World War. Nor have the efforts to codify the law of warfare made sensible progress, and even these efforts, however desirable, are confined to the technique of combat, prisoners, contraband, and the like. These efforts have not been directed to the prevention of war, but in an effort to formulate the rules of war so that in the next war the killing of human beings en masse shall be conducted in a nice, humane, and orderly manner. None of our vaunted international law societies on either side of the Atlantic Ocean has had the courage to tear the veil of sophistry from the inner history of the last war and face the ethical and moral crime of war by famine, or the shameful suppression of the truth and broadcasting of falsehood by national and international organizations.

None of our international law bodies here or in Europe, in spite of the fact that they draw their nourishment from the industrial property and corporate securities of the Carnegie Corporation and other perpetual estates, have had the courage to meet the issue. They have not had the courage or wisdom to see that in the Bolshevist chaos in Russia, we have the inevitable result of the wholesale and ruthless disrespect for enemy private property that characterized the war-time policy of Great Britain, France, and the United States.

Law, both national and international, seems to float on, utterly without guidance or direction, so far as concerns any attempt to get down to the enduring principles of reciprocal trust and equity in the relations between nations.

Great international lawyers and statesmen are quibbling over technical points in the abstract, while diplomats and commissions, dominated by industrial and banking groups, are playing the game of international poker for possession of the natural resources and markets of the world.

Unless something of a practical nature is done the time will again arrive when one or more of these poker players will find it convenient to accuse the others of cheating, and the shooting begins. It would not be so bad, Mr. President, if these international poker players had to do their own shooting, but they now have the power, through the control of the governments of the world, to conscript the manhood and wealth of the world to enable them to start and prolong the row.

Above all, Mr. President, and right at the very heart of the question, is the failure of the nations to deal with universal military service, apart from imposing its abolition upon Germany, Austria, Hungary, and Bulgaria. Yet a careful and dispassionate examination of the course of history over the last century will lead to the conviction that there is no weapon within reach of the state that at all compares with its power to place the population under arms, to compel men to risk their lives regardless of their own wish, to wipe out at a single stroke all the individual rights and liberties that man possesses.

Is it conceivable that the Great War would have been allowed to commence, much less last 50 months, if the governments had been obliged to find their combatants otherwise than by conscription? In universal military service is the foremost weakness of all our modern political development. It turns the

entire population, at a moment's notice, and upon the decision of a few men, into slaves who may be slaughtered or starved, or have a colossal indemnity wrung out of their unhappy children for 50 years. Governments, Mr. President, are as weak in the face of temptation as individual men; and the temptation to launch upon an annoying enemy a huge army which you can summon by merely declaring a national mobilization, is a temptation too great for most governments to resist.

It may be said, of course, that regardless of any peace-time obligation such as the treaty I suggest might impose, nothing could restrain nations when once at war from immediately resorting to this supreme test of their sovereignty. This may be so. For one thing, however, they will not be so quick about engaging in war; and for another, the attempt to resort to compulsory service when war has actually begun is not likely to be successful under the conditions which then usually prevail. Such a treaty, when accepted by the nations of the world, will place the decision to make war in the hands of those who have some other sanction than the caprice of a handful of diplomatic scribes, supported by unmoral statutes or conventional platitudes.

This country is big and strong enough to lead the way. No government would challenge our sincerity if we proposed such a treaty as I suggest, even though many governments might be disposed to make reservations. I admit that the negotiations could be neither smooth nor expeditious. But all the trouble in the world would be justified by the attainment of this great object, of at last freeing man from the specter of war-time servitude that has haunted him for 40 centuries of recorded history, in spite of the protest of religion, philosophy, and every branch of human thought.

I admit, too, that constitutional difficulties might be formidable, but, Mr. President, throughout the world save in a few jurisdictions like the Japanese and British Empires and Russian Federation of Soviet Republics, from whom did the constitutions emanate, at least in theory, if not from those whose interest it would be to amend them so as to eliminate every last authorization of universal and compulsory military service? Why, Mr. President, in every country on earth such an amendment would go through over night if the people could only force their representatives to let them vote on it! This is one of those measures that would convince each group in the world of the good will of the others, despite all the suspicious perversity of bureaucratic and military classes; and its moral and intangible value would be incalculable.

Just in this hemisphere alone, Mr. President, it would be a great blessing; for several of our Latin American neighbors suffer severely from the great burden that this system entails. If Europe declines to help us develop what has been called "the international mind" by eliminating conscription as an aid to the creation of warlike attitudes and excessive readiness to belligerency, then let the blood be on Europe's own head! We shall be none the worse off for having proposed it. Latin America will think none the worse of us for the effort to rid the world of this blight of despotic state control over the life and death of citizens who are now only theoretically free. But Europe will not refuse any such suggestion from our Government. The late prime minister of England, Mr. Baldwin, declared in the House of Commons last July that "It behooves all people in all nations to do what they can by joining hands to save what we have." The British Empire, and many other countries, perhaps all, will not hesitate to take this step if the United States will lead the way.

I do not stop now to calculate the financial outlay and burdens that are placed upon the people and the producers of the world as a result of universal military conscription.

I believe, Mr. President, that as the Western Hemisphere was dedicated to freedom, so it can now give the world this greatest offer—a road to peace through individual freedom—an offer that no nation in the world can afford, much less desire, to refuse. Or is it to be said by the historian of the future that the treaty of Versailles abolished conscription for the vanquished but retained the enslavement of its own nationals by the victor?

I believe that we fought the World War to prohibit militarism, and so far as compulsory military service is concerned we imposed that prohibition upon the vanquished; but the victors, who fought the war to do away with militarism, have taken that beast to their bosoms.

Mr. President, I hope the amendment may be agreed to, so that America may lead the world to national freedom and peace through a treaty that will strike the chains of militarism from the hands of an enslaved humanity.

Mr. JONES of Washington. Mr. President, has the Senator offered his amendment to the bill?

Mr. SHIPSTEAD. I asked that it be printed. If there is no objection, I should like to have it considered now.

Mr. JONES of Washington. I feel constrained, I will say to the Senator, to make the point of order against the amendment on the ground that it is new legislation on an appropriation bill. I have much sympathy with the suggestion of the Senator, but I feel that I shall have to make a point of order against it on the appropriation bill.

Mr. SHIPSTEAD. If the Senator intends to make a point of order, he might as well make it now as at any other time.

Mr. JONES of Washington. That is what I thought.

The PRESIDENT pro tempore. The Chair sustains the point of order.

ORDER FOR RECESS

Mr. JONES of Washington. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 12 o'clock on Monday.

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

FEDERAL ANTITRUST LAW ENFORCEMENT, PAST AND PRESENT

Mr. FESS. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Hon. A. T. Seymour, Assistant Attorney General, on the work of the Department of Justice in the prosecution of antitrust cases.

The PRESIDENT pro tempore. Is there objection?

Mr. HEFLIN. Does the address contain any information regarding prosecutions which have recently been had and cases that have been pushed to a conclusion?

Mr. FESS. It does. I want to say to my friend from Alabama that I have read the address which was delivered at Princeton and it is entirely free from any objectionable statements whatever.

Mr. HEFLIN. If it has in it any information that will show that the Department of Justice has really been trying to prosecute some of these people, I would like to have it.

Mr. FESS. I am very much obliged to the Senator. He will be satisfied.

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

The matter referred to is as follows:

FEDERAL ANTITRUST LAW ENFORCEMENT, PAST AND PRESENT

(Address of Hon. A. T. Seymour, Assistant Attorney General, before the American Whig Society, Princeton University, January 19, 1925)

I. PURPOSE OF ANTITRUST LEGISLATION

It is necessary to protect the flow of interstate commerce from artificial obstruction and unnecessary restraint.

The natural resources and prosperity of the country must be distributed among all the people so that they will have the full and free enjoyment thereof. The channels of trade must be kept open. Any attempt to interpose unnecessary and artificial restraints must be stopped. No government has any right to interfere unnecessarily with private business, but any government which fails to protect the freedom of all its citizens in the enjoyment of common benefits from the power of any group to withhold these benefits has no right to pride itself upon a constitution dedicated in name only to the promotion of the general welfare.

II. THE COMMERCE CLAUSE OF THE CONSTITUTION

The source of the power of the Federal Government to meet the public need must be traced to Article I, section 8, paragraph 3, of the Constitution, which provides:

"The Congress shall have power * * * to regulate commerce with foreign nations and among the several States. * * *"

These few words, proposed, I think, by James Monroe, which had much to do with the adoption of the Constitution itself, have proved one of the most important factors in the continued growth of this Nation. The Constitution itself is an agreement which has been solemnly ratified and consented to as a basis of our common enterprise of self-government. The Articles of Confederation proved inadequate on account of want of any general power in the Federal Government to control the relation of the States with each other. (Miller on the Constitution, p. 434.)

Hamilton, Madison, and Jay were continually commenting in the Federalist upon the importance of this cause. The experience of Germany with the interference of her several States was pointed to as a warning of disaster. (Federalist, No. 7.)

From the decision of the Supreme Court of the United States in Gibbons v. Ogden, in 1824 (9 Wheat. 1) until the present time the scope of this clause of the Constitution has been broadened and strengthened by judicial interpretation.

The limitation upon the Federal power to interfere with the freedom of the citizens of the several States is based upon the provision that the commerce which may be controlled by an act of Congress must

be interstate, and no restriction, however vicious, may be touched by the Federal Government unless its necessary and direct effect is the restraint upon such interstate commerce.

III. SCOPE OF THE LEGISLATION

Restraint upon commerce can be affected in any one of three ways—by (1) Government grants, (2) cornering the supply of a commodity, or (3) by agreement or combination among separate and independent individuals. The Government has adopted a policy of granting a monopoly to inventors and their assignees under the patent laws. From time to time individuals acting alone or in small groups have succeeded in acquiring sufficient of the supply of a given commodity so that the demand may not be satisfied except by paying tribute to those who have acquired such control. "Cornering the market" is the popular description of such incidents. It was denounced in the Patten case (226 U. S. 525, reversing the Circuit Court, Southern District of New York), involving an attempt to corner the cotton market. The agreement between two or more natural competitors not to compete with each other is the third and the method by far the most frequently employed to restrain trade.

When two or more men, expressly or tacitly, publicly or secretly, agree with each other not to sell the product they deal in below a certain price which they fix they are held in law to be engaged in a conspiracy. The devices which they adopt in obtaining the power to fix this price and to maintain it have been at the root of all the cases instituted by the Federal Government under the antitrust law. That law, in substance, forbids anyone monopolizing or attempting to monopolize any part of the trade or commerce among the several States and any contract, combination, or agreement in restraint of trade among such States.

The original act, passed in 1890, has been supplemented by the Clayton Act, passed October 15, 1914, the Federal Trade Commission act, passed September 26, 1914, and by a provision in the Wilson Tariff Act, passed in 1894 and amended in 1913.

IV. PROGRESS OF JUDICIAL INTERPRETATION

Among the most ancient rules of the common laws bonds in restraint of trade were declared void. As early as the second year of Henry V (A. D. 1415) this was considered to be old and settled law. In 1711 Chief Justice Parker, speaking for the English court (Mitchell *v.* Reynolds, I. P. Williams, 181, 190), directed public attention to the evils of monopoly, and it was then held that contracts in restraint of trade were unenforceable at common law. In the case of Alger *v.* Thatcher (19 Pickering's Repts., 51–55) Mr. Justice Morton speaking for the Supreme Court of Massachusetts, said:

> "This doctrine (contracts in restraint of trade are void) extends to all branches of trade and all kinds of business. * * * It is reasonable, salutary, and suited to the genius of our Government and the nature of our institutions. It is founded on great principles of public policy and carries out our constitutional prohibition of monopolies and exclusive privileges.
>
> "Such contracts injure the parties making them. * * * They expose such person to imposition and oppression. They tend to deprive the public of the services of men in the employments and capacities in which they may be most useful to the community as well as to themselves. They discourage industry and enterprise and diminish the products of ingenuity and skill. They prevent competition and enhance prices. They expose the public to all the evils of monopoly. And this especially is applicable to wealthy companies and large corporations, who have the means, unless restrained by law, to exclude rivalry, monopolize business, and engross the market. Against evils like these wise laws protect individuals and the public by declaring all such contracts void."

Until the Sherman antitrust law was passed, however, the power of the courts was limited to refusal to enforce any such contracts in restraint of trade when the parties to such contracts appealed to the courts for relief. When this law was passed the Government took upon itself the power and duty of protecting the public from the ill effects of such conspiracies and monopolistic enterprises.

At first the law was not met with approval in the courts. Mr. Justice Jackson, then sitting as a circuit judge, in August, 1892, refused to remove a defendant from the State of Ohio to the State of Massachusetts for trial under an indictment against the Whisky Trust, and he was released on a writ of habeas corpus. The Supreme Court of the United States in 1895 held that the American Sugar Refining Co. (U. S. *v.* E. C. Knight Co., 156 U. S. 1) in acquiring stock in four Philadelphia refineries, which gave it a practical monopoly of the business in the United States, had no direct relation to commerce between the several States. Mr. Justice Harlan in that case, however, in a dissenting opinion, announced what has since become, in my judgment, the law of this country upon that subject, in the following language:

> "I perceive no difficulty in the way of the court passing a decree declaring that the combination imposes an unlawful restraint upon trade and commerce among the States and perpetually enjoining it from further prosecuting any business pursuant to the unlawful agreements under which it was formed or by which it was created. Such a decree would be within the scope of the bill and is appropriate to the end which Congress intended to accomplish, namely, to protect the freedom of commercial intercourse among the States against combinations and conspiracies which impose unlawful restraints upon such intercourse."

Mr. Taft, while Kent professor of law at Yale University, excused the failure of that great court to realize the true significance of its opinion in the Knight case by the suggestion that the case for the Government was not well prepared at the circuit, nor was this chief feature of the Government's real case sufficiently set forth in the bill of complaint. (Taft on "The Antitrust Act and the Supreme Court," p. 59.) He also said:

> "The effect of the decision in the Knight case upon the popular mind, and indeed upon Congress as well, was to discourage hope that the statute could be used to accomplish its manifest purpose and curb the great industrial trusts which, by the acquisition of all or a large percentage of the plants engaged in the manufacture of a commodity, by the dismantling of some and regulating the output of others, were making every effort to restrict production, control prices, and monopolize the business. So strong was the impression made by the Knight case that both Mr. Olney, Attorney General, and Mr. Cleveland concluded that the evil must be controlled through State legislation and not through a national statute, and they said so in their communications to Congress." (Taft on "The Antitrust Act and the Supreme Court," pp. 59–60.)

It remained for Mr. Taft, while sitting as United States circuit judge, to write the first great opinion upholding the Sherman antitrust law. He was sitting on the circuit court of appeals for the sixth circuit with Mr. Justice Harlan, who had vigorously dissented in the Sugar case, and with Judge Lurton, who afterwards became Mr. Justice Lurton of the Supreme Court. On February 8, 1898, they reversed the district court in Tennessee and instructed that court to enter a decree for the United States perpetually enjoining the defendants from maintaining the combination in cast-iron pipe described in the bill and substantially admitted in the answer, and from doing any further business thereunder. This decision was later affirmed in the Supreme Court of the United States on June 6, 1898. (United States *v.* Addystone Pipe & Steel Co., 175 U. S. 211.)

> "This case involved an agreement by which all iron-pipe companies in the Ohio Valley and the Mississippi Valley, from which manufacturers in other parts of the country were naturally excluded by freight rates, agreed that they would maintain prices and share profits, and that in pursuance of these purposes no one of them would offer iron pipe to any intending purchaser, who was usually a municipal corporation inviting public competitive bids, without the permission of the combination and only after there had been a secret bidding among the members of the combination to see which member would make such a bid as would from the profits of the contract allow the best bonus to be divided among the other members of the combination." (Taft on "The Antitrust Act and the Supreme Court," p. 71.)

It remained for Judge Lurton, nine years later in the same court, to write another great opinion sustaining this law in the case of John D. Park & Sons Co. *v.* Hartman (153 Fed. 14). No greater opinions have ever been announced upholding the antitrust laws of the United States than those written by Judge Taft in the Addystone Pipe case, by Judge Lurton in the Hartman case, and by Mr. Justice Harlan, dissenting, in the Knight case. The district courts in both the Addystone Pipe case and Hartman case were against the application of the statute. Both were reversed in the circuit court of appeals, and both decisions of the circuit court of appeals were affirmed by the Supreme Court. If it had not been for these three great judges, all of whom were then or later justices of the Supreme Court of the United States, I can not surmise the present condition of business in this country nor the effect on the liberties and welfare of its people. So much for the background of the antitrust legislation and judicial interpretation.

V. PRESENT NEED FOR ENFORCEMENT OF ANTITRUST LAWS

I am firmly convinced that at no time since the act was passed has there been so great a need for its vigorous enforcement as now. The decrees entered against the great combinations in the past must be translated into practical results. The defendants who have been found to have violated the statute must, in spirit and in practice, conform to the decrees and to the law. No new methods of circumventing freedom of commerce must be permitted to gain a foothold in our industrial life.

Mergers in the packing and baking industry, among grain elevators, of companies engaged in the manufacture of steel, copper, sugar, ice, and other commodities are reported as in progress of formation and are asking financial support. The consolidation of the transportation systems is progressing rapidly under the intelligent supervision of the Interstate Commerce Commission.

I do not mean to say that these enterprises are all illegal or fraught with menace to our economic welfare. But it is of the utmost importance in the common interest that every move toward the centralization of power in any industry or among those dealing in any commodity should be scrutinized with care.

Mr. Chief Justice White, in the opinion in the Standard Oil case (U. S. v. Standard Oil Co. of New Jersey, 221 U. S. 1), stated the position of the Government in the following language:

> "Indeed, so conclusive, it is urged, is the proof on these subjects that it is asserted that the existence of the principal corporate defendant—the Standard Oil Co. of New Jersey—with the vast accumulation of property which it owns or controls, because of its infinite potency for harm and the dangerous example which its continued existence affords, is an open and enduring menace to all freedom of trade and is a byword and reproach to our modern economic methods" (p. 47).

And he continues:

> "(a) Because the unification of power and control over petroleum and its products which was the inevitable result of the combining in the New Jersey corporation by the increase of its stock and the transfer to it of the stocks of so many other corporations, aggregating so vast a capital, gives rise, in and of itself, in the absence of countervailing circumstances, to say the least, to the prima facie presumption of intent and purpose to maintain the dominancy over the oil industry, not as a result of normal methods of industrial development, but by new means of combination which were resorted to in order that greater power might be added than would otherwise have arisen had normal methods been followed, the whole with the purpose of excluding others from the trade and thus centralizing in the combination a perpetual control of the movements of petroleum and its products in the channels of interstate commerce.
>
> "(b) Because the prima facie presumption of intent to restrain trade, to monopolize and to bring about monopolization resulting from the act of expanding the stock of the New Jersey corporation and vesting it with such vast control of the oil industry, is made conclusive by considering (1) the conduct of the persons or corporations who were mainly instrumental in bringing about the extension of power * * *; (2) by considering the proof as to what was done under those agreements and the acts which immediately preceded the vesting of power in the New Jersey corporation, as well as by weighing the modes in which the power vested in that corporation has been exerted and the results which have arisen from it."

The rule governing the Department of Justice in its solution of the problems presented by these mergers has probably never been better stated than in the language just quoted. It is fortunate that the solution of the problems presented is not attended by any desire for political effect or temporary popular approval. They are of grave economic importance and any ill-advised or premature attack will be to invite disaster and to impair the influence of the Federal Government in arriving at a correct solution.

It is no part of the Government's business to interfere with honestly conducted business. It is the Government's duty to challenge any attempt to secure an unfair advantage over the public by artificial combination and agreement. The existence of power in a small group of men to control the supply or to fix the price of any commodity passing in interstate commerce is at war with the whole economic system which has made our civilization progressive. If such power is acquired without any resort to means prohibited by existing legislation, the executive department of the Government may be unable to interfere. But if the statutory prohibitions against combinations in restraint of trade have been violated, its duty is clear. The common law rules against restraints of trade rest upon the theory that competition is desirable. It is no answer that restrictive covenants only prevent injurious competition and result in the maintenance of reasonable prices. (Lurton, J., in Park v. Hartman, 153 Fed. 24, 46.) What we are afraid of and what we have good reason to fear is the existence of the power of individuals or small groups of individuals to control supply and fix prices. The test is not whether such combinations do fix unreasonable prices or result in public injury. As Judge McIlvaine, speaking for the Supreme Court of Ohio, said (Central Ohio Salt Co. v. Guthrie, 35 Ohio State, 66, 672, quoted by Mr. Justice Harlan in U. S. v. Knight, 153 U. S. 27):

> "Courts will not stop to inquire as to the degree of injurious influence upon the public; it is enough to know that the inevitable tendency of such contracts is injurious to the public."

The effect of these mergers will not be immediate and some may subside of their own weakness. It may be necessary in some cases to observe the way in which the power is exerted and the results which follow. If they do violate the law, an adequate remedy will be found. In the words of Mr. Justice Holmes (Gompers v. Buck Stove & Range Co., 221 U. S. 418, 438):

> "The court's protective powers extend to every device whereby * * * interstate commerce is restrained. Otherwise the antitrust act would be rendered impotent."

In approaching the inquiry we have no criticism of the rule of reason announced in the Standard Oil case. Certainly the Government can not fairly commence an action unless the restraint complained of is in fact unreasonable and liable to be injurious to the general public. The initiative in bringing these problems before the Federal courts for determination rests upon the Department of Justice. The so-called mergers are so recent that no action as yet has been taken. The attitude of the Department of Justice, however, may be illustrated by a short reference to cases or classes of cases actually dealt with during the past two years which have been or are about to be tried in the courts. The extent of the work is indicated by the fact that during the year ending June 30, 1924, 189 separate alleged violations of the antitrust act were under investigation, 1,684 reports were submitted; and 15 cases were commenced. At the present time 33 cases are pending which will require actual trial and 21 are in a stage where civil or criminal proceedings are imminent. If all these cases are actually filed, there will be pending at one time 54 antitrust cases, a larger number than have been pending at any one time since the Sherman law was passed.

ENFORCING FORMER DECREES

Decrees heretofore entered are now being carried into effect under the direction of the Attorney General in the cases involving anthracite coal, the packers, Eastman Kodak Co., and the International Harvester Co.

A supplemental petition was filed on July 17, 1923, asking the court to take the necessary steps to restore competitive conditions in the harvesting machinery industry. It is claimed that the old decree has failed to achieve its purpose and that it is necessary to take further steps in the dissolution of the harvester trust so that not less than three separate and distinct competitors will be manufacturing such machinery. The case was argued at St. Paul in October, 1924, and a decision has not yet been announced. This case, with the suit pending in the district court in New York City, attacking the sisal monopoly, are aimed at things directly affecting agricultural necessities.

In the Eastman Kodak case the sale of two important lines of cameras—the Century-Folmer & Schwing and the Premo—is being worked out. The Eastman Co. was found to have illegally monopolized the camera business, and it has been ordered by the court to dispose of certain lines illegally acquired so that when such separate lines of cameras are offered for sale there may be active competition in that business.

The packers consented in 1920 to a decree requiring them to dispose of unrelated lines of business. This decree is now being subjected to attack, and the Attorney General is insisting upon its integrity and that it be complied with.

In the Anthracite Coal cases the coal-carrying railroads were ordered to dispose of all their interests in the stock of coal companies whose output was being carried by such railroads. It is easy to understand that there was no chance of any development in the anthracite coal industry which would tend toward a decrease in the amount of freight to be hauled by the railroads which controlled the policies of the coal companies. The hold of these transportation companies on the coal mines has been broken. Most of the steam size of the anthracite coal produced is sold at a loss. It is conceivable that power generated at the mines may be transported over electric wires for industrial and transportation uses at no far distant time. All initiative toward the production of giant power and its transportation by wire was stifled as long as it was to the interest of the owners of the coal mines to have this class of coal transported in freight cars.

A. TRADE ASSOCIATIONS

The interest of business men and lawyers is now more generally manifested in trade association activities than any other branch of business to which the antitrust law has been applied. The Supreme Court has recently decided the Hardwood Lumber case (U. S. v. American Column & Lumber Co., 257 U. S. 377, decided Dec. 19, 1921) and the Linseed Oil case (U. S. v. American Linseed Oil Co., 262 U. S. 371, decided June 4, 1923), prohibiting the activities of both associations. The so-called Cement case was tried in the criminal court in New York, where the jury disagreed. In a civil case, Judge Knox rendered a decree against the association (U. S. v. Maple Flooring Manufacturers' Association, 294 Fed. 390). The case will be argued in the Supreme Court within the next few months. A decree enjoining the Maple Flooring Manufacturers' Association was entered in the district court at Grand Rapids, Mich.; has been argued before the Supreme Court and assigned for reargument on February 24, 1925. Similar cases are now about to be tried against the Western Pine Association, the Southern Pine Association, the Steam Fitters' Association, the National Malleable Iron Castings Association, the Southern California Grocers' Association, the Seattle Produce Association, the Oregon Wholesale Grocers' Association, the Utah-Idaho Wholesale Grocers' Association, and a number of other associations are under consideration by the department.

Evidence of cooperation among the defendants in the wrongful use of information reported under the auspices of the association has been found in the cases which have been brought to trial.

"Genuine competitors do not make detailed weekly and monthly reports of the minutest details of their business to their rivals." (American Column & Lumber Co. *v.* U. S., 257 U. S. 377, 410.)

In the Maple Flooring case the district court prohibited the defendants from agreeing—

"to make reports to a central collective agency or agencies, or to receive reports from a central collective agency or agencies * * * to be used as a means of fixing or controlling prices or in any manner affecting the production of * * * flooring, or to be used as a means of fixing or controlling or increasing or diminishing prices of flooring, or to be used as a means of controlling or otherwise affecting production of such flooring." (Final decree entered Jan. 4, 1924, United States District Court, Western District of Michigan.)

As long as associations have gathered statistical information under proper safeguards solely in aid of proper distribution and for the avoidance of extremes of overproduction and underproduction they have not been interfered with by the Government. Mr. John W. Davis, in arguing the cement case in the court in New York, said:

"Ignorance is not a virtue and knowledge is not a crime."

It is not too much to hope that the clarifying opinions of the courts in the cases brought by the Government will finally permit trade associations, in some safely guarded way, to eliminate cycles of feverish production followed by depression, and will stabilize employment and wages and insure an adequate supply at all times of commodities dealt in. The safeguards against the misuse of such statistical information and against common action resulting in artificial restraints of trade are necessary to prevent natural competitors from arbitrarily controlling the supply and price of articles of necessity in which they may be dealing.

B. PATENT CASES

Another class of cases are those attacking the attempt to extend the scope of the lawful monopoly granted under the patent laws. We now have five cases in which the inventions patented have been acquired by large corporations and in which such corporations are attempting to maintain a system of contracts with their customers, giving the assignees of the patents the right to control prices beyond any legitimate interpretation of the patent laws. They are cases against the Standard Oil Co. of Indiana, the American Chain Co., the Jeffrey Manufacturing Co., the Kryptok Co., and their various associates.

A patent gives the patentee the right to control the use of his invention for 17 years, during which time he may rightfully protect by contract his power to regulate, manufacture, sell, and use the thing embodied in the invention. The purpose of the patent law is to stimulate invention by protecting inventors for a fixed time in the advantages that may be derived from exclusive manufacture, use, and sale. (Miles Medical Co. *v.* Park, 220 U. S. 373–401.) Mr. Chief Justice Marshall said (Grant *v.* Raymond, 6 Peters, 24):

"It is the reward stipulated for the advantages derived for the public for the exertion of individuals and is intended as a stimulus to those exertions. * * * The great object and intention of the act is to secure to the public the advantages to be derived from the discoveries of individuals. The means it employs are the compensation made to those individuals for the time and labor devoted to these discoveries."

In the case against the Standard Oil Co. of Indiana we are met with restrictive covenants in licenses made by owners of patents to refiners who use the patented process. Some of these license agreements arbitrarily restrict the extent to which the patented process may be used and the quantity which a licensee may produce in certain territories during a specified time. Others prohibit the transportation of gasoline and kerosene made under the patented process from one part of the United States to another.

In the General Electric Co. case the company, by a system of agency contracts, reserves the right to fix the price at which its incandescent lamps may be sold until they reach the ultimate consumer. The General Electric Co. also by means of a license agreement with its chief competitor, the Westinghouse Electric & Manufacturing Co., restricts the quantity of lamps which that company can manufacture, and also requires that the Westinghouse Co. shall sell lamps manufactured under such licenses at prices which are not less than those followed by the General Electric Co. This case is set for trial at Cleveland, Ohio, on January 27, 1925.

In the American Chain Co. case the company manufactures automobile bumpers and licenses a number of different manufacturers, but in its license contracts reserves the right to fix the price at which its licensee shall sell these bumpers.

The Jeffrey Manufacturing Co. manufactures mining machinery. The owners of several different inventions have assigned all their patents to the Jeffrey Manufacturing Co. and taken back licenses to manufacture under all of such patents which have been pooled, and the license agreements require the licensees to follow prices fixed by the licensor, the Jeffrey Manufacturing Co.

In the Kryptok case the owner of a number of patents covering bifocal lenses and blanks for use in manufacturing such lenses has granted licenses to a number of concerns authorizing the manufacture of lenses under said patents but requiring that such lenses shall be sold and resold through jobbers and retailers at prices to be fixed jointly by the owners of the patents and the licensees.

There is another class of cases relating to patents which is being carefully considered by the department. For some time it has been the practice of large manufacturers desiring to monopolize an industry to purchase numbers of patents covering patented articles and patented processes for the making of such articles. In certain instances such patents are for the process or articles of a competing nature and the purchase or acquisition of such patents is not to enable the manufacturer to utilize the patents in the production of the patented articles but to place the manufacturer in the position where he can prohibit others from making articles in competition with those which it manufactures. For example, the manufacture of incandescent-electric lamps is at the present time controlled under a fixed patent relating to the filament or light-giving element of the lamp.

It is obvious that if a filament consisting of some other substance should be invented which would produce a lamp of equal or greater efficiency than the present lamp, the monopoly of manufacturing incandescent lamps would be broken unless the owner of the patent which now controls the situation acquired the new device.

It is enough that the Government permits the inventor to assign his monopoly. Otherwise many inventions would never become useful or available, because of lack of capital on the part of the inventor to manufacture them. But the great rewards under the patent law go not to the inventor but to the assignee of the inventor. It would be interesting to compare the relative income from the manufacture and sale of a patented article in common use of the original inventor of that device with that of the company which purchased the monopoly. In fact, the manufacturer of devices like these hire all the men who have demonstrated any ability to contribute to the development of the commodities dealt in at a moderate fixed salary and take an absolute assignment of the product of their genius. If the present legislation does not protect the public from the arbitrary exactions of purchasers of these inventions, Congress has the absolute power to cut down the extent of the monopoly which may be granted under such laws. If the element of competition could be preserved by the Government in such a way that the inventor would derive a profit from the use of his invention but any one company would be unable to obtain a monopoly on the use of that invention, both the public and the inventor would be benefited, and the purpose of the patent laws would be served. We have long since lost sight of all idea of rewarding the inventor under the guise of the patent laws. We are perpetuating and aiding monopoly, and the money goes into the pockets of men who usually lack inventive genius.

An illustration of the practical effect of eliminating a patent monopoly is the litigation in which Henry Ford finally succeeded in defeating the owners of the Selden patent under which members of the association of automobile manufacturers were all operating under license agreement. If he had been unsuccessful in that litigation, there would now be no $400 cars on the market. As a result of his success the automobile has become a matter of every-day necessity and not a luxury to be enjoyed by the fortunate few.

ACQUIESCENCE IN DEPARTMENT RULINGS

In many cases manufacturers have abandoned the activities which have been criticised by the Government. It is necessary to constantly observe the operations of those who have thus voluntarily abandoned such practices. The importers of tracing cloth used by architects have withdrawn all price suggestions for the resale of their product and now solicit orders from all responsible dealers. The National Bottle Manufacturers' Association disbanded after discussing their activities with representatives of the Department of Justice. The members of the Tile Manufacturers' Credit Association refused to defend the case brought by the Government and a decree was entered forbidding the activities complained of. Representatives of all automatic sprinkler companies have notified the Attorney General of a plan to effect a separation of joint stock holdings by the companies and their subsidiaries and the holding company will be liquidated. A complete monopoly of the cement industry in the Rocky Mountain States has been eliminated by the proposed sale of separate plants in accordance with a decree entered in a case brought by the Government. This case was not actually tried, but a decree was entered after full presentation of the facts to the court.

It is a long step from the decision of the Supreme Court in the Knight case in 1895, when the American Sugar Refining Co. had a practical monopoly, to the ruling of Mr. Attorney General Stone on January 5, 1925, when he refused to consent to a modification of the decree entered in 1922 forbidding the American Sugar Refining Co. increasing its ownership in the stock of its competitor, the National Sugar Refining Co. The Department of Justice brought a new suit against the American Sugar Refining Co. and others in 1910, alleging a monopoly. During the 12 years which followed conditions in the sugar industry changed for the better so far as the monopoly was concerned, and in 1922 the American Sugar Refining Co. was doing only

30 per cent of the business, whereas in 1910 it had almost complete control thereof. When the American Sugar Refining Co. requested the Attorney General to consent to a modification of the decree to permit it to purchase all the assets of the National Sugar Refining Co. a careful inquiry disclosed that in the territory north of the Mason and Dixon line and east of the Mississippi River the two most vigorous competitors were the American Sugar Refining Co., with its "Domino" brand, fighting the National Sugar Refining Co. with its "Jack Frost" brand. In order not to interfere with these competitive conditions, the Attorney General saw fit to refuse to consent and has been advised that no further attempt to merge those two companies will be made.

CONCLUSION

In conclusion I suggest that if our people were left unprotected by the Government we can not foresee the extent to which individuals and corporations might go in their quest for exclusive advantage to be obtained by reducing control of industry into as few hands as possible. Monopoly and arbitrary control of production and prices discourage enterprise and diminish the products of ingenuity and skill. The inevitable result is to enhance prices. Whenever any group of men have the power to exclude rivalry they lose all incentive to initiative. There is no longer any reward for excellence in quality or elimination of waste and unnecessary expense in production. If the power to engross the market and monopolize business exists, it will be used, and it will not be used for the ultimate benefit of the public. May I recall to your minds the position in which Mr. Justice Harlan was placed when the Supreme Court of the United States convened at noon on January 21, 1895, and the Chief Justice of the United States announced the opinion of the court in the case of United States against E. C. Knight Co.? The original bill, filed in the Circuit Court for the Eastern District of Pennsylvania, had been dismissed by Butler, district judge. On appeal the circuit court of appeals for the third circuit, Judges Acheson, Dallas, and Green, had unanimously affirmed that decree on the 26th of March, 1894, and now his eight associates on the Supreme Court announced that the circuit court of appeals had not erred in affirming that decree. Judge Key, of the circuit of Tennessee, had rendered an opinion in favor of the Government against the Nashville Coal Exchange. But the Sherman law had had little other support. Mr. Justice Harlan, with an independence of judgment and a courage born of a conviction that he was right, announced his dissenting opinion, covering 28 pages of the report. The majority opinion covered but 9 pages. If he could have looked forward 30 years to the acquiescence in his position by the courts, the bar, and the business men of the country, instead of using the words of Tallyrand, "Time and I against any man," he might well have said to his brethren on the bench, "Time and I against any twelve."

He did have a prophetic vision when in that opinion he used the following words (156 U. S. pp. 44–45):

> "We have before us the case of a combination which absolutely controls, or may, at its discretion, control the price of all refined sugar in this country. Suppose another combination organized for private gain and to control prices should obtain possession of all the large flour mills in the United States, another of all the grain elevators, another of all the oil territory, another of all the salt-producing regions, another of all the cotton mills, and another of all the great establishments for slaughtering animals and the preparation of meats. What power is competent to protect the people of the United States against such dangers except a national power—one that is capable of exerting its sovereign authority throughout every part of the territory and over all the people of the Nation?
>
> "To the General Government has been committed the control of commercial intercourse among the States, to the end that it may be free at all times from any restraints except such as Congress may impose or permit for the benefit of the whole country. The common government of all the people is the only one that can adequately deal with a matter which directly and injuriously affects the entire commerce of the country, which concerns equally all the people of the Union, and which, it must be confessed, can not be adequately controlled by any one State."

CHILD LABOR

Mr. KING. Mr. President, I ask unanimous consent to have printed in the RECORD an able article by the president of the Bar Association of West Virginia upon the question of the proposed amendment to the Constitution concerning child labor.

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

The matter referred to is here printed, as follows:

"SHALL WE ABOLISH OUR REPUBLICAN FORM OF GOVERNMENT?"

(Annual address of the president of the West Virginia Bar Association, delivered at Clarksburg, November 20, 1924, by Clarence E. Martin, Martinsburg, W. Va.)

Members of the association: Again this association is in session for the mutual benefit of its members and the general good of the Commonwealth. One can not imagine a gathering of lawyers, such as this meeting, without stamping it at once as a public function. For lawyers live in the public eye, their duties are essentially public in their nature, and, in a peculiar manner, their moral responsibilities, as members of the bar, are to the Republic and to the State, as well as to their God.

We are here, therefore, for the purpose of reasserting our faith in the principles of right and justice, maintained and upheld by progenitors in the profession, who have bequeathed them to us as a sacred heritage, to be guarded and protected, and devised in turn for the benefit of succeeding generations.

By the absence of a governing or ruling class among us the people turn intuitively to the members of our profession who are engaged daily in interpreting and applying the laws, to help make and execute them. And when the path of political destiny grows dim, and the people are in danger of straying, it is our duty, even if a self-assumed one, to call them back and note brightly that path, so that the landmarks established to preserve our liberties in the past may be observed, and thus we shall be deterred from wandering into the dreary forests of unbridled democracy and socialism.

One hundred and fifty years ago, when the first Continental Congress met in Philadelphia to protest collectively against the treatment imposed upon the colonists by a monarchical government, even those who dreamed most thought not of the Nation whose corner stone they were unconsciously placing. But the members of the convention which submitted the Constitution had different hopes and broader ideals. The Constitution was strictly American in origin. The tendency of the public mind at that time, which produced it, was a federalist one, it is true; yet the tendency was curbed in the convention by the adherents of the rights of the States. It is indeed fortunate for the future of the country that the opinions of neither the advocates of a complete, centralized Government nor those of a weak, confederated one, prevailed. The former would not have been accepted by the States; the latter would have been ineffective. The Constitution adopted carried out in its largest and most positive sense the purpose of government, which affords protection from hostile designs of other peoples and secures the greatest possible amount of personal freedom to its own citizens, conducive to their welfare, the rights of their neighbors, and the perpetuity of the Nation.

The rights reserved by the States were kept intact until the horrors of civil war swept the land; and that war settled for all time one political question—that the compact made was perpetual. The popular thought, therefore, that the rights of the States in the Federal plan were abandoned at Appomattox, is of course, a fallacious one. But there the dominancy of State rights was crushed. Legislation affecting these reserved powers during the years following has materially strengthened the position of the Federal Government and correspondingly weakened that of the States; until now the status of the States, guaranteed under the compact made, has become so insecure that unless prompt and effective public sentiment interferes the States as representatives of the sovereign powers residing in their people will be annihilated, and the republican form of government, under which this Nation has grown great and mighty, will gradually give way to a pure democracy. If that time comes, and we pray it never will, the days of our greatness as a Nation will be numbered and the pen of posterity will place us among the great nations and peoples known only to history.

Proud of the ability of our National Government, with knowledge of its wealth and its capacity to deal effectively dangling before our eyes, we have allowed our better judgment to be swayed from the rules set down for our guidance at the foundation of the Government. Legislation, tending toward centralization, seems to have kept step with our material development. This enlargement of Federal powers is due to no misconception of the rights of the States.

The tenth amendment, reserving these powers to the States, in practice, however, has become obsolete, under this now popular method, and State legislation is fast becoming a mere ratification of Federal interference. Indeed, this tendency has grown so strong and the National Government looked to for legislative guidance in so many matters of purely local concern—as one Congressman lately put it, from the advancement and control of education to that of hunting and fishing, that the system of government now being formulated as a result, and which we are unconsciously projecting, is making the Federal establishment more imperial than the German system we so heartily condemned and materially aided in effacing. The result is almost as complete as if a revolution, by cyclonic action, had torn asunder the fabric and structure of our federation. By constant usurpation, this Federal Government of ours, neither built nor intended for the purpose for which it is now being used, is being weighed down to such an extent that if this tendency is not checked it is bound to break under the strain.

This movement, toward Federal supremacy, so far as legislation is concerned, has demonstrated itself in three distinct ways: By Federal grants-in-aid laws; by laws plainly usurping State functions; and by constitutional amendment. To some negligible extent we find judicial concurrence. I shall dwell briefly upon the first two propositions.

In 1862, Congress passed the first grant-in-aid law, known as the Morrill Act, giving aid to agricultural schools, which has been successively amended. The scheme is simple. When and if the State passes a certain act containing stated provisions, prescribed by Congress, and makes at least the same appropriation, a peculiar sum of money is available. While the State is not compelled to accept their provisions, by the threat to withhold this aid, the State is in fact coerced, surrenders its sovereign power to legislate as to the subject, the draft as proposed by Congress is adopted, responsibility of State legislatures to the people for law enactment is removed, control of State legislation is thereby secured, regulation of the manner of distribution is obtained, and the Federal Government is supreme. The Supreme Court is powerless to prevent such invasion, even in a suit brought by a State, because the question is political, not judicial, in character. (Massachusetts *v.* Mellon, 262 U. S. 447; 67 L. E. 1078.) The Federal Treasury, therefore, has become the agency for this transposition of power and diminishing local government is the consequence.

It is said that these enactments are due to an expansion of social functions of government; that State performance would be incompetent; that untold effort must be expended to secure passage of similar legislation by 48 different States, besides the delay and want of uniformity; that the National Government might not be able to perform the object directly, and unsupervised efforts would result in abuses; that the aid is really to projects under local supervision, and that, if attempted alone, the very act might be duplicated by the States. It is urged, too, that the movement divides the burden, too heavy for the States to bear, insures a certain national minimum standard and relatively economical expenditure, affords a clearing house for information upon the subject treated, solves the constitutional objections, serves to integrate the units affected within the State, and strengthens State control. Since 1911 several of these laws have been passed and some are pending. They extend aid for forest protection, good roads, militia, vocational education, social diseases, and mother welfare. Each of them appear to leave authority for their enforcement to the States without doing so.

They are costing the Federal Government, at the present time, $200,000,000 yearly, and if the Sterling-Reed bill, granting aid to education, is passed, the increase will be not less than $100,000,000 more. The income tax amendment, by giving to the National Government a large additional source of revenue, has made it possible for the Nation to embark upon this system of subsidies to the States. The laws are an incentive to wasteful and increased local appropriations and result in increased taxation, under the baseless theory that the local governing body is getting something for nothing. For this reason it is possible to organize a mass of State and local pressure in their favor, against which resistance is almost impossible.

If the laws are good in themselves, necessary for the uplift of the public generally, and there is a general sentiment for their enactment, the States will adopt them either directly or by coordinate action, in a similar manner to that which is bringing uniformity in the commercial world, by the enactment of the proposed uniform statutes, recommended by the American Bar Association to the State legislatures, as the best experience of years. The result desired could be obtained by Federal investigation and recommendation, an eminently proper way. If the passage of these acts continue, State legislatures will become mere agencies of Congress, and the States, in our system, will then be little more than the departments of France or the counties of England.

Nor has the National Government profited. These laws have added to the Federal police power; they have built up top-heavy and inefficient bureaus in Washington; they lead to plundering of the National Treasury; and, if carried much farther, they and similar ones will tend to bankrupt the Government.

The functions of the National Government are no longer exclusively or primarily negative; they are constructive. Through the tariff and other similar legislation, business interjected itself into Government in past decades to such an extent that Government has interjected itself into business, and business has become so interwoven with Government that there are few branches of commerce in the actions of which the Government is not concerned.

The commerce clause, from which Madison, in the Federalist, said "no apprehensions are entertained," is largely responsible for this character of Federal encroachment. The reason for its inclusion in the Constitution was a then present, compelling one. States were adopting local protective, commercial, and tariff laws. Unless commerce could move free and untrammeled, there could be no real union. But the elastic construction, which the commerce clause has received, has served as an invitation, I should almost say a dare, to Congress, for progressive Federal action.

The first great commerce case (Gibbons *v.* Ogden, 9 Wheaton 1) settled the exclusive right of Congress to regulate commerce. Indeed it has been urged (2 Warren's Supreme Court 81 et sequi) that had Congress followed this decision to its fullest extent, slavery could have been abolished by prohibiting the slave trade and excluding slaves from the domain of interstate commerce. Remarkable as this proposal may seem to-day, its reasoning is sound, for the court upheld the Webb-Kenyon Act, which prohibited the transportation of liquor into a dry State, even though that State—West Virginia in fact—allowed a quart to be transported for personal use. (U. S. *v.* Hill, 248 U. S. 420, 63 L. E. 337.)

Although Congress made little use of the commerce clause until 1887, it has been overworked since that time. Under this clause, food is being examined, meat is being inspected, standard packages for fruit have been established, trade is being regulated, grain exchanges are being directed, the hours and conditions of labor are being determined, and personal morals are supervised. All of these subjects are within the scope of the police power of the States.

Indeed there are few subjects of legislation affecting State rights that Congress has not assumed to act under the commerce clause.

The Supreme Court, also, has opened the way for additional legislation under the commerce clause, which, in effect, will curb the right of the States to fully regulate public utilities. We may expect such legislation. It has been decided (Pa. Gas Co. *v.* Public Service Commission, 252 U. S. 23, 64 L. E. 364) that the direct transmission of natural gas from the source of supply outside of the State to local consumers in municipalities within the State is interstate commerce; but that until Congress acts under its superior authority by regulating the subject matter for itself, the States may do so without offending against the commerce clause. Just previous to this decision by the Supreme Court of the United States, it is interesting to note that our own court laid down the identical principle as to electric current. (Mill Creek Coal & Coke Co. *v.* Public Service Commission, 84 W. Va. 882, 100 S. E. 557, 7 A. L. R. 1081). Recently, the district court in the northern district refused to enjoin our Public Service Commission from fixing interstate telephone rates (Judges Rose, Baker, and Soper sitting) upon the theory that Congress has not yet seen fit to act under its power.

The right of Congress to fix rates for oil and gas transported in pipe lines, telephone and telegraph messages, and electric power transmitted from one State to the other, is unquestioned. Couple this with the powers of the Federal courts under the fourteenth amendment, the influence upon intrastate rates will be tremendous, and the public service commissions will become largely a rubber stamp, so far as rates are concerned. State control, then, over the larger activities of public utilities will be a thing of the past.

But the commerce clause is not alone responsible. Under the navigation clause the Federal Power Commission is functioning. By its right to control the waters of a nonnavigable stream, the daming of which the commission determines may affect navigable waters into which the nonnavigable stream flows, the States have lost complete control over all the useful waters within their boundaries. And the right of Congress to control the waters of nonnavigable streams was decided by the Supreme Court long before the Federal Power Commission act was in contemplation (United States *v.* Rio Grande Dam and Irrigation Co., 174 U. S. 690, 43 L. E. 1136). When Congress exercises its rights under the navigation and commerce clauses the Federal Government will have almost complete and entire jurisdiction over hydroelectric utilities.

Until Congress acts the power of the States is paramount, but the right of Congress, once exercised, is exclusive, and its treatment of the subject supreme even though the rights of the States are invaded.

It has been held, however, that the intent to supersede the State police power will not be implied unless the act of Congress, fairly interpreted, is in actual conflict with the law of the State (Carey *v.* State of South Dakota, 250 U. S. 118, 63 L. E. 886). Indeed, the Supreme Court, especially in later years, has been the guardian angel of the reserved rights of the States. Out of 48 cases in which the Supreme Court has declared 46 acts of Congress unconstitutional, 16 decisions have declared 14 acts encroachments upon the purely internal and domestic affairs of the States. Others among the remainder might well be so classed.

Let us admit that this national trend of thought away from the original American ideal of local self-government is not without a reason, destructive in character to the stability of our republican form of government, though it be. There can be no doubt that effectual local action has not been had in many cases to correct existing evils and maintain untrampled guaranteed personal and property rights. This inefficiency in some State governments, coupled with an encouraged tendency in other quarters toward centralization, has found its reflection in congressional action. It is rapidly crystallizing into a national thought and is resulting in the development of an unwritten constitution or basis of federalization entirely at variance with the spirit of our written one.

When, therefore, congressional action is taken and judicial concurrence is wanting, constitutional amendment is promptly suggested and the effort is made to submit an amendment to take the power from the States. A study of these amendments offered at various times is a history of American politics. Most all of them reflect some problem then presently urgent.

For instance, the late Senator Hoar, as a Member of the House, among many others, offered an amendment in the early nineties requiring postmasters to be elected. During the Sixty-seventh Con-

gress, when the price of coal was high and labor troubles existent, Mr. Volstead introduced a resolution to submit an amendment regulating the production of and commerce in coal, oil, and gas. Amendments have been offered covering every conceivable thought from one granting Congress the power to buy and sell agricultural land and thus become a real-estate broker to one changing the name of the country.

It was once thought to be a Herculean effort to amend the Constitution. Yet amending the National Constitution has been an easier task in recent years than amending the Constitution of West Virginia. In quick succession the States have given to the National Government the right to levy direct income taxes, agreed that the Senators should be elected by direct vote, agreed to abolish the liquor traffic and gave to Congress concurrent power with the States to enforce prohibition, and agreed that women should have the right to vote.

In this discussion we are interested in referring to them as evidence of this growing national tendency. The application of some of the legislation passed in pursuance of their provisions, however, has brought strongly to mind the convincing thought that local control of police powers is certainly the best governmental policy.

It is a serious proposal, one would imagine, to suggest a change in any system of government. During the present Congress, however, 101 joint resolutions, suggesting amendments to the Constitution of the United States, have been so far introduced. Many of them would limit the right of or take from the Supreme Court the power to pass upon acts of Congress. Of the remainder, 2 would require Congress to provide for equal rights of men and women, 6 would give the National Government the right to levy taxes on State securities, 7 would give Congress the power to provide uniform laws on marriage and divorce, 28 would give Congress the right to pass laws relating to child labor; all aimed at destruction of State rights. Several would elect the President and Vice President by popular vote of all the people, thus destroying the last vestige of State sovereignty. Overwhelming, positive proof, you will concur, that some movement toward destruction of State governmental powers is under way. One only of these proposed amendments was passed and submitted for ratification—the so-called child labor amendment. It follows:

> "SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.
>
> "SEC. 2. The power of the several States is unimpaired by this article, except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

Congress passed the first Federal child labor law in 1916, invoking the commerce clause to protect it in the courts. The Supreme Court held (Hammer v. Degenhart, 247 U. S. 251) that the commerce clause of the Constitution could not be used to compel the States to exercise their police power.

Using its taxing power to sustain it, Congress then passed the Federal child labor law of 1917. The Supreme Court (Bailey v. Drexel Furniture Co., 259 U. S. 20) again prevented Congress from usurping the right reserved to the States, and held that the taxing power of the National Government could not be used to secure jurisdiction over the subject, legislation concerning which was clearly within the bounds of State sovereignty. In that case Mr. Chief Justice Taft, among other things, said:

> "To give such magic to the word 'tax' would be to break down all constitutional limitations of the powers of Congress and completely wipe out the sovereignty of the States."

Then came the submission of the amendment. Its adoption is advocated by many well-meaning people. The fact of its submission by Congress is sufficient to justify assumption of the existence of reasons for its ratification. We thought that the eighteenth amendment was the high-water mark in State police power direct grants. Yet the powers granted by that amendment are insignificant, indeed, to the powers conferred upon Congress by this so-called child labor amendment.

Let us examine first the necessity for a Federal law upon the subject, and then the extent of the power asked to be granted. A comprehensive statement of the facts for the purpose of this discussion is neither possible nor necessary.

According to the 1920 census there were 40,000,000 of people in this country under the age of 18. Congress, therefore, seeks the right to legislate for 40,000,000 of persons by this proposed amendment. Of these, 12,502,582 were between 10 and 15 years of age, an increase of 15.5 per cent over the 1910 census. Inasmuch as the Census Bureau's statistics of 1920 are founded upon the then existing law, the figures given cover only the ages between 10 and 15. There is a difference between child employment and child labor. The term "children in gainful occupations" between the ages of 10 and 15 include those who work after school hours, during vacation, on the farm for the parents; in fact, all kinds of intermittent work outside of school hours and in other perfectly legal employment. Child labor implies a child of tender years laboring continuously for long hours at tasks beyond its capacity, to its physical or moral detriment.

Of the 12,502,582 above referred to, there were employed in "gainful occupations" 1,060,858, a decrease of 46.7 per cent since 1910. Or to put in another way, there were almost double the number of children working in 1910 than in 1920.

Of the 1,060,858 children, 647,309 were engaged in agricultural pursuits. Of this latter number, 88 per cent were working after school hours or during vacation on the home farm, and 12 per cent worked either for, with, or under the direction of their parents.

Of the 413,549 engaged in nonagricultural pursuits, 364,444 were legitimately employed. There were therefore 49,105 only, less than 15, whose employment was a matter of legal concern, and of these 12,789 were newsboys less than 14, leaving only 36,316 out of a possible 12,502,582 actually engaged in child labor, or not quite three-tenths of 1 per cent of all the children in the country between 10 and 15, who were employed antagonistic to the terms of the Federal law in force in 1920. Apparently, the amendment proposes to take care of the class represented by these 36,316.

While West Virginia employed 23,802 out of a possible 155,000 children in 1910, owing to local conditions, better facilities for education, and stronger enforced laws, there were employed in 1920 only 7,431 boys and girls between 10 and 15 years of age out of a possible 191,299. Most of the other States show a similar change, although the percentage in most of them does not register so great an improvement as in West Virginia.

We have always been lead to believe that it was the situation elsewhere that needed attention. For instance, with us, it is the cotton mill of the South that has been held up as the terrible curse of childhood. Yet of the 36,316 above referred to, 404 of this number less than 14 were employed as operatives in North Carolina, South Carolina, Georgia, and Alabama, and 218 in all the other States. The other States hear of the terrible child-labor conditions in the West Virginia mines.

States generally forbid employment of children under 14, except in agriculture or domestic service, and under 16 at hazardous occupations. None forbid employment after 16, nor at any age in agricultural pursuits or domestic service, consistent with school law. So while we have been debating and discussing this matter, what was once a real has become a phantom problem.

These, then, as briefly as can be stated, are the facts in the case. What rights have the States over children and what is the extent of the grant asked? Are the States so impotent that Federal intervention is necessary?

The State may stand in loco parentis only in certain peculiar cases, for it is a primary principle that the head of the family has control of and the right to obedience from the child always.

Or, as Blackstone (1 Blackstone 453) puts it:

> "The duties of children to their parents arise from a principle of natural justice and retribution. For to those who gave us existence we naturally owe subjection and obedience during our minority, and honor and reverence ever after."

The State has no jurisdiction over the child merely because it is a child, and no earthly power can delegate such privilege to the State. The divine law, as well as the invincible law of nature, prescribed the rights and duties of parent and child centuries before nations were known and governments formulated. Notwithstanding the attacks of diverse character throughout the centuries, the family is and will remain the fundamental unit of government.

Years of legal experience has caused us to divide childhood into three ages, one less than 7, one from 7 to 14, and the other from 14 to 21. The presumption of a child's knowledge of right and wrong, his right to perform certain legal duties and enjoy certain rights are all dependent upon his age during infancy. Not only the rights, but the child's duty to its parents, have been fixed in our law for centuries, and all legislation must take into consideration these relative rights and duties.

The child's right to sustenance and education is a parental duty. Parents voluntarily accept that duty; ordinarily will not attempt to escape it, and can not if the law is invoked. If the parent can not or will not perform his duty, then the State may; but the State can not assume the right to perform primarily without the consent or the failure of the parent. The State does, however, put certain facilities at the parent's command to lighten his burden and make more efficacious his work. The parent has the undoubted right to train his child, to educate him in the manner he will, and the State may not interfere, if the parent does so, and the minimum standard of parental conduct, which the State requires, is maintained. As Mr. Justice McReynolds aptly remarks (Meyer v. Nebraska, 262 U. S. 390, 67 L. E. 1042, known as the German language case):

> "Corresponding to the right of control it is the natural duty of the parent to give to his children education suitable to their station in life; and nearly all States, including Nebraska, enforce this obligation by compulsory laws."

And again:

> "That the State may do much, go very far indeed, in order to improve the quality of its citizens, physically, mentally, and morally, is clear, but the individual has certain fundamental rights which must be respected."

The State, therefore, does not have the right to disturb "fundamental rights." They are fixed by the natural law. So-called labor statutes are upheld upon the ground of public morals, mental development, or physical safety. They are, however, largely "employment" statutes. It may be argued, with considerable force, that statutes preventing the employment of children under a certain age from engaging in labor in a "gainful occupation" are in derogation of the common law. Rather, however, are they to be regarded as in aid of the common law; because it is the natural duty of the parent to protect the child's health and morals. But no State has gone beyond the limits of reason in applying the rule, else parental rights would be disturbed. This amendment, therefore, by giving Congress the right to limit, regulate, or prohibit labor of persons under 18, intends to confer upon that body a right that the States do not now possess, and actually seeks, by the legislation that may be passed in pursuance of it, to set aside the natural law.

Whatever reasons exist for its submission, the only excuse given in the debate in the Senate was that Congress had twice legislated upon this question, and there must therefore exist the incontrovertible presumption that the people felt the need of national legislation upon this subject or their representatives in Congress would not have voted for it. Therefore Congress should have the power to legislate upon the prohibited subject and the States should surrender it.

This argument could be made by any justice of the peace, who might insist that because several suitors had brought suits before him beyond his jurisdiction, the public generally intended to give him such power; therefore he should have it.

Why this proposed amendment, therefore, fixes the limit of regulation to 18 years, in view of present progressive State statutes and former Federal legislation is not, at once, obvious. There is no existing sentiment in favor of such an age; high school graduates are usually younger, the average country boy has taken his place in the sphere of usefulness before that age.

It will be observed that the amendment uses the word "labor" and not "employment." Therefore, Congress can limit, regulate, or prohibit not alone "employment," but all kinds of "labor," for the latter is a more comprehensive term and embodies the act done, whether employed or not. Therefore, Congress is substituted for the parents, and may exercise right over the child from the time of birth forward. Not only this, but Congress can determine the obligation of parents with respect to labor and education of their own children. Unlike the State laws, this amendment applies to agricultural and domestic service, as well as all other labor.

The power to prohibit is a comprehensive right, when granted. Therefore under the clause giving the right to prohibit, Congress can prevent any person from performing the slightest task until they are 18. The power to prohibit, gives Congress the incidental right then to support those who are not permitted to support themselves. It can be made an incentive to idleness. And if Congress use the full power of prohibition to labor, adults will perform the light tasks now done by younger people, scarcity of labor may result and react to the detriment of the country under the basic principle of supply and demand.

Under the right to limit, Congress may prescribe the age at which a child may do a certain act; as for instance when the girl is old enough to do housework or the boy is old enough to keep the woodpile in shape, forward to heavier and more exacting labor; or whether they may work at all.

Under its right to regulate, Congress may prescribe the character, methods, and hours of labor, the minimum wage, in what seasons the child may work, what are proper working conditions, whether the labor of the youth is dependent upon the labor of older persons, and the number of hours contributed by the adults on the same class of work. In this manner the character and hours of labor, not only of infants, but of adults also, may be regulated by Congress, if youths under 18 are laboring at the same place with adults.

The word "regulate" is even broader than the other two powers granted. Congress will be the judge of the extent of such regulation. It may extend to compulsory education, require military training, or any incidental feature that a future Congress may conceive to be essential in the regulation of the direct power conferred. Indeed, as one Senator in the debate sagely remarked, the law of Moses was being amended to read "Honor thy father and thy mother, as the Great Father in Washington dictates."

Under this right comes the implied power to control education. Congress shall have the power to determine the standard of education and training that must be attained before either a boy or a girl can follow a certain avocation. If challenged, the Supreme Court, following its precedents, must decide that, given the power to legislate, the manner and form in which the prerogative is exercised is that of Congress and, being legislative, can not be judicially challenged. Entire control of the physical and mental exertions of every person under 18 is asked by Congress.

It may be urged that Congress will not have these powers; that the reference is to labor alone and not to other incidental matters. There arises before me, as a spectre in the night, the great implied power clause (clause 18, sec. 8, art. 1, Constitution) which gives to Congress the authority to pass all laws necessary and proper to carry into execution the powers expressly conferred. The tenth amendment does not use the word "expressly" in reserving powers not granted. It is a fundamental principle of constitutional construction, as we all know, that what is implied is as much a part of the instrument as what is expressed. (In re Jasper Yarbrough et al., 110 U. S. 651, 28 L. E. 274.)

I can sense the workings of your minds—that the subject has been overdrawn in this discussion; that Congress, even though it has the power, will not so act. Probably not all at once nor entirely at any one time. But the right is clear. We just observed that it took Congress 100 years to fully grasp its rights under the commerce clause; now the most important enactments are passed under its grant. But let me give you another answer. Let me say, through you, to the good women of West Virginia that the Children's Bureau in Washington is now advocating a law providing for compulsory registration of pregnancy through local health offices. (Standards of Child Welfare, Children's Bureau Publication No. 60, p. 146.) Is there one here who doubts the power of Congress, which will have jurisdiction over the physical and mental exertions from the time of birth forward, to enact such a law if this amendment is ratified?

But if Congress does not intend to use them, why ask the grant of such powers? And why grant them? Does any necessity exist for their exercise?

The iniquitous concurrent clause is attached to this amendment. If there is one thing essential to stable government, it is the necessity of placing the performance of authority where it belongs and hold the dependable agency responsible for its proper exercise. Plainly this amendment permits double appropriations and double the number of officeholders. It just as certainly allows double convictions for the same act, if the State has a child labor law, and all of them have; for the State, in theory, is still a sovereign power. This second clause is open to as many construtions as it has words.

Proponents will say that three reasons exist for this grant of power. First, the lack of adequate legislation and adequate enforcement on the part of some of the States. We have seen that all of the States have proper legislation covering the ages generally recognized as subjects of protection. There is not a single charge of want of enforcement upon the part of any of the States. Second, the want of uniformity. Every household treats its problems in its own manner. So also the States. It is an element of sovereignty. Might we not also urge Federal assumption of enforcement of the entire body of the criminal law because various crimes are defined and punished in various ways in different portions of the country? Third, the efficiency of the central Government over that of the States and the assumption of the cost of enforcement by the National Government. The central power is not so potent in the enforcement of police regulations as local governments.

But it was charged in the debate in the Senate that this was a Bolshevik effort to nationalize children. Senator KING, of Utah, boldly stated that while in Moscow the year previous, when he criticized child nationalization by the Communist Government, he was told that the socialists of this country were back of the movement here, that our Constitution would be amended, and that the Federal Government would soon be doing just what the Bolshevik Government is doing in Russia. We might not be opposed to legislation if it is right, even though it came from such a source, but we should scan it more deliberately, weigh it more carefully, than otherwise.

But, frankly, there does not seem to be any reason for it. This proposed grant is not a proposed child employment amendment. It is not so intended. It is a socialistic measure. It is an ingenuous attempt to nationalize children, making them responsible to the National Government instead of their parents. It strikes a blow at the home. It takes from the States whatever rights they possess relative to the matter and its coordinate subjects.

Whatever arguments may be made by its defendents, the labor condition of youths of 17 do not have to be regulated or prohibited by governmental action. It is too broad, too indefinite, too general in the face of principles of well-known construction to suggest otherwise. There must be ulterior reasons.

More than all of this, it appears to be a part of a definite, positive plot to destroy our Republic and substitute therefor social democracy. Advantage is being taken of the federalization tendency to authorize the enactment of socialistic laws. It is time to call a halt. The spirit of this amendment is opposed to the ideals of our American institutions. The legislature should, and I predict will, refuse to ratify it.

The States met the problem of dueling by calling it murder. Imprisonment for debt was abolished because it was inhuman. The same is true of child labor. None required Federal interference. The growth of public sentiment was sufficient. A national lynch law is proposed, but lynching is fast becoming an obsolete practice. Like all crime, it can not be completely eradicated. The spirit that prompts such schemes as the present proposed amendment is the same spirit which unconsciously substitutes sentimental emotionalism for the realm of reason.

Adopt this proposed change under consideration and the other amendments nationalizing or socializing our governmental structure

will follow, and their adoption will be, more or less, a mere matter of form. If the General Government is given jurisdiction of the child, naturally it ought to have the regulation of marriage and divorce. In its train is the settlement of the personal and property rights of the persons concerned. If these, why not the other domestic relations?

You will recall that the income tax amendment was to be resorted to only in emergencies. Now the power to tax securities of States and their subdivisions is earnestly urged because the holders of them escape payment of income tax upon the proceeds of their investment. Grant this right of taxation and the interest required to be paid on State securities will prevent their issue and the National Government will step in to finance the necessary governmental project. It is then the plan and purpose of the latter, or by complete regulation will be made so. The power to tax these securities naturally carries the power to prevent their issue and to destroy this function of State governments.

So with the other proposed amendments. The sentiment behind the proposed abridgment of the powers of the Supreme Court is powerful; adopt this in any one of its many proposed forms and you cut the very heart from our body politic. When this is adopted not only the States but the fundamentals will be gone. Freedom of speech, of the press, and liberty of conscience will be imperiled. The Constitution shall become a collection of high-sounding but meaningless words.

Begun just after the Civil War, this centralizing tendency developed into a so-called progressive movement less than two decades ago, and it has grown to such proportions that the advocacy of any theory to correct public ills must bear its stamp. Politicians have been quick to take advantage of it, so-called "big business" uses it when convenient, social welfare workers thrive upon it, legislative combines have been formed under its protection, until to question the efficacy of any measure proposed in its name is to become a reactionary and the enemy of matters substantial in the body politic. Commenced in the proper spirit, now it has grown to be the refuge of the radical, the citadel of the socialist, the hope of the communist.

The States are no longer looked to to furnish guidance for the welfare of the citizens or to secure to them the protection of their basic rights. Without discussing the causes—and they are many—there is in reality a revolution going on in the land. A prominent political scientist recently remarked that all the revolutions occurring in other parts of the world were not "a hill of beans to the one taking place in this country." The student must admit that as a result of this movement there has been a material change in our governmental organization. When the powers of the States are finally destroyed the limited bounds of the National Government will be removed and there will be in this land a social democracy as autocratic as the present Russian régime. It will not do to say that this can not happen. Although not an alarmist, I submit that a study of recent enactment and proposed amendments prove, consciously or otherwise, that it is now being projected.

Are we prepared to sponsor this character of change in our Government? Shall we meet the issue now and prevent it from taking further tangible form?

"The people of every State must feel a deep interest in resisting principles so destructive of the Union and in averting consequences so fatal to themselves." The American people, heterogeneous though they be, are deeply and intensely imbued with a spirit of loyalty to their respective States and to the Republic. Undoubtedly this method of destruction has not become thoroughly manifest to them. I predict many Members of Congress have not completely sensed it. There has been an unconscious retrogression from the system that is responsible for our tranquillity at home and greatness abroad.

Amid the vicissitudes and fortunes of our political life for a century and a half, members of the bar have been the leaders of constructive thought and action in the Nation. There should be, therefore, an individual sense of responsibility on the part of each of us and a stern determination to stem this tide of destruction. The fight then is ours. A recognition of compelling duty urges us to sound the note of warning. If our Republic of to-day disintegrates into a social democracy to-morrow, it will be our fault; it can be none other.

I choose to believe that success will crown our efforts; that the people will not abandon the structure the Fathers reared; that the concentrating tendencies of to-day will be checked; that we shall hand down to posterity a Government "upon which the world may gaze in admiration forever."

A DEFENSE OF THE OIL INDUSTRY AS SUCH

Mr. HOWELL. Mr. President, in connection with the discussion of our oil resources, I ask unanimous consent to have printed in the RECORD a speech by Senator HARRELD, of Oklahoma, at the International Petroleum Congress held at Tulsa, Okla., October 7, 1924.

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:

Senator HARRELD. Mr. Chairman, the oil industry comes in for much unjust criticism. I saw in a cathedral at Milan, Italy, a statue—a work of art. It was the statue of a man who had been skinned alive. His skin, including his scalp and toe nails, was thrown around the figure as a Roman toga was worn in the days of Roman greatness. In his hand was held the Holy Bible, and he was in the attitude of preaching. It purported to be the statue of St. Bartholomew, one of the Twelve Disciples of Christ. Tradition has it that St. Bartholomew was a Roman, the only one of the twelve who was not a Jew, and that he was finally skinned alive for his faith; that he lived for three days and continued to preach. Men are not skinned alive for their faith in these days, but they are skinned alive with criticism that is often as unjust and unmerited as was the actual skinning of St. Bartholomew. The unjust criticism that those engaged in the oil industry suffer has impelled me to come to their defense. I, too, in the past have lifted my voice in criticism of those engaged in the business, but always in criticism of specific acts of wrongdoing and never in condemnation of the industry. Wrongdoing should be criticized. It is not just criticism I am condemning, but unjust criticism. This unjust criticism of the oil industry has brought it into public disrepute. In the earlier days of the development of the industry those engaged in it were guilty of practices that were very reprehensible. Larger companies would do anything to stifle competition and to crush out the smaller concerns. This is, to some extent, responsible for the present public distrust of the industry. Much of this is a thing of the past. The industry is now organized along different lines and realizes that public favor is a thing to be desired, and that they can not have it unless they merit it by ethical conduct. There are still those companies and individuals engaged in the industry, however, who do not do business on the lines of the Golden Rule. They are the "Peck's bad boys" of the industry, to use the words of another. It should be the duty and delight of the others of the industry to see to it that such practices are not indulged, thus bringing the industry into disrepute. Because one or two of these bad boys of the industry continually play an unfair game is no reason for condemning the entire industry, unless the industry fails to use its power to punish those who are guilty. The situation to-day is such that the whole industry is in bad repute because of the crookedness of these few "bad boys" who persist in their course. The acts of a few have brought suspicion and distrust of the whole. So acute is this feeling of distrust that if a man who has ever been engaged in the oil business essays to run for office they whisper, "Why, that man is an oil man," or if he seeks an appointive office they say, "I don't think we can appoint him because of his oil connection."

To the general public it is the acme of perfidy for a man to be connected with the oil business. Of course, this frame of public mind, which brings under condemnation everyone who engages in the oil business, is augmented by the wail of the demagogue. It suits his purpose to seize upon some specific act of wrongdoing, committed by some man or company engaged in the oil business, and allege these specific acts to be the rule, when as a matter of fact they are the exception. I have found it so in my experience in the oil business. It is unfair to the industry, should be resented, and must be resented and refuted by the industry if it would gain the confidence of the public. It is not my purpose in this address to condone any of these offenses committed by the "Peck's bad boys" of the industry, but rather to condemn them, not as the acts of the industry, but as the acts of certain individuals or companies, from the effects of which the industry as a whole unjustly suffers, just as the whole Government suffers for the acts of some crooked official or as the general public suffers for the acts of a few criminals. The industry should make every effort to purge itself of responsibility. It is only by doing so that it can gain the public esteem to which, as an industry, it is entitled. In what I shall say I am only interested in the industry as a whole. Some things I may say may sound like an attempt to justify the crooked element. This is far from my intention. Any seeming justification I may utter I hope will be considered only in that greater perspective—a defense of the industry as a whole. As a whole it is an industry of which any American can be proud; its development has been remarkable, abounding in every element of romance and adventure. It has made possible the growth of its twin, the automotive industry. Because of it, every seventh man and woman of this country owns and operates his own automobile for business or pleasure. It has put at every man's door the products of crude petroleum, which are so necessary to the comfort of man. It has made pleasant the humdrum country life. It has saved lives and property from loss by making quick movements from one place to the other possible. It has contributed more to the sum total of human happiness than any other human agency. Why, then, should the public treat it as an enemy? Why should the industry, justly proud of its progress and achievements, not be given the meed of praise which it merits? Why should not the industry be encour-

aged to weed out those elements which have brought this unjust criticism down upon it? If I can say a word which will serve to mitigate this criticism, that will point out to the industry a method by which it can reinstate itself into the good graces of the public, I shall feel amply repaid for the effort.

To be connected with the Standard Oil Co. or any of its group is especially to be the target for criticism. The public does not draw a line between what President Roosevelt designated as "good trusts" and "bad trusts." It considers all oil men bad because part are bad. All men who engage in the trade are to the public Standard Oil men. It does not know that many of the Standard Oil companies conduct their business upon a high and ethical plane and are no more responsible for the conduct of the "bad boys" of the Standard group than is some company not engaged in the industry at all. The public does not stop to think that great aggregations of capital are necessary to the proper conduct of the business in order that the products of the trade can be brought to its very doors. If we did not have the Standard group to furnish this capital to build pipe lines, refineries, and distributing agencies, we would have some other group which might be worse. I would not, for an instant, favor destroying the Standard Oil interests, because they are absolutely necessary to the industry. Without it the independent producer, who stabilizes the industry as no other agency, could not thrive. I would, however, favor placing the detaining hand of the Government upon them when they do wrong and see to it that they do not continue to bring the industry into disrepute, just as I would favor prosecuting any individual who violates the law. Our position toward the Standard group should be exactly the same as toward every other company or individual. We should be with them when they are right and against them when they are wrong. They should not want us to be otherwise. They, like others engaged in the industry, should know that the good will of the public is worth procuring, even at the expense of a part of their profits. If they or any other person connected with the industry can not see it that way, they should be made to see it that way. The interest of the industry as a whole is greater than that of any part.

This industry, which, save for the agricultural industry, is the largest in this land of ours, depends for its life and welfare more upon the good will of the public than any other. To a certain extent it is a necessity, but largely its products are luxuries. Men can go on strike, quit buying gasoline, quit using cars and thus cut down consumption to the point that will be disastrous to the industry. The oil industry has suffered economically during the last two years largely because the consumption has not been up to expectations. You let the public become convinced that they are being fleeced by the industry and there will be a still greater fall off in consumption. I repeat, it behooves the industry to keep the good will of the public. This is self-evident. How best can the public good will be again acquired and kept? Perhaps by studying the causes for this distrust and concerted action to remove the causes. Let us consider a few of these causes.

This feeling of antagonism against the industry has been augmented in several ways within the last two years. The leasing of the naval oil reserves in violation of the conservation policy of Congress, and in violation of every concept of the welfare of the public as well as every concept of the welfare of the industry, has done more to intensify this distrust of the industry than any other one thing. This is true aside from the sordid aspects that developed afterwards and are not to be condoned. The industry, as such, had nothing whatever to do with it and deprecates it as much or more than any other class of our people. Yet it is peculiarly the object of the attacks engendered by this act. It involved only a few persons, a part of whom were actuated by desires for personal gain at the expense of the public and a part of whom were simply the advocates of the policy of immediate development of the public domain and out of accord with the policy of conservation. The oil industry as a whole are naturally advocates of conservation. They have seen the direful effects upon the industry of overproduction. Nothing has such a calamitous effect upon the industry as throwing upon the market vast quantities of production at a time when production exceeds consumption. No one knows this better than the oil producer. He is naturally, therefore, the advocate of conservation. To him the well-defined policy of Congress to hold these naval reserves until such time as consumption exceeds production is a conviction. He is a conservationist of his own resources wherever the conditions existing in an oil field where he is operating will warrant. To him the opening of these naval oil reserves was nothing short of a calamity to the industry. He was obliged to stand by and see the cupidity of a few of those connected with the industry, who, acting in conjunction with a few misguided if not corrupt public officials, threw upon an already congested market the vast production which could have, and should have, been held sacredly in nature's storage, not only for the future needs of our Navy but for the present protection of the oil industry itself, already overburdened with an ever-increasing overproduction. Shall the industry as such now be held in contempt and suffer the indignities heaped upon it by the demagogue, who knows nothing of the industry except such information as he gets from the sordid record disclosed by the Senate investigating committee? We think it unjust to hold the industry responsible for something which it could not avoid and which it would have opposed with all its power if it had had the opportunity.

Another thing that has served to bring the oil industry into disrepute with the public is the disclosure of the La Follette oil investigating committee of the advantage that some refining companies have by reason of patent cracking processes held by them. It was shown that in at least one instance the entire production of one oil field was refined by one refining company, that the entire residue from this refinery was then passed on to another refinery near by, owned by another refining company, rerun by this refinery, and by the use of one of these exclusively owned processes as much again of gasoline was extracted. The public can see from these facts that it is compelled to pay two adequate profits where it should only pay one. It is easy for those who make it a business to discredit the industry to argue to the public that this is responsible for an increase in the price of gasoline to the consuming public, and, based on this premise, they can build a convincing argument to substantiate their claims that other and greater advantages are taken of the public by those engaged in the industry. It does not satisfy the public to argue that the Government, in order to encourage the invention of labor-saving and production-increasing devices and formulas, gives to the inventor an exclusive patent on the use of such formulas and devices. It can only see that thus the cost to the consuming public is augmented. It does not stop to consider the specious argument in favor of the granting of these exclusive patents—that but for this incentive perhaps these new processes would not have been discovered. It only knows that whereas it should only pay one profit it is now paying two, and that thus it pays more than it should for the gasoline it consumes. I understand the Department of Justice has taken upon itself the task of rectifying this inequality. The industry as a whole would benefit by some adjustment of this advantage that some companies have over others. At least it would remove one of the prolific causes of public mistrust of the industry. Those who have this advantage may be expected to fight hard to keep the underhold they have, yet, again, we must deal here with the industry as a whole, and such advantages by the few are greatly to the disadvantage of the industry.

Again the industry has been shown up in an unfavorable light in the recent Fort Worth prosecutions of postal frauds. The public is not inclined to differentiate between the oil stock promoters on the one hand, and the oil producer on the other, largely because many times the same persons or companies are engaged in both producing oil and promoting oil stock sales. The promoter who fleeces the public by selling fake stocks is not usually connected with the oil business and has no part in the glory that attaches to those who have built the industry. Here again the legitimate industry suffers unjustly. The necessity for large funds in the proper development of oil production makes it necessary for the man or company engaged in the business, at times, to resort to the expediency of offering for sale new stock in his company. In doing so he must show up the advantages of his proposition and the prospects for its success, just as any banker or industrial concern must do when it wants to sell stock. This is legitimate business procedure. The wonderful growth of the oil industry, which has taken place before the eyes of the public, has created a desire in the hearts of investors, the country over, to invest in oil securities, and this desire also animates every poor person who has heard of the wonderful returns made in isolated cases. This gives the unscrupulous stock salesman not only an opportunity to offer fake stocks for sale, but he also often overstates the merits of stocks in reputable companies whose stocks may fall into his hands for sale. I know of no way to prevent him from plying his nefarious trade, except to prosecute him as was done at Fort Worth, but I do think that the public should understand that the oil industry is just as little to blame for his acts as the gullible victim. Oftentimes these stock salesmen are reputable, and are led to make misstatements by the misrepresentations made to them by others, which they believe. Many others make no misstatements of fact, but sell to those who expect too much return from such investments, and turn upon the salesman with all the viciousness of a wild animal when they don't get them. They themselves swear falsely against the salesman when they don't get an hundred fold return in a short time. It is related that one of these oil stock salesmen persuaded St. Peter to let him into heaven upon his promise to rid heaven of some other oil stock salesmen who had slipped by, and which St. Peter could not dislodge. In a day or two all these salesmen appeared at the gate and asked leave to depart for hades. Upon inquiry St. Peter found that this salesman in his effort to dislodge them had represented to them that oil had been discovered in hell, and so convinced them that they decided to go there in a body. A few days later this other salesman also asked permission to go there,

saying he had convinced himself that probably there was oil there. They certainly are convincing talkers, and on the whole are a detriment to the industry, but the industry as such should not be chargeable with their derelictions, and to the credit of the industry it has insisted upon and aided in the prosecution of these offenders.

One criticism of the oil industry which makes strained relations between it and the public is the charge that gasoline sells too high. If it does, and there is room for doubt on that point, to what extent is the industry chargeable for that condition? The producers complain that existing prices for crude are such that the business is paralyzed, and it is. The refiner complains that present prices make the refining business unprofitable, and they do. From the finding made by the Federal Trade Commission in April, 1921, it appears that the refiner was making a profit of only 8½ cents per barrel, which is not exorbitant. Yet the fact that certain governors of certain States, by purchasing with State money what refiners call "distress gasoline"; that is, gasoline sold at forced sale below cost of production, were able to resell to the public at reduced prices, convincing the public that the whole oil industry is in the hands of outlaws, profiteers, and crooks. They were able to do this partly because they cut out the profits of the middlemen of the industry, and sold direct to the consumer. They sold it through State employees and agencies. Right here is where the oil producers and the oil refiners can do a real service to the public and to themselves if they can hold down the spread between the producer of crude and its products and the consumer. It is true that there is too much spread between what the producer gets and what the consumer pays in the case of almost every commodity. I saw where some man had figured out that at the rate he paid for an order of toasted bread at a hotel wheat should be selling at $60 per bushel. Producers in other lines are getting their eyes open as to this immense spread, and the public is aroused over it. Without criticizing those of the industry who are engaged in the barter and sale of gasoline I do want to say that this spread between the price of gasoline at the refinery and the consumer is doing much to bring the whole industry into disrepute. The people are no fools. They know that when they buy gasoline they are paying for these handsome filling stations that adorn all the valuable corners in every city and town. They know that when there are four filling stations where there is need for only one, that they are paying for the overhead. An effort should be made by the industry, organized as it is, to reduce this spread or at least to keep it from getting wider. One of two things is absolutely true, gasoline will have to be sold higher to cover this increased spread, or the refiner will have to reduce the price to the jobber or retailer to cover it, and then pay less for his crude. The latter is most likely for the public is not in a mood to pay higher prices at the filling stations, and, as I said before, it will go on strike and slack up in buying before it does so.

The oil industry is entitled to credit by the public for many things for which it is denied credit. For instance, no profiteering was indulged in by the industry during the war. There may be something in the charges that at various periods in time of peace the price of gasoline has not followed the law of supply and demand, but the war period was not one of them. The prices of petroleum products during the war never at any time was excessive, nor failed to reflect truly the cost of production with a very reasonable profit. It was not until after the war that gasoline reached its highest price on the market; yet then its index price was only 170 as compared with 424 for potatoes, 296 for sugar, 295 for clothing, and 276 for flour. At this same time all index prices for all commodities had reached the high point, and in comparison oil products was lowest of all. The oil industry can justly be proud of the patriotism it displayed by refusing to take advantage of a condition under which it could easily have exploited the public during the war.

The oil industry has made it possible for the American people to ride on the whirlwind while the rest of humanity crawls. We not only produce 49 per cent of the world's supply of oil, but we consume 44 per cent of it. England has one automobile to every 43 inhabitants, while we have one for every seven. Instead of being proud of the fact that America leads in the finding, producing, refining, distributing, and using of this magic fluid, the industry is villified at home, traduced abroad by our own citizens, and made the target of every demagogue and a byword among our own people. It is neither just nor wise to imperil an industry which has accomplished so much for the country, and which provides a livelihood for millions of our citizens, and upon which the very life of our other industries and commerce depends. I urge that the industry so conduct itself as to be worthy of the confidence of the public, and then to see to it that it is respected by the public as it merits to be respected.

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 20 minutes spent in executive session the doors were reopened.

OSAGE INDIAN LANDS AND FUNDS IN OKLAHOMA

Mr. OWEN. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 959, House bill 5726, relative to Osage Indian lands and funds.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 5726) to amend the act of Congress of March 3, 1921, entitled "An act to amend section 3 of the act of Congress of June 28, 1906, entitled 'An act of Congress for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes,'" which had been reported from the Committee on Indian Affairs with amendments.

Mr. OWEN. I offer certain minor amendments to the committee amendments, which are acceptable to the committee. There is no objection so far as I know on the part of the members of the committee. The chairman of the committee is present.

Mr. HARRELD. I am authorized by the committee to accept the amendments in order that the matter may go to conference. I will state for the benefit of the Indians' counsel, who are opposed to some of the amendments, that in order that the matter may go to conference I am willing to accept them.

The PRESIDENT pro tempore. The amendments proposed by the Senator from Oklahoma to the amendments of the committee will be stated in their order as reached.

The first amendment of the Committee on Indian Affairs was, on page 1, line 7, after the word "heir," to insert "or devisee," so as to read:

Be it enacted, etc., That the Secretary of the Interior shall cause to be paid at the end of each fiscal quarter to each adult member of the Osage Tribe of Indians in Oklahoma having a certificate of competency his or her pro rata share, either as a member of the tribe or heir or devisee of a deceased member, of the interest on trust funds, the bonus received from the sale of oil or gas leases, the royalties therefrom, and any other moneys due such Indian received during each fiscal quarter, including all moneys received prior to the passage of this act and remaining unpaid; and so long as the accumulated income is sufficient the Secretary of the Interior shall cause to be paid to the adult members of said tribe not having a certificate of competency $1,000 quarterly, except where such adult members have legal guardians, in which case the amounts provided for herein may be paid to the legal guardian or direct to such Indian, in the discretion of the Secretary of the Interior, the total amounts of such payments, however, shall not exceed $1,000 quarterly, except as hereinafter provided.

The amendment was agreed to.

The next amendment was, on page 2, line 16, after the word "age," to insert "and above 18 years of age," and in line 17, after the word "minors," to insert "and out of the income of minors under 18 years of age, $500 quarterly," so as to read:

and shall cause to be paid for the maintenance and education, to either one of the parents or legal guardians actually having personally in charge, enrolled or unenrolled, minor member under 21 years of age, and above 18 years of age, $1,000 quarterly out of the income of each of said minors, and out of the income of minors under 18 years of age, $500 quarterly, and so long as the accumulated income of the parent or parents of a minor who has no income or whose income is less than $500 per quarter is sufficient, shall cause to be paid to either of said parents having the care and custody of such minor $500 quarterly, or such proportion thereof as the income of such minor may be less than $500, in addition to the allowances above provided for such parents.

The amendment was agreed to.

The next amendment was, on page 3, after the word "investments," to strike out "not exceeding $500 a quarter," so as to read:

Rentals due such adult members from their lands and their minor children's lands and all income from such adults' investments shall be paid to them in addition to the allowance above provided.

The amendment was agreed to.

The next amendment was, on page 3, line 10, after the word "shall," to insert "in case the Commissioner of Indian Affairs finds that such adults are wasting or squandering said income," so as to read:

All payments to adults not having certificates of competency, including amounts paid for each minor, shall, in case the Commissioner of Indian Affairs finds that such adults are wasting or squandering said income, be subject to the supervision of the superintendent of the Osage Agency.

The amendment was agreed to.

The next amendment was, after the word "agency," on page 3, line 13, to insert the following proviso:

Provided, That if an adult member, not having a certificate of competency so desires, his entire income accumulating in the future from the sources herein specified shall be paid to him without supervision, unless the Commissioner of Indian Affairs shall find, after notice and hearing, that such member is wasting or squandering his income, in which event the Secretary of the Interior shall pay to such member only the amounts hereinbefore specified to be paid to adult members not having certificates of competency.

The amendment was agreed to.

The next amendment was, on page 3, line 22, after the word "invest," to strike out "or deposit the remainder, after paying all of the taxes of those members whose funds are subject to his supervision, as provided by existing law: *Provided*, That any part of such remainder, including minor's funds, not to exceed $10,000, may be expended for the benefit of such member of the tribe for the specific purpose of purchasing or improving a home, and any additional amount may be expended in the prevention of or cure of any member or minor afflicted with tuberculosis or by any lingering or dangerous disease, when authorized by the Commissioner of Indian Affairs and expended under his direction and supervision" and insert:

the remainder, after paying the taxes of such members, in United States bonds, Oklahoma State bonds, real estate, first mortgage real estate loans not to exceed 50 per cent of the appraised value of such real estate, and where the member is a resident of Oklahoma such investment shall be in loans on Oklahoma real estate, stock in Oklahoma building and loan associations, livestock, or deposit the same in banks in Oklahoma, or expend the same for the benefit of such member, such expenditures, investments, and deposits to be made under such restrictions, rules, and regulations as he may prescribe: *Provided*, That the Secretary of the Interior shall not make any investment for an adult member without first securing the approval of such member of such investment.

The amendment was agreed to.

The next amendment was, on page 5, line 1, after the word "application," to insert "or approval," so as to read:

No guardian shall be appointed except on the written application or approval of the Secretary of the Interior for the estate of a member of the Osage Tribe of Indians who does not have a certificate of competency or who is of one-half or more Indian blood.

The amendment was agreed to.

The next amendment was, on page 5, line 4, after the word "blood," to insert:

All moneys now in the possession or control of legal guardians heretofore paid to them through mistake of law and which should have been reserved by the Secretary of the Interior under the act of Congress of March 3, 1921, relating to the Osage Tribe of Indians, shall be returned by such guardians to the Secretary of the Interior, and all property, bonds, securities, and stock purchased, or investments made by such guardians out of said moneys paid them shall be delivered to the Secretary of the Interior by them, to be held by him or disposed of by him as he shall deem to be for the best interest of the members to whom the same belongs. Such purchases and investments made by legal guardians are hereby declared to be legal when approved by the Secretary of the Interior. The expenditure of any part of such funds so paid which have been made by such guardians in accordance with the laws of Oklahoma are hereby declared to be legal when approved by the Secretary of the Interior. Moneys used in investments and expenditures by legal guardians which are not approved by the Secretary of the Interior shall be accounted for by such legal guardians to him under such rules and regulations as he may prescribe. All bonds, securities, stocks, and property purchased and other investments made by legal guardians shall not be subject to alienation, sale, disposal, or assignment without the approval of the Secretary of the Interior. Any indebtedness lawfully incurred by guardians may be paid out of the funds of the members for whom such indebtedness was incurred by the Secretary of the Interior when approved by him.

The amendments to the committee amendment were, on page 5, line 12, after the word "them," to insert "now in their possession"; in line 15, before the word "purchases," to strike out "such" and insert "moneys expended and"; in line 16, after the word "guardians," to insert "in accordance with the laws of the State of Oklahoma"; in line 16, after the word "legal," to strike out all down to and including line 24; on page 6, line 4, before the word "lawfully," to insert "heretofore"; in the same line, after the word "guardians," to strike out "may" and insert "shall"; and in line 6, after the words "Secretary of the Interior," to strike out "when approved by him."

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 6, line 7, after the word "funds," to insert "other than as above mentioned," so as to read:

All funds other than as above mentioned, and other property heretofore or hereafter received by a guardian of a member of the Osage Tribe of Indians, which was theretofore under the supervision and control of the Secretary of the Interior or the title to which was held in trust for such Indian by the United States, shall not thereby become divested of the supervision and control of the Secretary of the Interior or the United States be relieved of its trust; and such guardian shall not sell, dispose of, or otherwise encumber such fund or property without the approval of the Secretary of the Interior, and in accordance with orders of the county court of Osage County, Okla.

The amendment was agreed to.

The next amendment to the committee amendment was, in section 2, page 7, line 1, before the name "Osage," to insert the word "restricted"; in the same line, after the word "Indians," to insert "of one-half or more Osage Indian blood"; the committee proposed at the end of the same line, after the words just inserted, after the word "Indians," to insert the words "inherited by or bequeathed to them"; and in line 6, after the word "heirs," to insert "or devisees," so as to read:

SEC. 2. All funds of restricted Osage Indians of one-half or more Osage Indian blood inherited by or bequeathed to them accruing to their credit and which are subject to supervision as above provided, may, when deemed to be for the best interest of such Indians, be paid to the administrators of the estates of deceased Osage Indians or direct to their heirs or devisees, in the discretion of the Secretary of the Interior, under regulations to be promulgated by him.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The next amendment was, in section 2, page 7, line 8, after the word "him," to insert:

The Secretary of the Interior shall pay to administrators and executors of estates of deceased Osage Indians a sufficient amount of money out of said estates to pay all lawful indebtedness and costs and expenses of administration, when approved by him, and out of the shares belonging to heirs or devisees he shall pay the costs and expenses of such heirs or devisees, including attorneys' fees, when approved by him, in the determination of heirs or contest of wills.

The amendment to the committee amendment was, on page 7, line 9, before the word "deceased," to insert the word "such."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, in section 3, on page 8, after the word "Interior," to insert:

The homestead selection of a member of the Osage Tribe shall be nontaxable so long as the title remains in the original allottee.

Mr. OWEN. I ask that the amendment be rejected.

The committee amendment was rejected. Section 3, unamended, reading as follows:

SEC. 3. Lands devised to members of the Osage Tribe of one-half or more Indian blood or who do not have certificates of competency, under wills approved by the Secretary of the Interior, and lands inherited by such Indians shall be inalienable unless such lands be conveyed with the approval of the Secretary of the Interior. Property of Osage Indians not having certificates of competency purchased as hereinbefore set forth shall not be subject to the lien of any debt, claim, or judgment except taxes or be subject to alienation, without the approval of the Secretary of the Interior.

The next amendment was, in section 4, on page 8, line 15, after the word "granted," to insert the following proviso: "*Provided*, That all just indebtedness of such member existing at the time his certificate of competency is revoked shall be paid by the Secretary of the Interior, or his authorized representative, out of the income of such member, in addition to the quarterly income hereinbefore provided for: *And provided further*, That such revocation or cancellation of any certificate of competency shall not affect the legality of any transactions theretofore made by reason of the issuance of any certificate of competency," so as to make the section read:

SEC. 4. Whenever the Secretary of the Interior shall find that any member of the Osage Tribe of more than one-half Indian blood, to whom has been granted a certificate of competency, is squandering or misusing his or her funds, he may revoke such certificate of competency after notice and hearing in accordance with such rules and regulations as he may prescribe, and thereafter the income of such member shall be subject to supervision and investment as herein provided for members not having certificates of competency to the same extent as

if a certificate of competency had never been granted: *Provided*, That all just indebtedness, etc.

The amendment was agreed to.

The next amendment was, in section 5, page 8, line 24, after the word "or," to strike out "who causes or procures" and insert "convicted of causing or procuring," so as to make the section read:

SEC. 5. No person convicted of having taken, or convicted of causing or procuring another to take, the life of an Osage Indian shall inherit from or receive any interest in the estate of the decedent, regardless of where the crime was committed and convictions obtained.

The amendment was agreed to.

The next amendment was, in section 6, page 9, line 7, before the word "funds," to insert "payment of," so as to make the section read:

SEC. 6. No contract for debt hereafter made with a member of the Osage Tribe of Indians not having a certificate of competency shall have any validity, unless approved by the Secretary of the Interior. In addition to the payment of funds heretofore authorized, the Secretary of the Interior is hereby authorized in his discretion to pay, out of the funds of a member of the Osage Tribe not having a certificate of competency, any indebtedness heretofore or hereafter incurred by such member by reason of his unlawful acts of carelessness or negligence.

The amendment was agreed to.

The next amendment was, on page 9, after line 13, to insert the following additional section:

SEC. 7. Hereafter none but heirs of Indian blood of those who are of one-half or more Indian blood of the Osage Tribe of Indians shall inherit or acquire any right, title, or interest by inheritance in or to any restricted lands, moneys, or mineral interests of the Osage Tribe or of any enrolled member thereof: *Provided*, That if there be no heirs as above provided or descendants of such persons to take by inheritance, such lands, moneys, or mineral interests, the said property shall revert to the Osage Tribe of Indians.

The next amendments to the amendment proposed by the committee were in section 7, page 9, at the end of line 14, strike out the word "of" and insert "shall inherit from"; in line 16, after the word "Indians," to strike out "shall inherit or acquire"; in line 17, after the word "interest," to strike out "by inheritance in or"; and in line 18, after the name "Osage Tribe," to strike out "or of any enrolled member thereof," so as to read:

SEC. 7. Hereafter none but heirs of Indian blood shall inherit from those who are of one-half or more Indian blood of the Osage Tribe of Indians any right, title, or interest to any restricted lands, moneys, or mineral interests of the Osage Tribe.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The next amendment to the committee amendment was, in section 7, page 9, line 19, after the word "*Provided*," to strike out the remainder of the proviso and insert "This section shall not apply to spouses under existing marriages," so as to make the proviso read:

Provided, That this section shall not apply to spouses under existing marriages.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 9, after line 22, to insert the following additional section:

SEC. 8. Any member of the Osage Tribe of any degree of Indian blood to whom has been granted a certificate of competency and for whom, either for his person or his estate, has heretofore been appointed a guardian by the proper court and who is still under such guardianship, and any such member who is hereafter placed under guardianship, either for his person or for his estate, by the proper court, shall be deemed incompetent, and his certificate of competency shall be revoked by the Secretary of the Interior, and thereafter he shall be subject to the same rules and regulations of the Secretary of the Interior and his property subject to the control and regulations of the Secretary of the Interior to the same extent as if a certificate of competency had never been granted: *Provided*, That out of the income of such member, in addition to the quarterly payment herein provided for, he shall pay all just indebtedness of such member existing at the time his certificate of competency is revoked.

The amendments to the committee amendment were, in section 8, page 9, line 23, after the word "of," to strike out "any degree of" and insert "one-half or more"; on page 10, line 4, after the word "court," to strike out "shall be deemed" and insert "may be declared"; in line 5, before the word "and," to insert "after notice and hearing by the Secretary of the Interior"; in the same line, after the word "competency," to strike out "shall" and insert "may"; and in line 6, before the word "and," to insert "if he be found to be squandering his funds," so as to make the section read:

SEC. 8. Any member of the Osage Tribe of one-half or more Indian blood to whom has been granted a certificate of competency and for whom, either for his person or his estate, has heretofore been appointed a guardian by the proper court and who is still under such guardianship, and any such member who is hereafter placed under guardianship, either for his person or for his estate, by the proper court, may be declared incompetent, after notice and hearing by the Secretary of the Interior, and his certificate of competency may be revoked by the Secretary of the Interior, if he be found to be squandering funds, and thereafter he shall be subject to the same rules and regulations of the Secretary of the Interior and his property subject to the control and regulations of the Secretary of the Interior to the same extent as if a certificate of competency had never been granted: *Provided*, That out of the income of such member, in addition to the quarterly payment herein provided for, he shall pay all just indebtedness of such member existing at the time his certificate of competency is revoked.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossd, and the bill to be read a third time.

The bill was read the third time and passed.

TOBACCO GROWERS' COOPERATIVE MARKETING ASSOCIATIONS

Mr. BRUCE. Mr. President, may I be allowed to say that it was I who objected yesterday to the immediate consideration of the resolution relating to the Tobacco Trust? I did so simply because I desired to have an opportunity to read the resolution, which I had never done. So far from having any objection to the general purpose of the resolution, I was entirely in sympathy with it. Among other reasons, if I may indulge in a little personal reminiscence, I recollect one of the last things I ever heard my father say, who was a tobacco planter in the State of Virginia, was that he trusted the American Tobacco Co. would at least establish an asylum in that State for decayed tobacco planters. Naturally enough, I am disposed to see that the investigation is pushed to every legitimate limit.

Mr. SMITH. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 329, directing the Federal Trade Commission to investigate the interrelationship between the American Tobacco Co. and the Imperial Tobacco Co., and their agreement to embarrass tobacco growers' cooperative marketing associations.

The PRESIDENT pro tempore. The Senator from South Carolina asks unanimous consent for the present consideration of Senate Resolution 329. Is there objection?

Mr. NORRIS. I have not any objection to the present consideration of the resolution, but when it is before the Senate I desire to offer an amendment.

There being no objection, the Senate proceeded to consider the resolution submitted yesterday by Mr. ERNST, which was read, as follows:

Whereas it has been stated openly that an agreement exists between the American Tobacco Co. and the Imperial Tobacco Co. of Great Britain whereby the American Tobacco Co. will sell no tobacco in Great Britain and the Imperial Tobacco Co. will sell no tobacco in the United States; and

Whereas such an agreement gives the Imperial Tobacco Co. a practical monopoly on certain types of tobacco grown in Virginia, North Carolina, and South Carolina and a special interest in certain types of tobacco grown in Kentucky and purchased in the United States by the local resident agents of the Imperial Tobacco Co. and processed in the United States in its plants, and the same agreement gives the American Tobacco Co. a special interest in other types grown in those States; and

Whereas the growers of leaf tobacco have formed great cooperative organizations, known as the Tobacco Growers' Cooperative Association, the Dark Tobacco Growers' Cooperative Association, the Burley Tobacco Growers' Cooperative Association, comprising an aggregate of more than 270,000 grower members for the cooperative marketing of the tobacco of their members; and

Whereas such cooperative associations have been organized along lines encouraged by this Government and have been financed in part by the War Finance Corporation and the intermediate credit banks; and

Whereas the American Tobacco Co. and the Imperial Tobacco Co. are opposed to the formation of cooperative marketing associations among

tobacco growers and desire to destroy them, and have attempted to discourage members by purchasing leaf tobacco from nonmember growers at higher prices than tenders theretofore made by such cooperative associations, and have induced and encouraged breaches of contracts between members and the cooperative associations contrary to the terms of the members' agreements with the associations; and

Whereas the said companies have practically boycotted the said cooperative associations and, by reason of their special interests in certain types, have caused great damage and harm to the cooperative associations; and

Whereas the aforesaid agreement stops competition between the said companies in the purchase from the growers of the types of tobacco used by the American Tobacco Co. and the Imperial Tobacco Co. and enables one company or the other to control the purchase and marketing of these types; and

Whereas acts on the part of these two companies cause leaf tobacco to be diverted from the cooperative associations to these companies, directly or indirectly, in spite of the contracts between the growers and the cooperative associations; and

Whereas such conduct on the part of such companies appears to be unfair practice in pursuance of an illegal agreement to restrict and restrain competition and trade in leaf tobacco in interstate commerce: Now, therefore, be it

Resolved, That the Federal Trade Commission be, and it is hereby, directed to investigate and report to the President of the United States on or before July 1, 1925, 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, or through agreements, or through any other device or means whatsoever by the American Tobacco Co. and the Imperial Tobacco Co.; and also particularly to investigate the methods employed by these companies in their fight against cooperative marketing associations and any boycott thereof; and also particularly to investigate any agreements or arrangements made by said companies to embarrass or injure any such cooperative associations or to cause discouragement or breaches of contracts between growers, members, and the said cooperative associations; and

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 said Treasury Department.

Mr. NORRIS. I desire to offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Nebraska offers the amendment, which will be stated.

The READING CLERK. On page 4, after line 6, insert the following:

Whereas it has been alleged on the floor of the Senate during the course of a debate upon a bill relating to the disposition, operation, management, and control of the water-power and steam-power plant with their incidental lands, equipment, fixtures, and properties, that a corporation known as the General Electric Co. has acquired a monopoly or exercises a control in restraint of trade or commerce in violation of law of or over the production and distribution of electric energy and the manufacture, sale, and distribution of electrical equipment and apparatus: Therefore be it

Resolved, That the Federal Trade Commission be, and it is hereby, directed to investigate and report to the Senate to what extent the said General Electric Co., or the stockholders or other security holders thereof, either directly or through subsidiary companies, stock ownership, or through other means or instrumentalities, monopolize or control the production, generation, or transmission of electric energy or power, whether produced by steam, gas, or water power; and to report to the Senate the manner in which the said General Electric Co. has acquired and maintained such monopoly or exercises such control in restraint of trade or commerce and in violation of law.

Resolved further, That the President of the United States be, and he is hereby, requested to direct the Secretary of the Treasury, under such rules and regulations as the Secretary of the Treasury may prescribe, to permit the said Federal Trade Commission to have access to official reports and records pertinent thereto in making such investigation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Nebraska.

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

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

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

Brookhart	Cummins	Fess	Johnson, Calif.
Bruce	Curtis	Harreld	Jones, Wash.
Bursum	Ernst	Heflin	Kendrick
Couzens	Ferris	Howell	Keyes
King	Norbeck	Phipps	Stanfield
McKellar	Norris	Sheppard	Swanson
McNary	Overman	Shipstead	Wheeler
Means	Owen	Simmons	Willis
Moses	Pepper	Smith	

The PRESIDING OFFICER (Mr. MOSES in the chair). Thirty-five Senators having answered to their names, there is not a quorum present.

RECESS

Mr. CURTIS. Mr. President, I move that the unanimous-consent order be carried out, and that the Senate now take a recess until 12 o'clock on Monday next.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until Monday, February 9, 1925, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 7 (legislative day of February 3), 1925

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

QUARTERMASTER CORPS

Second Lieut. Philip Mapes Shockley, Field Artillery, with rank from July 3, 1923.

SIGNAL CORPS

Capt. Edgar Lewis Clewell, Infantry (detailed in Signal Corps), with rank from July 1, 1920.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. William Richie Gibson, Quartermaster Corps, from February 2, 1925.

To be lieutenant colonel

Maj. Ned Bernard Rehkopf, Field Artillery, from February 2, 1925.

To be majors

Capt. Stuart Clarence MacDonald, Infantry, from February 2, 1925.

Capt. Metcalfe Reed, Infantry, from February 2, 1925.

To be captains

First Lieut. Edward Bates Blanchard, Chemical Warfare Service, from January 18, 1925.

First Lieut. Thomas Banbury, Quartermaster Corps, from February 1, 1925.

First Lieut. William Edward Cashman, Quartermaster Corps, from February 2, 1925.

First Lieut. William Sawtelle Kilmer, Corps of Engineers, from February 2, 1925.

To be first lieutenants

Second Lieut. Fred Pierce Van Duzee, Infantry, from January 31, 1925.

Second Lieut. Arthur Gillette Watson, Air Service, from February 1, 1925.

Second Lieut. Burns Beall, Infantry, from February 1, 1925.

Second Lieut. John Bartlett Hess, Infantry, from February 2, 1925.

Second Lieut. Allen Francis Haynes, Infantry, from February 2, 1925.

To be captains

First Lieut Edward Oscar Schairer, Quartermaster Corps, from November 1, 1924.

First Lieut. Charley Muller, Infantry, from November 2, 1924.

First Lieut. Alfred Henry Thiessen, Signal Corps, from November 3, 1924.

First Lieut. Horace Nevil Heisen, Air Service, from November 4, 1924.

First Lieut. Aubrey Irl Eagle, Air Service, from November 5, 1924.

First Lieut. Jacob J. Van Putten, jr., Finance Department, from November 7, 1924.

First Lieut. Harvey Weir Cook, Air Service, from November 10, 1924.

First Lieut. Charles Summer Reed, Ordnance Department, from November 11, 1924.

First Lieut. Raymond Clair Hildreth, Signal Corps, from November 14, 1924.

First Lieut. David Emery Washburn, Signal Corps, from November 16, 1924.

First Lieut. Bernard Edward McKeever, Quartermaster Corps, from November 20, 1924.

First Lieut. Michael James Byrne, Infantry, from November 21, 1924.

First Lieut. William George Muller, Infantry, from November 23, 1924.
First Lieut. William Vincent Randall, Ordnance Department, from November 26, 1924.
First Lieut. Will Vermilya Parker, Signal Corps, from November 27, 1924.
First Lieut. Floyd Newman Shumaker, Air Service, from December 2, 1924.
First Lieut. Lowell Herbert Smith, Air Service, from December 4, 1924.
First Lieut. Albert Edward Higgins, Field Artillery, from December 6, 1924.
First Lieut. Ethel Alvin Robbins, Quartermaster Corps, from December 7, 1924.
First Lieut. Walter Harold Sutherland, Finance Department, from December 17, 1924.
First Lieut. Michael Nolan Greeley, Quartermaster Corps, from January 6, 1925.
First Lieut. Richard Allen, Quartermaster Corps, from January 7, 1925.
First Lieut. Christopher William Ford, Air Service, from January 11, 1925.
First Lieut. Biglow Beaver Barbee, Finance Department, from January 16, 1925.

[NOTE.—First Lieutenant Schairer was nominated December 2, 1924, with rank from November 2, 1924, and was confirmed December 10, 1924. First Lieut. Charley Muller was nominated December 2, 1924, with rank from November 3, 1924, and was confirmed December 10, 1924. First Lieutenant Thiessen was nominated December 2, 1924, with rank from November 4, 1924, and was confirmed December 10, 1924. First Lieutenant Heisen was nominated December 2, 1924, with rank from November 5, 1924, and was confirmed December 10, 1924. First Lieutenant Eagle was nominated December 2, 1924, with rank from November 7, 1924, and was confirmed December 10, 1924. First Lieutenant Van Putten, jr., was nominated December 2, 1924, with rank from November 10, 1924, and was confirmed December 10, 1924. First Lieutenant Cook was nominated December 2, 1924, with rank from November 11, 1924, and was confirmed December 10, 1924. First Lieutenant Reed was nominated December 2, 1924, with rank from November 14, 1924, and was confirmed December 10, 1924. First Lieutenant Hildreth was nominated December 2, 1924, with rank from November 16, 1924, and was confirmed December 10, 1924. First Lieutenant Washburn was nominated December 2, 1924, with rank from November 20, 1924, and was confirmed December 10, 1924. First Lieutenant McKeever was nominated December 2, 1924, with rank from November 21, 1924, and was confirmed December 10, 1924. First Lieutenant Byrne was nominated December 2, 1924, with rank from November 23, 1924, and was confirmed December 10, 1924. First Lieut. William G. Muller was nominated December 2, 1924, with rank from November 26, 1924, and was confirmed December 10, 1924. First Lieutenant Randall was nominated December 13, 1924, with rank from November 27, 1924, and was confirmed December 20, 1924. First Lieutenant Parker was nominated December 13, 1924, with rank from December 2, 1924, and was confirmed December 20, 1924. First Lieutenant Shumaker was nominated December 13, 1924, with rank from December 4, 1924, and was confirmed December 20, 1924. First Lieutenant Smith was nominated December 13, 1924, with rank from December 6, 1924, and was confirmed December 20, 1924. First Lieutenant Higgins was nominated December 13, 1924, with rank from December 7, 1924, and was confirmed December 20, 1924. First Lieutenant Robbins was nominated January 3, 1925, with rank from December 17, 1924, and was confirmed January 12, 1925. First Lieutenant Sutherland was nominated January 10, 1925, with rank from January 6, 1925, and was confirmed January 26, 1925. First Lieutenant Greeley was nominated January 10, 1925, with rank from January 7, 1925, and was confirmed January 26, 1925. First Lieutenant Allen was nominated January 17, 1925, with rank from January 11, 1925, and was confirmed January 26, 1925. First Lieutenant Ford was nominated January 23, 1925, with rank from January 16, 1925, and was confirmed January 31, 1925. First Lieutenant Barbee was nominated January 23, 1925, with rank from January 18, 1925, and was confirmed January 31, 1925. This message is submitted for the purpose of correcting errors in dates of rank of nominees, caused by the separation from the Army of First Lieut. Charles A. Morrow, Quartermaster Corps, who was dropped from the rolls of the Army January 30, 1925, having been absent without leave for more than three months. He was nominated and confirmed for promotion to captain, with rank from November 1, 1924, but as he did not accept the promotion, he can not be regarded as having filled the vacancy. The first lieutenant next below Lieutenant Morrow on the promotion list (Edward O. Schairer) is, therefore, entitled to the vacancy which occurred November 1, 1924.]

CONFIRMATIONS

Executive nominations confirmed by the Senate February 7 (legislative day of February 3), 1925

PROMOTIONS IN THE REGULAR ARMY

Thomas William Conrad to be captain Ordnance Department (detailed).
Everett Clement Meriwether to be second lieutenant Field Artillery.
Emory Clayton Cushing to be second lieutenant Field Artillery.
George Frederick Humbert to be major Coast Artillery Corps.
Frank Burton Bonner to be chaplain, with the rank of captain.

POSTMASTERS

GEORGIA

Clarence W. Bazemore, Butler.

CALIFORNIA

Michael G. Callaghan, Livermore.

GEORGIA

Mattie M. Lewis, Fayetteville.
Fannie L. Mills, Folkston.
L. Bertie Rushing, Glennville.
William M. Hollis, Reynolds.

KANSAS

James Rae, Franklin.
Ella E. Moreland, Overland Park.

MISSOURI

Martha T. Russell, Bertrand.
Ira E. Knight, Conway.
William L. Jenkins, North Kansas City.

NEBRASKA

Helen L. Churda, Weston.

OREGON

Andrew L. Clark, Rainier.
Mildred M. Pitcher, Valsetz.

TEXAS

John A. Noland, Crawford.
Charles E. Belvin, Zephyr.

WYOMING

Henry H. Loucks, Sheridan.

HOUSE OF REPRESENTATIVES

SATURDAY, *February 7, 1925*

The House met at 12 o'clock noon.

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

Thou who art the defender of the poor and the needy, the rewarder of the righteous and the redeemer of the sinful, we seek hidden fellowship with Thee. So be with us that we may fully realize that we may purchase the best only at the price of earnest toil. How infinitely true that God is God and truth is truth and sin is sin and hatred can never harmonize with love. Thy goodness and mercy have blest us in the past and they shall surely be our portion in the future. God will not disappoint us. With a blessed assurance we go forth into the to-morrow of life with that same tender love which has cared for us so generously to-day. It shall surround us there and we shall dwell in the house of the Lord forever. Amen.

The Journal of yesterday's proceedings was read and approved.

SUSPENSION DAY, TUESDAY, FEBRUARY 10

Mr. SNELL. Mr. Speaker, I present the following privileged resolution from the Committee on Rules.

The Clerk read as follows:

House Resolution 433

Resolved, That it shall be in order on Tuesday, February 10, 1925, after the adoption of this resolution, to move to suspend the rules under the provisions of Rule XXVII of the House of Representatives.

The resolution was referred to the House Calendar and ordered to be printed.

REPEAL OF THE FEDERAL ESTATE TAXATION LAW

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution adopted by the Legislature of the State of Vermont relative to the desirability of repealing the Federal estate taxation law.

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

There was no objection.

Mr. GIBSON. Mr. Speaker, under leave to extend my remarks in the RECORD I present the following resolution adopted by the Legislature of the State of Vermont relative to the desirability of repealing the Federal taxation law:

Resolved by the senate and house of representatives—

Whereas a tax on inheritance has been an important source of revenue of this State since 1896; and

Whereas in the proper division of subjects of taxation between the State and Federal Governments, Secretary of the Treasury Andrew W. Mellon, with the approval of President Calvin Coolidge, has urged upon Congress the desirability of repealing all Federal estate taxation laws for the purpose of leaving this source of revenue to the States alone:

Resolved, That the Senators and Representatives of Vermont in Congress be respectfully requested to do everything in their power to carry out the foregoing recommendation in order that this State may have exclusive jurisdiction of the taxation of estates and inheritances of citizens of this State.

Resolved, That the secretary of state is hereby directed to mail forthwith to each Senator and Representative of Vermont in Congress a duly authenticated copy of this resolution.

ROSWELL M. AUSTIN,
Speaker of the House of Representatives.
W. K. FARNSWORTH,
President of the Senate.

Approved February 4, 1925.

FRANKLIN S. BILLINGS, *Governor.*

STATE OF VERMONT, OFFICE OF SECRETARY OF STATE

I hereby certify that the foregoing is a true copy of joint resolution relating to taxation of estates and inheritances, approved February 4, 1925.

MINORITY VIEWS ON H. R. 11444

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to file at this time minority views on the bill H. R. 11444, relating to salaries and postal rates.

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

There was no objection.

ADDRESS BY MAJ. GEN. CLARENCE R. EDWARDS

Mr. REECE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a brief patriotic address delivered by Maj. Gen. Clarence R. Edwards before the Y. D. Club of Washington on the occasion of the seventh anniversary of the entrance of the Twenty-sixth Division into the front line.

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

There was no objection.

Mr. REECE. Mr. Speaker, on the occasion of the celebration by the Y. D. Club of Washington on the seventh anniversary of the entrance of the Twenty-sixth American Division upon the firing line its commanding general, Maj. Gen. Clarence R. Edwards, delivered an address of such great interest that under the leave to print I present it to be printed in the RECORD:

The Yankee Division, the first overseas based upon one of the great regions of the United States.

It was animated from first to last by a regional aspiration. Its highest ambition was to make its contribution of winning the war worthy of New England past and an inspiration to the New Englanders of the future.

The regional spirit to which I refer is no selfish sectional issue. We welcomed to the division 15,000 men from all parts of the United States—welcomed them as fellow Americans who were glad to cast in their lot with us because we were striving to make a contribution toward the winning of the war that would not only conserve but enhance the best American tradition.

We learned from them and they from us, and our national sense of the value of that association is attested by the presence here this evening, seven years after the war, by the veterans from many States.

When a man came to our division, where he was from counted with us only in proportion to what he could do for the division, for the division is to an army what the nation is to the world and the family to the state. You can no more build an army by crushing the individuality of the division than you can build up a neighborhood by destroying the integrity of the family or bring peace to a war-worn world by breaking down the nations that make up the family of free nations.

So it was that we were proud of the individuality of the Y. D.; proud of the regional spirit that animated it; proud of the national vision that led it forward; proud not only that we always took our objectives and of the distances we made, but devoutly thankful that our losses, though large, were less than half of other divisions similarly engaged.

Nor did our pride in any of these things end with the armistice.

These lessons that we learned as soldier citizens with the colors in war, it becomes our duty during the years that remain to us to take to heart as citizen soldiers and interpret to the younger generation.

We must help our countrymen to differentiate as we differentiated in the division between the unselfish pride that a people take in the contribution of their region toward the welfare of the whole country and that selfish prejudice that some people of a section or class are tempted at times to manifest in an effort to aggrandize themselves at the expense of their country's welfare.

We learned our lesson of regional regimentation of the national spirit in the school of the soldier, but it is in the arena of citizenship and by the power of individual example that the opportunity and the obligation front us to teach the lesson to others. So much for the organization of the division and the spirit that dominated its every effort.

But organization without discipline is as helpless as an individual without character, and character in the individual is built first by the discipline of others and then by the discipline of self.

Our effort in the Y. D. was to develop a discipline based upon mutual confidence and mutual respect to keep the common touch.

We reserved the other kind of discipline when we were permitted so to do, for those who did not tote fair. They were a minority; they were an exception to the general rule not only in our war but in every division and in every war in which Americans have been privileged to fight under intelligent leadership. And by intelligent leadership is meant a leadership that knows Americans and does not labor under a hallucination that Americans would rather be ruled than led.

The watchword of the division was not "Let's be driven"; it was "Let's go."

For ours is a country that glories in the leadership of the Presidency—that looks to the White House for a leader and not a ruler. That hails the man in the White House to-day as a leader and not a ruler.

This preference of a leader rather than a ruler is a lifelong preference of the American people. Is is surprising that their sons should carry it with them to the colors when they go to the defense of their country? Given such a leadership, learning to lean upon such a leadership, quickened by the confidence of such a leadership, no discipline thus imposed is too drastic for the American soldier to accept, no hardship too severe for him to endure, no danger but what will stiffen his stomach for a fight.

Why? Because under these circumstances the American soldier senses aright his leadership. After all, leadership is founded on faith in a man. The faith born of a belief that the company has the confidence of the captain; that the colonel believes in his regiment; that the general trusts and takes the greatest pride in his division—knows that it's bound to triumph. This is no new doctrine—it is as old as the war itself. It was Napoleon who said that there were no bad regiments, but there are bad colonels, and it was a great leader of men in our own war, Admiral Beatty, who has summed up the lesson of that war in a single sentence; said he: "The lesson taught by the Great War is the superiority of man to his machine." This, too, my comrades, is what you and I learned in the division. The superiority of the man to his machine. This is the lesson which it is our proud privilege to interpret to our countrymen in business, in politics, in education, in religion, in the home, and in every walk in life—"the superiority of man to his machine."

The soul, therefore, was our concern.

Our division came into being August 13, 1917, fully manned, 28,000 men, based on that inspired general order, the galley proof of which was rushed to Boston by a staff officer from Washington to become its new chief of staff.

The colonels and generals stood by at headquarters on Huntington Avenue about midnight of the 12th, when the order was signed, the first birth of an American division under the new tables of organization.

The question to the general: "What's the word?"

"The idea, gentlemen—the soul of the division—put a soul into your commands—and thus the division. The name, the Yankee Division, the Y. D.—its song—the Battle Hymn of the Republic." In less than a month it was on the water. Its announced destination, Charlotte, N. C.—its real destination—France—known only by our guest here to-night, the then Senator from Massachusetts.

It was trained in France less than four months.

It was concentrated for the first time on battle line at the front on the Chemin de Dames seven years ago to-night.

Then during 46 days all its elements were bled.

The interdependence of all its arms manifested to every man its confidence, its esprit born, crystallized, to be proved as shock troops in the 10 months of continuous service without leaves, on the front line, with the exception of 10 days at Chatellon, in which we absorbed 6,000 green replacements between Chateau-Thierry and St. Mihiel.

From August 13, 1917, to February 4, 1925, to-night, whatever the tasks—and no division ever had greater—the esprit, the soul, not only triumphed but grows rather than fades with memory.

Another lesson—the material one—the Yankee division learned the meaning of the superiority of air.

They learned, in addition to land and sea, a new consideration, the air.

We know that we do not deserve to remain a Nation unless we gain and keep the superiority of the air. There is one way now open here to gain and keep it, and that by the airship—make it a commercial success, peculiarly solvable in this country of vast distances.

History possibly may not be accurately written for 25 years. But it is our duty to make of record the facts of our service—it is due to the Yankee Division.

The importance of the American pioneers should be stressed. Their work was vital to the glorious contribution of the United States. I speak of the Forty-second, First, Second, and Twenty-sixth Divisions, the 20 destroyers, the thousands of youths whose clear vision of duty inspired them to cast their lot with our allies and spurn the caution "watchful waiting."

They not only revived the hope of allies bled white in despair but held the fort until their fellows could arrive and make the victory sure.

RETURN OF DOMESTIC ANIMALS DUTY FREE

Mr. GARNER of Texas. Mr. Speaker, I call up H. J. Res. 325, extending the time during which certain domestic animals which have crossed the boundary line into foreign countries may be returned duty free. I have consulted with the gentleman from Ohio [Mr. LONGWORTH], and it is agreeable to him.

The SPEAKER. The gentleman from Texas calls up H. J. Res. 325, which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 325

Resolved, etc., That despite the provisions of paragraph 1506 of Title II of the tariff act of 1922, horses, mules, asses, cattle, sheep, goats, and other domestic animals, which heretofore have strayed across the boundary line into any foreign country, or been driven across such boundary line by the owner for temporary pasturage purposes only, or which may so stray or be driven before May 1, 1925, shall, together with their offspring, be admitted free of duty under regulations to be prescribed by the Secretary of the Treasury, if brought back to the United States at any time before December 31, 1925.

SEC. 2. The Secretary of the Treasury shall, under regulations prescribed by him, remit and refund any duties on any such domestic animals and their offspring returned to the United States after December 30, 1924, and before the enactment of this resolution. Such refunds shall be made upon application therefor made within one year after the enactment of this resolution. There is hereby authorized to be appropriated an amount necessary to make such refunds.

Mr. GARNER of Texas. This is a unanimous report from the Committee on Ways and Means extending the present law.

The joint resolution was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. GARNER of Texas, a motion to reconsider the vote whereby the resolution was passed, was laid on the table.

RELINQUISHING TITLE TO LAND TO THE CITY OF BATTLE CREEK, MICH.

Mr. SINNOTT. Mr. Speaker, I call up from the Speaker's table the bill H. R. 7144 to relinquish to the city of Battle Creek, Mich., all right, title, and interest of the United States in two unsurveyed islands in the Kalamazoo River within the corporate limits of said city, with Senate amendments.

The Senate amendments were read.

Mr. SINNOTT. Mr. Speaker, I move to concur in the Senate amendments.

The motion was agreed to.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to bills of the following titles:

S. 3884. An act granting the consent of Congress to the county of Independence, Ark., to construct, maintain, and operate a bridge across the White River at or near the city of Batesville, in the county of Independence, in the State of Arkansas; and

S. 3885. An act granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the Black River at or near the city of Black Rock, in the county of Lawrence, in the State of Arkansas.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 3) providing for the printing of the report of the United States Coal Commission as a Senate document.

The message also announced that the Senate had passed with amendments the bill (H. R. 4971) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, in which the concurrence of the House of Representatives was requested.

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

H. R. 466. An act to amend section 90 of the Judicial Code of the United States approved March 3, 1911, so as to change the time of holding certain terms of the District Court of Mississippi;

H. R. 11282. An act to authorize an increase in the limits of cost of certain naval vessels; and

H. R. 11367. An act granting the consent of Congress to the county of Allegheny, in the Commonwealth of Pennsylvania, to construct, maintain, and operate a bridge across the Monongahela River at or near its junction with the Allegheny River in the city of Pittsburgh, in the county of Allegheny, in the Commonwealth of Pennsylvania.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4152. An act to authorize the Secretary of War to grant a perpetual easement for railroad right of way over and upon a portion of the military reservation on Anastasia Island, in the State of Florida;

S. 4178. An act to authorize the Port of New York Authority to construct, maintain, and operate a bridge across the Hudson River between the States of New York and New Jersey; and

S. 4179. An act to authorize the Port of New York Authority to construct, maintain, and operate bridges across the Arthur Kill between the States of New York and New Jersey.

The message also announced that the Senate had concurred in the following resolution:

House Concurrent Resolution 43

Resolved by the House of Representatives (the Senate concurring), That there shall be compiled, printed, and bound, as may be directed by the Joint Committee on Printing, 4,000 copies of a revised edition of the Biographical Congressional Directory up to and including the Sixty-eighth Congress, of which 1,000 copies shall be for the use of the Senate and 3,000 copies for the use of the House of Representatives.

The message also announced that the President pro tempore had appointed Mr. HALE and Mr. SWANSON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Navy Department.

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 5197. An act to amend section 71 of the Judicial Code, as amended;

H. R. 5558. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds in any sum not exceeding $60,000 for the purpose of improving the sewage system of the town;

H. R. 10528. An act to refund taxes paid on distilled spirits in certain cases;

H. R. 6070. An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric cur-

rent for light and power within the district of Hamakua, on the island and county of Hawaii, Territory of Hawaii;

H. R. 11248. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1926, and for other purposes; and

S. J. Res. 174. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1925, etc.

SENATE BILLS REFERRED

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

S. 4179. An act to authorize the Port of New York Authority to construct, maintain, and operate bridges across the Arthur Kill between the States of New York and New Jersey; to the Committee on Interstate and Foreign Commerce.

S. 4178. An act to authorize the Port of New York Authority to construct, maintain, and operate a bridge across the Hudson River between the States of New York and New Jersey; to the Committee on Interstate and Foreign Commerce.

CONFERENCE REPORT ON MUSCLE SHOALS

Mr. McKENZIE. Mr. Speaker, I present a conference report on the bill H. R. 518, the Muscle Shoals bill.

The SPEAKER. The Clerk will report the title.

The Clerk read as follows:

An act (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.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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, having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"An act to provide for the national defense, for the production and manufacture of fixed nitrogen, commercial fertilizer, and other useful products, and for other purposes

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—*

"SECTION 1. That the United States nitrogen fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings used in connection therewith; all tools, machinery, equipment, accessories, and materials thereunto belonging; all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, and any others used as auxiliaries of said nitrogen plants Nos. 1 and 2; also Dams Nos. 2 and 3 located in the Tennessee River at Muscle Shoals, their power houses, their auxiliary steam plants, and all of their hydroelectric and operating appurtenances, together with all machines, lands, and buildings now owned or hereafter acquired in connection therewith, are hereby dedicated and set apart to be used for national defense in time of war, and for the production of fertilizers and other useful products in time of peace.

"SEC. 2. That whenever, in the national defense, the United States shall require all or any part of the operating facilities and properties or renewals and additions thereto, described and enumerated in the foregoing paragraph of this act, for the production of materials necessary in the manufacture of explosives or other war materials, then the United States shall have the immediate right, upon five days' notice to any person or persons, corporation, or agent, in possession of, controlling, or operating said property under any claim of title whatsoever, to take over and operate the same in whole or in part, together with the use of all patented processes which the United States may need in the operation of said property for national defense, but any lease hereunder, and all contracts for power sold under said lease shall contain the proviso that the power may be recalled by the United States if and when needed in the prospect, or event of war, without payment of, or liability for damages to consumers or others so deprived of said power and no contract or lease shall be valid which does not include this proviso.

"The foregoing clauses shall not be construed as modified, amended, or repealed by any of the subsequent sections or paragraphs of this act, or by indirection of any other act.

"SEC. 3. That in order that the United States may have at all times an adequate supply of nitrogen for the manufacture of powder and other explosives, whether said property is operated and controlled directly by the Government or its agents, lessees, or assigns, under any and all circumstances the amount of fixed nitrogen specified in section 4 hereof must be produced annually on said property and with nitrogen fixation plant No. 2, or its equivalent, and no lease, transfer, or assignment of said property shall be legal or binding on the United States unless such adequate annual production of fixed nitrogen is guaranteed in such lease, transfer, or assignment.

"SEC. 4. That since the production and manufacture of commercial fertilizers is the largest consumer of fixed nitrogen in time of peace, and its manufacture, sale, and distribution to farmers and other users, at fair prices and without excessive profits, in large quantities throughout the country is only second in importance to the national defense in time of war, the production of fixed nitrogen as provided for in this act shall be used, when not required for national defense, in the manufacture of commercial fertilizers. In order that the experiments heretofore ordered made may have a practical demonstration, and to carry out the purposes of this act, the lessee or the corporation shall manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, on the property hereinbefore enumerated, or at such other plant or plants near thereto as it may construct, using the most economic source of power available, with an annual production of these fertilizers that shall contain fixed nitrogen of at least 10,000 tons during the third year of the lease period and in order to meet the market demand, said annual production shall be increased to not less than 40,000 tons the tenth year of the lease period, the terms and conditions governing the annual production within said 10-year period shall be determined by the President: *Provided*, That if in the judgment of the President the interest of national defense and agriculture will obtain the benefits resulting from the maintenance of nitrogen fixation plant No. 2 or its equivalent in operating condition by so doing, then he is authorized to substitute the production of fertilizers containing available phosphoric acid (computed as phosphoric anhydride P_2O_5) for not more than 25 per cent of the nitrogen production herein specified at the rate of not less than 4 tons of phosphoric acid annually for each annual ton of nitrogen for which the substitution is made.

"The farmers and other users of fertilizer shall be supplied with fertilizers at prices which shall not exceed 8 per cent above the fair annual cost of production.

"SEC. 5. That the President is hereby authorized and empowered to lease the properties enumerated under section 1 of this act as a whole, with proper guaranties for the performance of the terms of the lease for a period not to exceed 50 years: *Provided*, That the terms and conditions being equal, the said lessee shall have the preferred right to negotiate with the United States for a lease upon such terms as may then be prescribed by Congress: *And provided further*, That if the United States shall terminate said lease at the end thereof, it shall resume full possession of its property by and in consideration of a payment to the lessee of the then fair value of the improvements upon or in connection with said property made by the said lessee and which are dependent for their commercial usefulness to the lessee in the production of fertilizer and fertilizer products upon the continuation of the lease: *Pro-*

vided, That said lease shall be made only to an American citizen, or citizens, or to an American-owned, officered, and controlled corporation, and, if leased, in the event at any time the ownership in fact or the control of such corporation should directly or indirectly come into the hands of an alien or aliens, or into the hands of an alien-owned or controlled corporation or organization, then said lease shall at once terminate and the properties be restored to the United States. The Attorney General of the United States is given full power and authority, and it is hereby made his duty to proceed at once in the courts for cancellation of said lease in the event said properties are found to be alien owned or controlled and are not voluntarily restored. The lessee shall be required and obligated to carry out in the production of nitrogen and the manufacture and sale of commercial fertilizer the purposes and terms enumerated in sections 1, 2, 3, and 4 of this act and such other terms not inconsistent therewith as may be agreed to in the lease contract. The lessee shall pay an annual rental for the use of said property an amount that shall not be less in the aggregate than 4 per cent for the period of the lease on the total sum of money expended in the building and construction of Dam No. 2 and upon Dam No. 3 after completion, which shall be paid in full each year unless it be shown that due to expenditures in development and improved equipment for the production of fertilizer as provided herein, the lessee may be granted a deferred payment, which shall draw interest at the rate of 4 per cent annually after the first six years of the lease period at either or both dams: *Provided, however*, That no interest payment shall be required upon the cost of the locks at Dam No. 2 and Dam No. 3, nor upon an additional amount to be determined by the President as representing the value of this development to navigation improvement. The lease shall also provide the terms and conditions under which the lessee may sell and dispose of the surplus electric power created at said plants. The lease shall also provide for the protection of navigation at said Dams Nos. 2 and 3, and the lessee shall be required to supply sufficient electrical power to operate all navigation locks at Dams Nos. 2 and 3 free of cost to the United States. The lease contemplated in this section shall be made with the understanding that the United States shall complete and have ready for operation Dams Nos. 2 and 3 and the locks connected therewith, together with the plants and machinery for the production of electric power, and that after the lease is entered into the lessee shall maintain the property covered by the lease in good repair and working condition for the term of the contract: *Provided, however*, That the lessee shall not be required to guarantee the stability of the leased dams nor assume responsibility in case of loss due to acts of Providence nor of enemies of the Government. Time shall be made of the essence of the contract herein provided for, and failure on the part of the lessee to comply with the terms of said contract shall render the same terminable upon six months' notice at the option of the United States, whereupon the United States shall proceed immediately to maintain and operate the leased properties as provided herein: *Provided*, That the United States shall have shown in a proceeding in equity in the United States District Court that said failure has actually occurred: *And provided further*, That such court action shall have been sought within one year following the alleged breach of said contract.

"SEC. 6. That in the event the President is unable to make a lease under the terms of the power herein granted to him before the 1st day of December, 1925, then the United States shall maintain and operate said properties described in section 1, in compliance with the terms and conditions set forth in sections 1, 2, 3, and 4 of this act, and under the power and authority prescribed and granted in the following sections of this act.

"SEC. 7. That the President is hereby authorized and empowered to designate any five persons to act as an organization committee for the purpose of organizing a corporation under authority of, and for the purpose enumerated in, this act.

"ORGANIZATION

"The persons so designated shall, under their seals, make an organization certificate, which shall specifically state the name of the corporation to be organized, the place in which its principal office is to be located, the amount of capital stock, and the number of shares into which the same is divided, and the fact that the certificate is made to enable the corporation formed to avail itself of the advantages of this act. The name of the corporation shall be the Muscle Shoals Corporation.

"The said organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with acknowledgment thereof, authenticated by the seal of such notary or court, transmitted to the President, who shall file, record, and carefully preserve the same in his office. Upon the filing of such certificate with the President as aforesaid, the said corporation shall become a body corporate, and as such, and in the name of the Muscle Shoals Corporation, have power—

"First. To adopt and use a corporate seal;

"Second. To have succession for a period of 50 years from its organization, unless it is sooner dissolved by an act of Congress, or unless its franchise becomes forfeited by some violation of law;

"Third. To make contracts, and no such contract shall extend beyond the period of the life of the corporation;

"Fourth. To sue and be sued, complain, and defend in any court of law or equity;

"Fifth, to appoint by its board of directors such officers and employees as are not otherwise provided for in this act; to define their duties, to fix their salaries, in its discretion to require bonds of any of them, and to fix the penalty thereof, and to dismiss at pleasure any of such officers or employees;

"Sixth, to prescribe by its board of directors by-laws not inconsistent with law regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed;

"Seventh, to exercise by its board of directors or duly authorized officers or agents all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary to carry on the business for which it is incorporated within the limitations prescribed by this act, but such corporation shall transact no business except such as is incidental and necessary preliminary to its organization until it has been authorized by the President to commence business under the provisions of this act.

"The corporation shall be conducted under the supervision and control of a board of directors, consisting of five members, to be selected by the President. The directors so appointed shall hold office at the pleasure of the President. The President shall designate a chairman of the board, who shall have power to designate one of the others as vice chairman. The vice chairman shall perform the duties of chairman in the absence of the chairman. Not more than two of such directors shall be appointed from officers in the War Department.

"The board of directors shall perform the duties usually appertaining to the office of directors of private corporations and such other duties as are prescribed by law.

"POWERS OF THE CORPORATION

"The corporation shall have power—

"(a) To purchase, acquire, operate, and develop in the manner prescribed by this act and subject to the limitations and restrictions thereof the following properties owned by the United States:

"1. United States nitrogen-fixation plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with (a) all real estate used in connection therewith; (b) all tools, machinery, equipment, accessories, and materials thereunto belonging; (c) all laboratories and plants used as auxiliaries thereto, the Waco limestone quarry in Alabama, Dam No. 2 at Muscle Shoals and the hydroelectric power plant connected therewith, together with the steam plants used as auxiliaries of the United States nitrogen-fixation plants Nos. 1 and 2, together with all other property described in section 1 of this act.

"2. To construct, purchase, maintain, and operate all such buildings, plants, and machinery as may be necessary for the production, manufacture, sale, and distribution of fixed nitrogen and other forms of commercial fertilizer.

"3. Any other plants or parts of plant, equipment, accessories, or other properties belonging to the United States, which are under the direct control of the President or of the War Department, and which the President may deem it advisable to transfer, convey, or deliver to said corporation for use in connection with any of the purposes of this act or for any purpose incidental thereto.

"(b) To acquire, establish, maintain, and operate such other laboratories and experimental plants as may be deemed necessary or advisable to assist it in furnishing to the United States Government and others, at all times, nitrogen products for military or other purposes in the most economical manner and of the highest standard of efficiency.

"(c) To sell to the United States such nitrogen products as may be manufactured by said corporation for military or other purposes.

"(d) To sell any or all of its products not required by the United States to producers or users of fertilizers or to others;

Provided, That in the sale of such products not required by the United States Government preference shall be given to those persons engaged in agriculture: *Provided further*, That if such products are sold to others than users of fertilizers the corporation shall require as a condition of such sale, the consent of the purchaser to the regulation by the corporation of the prices to be charged users for the product so purchased or any product of which the product purchased from the corporation shall form an ingredient.

"(e) The operation of the hydroelectric power plant and steam power plants at Muscle Shoals and the use and sale of the electric power to be developed therefrom that is not required to carry out the terms imposed by sections 1, 2, 3, and 4 of this act.

"(f) To enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economic basis.

"(g) To purchase, lease, or otherwise acquire United States or foreign patents and processes or the right to use such patents or processes.

"(h) To require an agreement of its officers or employees, as a condition of their employment, that said corporation may obtain domestic or foreign patents upon all discoveries or inventions of said officers or employees made while in the employ of the corporation, and that the said patents shall be and become in whole or in part the property of the corporation.

"(i) To assume any or all obligations of the United States entered into in connection with the construction, maintenance, and operation of the plants to be transferred to the corporation under the provisions of this act.

"(j) To deposit its funds in any Federal reserve bank, or with any member bank of the Federal reserve system.

"(k) To sell and export any of its surplus products not purchased by the United States or by persons, firms, or corporations within the United States.

"(l) To invest any surplus of available funds not immediately used for the operation, construction, or maintenance of its plants or properties in United States bonds or other securities issued by the United States.

"(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the President to lease to other persons, firms, or corporations, or to enter into agreements with others for the operation of such properties not used or needed for the purposes named herein. In the operation, maintenance, and development of the plants purchased or acquired under this act, the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

"CAPITAL STOCK AND BONDS

"The capital stock of the corporation shall consist of 100 shares of common stock of no par value. The corporation shall also issue an amount of 20-year bonds bearing interest at the rate not exceeding 5 per cent per annum, which shall be a first lien on the property of the corporation and in an amount not to exceed $50,000,000, to be sold from time to time as needed to carry out the purpose of this act: *Provided*, That the principal and interest of said bonds shall be paid by the Secretary of the Treasury out of funds in the Treasury not otherwise appropriated upon default at any time in payment as herein provided by the corporation. The terms for the sale of said bonds shall be approved by the President.

"In exchange for the properties purchased or acquired from the United States and from time to time transferred, conveyed, or delivered to the corporation by the President or the Secretary of War, and for all unexpended balances now under the control of the Secretary of War and applicable to the nitrate plants at or near Muscle Shoals, Ala., the corporation shall cause to be executed and delivered to the President a certificate for all of the common stock of the corporation. The certificate shall be evidence of the ownership by the United States of all stocks of the corporation.

"In consideration of the issuance of such common stock to the President, the President is authorized and empowered to transfer, convey, and deliver to the corporation all of the real estate, buildings, tools, equipment, supplies, and other properties belonging to, used by, or appertaining to the plants and properties to be acquired by the corporation under the terms of this act, and to transfer, convey, and deliver as and when he may deem it advisable any other equipment, accessories, plants, or parts of plants, or other property referred to in this act, and which the corporation is authorized to acquire or purchase from the United States under its provisions.

"DISTRIBUTION OF EARNINGS

"All net earnings of the corporation not required for its organization, operation, and development, shall be used—

"(a) To pay interest on the bonds and create a fund for their payment;

"(b) To develop and improve its plants and equipment;

"(c) To create a reserve or surplus fund until such fund amounts to $2,500,000;

"(d) The remainder to be paid as dividends on the stock into the Treasury of the United States as miscellaneous receipts.

"MISCELLANEOUS

"The corporation shall not have power to mortgage or pledge its assets, or to issue bonds secured by any of its properties; except as hereinbefore provided.

"The United States shall not be liable for any debts, obligations, or other liabilities of the corporation, except the principal and interest of the bond issue herein provided for.

"The corporation and all of its assets shall be deemed and held to be instrumentalities of the United States and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation. The directors, officers, attorneys, experts, assistants, clerks, agents, and other employees of the corporation shall not be officers or employees of the United States within the meaning of any statutes of the United States and the property and moneys belonging to said corporation, acquired from the United States, or from others, shall not be deemed to be the property and money of the United States, within the meaning of any statutes of the United States.

"The accounts of the corporation shall be audited under the regulations to be prescribed by the President, who shall annually report to Congress a detailed statement of the fiscal operations of said corporation.

"SEC. 8. That the President is hereby authorized to complete the construction of Dam No. 3 and the necessary approach to the locks in Dam No. 2 in the Tennessee River at or near Muscle Shoals, Ala., in accordance with report submitted in House Document 1262, Sixty-fourth Congress, first session: *Provided*, That the President may in his discretion make such modifications in the plans presented in such report as he may deem advisable in the interest of power or navigation, and the President is hereby authorized to include Dam No. 3 in the same lease with Dam No. 2 and, except as otherwise indicated, said lease shall be under the same terms as are herein specified for said Dam No. 2.

"The appropriation of $3,472,487.25, the same being the amount of the proceeds received from the sale of the Gorgas steam power plant, is hereby authorized for the continued investigation and construction by contract or otherwise as may be necessary to prosecute said project to completion. Further expenditures to be paid for as appropriations may from time to time be made by law.

"SEC. 9. That the surplus power not required for the fixation of nitrogen or for the manufacture of fertilizers or other useful products which will reduce the cost of the fertilizers shall be sold for distribution: *Provided*, That all contracts for the sale of said power for public utility or industrial purposes shall contain the proviso that said power may be withdrawn on reasonable notice, at any time during the lease period, if and when said power is needed for the manufacture of fertilizers.

"That as a condition of any lease, entered into under the provisions of this act, every lessee hereunder which is a public-service corporation, or a person, association, or corporation developing, transmitting, or distributing power under the lessee either immediately or otherwise, for sale or use in public service, shall abide by such reasonable regulation of the services rendered to customers or consumers of power, and of rates and charges of payment thereof, as may from time to time be prescribed by any duly constituted agency of the State in which the service is rendered or the rate charged. That in case of the development, transmission, or distribution, or use in public service of power by any lessee hereunder or by its customer engaged in public service within a State which has not authorized and empowered a commission or other agency or agencies within said State to regulate and control the services to be rendered by such lessee or by its customer engaged in public service, or the rates and charges of payment thereof, or the amount or character of securities to be issued by any of said parties, it is agreed as a condition of such lease that jurisdic-

tion is hereby conferred upon the commission created by the act of Congress approved June 10, 1920, upon complaint of any person aggrieved or upon its initiative, to exercise such regulation and control until such time as the State shall have provided a commission or other authority for such regulation and control: *Provided*, That the jurisdiction of the commission shall cease and determine as to each specific matter of regulation and control prescribed in this section as soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

"That when said power or any part thereof shall enter into interstate or foreign commerce the rates charged and the service rendered by any such lessee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such lessee, or by any person, corporation, or association purchasing power from such lessee for sale and distribution or use in public service shall be reasonable, nondiscriminatory, and just to the customer and all unreaonable, discriminatory, and unjust rates or services are hereby prohibited and declared to be unlawful; and whenever any of the States directly concerned has not provided a commission or other authority to enforce the requirements of this section within such State, or to regulate and control the amount and character of securities to be issued by any of such parties, or such States are unable to agree through their properly constituted authorities on the services to be rendered or on the rates or charges of payment therefor, or on the amount or character of securities to be issued by any of said parties, jurisdiction is hereby conferred upon the said commission, upon complaint of any person aggrieved, upon the request of any State concerned, or upon its own initiative to enforce the provisions of this section, to regulate and control so much of the services rendered, and of the rates and charges of payment therefor as constitute interstate or foreign commerce and to regulate the issuance of securities by the parties included within this section, and securities issued by the lessee subject to such regulations shall be allowed only for the bona fide purpose of financing and conducting the business of such lessee.

"The administration of the provisions of this section, so far as applicable, shall be according to the procedure and practice in fixing and regulating the rates, charges, and practices of railroad companies as provided for in the act to regulate commerce, approved February 4, 1887, as amended, and that the parties subject to such regulation shall have the same rights of hearing, defense, and review as said companies in such cases.

"In any valuation hereunder for purposes of rate making no value shall be claimed or allowed for the rights granted by this act or under any lease executed thereunder.

"SEC. 10. That any lease made under the terms of this act shall provide that not less than $50,000 shall be expended annually for 10 years, and thereafter such an amount as the President may designate by the lessee in electrochemical research at Muscle Shoals having for its object the improved and cheapened production of high-grade fertilizer materials, and of war gases, light metals, and other electrochemical or electric-furnace products suitable for use in national defense. Said research shall not be confined to laboratory work, but shall include investigations made on a commercial or semicommercial scale, and the lessee shall adopt and install such improved processes as in the judgment of the lessee are determined to be commercially superior to those in use at the time, and the power released by the employment of improved processes shall be utilized for fertilizer production so far as it may be necessary or desirable to do so in order to meet the commercial demand for the fertilizers produced.

"SEC. 11. The President is hereby authorized and empowered to employ such advisory officers, experts, agents, or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and the sum of $100,000 is hereby authorized to enable the President of the United States to carry out the purposes herein provided for.

"SEC. 12. That in order that farmers and other users of fertilizers may be supplied with fertilizers at a maximum net profit not exceeding 8 per cent annually upon the fair annual cost of production, the lessee shall agree to the creation of a board of not more than nine voting members, chosen as follows: The three leading representative farm organizations, national in fact, namely: The American Farm Bureau Federation, the National Grange, the Farmers' Educational and Cooperative Union of America or their successor or successors (said successor or successors to be determined, in case of controversy, by the Secretary of Agriculture) shall each designate not more than seven candidates for said board in the first instance and thereafter, for succession in office, not more than three candidates. The President shall select for membership on this board not more than seven of these candidates, selected to give representation to each of the above-mentioned organizations, and there shall be two voting members of said board selected by the lessee: *Provided*, That not more than one shall be selected by the President from the same State: *Provided further*, That if either or any of said farm organizations or its or their successors by reason of the expiration of its or their charter or ceasing to function or failing to maintain its organization or for any cause or reason should decline, fail, or neglect to make such designations, then the Secretary of Agriculture shall make such designation or designations for such or all of said organizations as may so decline, fail, or neglect to make such designation; and if such designation is made by the Secretary of Agriculture for only one or two of said organizations, then such designation shall be made so as to give the remaining organization or organizations the same right and in the same proportion to designate candidates for said board as in the first instance and just as though all of said organizations were making such designations: *Provided, however*, That a failure to make designations at any one time shall not thereafter deprive any organization of its original rights under this section: *And provided further*, That the terms of office of the first seven candidates selected by the President on the designation of said farm organizations shall be as follows: Two for a period of two years, two for a period of four years, and the remaining three for a period of six years, and thereafter the nominations for membership on said board made by the President, except for unexpired terms, shall be for six years each. None of the members of said board shall draw compensation from the Government, except that any which may be nominated on the designation of the Secretary of Agriculture, under the provisions hereof, shall receive from the Government their actual expenses while engaged in work on said board. A representative of the Bureau of Markets, Department of Agriculture, or its legal successor, to be appointed by the President, shall also be a member of the board serving in an advisory capacity without the right to vote. The said board shall employ a competent and disinterested firm of certified public accountants satisfactory to the lessee, which accountants shall determine for the said board what has been the cost of manufacture and sale of fertilizer products and the price which has been charged therefor. The said board shall have authority if necessary, for the purpose of limiting the annual profit to 8 per cent as aforesaid, to regulate the price at which said fertilizers may be sold by the lessee. The said firm of certified public accountants for these purposes shall have access to the books and records of the company at any reasonable time. In order that such fertilizer products may be fairly distributed and economically purchased by farmers and other users thereof, the said board shall determine the equitable territorial distribution of the same and may, in its discretion, make reasonable regulation for the sale of all or a portion of such products by the company to farmers, their agencies, or organizations.

"SEC. 13. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall be combined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

"SEC. 14. That no lease made under the terms of this act shall be transferred without the approval of the President of the United States.

"SEC. 15. That all laws and parts of laws in conflict herewith be, and the same are hereby, repealed."

And the Senate agree to the same.

JOHN C. MCKENZIE,
JOHN M. MORIN,
PERCY E. QUIN,
Managers on the part of the House.

HENRY W. KEYES,
W. B. MCKINLEY
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the House bill H. R. 518, submit the following detailed written statement in explanation of the effect agreed upon and recommended in the conference report filed herewith.

The Senate having stricken out the entire House bill and substituted therefor an entire new bill, which in turn was disagreed to by the House, the whole subject of the production of nitrates in time of war and fertilizer in time of peace at Muscle Shoals came before the conference committee.

All reference in this statement shall be understood to refer to the Senate amendment to the House bill unless otherwise stated.

The first material change from the Senate amendment contained in the substitute is the inclusion of Dam No. 3, which change is set forth in section No. 1. This change is in harmony with the original House bill.

The next material change from the Senate amendment is found in the next to the last paragraph in section 2, by striking out the period and adding the following:

but any lease hereunder, and all contracts for power sold under said lease shall contain the proviso that the power may be recalled by the United States if and when needed in the prospect or event of war, without payment of or liability for damages to customers or others so deprived of said power, and no contract or lease shall be valid which does not include this proviso.

The next material change is in section 3, which strikes out lines 18, 19, 20, and 21 and inserts in lieu thereof the following:

The amount of fixed nitrogen specified in section 4 hereof must be produced annually on said property and with nitrogen fixation plant No. 2, or its equivalent, and no

The next change is in section 4. The words, "According to demand," are stricken out in line 14, page 21. Following this in same section beginning with the word "at," in line 18, the remainder of the paragraph is stricken out and the following language substituted:

At least 10,000 tons during the third year of the lease period, and in order to meet the market demand said annual production shall be increased to not less than 40,000 tons the tenth year of the lease period, the terms and conditions governing the annual production within said 10-year period shall be determined by the President: *Provided*, That if in the judgment of the President the interests of national defense and agriculture will obtain the benefits resulting from the maintenance of nitrogen fixation plant No. 2 or its equivalent in operating condition by so doing, then he is authorized to substitute the production of phosphoric acid (computed as phosphoric anhydride P_2O_5) for not more than 25 per cent of the nitrogen production herein specified at the rate of not less than 4 tons of phosphoric acid annually for each annual ton of nitrogen for which the substitution is made.

Also, in the last paragraph of section 4 the numeral (1) and the language in the last line of this paragraph is stricken out, and in lieu of the same the following was inserted: "8 per cent above the fair annual cost of production."

The next important change is in section 5, which strikes out of the Senate amendment, in lines 8 and 9, the phrase "either separately or as a whole," and inserts in lieu thereof, after the word "act," in line 9, the following: "as a whole."

In line 11, section 5, after the word "that," the following was inserted:

The terms and conditions being equal, the said lessee shall have the preferred right to negotiate with the United States for a lease upon such terms as may then be prescribed by Congress: *And provided further*, That if the United States shall terminate said lease at the end thereof, it shall resume full possession of its property by and in consideration of a payment to the lessee of the then fair value of the improvements upon or in connection with said property made by the said lessee and which are dependent for their commercial usefulness to the lessee in the production of fertilizer and fertilizer products upon the continuation of the lease.

Also, in section 5, in line 6, page 23, after the word "less," the words "in the aggregate" are inserted, and in the following line, after the words "per centum," the words "for the period of the lease" were inserted. Also, in section 5, in line 8, after the numeral "2," the remainder of the page, and also lines 1 and 2, on page 24, to and including the period in line 2 were stricken out and the following language inserted:

and Dam No. 3: *Provided, however*, That no interest payment shall be required upon the cost of the locks at Dam No. 2 and Dam No. 3 nor upon an additional amount to be determined by the President as representing the value of this development to navigation improvement.

Also in section 5, on page 24, in lines 6 and 7, strike out the following language:

Dam No. 2 and the operation of the locks connected therewith,

and insert in lieu thereof the following:

Dams Nos. 2 and 3 and the lessee shall be required to supply sufficient electrical power to operate all navigation locks at Dams Nos. 2 and 3, free of cost to the United States.

Also in section 5, lines 9 and 10 on page 24, the words "Dam No. 2" are stricken out and the words "Dams Nos. 2 and 3" are inserted.

Also in section 5, the following change was made in line 14: The period is stricken out, a semicolon inserted, and the following language added:

Provided, however, That the lessee shall not be required to guarantee the stability of the leased dams nor assume responsibility in case of loss due to acts of Providence nor of enemies of the Government.

Also in section 5, on page 24, the lines 18 to 25, inclusive, are stricken out and in lieu thereof the following language is inserted:

terminable upon six months' notice at the option of the United States whereupon the United States shall proceed immediately to maintain and operate the leased properties as provided herein: *Provided*, That the United States shall have shown in proceedings in equity in the United States district court that said failure has actually occurred: *And provided further*, That such court action shall have been sought within one year following the alleged breach of said contract.

The next change of consequence is found on page 30, which strikes out the subsection (h) and in lieu thereof substitutes the following language:

(h) To require an agreement of its officers or employees that said corporation may obtain domestic or foreign patents upon all discoveries or inventions of said officers or employees made while in the employ of the corporation, and that said patents shall be and become in whole or in part the property of the corporation.

This change is made to more definitely express the purpose of the subsection.

The next important change is in line 24 of section 7, on page 31, which strikes out the word "of" and inserts in lieu thereof the words "not exceeding." The purpose of this amendment being to change the interest rate from a flat 5 per cent to that of a rate not exceeding 5 per cent on the bonds of the corporation.

The next change strikes out, on page 32 of the Senate amendment, all of line 8, after the word "President," and all of lines 9, 10, 11, 12, 13, 14, and 15.

The next change of importance is in lines 3 and 4, on page 35, which strikes out the words "and directed."

Also section 8 was changed by striking out the period at the end of the section, inserting a comma, and adding the following:

and the President is hereby authorized to include Dam No. 3 in the same lease with Dam No. 2, and, except as otherwise indicated, said lease shall be under the same terms as are herein specified for Dam No. 2. The appropriation of $3,472,487.25, the same being the amount of the proceeds received from the sale of the Gorgas steam power plant, is hereby authorized for the continued investigation and construction by contract or otherwise as may be necessary to prosecute said project to completion, further expenditures to be paid for as appropriations may from time to time be made by law.

The next important change strikes out section 9 and substitutes new language for section stricken out and merges sections 10 and 11.

SEC. 9. That the surplus power not required for the fixation of nitrogen or for the manufacture of fertilizers or other useful products which will reduce the cost of the fertilizers or contribute to the usefulness of the project for national defense shall be sold for distribution: *Provided*, That all contracts for the sale of said power for public-utility or industrial purposes shall contain the proviso that said power may be withdrawn on reasonable notice, at any time during the lease period, if and when said power is needed for the manufacture of fertilizers.

The next change is the addition of a new section (sec. 10) providing for investigation and experimentation by the lessee and fixing the amount to be annually expended for the first 10 years.

The next important change is in the new section (sec. 11) of the substitute for the Senate amendment which provides for the authorization for the employment and compensation of advisory officers, experts, agents, or agencies to enable the President to carry out the purposes of this act.

Section 12 of the substitute was not included in the Senate amendment but was contained practically in the same form in the bill as it passed the House.

Section 13 is a substitute for the language in the Senate amendment contained in lines 1 and 2, on page 39.

The foregoing covers all the material changes made in the Senate amendment.

There are a number of unimportant amendments, such as the substitution of the word "nitrogen" for the word "nitrate," and other similar changes.

The title to the bill was changed to conform to the bill as changed by the Senate amendment and the substitute agreed upon by the conferees.

JOHN C. MCKENZIE,
JOHN M. MORIN,
PERCY E. QUIN,
Managers on the part of the House.

LEAVE TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on next Thursday, immediately after the approval of the Journal, I may address the House for 20 minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that on Thursday next, after the reading of the Journal and the disposition of the papers on the Speaker's table, he may address the House for 20 minutes. Is there objection?

Mr. MADDEN. Reserving the right to object, we are going to have an appropriation bill on Thursday, and there will be general debate. Could not the gentleman take his time in the general debate?

Mr. RANKIN. My remarks are to be upon a subject of vital importance to a great mass of the agricultural element of the country, and I should prefer to wait until some other time when I can have a goodly portion of the membership present.

Mr. MADDEN. I do not want to object. When this bill now under consideration is finished we shall have but one more regular appropriation bill. We will not be able to get to that until Thursday next, on account of so many special orders. We would like to give the gentleman 20 minutes' time in general debate upon that bill.

Mr. RANKIN. Mr. Speaker, as I said before, this is a matter that I should like to call to the attention of the membership of the House. We discussed a bill here for a whole day, almost, not more than three days ago, when there were not over 25 to 30 Members of the House present. It will not take any more time for me to use the 20 minutes right after the reading of the Journal than it will during general debate.

Mr. MADDEN. But we will have the general debate on top of that. That is the trouble.

Mr. RANKIN. I understand; but I wish to discuss a matter of vital importance to millions of farmers of this country, and I prefer not to do so under general debate.

Mr. MADDEN. But if we delay we may not get that bill passed that day, and it ought to be passed at that time.

Mr. RANKIN. Then I shall take my time some other day.

Mr. MADDEN. I do not want the gentleman to feel offended.

Mr. RANKIN. Oh, not at all. If it will suit the gentleman any better, I shall make my request for Friday.

Mr. MADDEN. That will suit me much better.

Mr. RANKIN. Then, Mr. Speaker, I desire to change my request and ask unanimous consent that on Friday next, after the reading of the Journal and disposition of matters on the Speaker's table, I may address the House for 20 minutes.

The SPEAKER. Is there objection?

There was no objection

CALL OF THE HOUSE

Mr. STENGLE. Mr. Speaker, we are about to listen to one of our most distinguished Members for 20 minutes, the gentleman from Ohio [Mr. SHERWOOD], and I make the point of order that there is no quorum present, because I think he is entitled to a full House.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present; evidently there is not.

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

The motion was agreed to.

The doors were closed.

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

[Roll No. 54]

Abernethy	Black, Tex.	Bulwinkle	Collins
Andrew	Bloom	Butler	Connolly, Pa.
Anthony	Boies	Carew	Cooper, Ohio
Barkley	Boylan	Celler	Corning
Berger	Britten	Clark, Fla.	Croll
Black, N. Y.	Buckley	Cleary	Cullen
Cummings	Hill, Md.	Nelson, Wis.	Schall
Curry	Hull, Tenn.	Newton, Minn.	Scott
Dallinger	Humphreys	Nolan	Sears, Nebr.
Davey	Johnson, W. Va.	O'Brien	Strong, Pa.
Dempsey	Kelly	O'Connell, N. Y.	Sullivan
Dickstein	Kendall	O'Connor, N. Y.	Sweet
Dominick	Kent	Oliver, N. Y.	Tague
Edmonds	Kiess	Oliver, Ala.	Thatcher
Evans, Iowa	Kindred	Paige	Tinkham
Fairfield	Kunz	Peavey	Treadway
Favrot	Kurtz	Peery	Tydings
Fitzgerald	Langley	Perlman	Vare
Frear	Larson, Minn.	Phillips	Voigt
Fredericks	Leach	Porter	Ward, N. Y.
Free	Lee, Ga.	Quayle	Ward, N. C.
French	Lindsay	Reed, Ark.	Weller
Gallivan	Linthicum	Reed, W. Va.	Welsh
Gilbert	Logan	Roach	Wertz
Glatfelter	McNulty	Rogers, Mass.	White, Kans.
Graham	Mead	Rogers, N. H.	Wilson, Miss.
Green	Michaelson	Rouse	Winslow
Griest	Mills	Salmon	Wolff
Hardy	Montague	Sanders, Ind.	Zihlman
Haugen	Moore, Ill.	Schafer	

The SPEAKER. Three hundred and fourteen Members have answered to their names; a quorum.

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

The motion was agreed to.

The doors were opened.

ORDER OF BUSINESS

The SPEAKER. By special order of the House, the gentleman from Ohio [Mr. SHERWOOD] is recognized for 20 minutes. [Prolonged applause.]

Mr. SHERWOOD. Mr. Speaker, some of my friends thought that as I am a sort of reminiscence, a talk by me on reminiscences might prove interesting to the present generation. The topic I have chosen for to-day is—

FIFTY YEARS AGO AND NOW

It is 52 years since I first drifted into this great body of honored citizens. That was the Forty-third Congress. Of the 242 Representatives and 74 Senators only two are alive—Joseph G. Cannon and myself. As Oliver Wendell Holmes would remark—I am the last leaf upon the tree, still shaken for the fall.

It touches me with deep sadness that of all the 316 Members of that Congress only one of my colleagues is still alive. There were historical characters in that Congress called to deal with both ethical and fundamental questions growing out of the great war; questions that stirred the blood and commanded the most potent mental endeavor. Just across the aisle sat in constant conflict two intellectual athletes—Gen. Benjamin Butler, of Massachusetts, and S. S. Cox, of New York, formerly of Ohio—who continually measured the strength and potency of their rasping scimiters. Halfway down the aisle sat Gen. James A. Garfield, afterward President; then chairman of the Committee on Appropriations. Right in front in his wheeled chair sat Alexander H. Stephens, of Georgia, the Vice President of the Confederacy. James G. Blaine, of Maine, the idol of his party, was Speaker. There were 83 Union soldiers in that Congress and 12 Confederates. There were seven distinguished major generals—among the more notable Gen. Joe Hawley, of Connecticut; General Negley, of Pennsylvania; General Garfield, of Ohio; and General Butler, of Massachusetts.

General Grant was just starting on his second term. I remember the appropriation for the salary and clerk hire and upkeep of the White House that year—1873–74—was $42,800. As an evidence of our immense growth in material prosperity and official generosity we this year give our President the tidy sum of $500,000—as the items foot up—including the *Mayflower*.

General Grant had no body guard, no military staff, no White House police. I remember meeting General Grant several times walking down Pennsylvania Avenue alone. General Grant was an expert horseman. He was not only at home in the saddle but he was a double-team driver, the only President from Washington down to Roosevelt, who knew how to drive a pair of trotters at speed. [Applause and laughter.]

Members of Congress were salaried at $5,000 a year. We were allowed no secretary—we had to rent our offices out of our salary and we had to take our pen in hand to answer kicking letters from constituents. There were no typewriting machines. The Speaker had no parliamentary expert. He decided every contention without explanation or parliamentary palaver. We had no Hinds' Precedents. We had no Rules Committee. We had no steering committee invading the White House to find out what legislation the President favored. The first article of the Federal Constitution fixes that duty solely with Congress. [Applause.]

We had no tariff experts to confuse the rudimentary Congressman and no Calendar Wednesday. [Laughter.] We had no Secretary of Agriculture, hence the farmers were contented and reasonably prosperous. [Laughter and applause.]

The country had no automobiles, no wireless, no airplanes, no canned music. Prize fighting was not then our popular entertainment. We had no moving pictures. Tainted actresses were not then our popular stars of the stage. We had no jazz music. The glorious old war songs of heroic memory and patriotic inspiration had not been supplanted by Captain Jinks of the Horse Marines, Hail, Hail, the Gangs All Here, and similar jargons, and the grand plays of Shakespeare and plays of high moral import had not been supplanted by the vulgar and smutty vaudeville. [Applause.]

We had no electric cars. Edison, the wizard of the electrical world, had not yet appeared. We had no preparedness for war talk on this floor. Those two crime breeders, the bootleggers' league and the Anti-Saloon League, had not yet appeared. [Laughter and applause.] Utah was then a Territory represented by the distinguished Mormon Elder Cannon. His four wives, sitting side by side in the Members' gallery, without cosmetic adornment, were the observed of all observers, as quiet and as uncomplaining as four planted oysters in Lynnhaven Bay. This was 40 years before Doctor Cook discovered the North Pole and 45 years before the Rev. Billy Sunday drove the devil out of Washington. [Laughter and applause.]

Viscount Bryce has written the greatest book on democracy in the English language. He says in a democracy supreme power is lodged exclusively in the people, and whenever any group or element sets up any authority antagonistic to the expressed will of the people democracy is supplanted by autocracy. Neither executive will nor the edicts of courts can usurp the popular will as expressed by the people's Congress without violating both the spirit and letter of democracy. The Federal Constitution is explicit and plain on that vital subject.

The first article of the Constitution states "all legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives."

It is through these two representative bodies that the people at the ballot box voice their sovereign rights. Lincoln voiced this sentiment when he said, "This is a Government of the people, by the people, and for the people." Yet I heard a leading Member of this Congress last winter proclaim in this historic Chamber that this is a Government by party, because the party in power is responsible for legislation. I challenge any Member on this floor to find the word "party" in the Constitution of the United States or in any of the 19 amendments. It is not there. The prophetic statesmen who framed our Federal Constitution and set the Republic on its career anticipated no such doctrine.

The coming Congress has great questions to solve, and I may surprise you in the statement that these questions are more moral or ethical than economic. The criminal records of the United States are a menace to Christian civilization. We have the murder record of the world. Last year we had twelve times as many murders as England. The record of banditry and robbery and all crimes against the person and property is alarming the clergy and our leading collegiates.

Our crime record has been called out in a sermon in protest by the leading scholar and theologian of Great Britain. I refer to Bishop Inge, Dean of St. Paul's Cathedral, London.

Quite recently Bishop Freeman, leading bishop of the Protestant Episcopal Church of the United States, preached an alarm sermon in Washington on this vital subject. He called attention to the fact that the church has failed to check the crime wave. I quote from the great bishop:

> Even laws imposed by constituted authority are flaunted and disobeyed, and this by the so-called "best people" in our communities. It is little wonder that this is so, for laws will not be obeyed by men and women who lack deep moral and spiritual convictions.

You will all agree that at no time in our history has there been a more urgent demand than now for legislators of courage, ability, and experience to deal with the perils that confront society, especially the lack of active patriotism among the masses. There is a spirit of indifference toward the soldiers of the World War. The World War is the only war of our six great wars that has produced no President of the United States. The Civil War produced five soldier Presidents in succession, covering a period of a quarter of a century—Grant, Hayes, Garfield, Harrison, and McKinley, all soldiers with creditable battle records; all born in Ohio.

We had 478 generals in the World War; but heroism and self-sacrifice do not belong exclusively to rank. We had plenty of heroic soldiers in the World War who did not wear stars who are worthy and available for President.

We are evidently short on patriotism. Why not inspire it by a heroic example, even if it takes the soldier who stood behind the guns?

I am reminded that this may be my last talk on this floor; I am about to retire to the simple life of a private citizen. I feel it due to you, my colleagues, to express my deep appreciation for the uniform courtesies and kindness I have received at your behest. During my remaining short span of life the years I spent in comradeship with so many splendid gentlemen in this historic Chamber will be my most delightful and sacred memory. [Prolonged applause, Members rising.]

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. SHERWOOD. Certainly.

Mr. SUMNERS of Texas. Will the gentleman be good enough to state specifically how long it has been since he first came to this body, and to also state his age at this time?

Mr. SHERWOOD. Between my first session in Congress and my last election 52 years elapsed. My age is 90 years. I think I have reached the retiring age. I propose now to devote myself to accumulating some property to take care of me when I get old [laughter]—and I can not do it in Congress.

Before I take my seat I wish also to thank the Speaker of the House for the many courtesies he has shown me, which I deeply appreciate.

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

The SPEAKER. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Speaker, it has been an inspiration to listen to the gentleman from Ohio [Mr. SHERWOOD], the gallant soldier of the Civil War, who has served over a longer period in Congress than any other man. I am happy to have been here and to have been able to hear what he had to say. He is entitled to the confidence and the plaudits of the American people, both for his valor as a soldier and for his service in this House. [Applause.]

I have risen, however, to say a few words about another distinguished Member of this House. To-day we have a gentleman sitting here in charge of the pending bill, our friend and colleague the Representative from Minnesota [Mr. DAVIS], who has served in this House for nearly a quarter of a century, ably and honestly. [Applause.] He has given to the American people a service which money could not buy. All men who come here and devote themselves for any considerable length of time do it at a great sacrifice. They serve, they contribute of their genius, they make the financial sacrifice which follows service here, and they leave the House like an old horse turned out to pasture, without any consideration on the part of the American people.

This man of whom I speak is about to leave us after an honorable service of nearly a quarter of a century. We regret to see him go. We honor him for the genius he has displayed in all the work with which he has been charged while a Member of this House. He has been an honorable member of the Committee on Appropriations for many many years. He has been the chairman of the subcommittee which has had jurisdiction over appropriations for the District of Columbia for many years. He has given of his time to this arduous work without stint. He has made every sacrifice at home in order that he might serve the people of this locality well. He has sacrificed his own interests in order that he might do justice to public work which came before him. He has had no thought of self. His thought has been for the welfare of the Nation and of the people. He has a right to expect, and I am sure he will receive, the grateful thanks of those whom he has served so well for so long. He has the confidence of every Member of the House, Democrat and Republican. He is entitled to that confidence by the nature of the work he has performed. He should be entitled to the confidence of the people of his State, and I am sure he has it, and certainly no man deserves better of the people of the Nation than CHARLES DAVIS, of Minnesota, who is about to leave us shortly after the enactment of the bill now pending into law. I wish Mr. DAVIS Godspeed and success and long life and happiness wherever he may go or whatever he may be called upon to do for the remaining years of his life, and if there ever comes a time now or in the future when I can be of any service to him to make the burden lighter I shall be more than happy to have him call upon me to render that service, for as chairman of the Committee on Appropriations I feel under the deepest kind of obligation for the splendid cooperation and the intelligent service he has rendered to the people of America in the position that he now occupies. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

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

Mr. GARRETT of Tennessee. Mr. Speaker, at a later day I shall ask the indulgence of the House again to say a few words in reference to our colleague, General SHERWOOD of Ohio. For the present I desire to join with the gentleman from Illinois [Mr. MADDEN] in giving to the gentleman from Minnesota and to the country the assurances of our universal appreciation of his fine character, his fine services, and his distinguished career. The service which the gentleman from Minnesota has rendered has been of inestimable value. It has not been along the lines that brought him into spirited conflict on the floor very often. It has been a work largely formulated in the quietude and the privacy of the committee room, and merely outwardly expressed here on the floor of the House. Members are indebted to the gentleman from Minnesota for the splendid service which he has rendered. He has had his country honors that he might serve his country's good. It is a matter of regret universally that the gentleman is to retire from the Congress at the end of this session. [Applause.]

Mr. ALMON. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Alabama asks unanimous consent to address the House for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. ALMON. Mr. Speaker, I am greatly pleased with the conference report on the Muscle Shoals bill which has been signed by all of the conferees of both Houses and reported to-day to both Houses of Congress. [Applause.] The measure reported by the conferees is a real fertilizer bill. No one can claim that it turns over Muscle Shoals to any water-power interests. It is a real dedication of Muscle Shoals to national defense and fertilizer, the uses for which it was developed. [Applause.]

While it is a revision of the Underwood bill, it retains the fundamentals of that bill. It should, and no doubt will, be almost unanimously approved by both Houses of Congress. It will be a happy conclusion of a long-drawn-out controversy. It will no doubt be approved by the President, as it carries out his recommendations to Congress on the subject. Its provisions are such as to interest capital and enable the President to make a lease that will insure successful private operation. Its leasing provisions are such as should, and I hope will, cause Henry Ford to become interested in Muscle Shoals again. [Applause.] A lease to him by the President would meet with the hearty approval of the great masses of the American people, and especially the farmers. [Applause.]

I congratulate the conferees. Their report is a real achievement of a piece of big, constructive legislation, the result of much hard work and study, and a credit to each of them.

The six conferees, all of whom signed the report, are Senator KEYES, of New Hampshire; MCKINLEY, of Illinois; KENDRICK, of Wyoming; Representative MCKENZIE, of Illinois, chairman of the Military Committee, and one of the best in the history of the House, who voluntarily retires March 4, much to the regret of all his colleagues [applause]; Mr. MORIN, of Pennsylvania, who will be chairman of the Military Committee of the House during the next Congress, and our much-beloved colleague, PERCY QUIN, of Mississippi, who will be chairman of the Military Committee of the House after the next Congress, when the Democrats expect to be in the majority. [Applause.]

NECESSITY OF ENACTMENT OF DEPORTATION LAW AT THIS SESSION OF CONGRESS

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the deportation act.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BACON. Mr. Speaker and Members of the House, there is an urgent need for the passage of a fair, just, and comprehensive deportation act at this session of the Congress.

Such an act, to supplement the restrictive immigration act passed at the last session, is a vital need and would be a progressive step toward facilitating and assisting the immigration authorities in carrying out more successfully the provisions of that law. H. R. 11796, known as the deportation bill, reported from the Committee on Immigration and Naturalization, of which I am a member, in my humble judgment meets that need and meets it well. It is not directed against the alien or the immigrant; it is directed against the criminal.

The restrictive immigration act at the last session of the Congress was passed by an overwhelming majority. The purposes of that law all of you know. Many of its provisions were aimed at preventing the entry of undesirable and dangerous aliens and directed to the selection at the source, as far as possible, of the best of those who offer themselves as immigrants to this country.

One of the results of that legislation has been the increasing attempts of undesirable aliens, who could not meet the tests that were set up, to smuggle themselves into our land by land and sea. This deportation bill is not merely a natural and logical but a vitally necessary supplement to this restrictive immigration act of 1924.

The deportation of undesirable and criminal aliens is not a new question. Provisions covering it have been part of our laws for some time. However, it is admitted and emphasized that the deportation laws now on our statute books can not and do not protect citizens or aliens as they should, and that in many ways they place unjust burdens on our Government.

Sections 18, 19, and 20 of the immigration act of Febuary 5, 1917, which practically contain all of our present deportation laws, were designed, at the time they were enacted, to cover fully the question of the deportation of those aliens who are inimical to our best interests.

Since that time changes have been made in our immigration laws, changed conditions have arisen and changes have now become necessary in our present deportation laws which will remedy the many glaring defects with relation to the deportation problem that have developed before and since the administration of the restrictive immigration act. A recodification and revision of the deportation laws is most urgently needed in the interest of citizen and alien alike. And, too, it is needed in the interest of simplicity of enforcement.

The present deportation laws are in many respects grossly insufficient. For example, they do not provide for the deportation of an alien who has been convicted of a crime involving moral turpitude when he has been in this country longer than five years.

They do not adequately reach the growing evil of the smuggling of aliens.

They are inadequate in handling the case of the alien who illegally harbors an alien not entitled to remain here, or who assists in smuggling other aliens across our borders.

They are not adequate to reach those aliens who habitually and grossly violate the eighteenth amendment and who may have been convicted time and time again of major violations of our prohibition laws, such as rum running, "hi-jacking," and so forth.

They do not adequately reach one of the most despicable of all law violators—the one who illicitly deals in narcotic and habit-forming drugs. The drug traffic is largely carried on by criminal aliens.

These are merely some of the instances where our present deportation laws fall short in their effectiveness.

In its general effects the deportation bill reported to the House strengthens the hands of our Government in dealing with the class of aliens, who, because of criminality or physical or mental incapacity, are undesirable.

It is not aimed at law-abiding and worthy aliens, nor against immigrants who come here to assimilate themselves into our national life with the hope that they may win the rich prize of American citizenship. Anyone reading the bill will at once be impressed with this fact.

The bill, in general, provides for the deportation of:

Those classes of aliens excludable under the present law.

Aliens who have smuggled or otherwise surreptitiously entered the United States.

Aliens who have been admitted legally for temporary visits but who, under the cover of this admission, attempt to remain here permanently in defiance of our immigration requirements.

Those classes of aliens who, from causes not shown to have arisen subsequent to their admission, are idiots, imbeciles, feeble-minded persons, epileptics, insane persons, and so forth.

Those classes who become dependent on our institutions for care arising from causes not shown to have arisen subsequent to entry into the United States.

Aliens convicted of offenses, committed after passage of this bill, for which they have been sentenced to imprisonment for one year or more.

Aliens convicted of offenses, committed after passage of this bill, and sentenced to terms aggregating 18 months or more.

Aliens convicted, after passage of this bill, of major and gross violations or conspiracy to violate Federal or State prohibition laws, when they are sentenced for terms aggregating one year or more.

Aliens who have been convicted, or admit commission, prior to entry, of offenses involving moral turpitude. This provision is a part of our present law and has been left unchanged.

Aliens who, after passage of this bill, have violated or conspired to violate the white slave and narcotic laws.

The bill also strengthens the present deportation laws with reference to the expulsion of prostitutes and those aliens who import prostitutes, and so forth.

It provides that the alien who conceals or harbors any alien liable to deportation shall himself be deported, and it strikes at the criminal alien who aids or assists any other alien unlawfully to enter the United States.

The bill also contains certain humanitarian features which experience since 1917 shows to be necessary. By humanitarian features I mean that provision is made for the care and treatment in Government hospitals of those sick, disabled, and diseased aliens who are subject to deportation until such time as they may, without undue discomfort or injury to themselves, be deported.

I have by no means given a complete summary of all the provisions of this bill, and I do not intend to do so. But it can readily be seen from the excerpts I have given from it what the bill aims at and what beneficent results would flow from its adoption. It must be remembered that a major portion of this bill is a recodification of existing law.

The matter that has been added should not cause controversy, because there should be no objection to the deportation of the criminal alien who is a menace to our country, a burden to our Government, and a disgrace to every law-abiding alien in the land.

A substantial portion of the bill merely simplifies and clarifies the procedure to be followed by the immigration authorities in the arrest and deportation of those aliens affected by the bill. And in other respects it takes care of conditions that have but comparatively recently come to the forefront, such as smuggling and bootlegging of aliens. It is little wonder that public opinion has been shocked.

The smuggling of aliens is the subject of much anxiety to our people. This bill will go a long step toward curbing, through its penalty provisions, this nefarious practice.

In brief, it can be justly said that this bill is designed to promote the maintenance of law and order in our country. As such, it should be welcomed by every citizen who has the welfare of his country at heart as well as by the honest and desirable and law-abiding alien who comes to our shores to become a part of our national life and who seeks and justly deserves our protection.

This bill is not directed against the honest alien; it is directed to his best interests.

It is not directed against the law-abiding alien; it is directed against the criminal alien and the alien who repeatedly flouts our laws.

The law-abiding alien will welcome it; the law-breaking alien will fear it.

I can not emphasize too strongly the fact that this law will be a protection to the bona fide alien or immigrant. As the majority report of the committee states:

> No class of people suffer more from the actions of undesirable and law-breaking aliens than does that great body of worthy and deserving aliens residing in our midst, who in good faith are contributing to the welfare of the country and are in large numbers attempting to become citizens of the United States. * * * Therefore the deportation of that small percentage of undesirable aliens will redound to the benefit of the worthy and deserving in the country to an equal if not greater degree than to that of our own citizens.

In short, this bill is aimed at better protecting America from those who would flout her laws, undermine her institutions, and grossly abuse her generous hospitality. And the advantages of its terms would accrue to the alien as well as to the citizen.

This bill has been offered to the House by the chairman of the Immigration and Naturalization Committee only after exhaustive study and hearings on the part of the committee. The committee has met on an average of four days a week since the session started for consideration of this bill. Great care has been given, as the majority report will disclose, to this entire subject and its labors have been most painstaking. I doubt if a more careful recodification of existing law has ever been offered to the House.

The executive departments of the Government, in whose care the adminstration of our immigration and deportation laws rests, have been freely consulted and they whole-heartedly approve of the provisions of this bill.

There is a real need for this measure and it should be passed at this session of Congress, so that those charged with carrying out the restrictive immigration act may be assisted in their important task.

You will recall the words of President Coolidge in his first message to the Congress:

> Free government has no greater menace than disrespect for authority and continual violation of law.

And again:

> American institutions rest solely on good citizenship * * *. New arrivals should be limited to our capacity to absorb them into the ranks of good citizenship. America must be kept American. For this purpose it is necessary to continue a policy of restricted immigration. * * * *Those who do not want to partake of the American spirit ought not to settle in America.*

The italics are mine. And I want to add that aliens who do great violence to the American spirit, deliberately flout American laws, and unlawfully abuse American hospitality should not be permitted to remain in America.

This bill would carry on the work so strongly urged by President Coolidge and so happily begun in the operation of the restrictive immigration act passed at the first session of this Congress, and I hope it will become a law before adjournment.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. DAVIS of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12033).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12033, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12033, which the Clerk will report by title.

The Clerk read as follows:

> A bill (H. R. 12033) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1926, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

METROPOLITAN POLICE

SALARIES

> For the pay and allowances of officers and members of the Metropolitan police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan police force, the United States park police force, and the fire department of the District of Columbia," including the present chief clerk of the police department, who shall be appointed an assistant superintendent on the Metropolitan police force, $2,646,900.

Mr. AYRES. Mr. Chairman, I would like to offer the following amendment: Page 46, line 2, strike out the figures "$2,646,900" and insert "$2,946,900."

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. AYRES: Page 46, line 2, strike out the figures "$2,646,900" and insert in lieu thereof "$2,946,900."

Mr. AYRES. Mr. Chairman, I may be mistaken about this matter, but I take it this is the item necessary to take care of the additional policemen; that is, the motor-cycle policemen.

Mr. FUNK. Mr. Chairman, I will state for the gentleman's information——

The CHAIRMAN. Does the gentleman from Kansas yield?

Mr. AYRES. Yes; I yield.

Mr. FUNK. That the total as printed here is correct. It takes care of the additions that have been put in by the various amendments.

Mr. AYRES. With that explanation, Mr. Chairman, I ask unanimous consent to withdraw the amendment which I submitted.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> For contingent expenses, horseshoeing, furniture, fixtures, oil, medical and stable supplies, harness, blacksmithing, gas and electric lighting, flags and halyards, and other necessary items, cost of installation

and maintenance of telephones in the residences of the superintendent of machinery and the fire marshal, $28,000.

The CHAIRMAN. The Clerk informs the Chair that two words in this paragraph in the print which he has are misspelled. Without objection, they will be corrected.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For maintaining a child hygiene service, including the establishment and maintenance of child welfare stations for the clinical examinations, advice, care, and maintenance of children under 6 years of age, payment for personal services, rent, fuel, periodicals, and supplies, $18,000: *Provided*, That the commissioners may accept such volunteer services as they may deem expedient in connection with the establishment and maintenance of the service herein authorized: *Provided further*, That this shall not be construed to authorize the expenditure or the payment of any money on account of any such volunteer service.

Mr. AYRES. Mr. Chairman, I offer an amendment on line 20, page 53, to increase the amount from $18,000 to $25,000.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Page 53, line 20, strike out the figures "$18,000" and insert in lieu thereof "$25,000."

Mr. AYRES. Mr. Chairman, in explanation of this amendment I desire to say that heretofore private donations have been made to make this amount $25,000. Heretofore we have carried $18,000, but through certain organizations here in the District of Columbia, headed by ladies such as Mrs. Frank Noyes, they have succeeded in increasing the amount to $25,000 by private donations. This $7,000 heretofore raised by private donations was for the purpose of paying one-half of the salary of the superintendent and physicians and the various officers who are connected with this institution. But in view of the fact that they can no longer get these private donations, so Mrs. Noyes has told me as one member of the committee, it is necessary to have an increase of the appropriation to $25,000 in order to make the amount adequate to take care of this particular work. That is why I am offering that amendment at this time.

Mr. DAVIS of Minnesota. Mr. Chairman, I certainly have no objection to appropriating all the money necessary for matters of this kind. The committee has thought and I have felt for many years that this was sufficient; but if the gentleman states now that he has information that this should be increased to $25,000, I shall not object, because matters of this kind are certainly very important to me.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

POLICE COURT

Salaries: For personal services in accordance with the classification act of 1923, $58,124.

Mr. AYRES. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Page 55, line 6, strike out "$58,124" and insert in lieu thereof the following:

"Ninety thousand seven hundred and seventy-four dollars, including compensation in accordance with the classification act of 1923 for two additional judges and such other court employees, within the limit of available funds, as the court may determine to be necessary, and of said sum $6,530 shall be available immediately: *Provided*, That in addition to the sums hereinafter appropriated for the expenses of said court and for any of said purposes there is further appropriated the sum of $22,800, of which $12,600 shall be available immediately: *Provided further*, That section 42 of the Code of Law of the District of Columbia hereby is amended so as to provide that the police court in the District shall consist of four judges, and the provisions of other sections of such code as relate to the powers and duties of employees of said court shall apply to such employments as the court may authorize in pursuance hereof, and the said court, sitting in banc, shall have power to make rules affecting the business of the court not inconsistent with law, including the selection of a presiding judge: *Provided further*, That the second paragraph of section 44 of the Code of Law for the District of Columbia hereby amended to read as follows: 'In all cases where the accused would not by force of the Constitution of the United States be entitled to a trial by jury, the trial shall be by the court without a jury, unless in such of said last-named cases wherein the fine or penalty may be more than $300, or imprisonment as punishment for the offense may be more than 90 days, the accused shall demand a trial by jury, in which case the trial shall be by jury. In all cases where the said court shall impose a fine it may, in default of the payment of the fine imposed, commit the defendant for such a term as the court thinks right and proper, not to exceed one year.'"

Mr. BLACK of Texas. Mr. Chairman, I reserve a point of order on that.

The CHAIRMAN. The gentleman from Texas reserves a point of order on the amendment.

Mr. AYRES. Mr. Chairman, I will say there is no question but that it is clearly subject to a point of order, but I am very much in hopes that it will not be urged.

Mr. DAVIS of Minnesota. I suggest to the gentleman that there is a bill now pending in the District of Columbia legislative committee dealing with this matter. The ranking members of that committee on both sides, I understand, are in favor of it, and I believe that bill will come out in a very few days, along the line suggested by my friend from Kansas. This is a matter of very vital importance. There is a great jam of cases now waiting in the court and you can not catch up unless some legislation of this kind is created. I know it is subject to a point of order.

Mr. BLACK of Texas. We all realize that it is subject to a point of order. If the subcommittee in charge are unanimously of the opinion that it is necessary——

Mr. DAVIS of Minnesota. We are.

Mr. BLACK of Texas. I will withdraw my reservation. I wanted a word of explanation.

Mr. DAVIS of Minnesota. The gentleman from Kansas can give you a better explanation than I. We have considered the matter in our committee, but we have been waiting for the District legislative committee to come along with a bill. It is possible they may not come in in time. We have had the matter before us, and under the circumstance we would be glad to put it in now.

Mr. BLACK of Texas. Mr. Chairman, in view of the statement of the gentleman from Kansas, concurred in by the gentleman from Minnesota, I withdraw the reservation.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WORKHOUSE

For personal services in accordance with the classification act of 1923, $68,840.

Mr. AYRES. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Page 60, line 14, after the amount, insert the following: "*Provided*, That bricks manufactured at the workhouse may be issued without charge for authorized construction work on account of the National Training School for Girls and the District Training School (Home and School for Feeble-Minded)."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. DAVIS of Minnesota. Mr. Chairman, I want to say that they make over 3,000,000 bricks down in the workhouse, and they should be used in just such a manner as that suggested by the gentleman from Kansas. I very much approve of the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TEMPORARY HOME FOR UNION EX-SOLDIERS AND SAILORS

For personal services in accordance with the classification act of 1923, $3,060; maintenance, $6,000; in all, $9,060, to be expended under the direction of the commissioners; and Union ex-soldiers, sailors, or marines of the Civil War, ex-soldiers, sailors, or marines of the Spanish War, Philippine Insurrection, or China Relief Expedition, and soldiers and sailors of the World War or who served prior to February 9, 1922, shall be admitted to the home.

Mr. DAVIS of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN (Mr. DOWELL). The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Minnesota: Page 68, after line 1, insert as a part of the title "(Department of the Potomac, G. A. R.)."

In line 8, after the word "soldiers" strike out "and sailors" and insert in lieu thereof ", sailors, or marines."

In line 9, strike out "February 9, 1922," and insert in lieu thereof "July 2, 1921."

In line 9, after the word "home" insert the following: ", all under the supervision of a board of management."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

For purification of waters of the Tidal Basin, and care, maintenance, and operation of the bathhouse and beach, $12,300.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNS of Tennessee: Page 73, strike out lines 24, 25, and 26 and insert in lieu thereof the following:

"The unexpended balance of the sum of $50,000 and the appropriation of $25,000 provided in the second deficiency act, fiscal year 1924, approved December 5, 1924, for the construction and maintenance of a bathing beach and bathhouse on the west shore of the Tidal Basin in Potomac Park is hereby directed to be covered into the Treasury to the credit of the District of Columbia."

Mr. BYRNS of Tennessee. Mr. Chairman, I have offered this amendment with a view of striking out the appropriation for the maintenance of the bathing beaches on the Tidal Basin in Potomac Park. For several years there has been a bathing beach for white persons on the Tidal Basin. I think all Members will agree with me when I say that it ought never to have been put there. [Applause.] The Potomac Park is one of the beautiful parks of this city. The Tidal Basin is a matter of pride to the people of the city and one of the attractions of the park. We have the Lincoln Memorial within three or four hundred feet of this Tidal Basin. It is proposed to construct a great memorial bridge, to cost something like $15,000,000, to connect the Lincoln Memorial with the cemetery at Arlington. To have bathing beaches within a few hundred feet of these great memorials and in this beautiful park, which is patronized by all the people of Washington and seen by everybody who comes to Washington, it seems to me will mar the whole effect. Every Member who has seen this—and we have all seen it—knows that those bathhouses detract from the beauty of that park. In addition to that, during the summer months there are bathing suits and wet towels hung out on lines for the purpose of drying. During the day thousands of automobile tourists go through that park, and I repeat that a bathing beach ought never to have been put on the Tidal Basin. I am not saying anything just at this moment with reference to the sanitation.

In 1923 there was an appropriation made of $25,000 to construct a bathing beach for the colored population of the city of Washington, and if we are to have a bathing beach for the white population, I am in favor of a bathing beach for the colored population.

It was proposed by Colonel Sherrill to put that bathing beach at the Key Bridge on the Potomac River, and Colonel Sherrill in the hearings stated that he thought that was a more suitable place for it, not only on account of sanitation but on account of its other advantages. He proposed to put it there, but the colored people of this city objected and said they wanted it to be located on the Tidal Basin where the bathing beach for white people is located. On December 5, 1924, the second deficiency act carried an appropriation of an additional $50,000, with direction that a bathing beach for the colored population be constructed on the west shore of the Tidal Basin.

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

Mr. BYRNS of Tennessee. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. That same bill carried a reappropriation of the $25,000, so that we are in this attitude: We have $75,000 appropriated to construct a bathing beach for the colored population on the Tidal Basin just beyond the statute of John Paul Jones and not very far from the bathing beach used by the white population. It is within three or four hundred feet of the Lincoln Memorial, and it is within three or four hundred feet of the $15,000,000 bridge it is proposed to construct as a memorial and to link, as some say, the North and the South. Now, I venture this prediction: If you spend this $75,000 now it will be but a very short time before Congress will be called upon to do away with that bathing beach, and not only to tear that one down but to remove the other bathing beach in the interest of the beauty of the park and the general scheme for the improvement of that section. So we are really wasting this $75,000.

The construction of this particular bathing beach has been delayed. I tell no secret, possibly, but my information is that some of those who have authority in the matter are really opposed to putting this bathing beach there. But very recently an order was given to go ahead with its construction. While I have not been down there recently, I am told that many of the beautiful Japanese cherry trees are being cut down and have been cut down and the work is now in progress with the purpose of putting this colored bathing beach and bathhouse upon the west shore of the Tidal Basin.

Mr. MADDEN. The construction was delayed because the deficiency bill did not become a law, as the gentleman will remember.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon. The deficiency bill becomes a law on December 5, 1924.

Mr. MADDEN. Yes; but it was not passed last June.

Mr. BYRNS of Tennessee. The gentleman is correct about that.

Mr. ZIHLMAN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. ZIHLMAN. Does not the gentleman think there should be public bathing beaches in Washington?

Mr. BYRNS of Tennessee. I have not the slightest objection to the construction of bathing beaches for the city of Washington.

Mr. ZIHLMAN. Does not the gentleman think that we should provide for them instead of cutting out these items?

Mr. BYRNS of Tennessee. I think it is perfectly proper to have them, but does not the gentleman think, so far as the white population is concerned, it would be vastly better to have a bathing beach on the Potomac River in running water on one of its sandy beaches?

Mr. ZIHLMAN. I agree with the gentleman as to that.

Mr. BYRNS of Tennessee. And does not the gentleman think the present bathing beach on the Tidal Basin is a detriment to the park and ought to be removed?

Mr. ZIHLMAN. It is not a thing of beauty.

Mr. BYRNS of Tennessee. Certainly, it is not a thing of beauty, and that is what your parks are supposed to be.

Mr. BARKLEY. Will the other one, which they are going to construct, add anything to the beauty of the park?

Mr. BYRNS of Tennessee. I fancy it will not. What are we going to have? We have on the east shore the present bathing beach and bathhouse, and right across, just a few hundred feet on the west shore, we are going to have a similar bathing beach and bathhouse for the colored population.

I am not going into the question of what may or may not happen with those two beaches there in such close proximity, but I want to call your attention to the statement of Colonel Sherrill to the effect that the white bathing beach now is patronized throughout the summer by from 4,000 to 10,000 persons daily. What is going to happen if you have 20,000 people bathing in that Tidal Basin?

Right now they have to use chlorine gas to keep the water sanitary. If you put 10,000 more people in there bathing every day I think you can anticipate just what will be the effect on the health of the people of this District. It is true that Colonel Sherrill says that he thinks it will remain sanitary, but he also says that at the present time, utilized as it is by only from 4,000 to 10,000 people daily, the water is not clean.

Mr. BARKLEY. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. BARKLEY. Can the gentleman inform us what sort of gas they will have to use after the other one is put in operation to keep the water pure?

Mr. BYRNS of Tennessee. It will have to be a pretty strong quality of chlorine gas, I am sure, to take care of it.

Mr. CROWTHER. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. CROWTHER. The idea is to have Japanese cherry trees on one side and African peaches on the other, I suppose?

Mr. BYRNS of Tennessee. That seems to be the idea, I will say to the gentleman.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask for just three minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Gentlemen of the committee, if we strike out this appropriation, what will happen? There will be no money for the maintenance of bathing beaches after July 1. There is ample time now for steps to be taken to establish these bathing beaches upon the Potomac River where they should have been established in the first place. The Senate can take this bill and write in it a provision so as to have in operation by the time the season for bathing begins bathing beaches and bathhouses upon the Potomac River in suitable places for both the white and the colored populations. If that is not done on this bill it can be done by joint resolution. There are three or four more weeks of the session remaining. You are not going to save this $75,000 and prevent this bathing beach from being established on the west shore of the Tidal Basin unless you adopt this amendment and then stand by it after it is adopted, and I hope it will be passed. If you permit this bathing beach to be constructed you had just as well abolish the bathing beach for the white people, for it will not be patronized to any great extent. [Applause.]

Mr. MADDEN. Mr. Chairman, my very good friend and genial colleague, the gentleman from Tennessee [Mr. BYRNS], always makes a very interesting and eloquent speech on any subject upon which he talks. I remember a good many years ago when I was chairman of the appropriating committee of the city of Chicago, I became convinced that there was not anything you could do more beneficial to the populace than to furnish it with bathing facilities. One of the very first things I undertook was to establish public bathing facilities. We established a system of bathhouses that has been the wonder of the world. We were the pioneers. Why did we establish these bathing places? We established them because we concluded that a man who was driving a coal wagon, for instance, and came home at night covered with soot and coal dust and had no place at home to bathe, should have an opportunity somewhere to clean up, put on a clean shirt, so that he could associate with his neighbors and feel more respectable. We believed that this would keep him out of the saloons and keep him away from temptation and at the same time make the best possible citizen out of him. We built these bathing establishments in the neighborhoods where the poorer people lived and where they had no such facilities of their own. We attracted thousands, hundreds of thousands, and millions, in the gross, every year to these bathing houses, and there was a feeling of respectability in all those neighborhoods after these bathing houses were established that never existed before.

To say that it is not wise to establish bathing facilities would make anyone laugh, and I am sure the gentleman from Tennessee does not believe that himself.

Mr. BYRNS of Tennessee. The gentleman is entirely correct. I believe in bathing beaches, but does not the gentleman think it would be vastly better for the health of the people of this District, as well as add to the beauty of Potomac Park, if these bathing beaches were in running water on the Potomac River rather than in this Tidal Basin where the water is more or less stagnant?

Mr. MADDEN. Of course, the water comes in from the Potomac River and runs out on the other side daily. Whether it cleanses itself as often as it might be cleansed, I do not know.

Mr. BYRNS of Tennessee. Colonel Sherrill says it is not clean.

Mr. MADDEN. Whatever Colonel Sherrill may have said, Colonel Sherrill continuously comes to us advocating increased bathing facilities on the Tidal Basin.

The gentleman from Tennessee, by his amendment, if it should be adopted, would destroy all bathing facilities in the District, and I am sure he would not do that if he could. What is it that prompts him to the action which he is proposing? Is it because he does not want anyone to bathe? Is it because he does not want any public facilities afforded for those who want to bathe? Is it because he does not want to spend the public money? Or is it because he wants to take away the privilege of these unfortunate people who are kicked about and cuffed everywhere, and are not believed to be entitled to any consideration? I am quite sure the gentleman does not, because, forsooth, they are to build a bathing beach on the west side of this basin, want to destroy the opportunity of putting a bathing beach there, because possibly it may destroy some of the cherry trees. What is the beauty of a cherry tree compared with the cleanliness of citizenship? We can preserve the cherry trees, they can be transplanted; there is no reason why the amendment of the gentleman from Tennessee should prevail. There is no reason why the bathing beach we have had there should be discontinued, and there is every reason why the proposed bathing beach on the Tidal Basin should be constructed. It is being constructed now. The money has been appropriated. The gentleman knew the money was being appropriated when it was voted, and there is no reason why it should be repealed. It is not in the bill and why should the gentleman go so far back and undertake to repeal that provision? Unfortunately, from the standpoint of the gentleman and those for whom he speaks, the people who are to enjoy the facilities of bathing on the west side of the basin are black.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BYRNS of Tennessee. The gentleman has asked me a question. My amendment if adopted will prevent the operation and maintenance of both beaches as bathing houses, for the white population as well as the black. My amendment seeks to cover back into the Treasury the $75,000 for the colored bathing beach bathhouses, because I think both ought to go out.

Mr. MADDEN. What is the gentleman going to do with the facilities we have there? How is the gentleman going to provide for the needs of the people? Does he propose to repeal the act we are endeavoring to pass here to appropriate $12,300 a year to furnish facilities for the people of his own race? That is too small a contention. Gentlemen, that is not the reason for this amendment. The reason for this amendment is that the proposed bathing beach on the west side is for the black people of the District of Columbia. They are not to have a place anywhere to bathe. We discriminate against them; why should they not have facilities to bathe as well as we? What is it about them that we ought to discriminate against, while we are proposing to furnish every facility for our own people? Why refuse to furnish facilities for them? Gentlemen, it is not a question of the Tidal Basin, it is not a question of the unhealthy conditions, it is a question of race. [Applause.] That is the question before us. Let us be fair and let us be frank.

The gentlemen over there, his friends, contemplate giving him a majority of votes on this question, and they would not be here this afternoon to vote for the amendment offered by the gentleman from Tennesse if it was not for the fact that the race question is involved. Let us be fair to these people. We do not hesitate when the Nation's life is in danger to call these men to the front. We do not consider them disqualified to carry a rifle to defend the flag. Oh, no; we do not ask them what color of skin is theirs, not at all; but if a measly $75,000 is to be appropriated to give them a chance to bathe, then we raise the question of their rights.

The CHAIRMAN (Mr. TILSON). The time of the gentleman has expired.

Mr. MADDEN. I ask for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MADDEN. Why should we discriminate against them? Because they are black? Are they not citizens of the United States? Are they not Americans? If they are not, who is? They have been long enough here to be Americans. How long does a man have to be here to be called an American? Must he have come over in the *Mayflower*?

Mr. BANKHEAD. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BANKHEAD. The gentleman wants us to be fair. Will not the gentleman be fair enough to admit that if the amendment of the gentleman from Tennessee is adopted it would prevent any discrimination, because it does away with the bathing beaches for both the white and the black people?

Mr. MADDEN. Then it would not be fair to anybody if that is true. I certainly hope that there will not be enough Members of this House who will vote for the amendment of the gentleman from Tennessee to carry it.

Mr. ZIHLMAN. Mr. Chairman, I hope the amendment offered by the gentleman from Tennessee [Mr. BYRNS] will not be adopted in its present form. I am not strongly in favor of

bathing beaches on the Tidal Basin for either race. If we are going to discontinue the bathing beaches, we ought to substitute something instead for the poorer classes in this city.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. ZIHLMAN. I yield.

Mr. BYRNS of Tennessee. The gentleman is at the head of the legislative committee on the District of Columbia. If this amendment of mine goes in and the provision in the bill goes out, does not the gentleman think that he could bring in a bill providing for bathing beaches on the river?

Mr. ZIHLMAN. I doubt if we could at this late day in the session. We might as well look at this matter frankly. This entire opposition was aroused because Congress attempts to provide a bathing beach for the colored people. Previous to that we heard nothing about discontinuing the bathing beach at the Tidal Basin for white people.

I remember one hot Saturday afternoon several years ago, when it was difficult to obtain a quorum here, that a great many Members of Congress were down patronizing this bathing beach, or at least looking on as spectators at the annual beauty contest. There has not always been this opposition to the bathing beach on the Tidal Basin. The gentleman from Tennessee [Mr. BYRNS] says that we can put it in the running water of the Potomac River. The Potomac Park Speedway occupies nearly the entire Potomac River from Haines Point to the Key Bridge. If we are going to strike out this maintenance appropriation, I think we ought to substitute something in its stead. We ought to make the appropriation available for the erection of bathing beaches in these parks at some other point, or at some other place in one of the District parks, or in some other section of the city, but it is not fair nor just in order to discriminate against one class in the District to deprive others of the opportunity afforded by the use of these bathing facilities. The present bathing beach is used by a number of Members of this House, who have been loud in their praise of the cleanliness of the institution, of its sanitation, and of the orderly conduct of those who enjoy the facilities. I hope the House will not adopt the amendment in this form.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

Mr. CRAMTON. Mr. Chairman, may we have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. CRAMTON. Mr. Chairman, I ask for a division of the question. There are two questions involved, one the discontinuance of the bathing beach for white people, and the other the covering back into the Treasury of the money for the bathing beach for colored people.

Mr. BYRNS of Tennessee. Mr. Chairman, there is no mention of either a "white" bathing beach or a "colored" bathing beach. The amendment is to strike out and insert in lieu of the matter stricken out, and I make the point of order that it is not divisible.

The CHAIRMAN. It seems to the Chair upon inspection that this is simply a motion to strike out and insert.

Mr. CRAMTON. One is to strike out the language providing for the care and maintenance and operation of the existing bathhouses. The language to be inserted has nothing to do with the existing bathhouses. It is a separate and distinct proposition.

Mr. BANKHEAD. If that is the rule, then every time an amendment of this sort is offered on the floor, even on ordinary items, it would be subject to a division of the question.

The CHAIRMAN. It seems to the Chair that section 7 of Rule XVI settles the matter, wherein it says that a motion to strike out and insert is not divisible. The Chair sustains the point of order. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 55, noes 40.

Mr. MADDEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MADDEN and Mr. BYRNS of Tennessee to act as tellers.

The committee again divided; and the tellers reported—ayes 83, noes 57.

So the amendment was agreed to.

The Clerk read as follows:

Lighting the public grounds: For lighting the public grounds, watchmen's lodges, offices, garages, shops, storehouses, and greenhouses at the propagating gardens, including all necessary expenses of installation, maintenance, and repair, $37,480.

Mr. BLANTON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 74, line 10, strike out the word "propagating."

Mr. BLANTON. Mr. Chairman, I desire to speak upon the subject of "propagating." Officers in our Army, especially in the engineering department, are continually "propagating" schemes to take large sums of money out of the Treasury for them to spend. They are asking us now for $44,000,000 to dam the Potomac River.

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

Mr. BLANTON. Yes.

Mr. CRAMTON. Is this amount of money to provide electric power, and so forth, for the District of Columbia to be paid for by the United States or by the District of Columbia?

Mr. BLANTON. Oh, the gentleman knows where the money is coming from. He knows the modus operandi of this situation in Washington. That was one of the first comments the District Commissioners made when the bill was sent to them for approval, and they sent it back to the committee with a favorable report. They said that they were willing to report it because they noted that none of the money came out of the funds of the District of Columbia. Of course all of the money will come out of the Federal Treasury.

DEVELOPMENT OF HYDROELECTRIC ENERGY AT GREAT FALLS

Such is the name they have given this $44,000,000 bill.

I can not agree with the six members of the committee who voted to report this bill favorably. The amended bill and the committee report are both misleading. Neither gives a true idea of what is proposed.

This bill in no way whatever affects navigation. It does not intend to improve a navigable river. The sole and only purpose of this bill is to furnish cheaper electricty to residents of the District of Columbia.

It is not based on necessity. The private utility company is now furnishing to residents of the District of Columbia electric power and current at a rate just as cheap, if not cheaper, than residents of all comparable cities in the United States are paying. There is no threat of increasing charges. On the contrary, charges have recently been reduced. And there is actively functioning here in the District of Columbia a Public Utility Commission which lately caused the Potomac Electric Power Co. to impound $4,000,000 and, under agreement approved by the trial court, to distribute $2,000,000 among its patrons.

The power site at Great Falls is not in the District of Columbia. It is not owned by the Government. It is owned by the Potomac Electric Power Co. and the Great Falls Power Co., which together own 859 acres of land on one side of the river in the State of Virginia and 300 acres of land on the other side of the river in the State of Maryland. The remainder of the contiguous land involved is owned by citizens of Virginia on one side and by citizens of Maryland on the other side of the river, which river in that vicinity is the line between Virginia and Maryland.

The title of this bill, as introduced in the Senate, reads, "Providing for the development of hydroelectric energy at Great Falls," and the bill states but one object, "the development of hydroelectric power at Great Falls."

But the Supreme Court of the United States has held:

In improving navigation dams may be constructed which may also incidentally be used for the production of power, but the latter must be an incident to navigation. (142 U. S. 254.)

But to hide and cloak the real purpose of the bill in an attempt to bring it within the law, the committee has amended the title to read:

A bill providing for the improvement of the Potomac River and the development of hydroelectric power at Great Falls.

And the committee amended the bill by inserting the following blinds and decoys:

That the improvement of the Potomac River for the improvement of the navigable capacity thereof and for the development of hydroelectric power, in accordance with the report in Senate Document No. 403, Sixty-sixth Congress, third session, is hereby adopted.

The committee knew that the said report in Senate Document No. 403 did not concern navigation and did not contemplate any improvement for navigation, but its sole and only object was to secure electric power for residents of the District of Columbia.

The committee report says:

When it is considered that this splendid natural resource can be developed at an initial investment of not more than $13,000,000 in its entirety, and that investment bankers, after investigation by some of the most prominent hydroelectric engineers in the country, are willing, upon favorable terms of lease, to expend one-third of this sum for the privilege of a long-term lease, and that the project can be paid for and be forever available and serviceable to the people of the Capital within a short term of years, your committee has no hesitancy in recommending that the Government proceed to the actual construction of the initial unit with the restrictions and limitations above referred to.

One would gather the impression from reading the above that the Government was spending only $13,000,000. Nowhere in the committee report is any statement that this project is to cost at least $44,421,000, which is conceded by the committee. And there is evidence in the hearings from expert engineers that it could cost double that enormous sum.

When the acting chairman (Mr. ZIHLMAN) began hearings on this bill he inserted a report thereon from the Commissioners of the District of Columbia, from which I quote:

The hydroelectric power development of the Potomac River thus recommended may be summarized as follows:

1. A dam and power-generating station at the District of Columbia line (Chain Bridge), estimated to cost	$13,600,000
2. A dam and power-generating station at the Great Falls	18,616,000
3. Three storage reservoirs at the following locations:	
a. Great Cacapon River, W. Va., near its mouth	2,340,000
b. North Fork of the Shenandoah River at Brocks Gap, near Broadway, Va	3,615,000
c. South Branch of the Potomac River, about one-half mile upstream from its mouth, near Green Springs, W. Va	6,250,000
Total cost (Report, p. 14)	44,421,000

The Board of Commissioners is of the opinion that the development as proposed is a well-considered one and that its completion would be of great benefit to the District of Columbia. Nothing has been noted in the bill or in the report to indicate that funds of the District of Columbia are to be utilized in the construction.

Very naturally they would report favorably on the bill when they note that this $44,421,000 spent on this project is to be taken out of the United States Treasury and not out of the tax funds of the residents of the District of Columbia.

I quote the following excerpts from the testimony of Civil Engineer M. O. Leighton, of New York and Washington:

Mr. ZIHLMAN. Will you please state your name and occupation?

Mr. LEIGHTON. M. O. Leighton; I am a water-power engineer.

Mr. ZIHLMAN. Located at New York?

Mr. LEIGHTON. At present, yes; although my legal domicile is in Washington, and I have lived here for 22 years and have an office in Washington. Up to May 1, 1913, I was a member of the Geological Survey and in that capacity made two examinations of the Great Falls project, one in the nature of a semiprivate report to President Roosevelt, about 1907, and I think in 1910 and 1911 I made a report to the Secretary of the Interior at the request of the Commissioners of the District of Columbia.

I have no interest in the matter whatever, save that of a taxpayer in the District of Columbia, and represent here no one but myself. My purpose this morning is merely to be helpful, and the suggestions I shall make and the purpose which animates them do not involve any question of public versus private ownership and operation. I take it that whether the one or the other eventually be decided upon the first question to be answered is whether the Potomac River power is good now or in the future.

We can all agree, I think, that if the project is not economical it is unwise for the Government or for anyone else to develop it; and by the same token if the project be doubtful, public prudence demands that we shall settle all the doubtful points before we plunge in, and that underlies my whole thought this morning.

The bill before you has its genesis in Major Tyler's report. I think I have read all of the reports that have been made on the development of Great Falls power, and Major Tyler's is the best that I have ever read.

And after taking up the many items of cost in detail and showing where Major Tyler had made mistakes in estimates and had left out substantial items of cost, Mr. Leighton summed up the comparison as follows:

Well, you will find everything here. I do not need to go over the other items, but, in fine, as against the total estimates of Major Tyler for the entire system of $44,721,000 I get $57,700,000, or an increase of about 30 per cent.

If the organization to which I am attached were going to build this, they would probably add enough to that to make it around $60,000,000 and finance it on that basis with some hope that it would come out right.

I quote further the following excerpts from Mr. Leighton's testimony:

Mr. ZIHLMAN. You spoke of your investigation of the Potomac River. Your investigation went into construction of hydroelectric development, or was the work confined largely to the flow of the river?

Mr. LEIGHTON. No; in the first place, I think it was along in 1907, President Roosevelt asked me to make a report to him personally as to whether the Great Falls could be economically developed to light the streets and the Government buildings in Washington. I advised him "No," told him why, and he said, "It would be like taking a 20-pound sledge hammer to crack an eggshell, will it not?"

Later I made an investigation at the request of the District Commission, which I think had some controversy about the cost of street lighting. They wanted to know if Great Falls could be developed to light the streets.

Mr. BLANTON. What are your initials?

Mr. LEIGHTON. M. O. Leighton.

Mr. BLANTON. What is your address?

Mr. LEIGHTON. My Washington office, National Savings and Trust Building, New York Avenue and Fifteenth Street. My New York address is 71 Broadway.

Mr. BLANTON. Mr. Leighton, have you any connection of any nature whatever with the public utilities company here in Washington?

Mr. LEIGHTON. No, sir.

Mr. BLANTON. You have lived here how long?

Mr. LEIGHTON. Twenty-two years.

Mr. BLANTON. You are familiar, of course, with the country surrounding this entire site, from Great Falls down to Chain Bridge?

Mr. LEIGHTON. Oh, yes. I have almost crawled over it on my hands and knees.

Mr. BLANTON. Your total figures are $57,700,000 against his of $44,421,000.

Mr. LEIGHTON. Yes; 30 per cent more.

Mr. BLANTON. You would say as an expert engineer that to be safe for your client if you were passing on this project as a feasible undertaking, you would recommend that they not undertake this for less than $60,000,000.

Mr. LEIGHTON. I would advise financing on that basis.

Mr. BLANTON. With regard to building this project by piecemeal, beginning below the Chain Bridge first, may I ask you this as an engineer, where you would build the lower Chain Bridge dam first, expecting to construct the upper Great Falls dam afterwards, and after building the Chain Bridge dam and having the backwater up the river, that it would cause, and there should come freshets such as we had here during the last six weeks in the river, what effect would that probably have upon your cofferdams at Great Falls, where there was not sufficient outlet for the water to such an extent that it raised it almost to the flooring of some of these bridges here on the Potomac?

Mr. LEIGHTON. If I undersand your question, the flood that we had three or four days ago would take out the usual type of cofferdam.

Mr. BLANTON. And would cause them to be reconstructed?

Mr. LEIGHTON. Oh, yes, sir. Of course, some men put in better cofferdams than others, and the latter have not all the virtue on their side, because it is just a question whether it is better to put a big heap of money in a cofferdam or take a little risk.

Mr. BLANTON. And usually they take some risk, do they not?

Mr. LEIGHTON. Yes; oh, yes.

Mr. BLANTON. Now, with regard to storage, much of this power is dependent, of course, upon storage, is it not?

Mr. LEIGHTON. Yes, sir.

Mr. BLANTON. Now, I notice that Major Tyler has made no allowance whatever for the filling up of the reservoirs with mud. Of course, as reservoirs fill up, it decreases ths storage volume of water.

Mr. LEIGHTON. Yes, sir.

Mr. BLANTON. I appreciate, of course, the ethics of your profession that prevent you from criticizing the work of some other engineer. I appreciate that highly, but we do want the facts. Now, in regard to land values placed by Major Tyler at $75 for farm lands, do you know of any farm lands within 20 miles of Washington that could be bought for less than $100 an acre?

Mr. LEIGHTON. No, sir.

Mr. BLANTON. On the open market now?

Mr. LEIGHTON. No.

Mr. BLANTON. Now, with regard to estimates, I happen to have examined very closely some figures on Muscle Shoals that were furnished by Mr. MADDEN, the chairman of our Appropriations Committee, on original estimates. The original estimates of our engineers before there was ever an appropriation of a dollar made on Muscle Shoals was a total of $19,500,000 for the three dams, the complete project. Later, after we made our initial appropriation and had embarked upon the proposition so we could not back off, the next estimate that came on only one dam, just the Wilson Dam No. 2, was $25,000,000. And then there was a subsequent estimate of $35,000,000 on the Wilson Dam No. 2, and the last estimate that was furnished Mr. MADDEN was $45,000,000 on that one dam alone, so that illustrates your change of figures here.

Mr. LEIGHTON. Yes, sir.

Mr. BLANTON. And your statement that estimates are something that are very unreliable; that the best engineers fall on them.

Mr. LEIGHTON. They do.

Mr. BLANTON. There is one engineer here in Washington who belongs to your society of civil engineers. I have forgotten the name——

Mr. LEIGHTON. American Society of Civil Engineers?

Mr. BLANTON. Yes; who claims that instead of agreeing with your figures—I have his report that I expect to put in the records if I do not get him here—he claims that instead of costing $60,000,000 that the minimum will be $75,000,000. Could he be that far wrong? Could you have made a mistake?

Mr. LEIGHTON. I would say that $75,000,000 is too much.

Mr. HAMMER. Mr. Leighton, you had some considerable experience in building dams, hydroelectric dams, have you not?

Mr. LEIGHTON. Quite a bit. Our organization has. I do not say any one man in our organization can claim all the experience. The organization, however, has had a very ripe experience.

Mr. HAMMER. It is in evidence here that Colonel Tyler has had much experience, but not as much as others. I want to get the facts. I do not intend to criticize you. You are a stranger to me, while you talk like a very intelligent gentleman. I want to know if you have had experience in building dams in New York or elsewhere; have you supervised and looked after the erection of water-power developments of the type of Great Falls?

Mr. LEIGHTON. Yes; our organization is at the present time building developments of that type.

Mr. HAMMER. What do you mean by your organization?

Mr. LEIGHTON. The Electric Bond & Share Co.

Mr. HAMMER. You are connected with them?

Mr. LEIGHTON. Yes.

Mr. HAMMER. And you are one of the engineers?

Mr. LEIGHTON. I am one of the boys.

Mr. HAMMER. How many engineers have you; more than one?

Mr. LEIGHTON. Oh, I think all together we have about 1,500.

Mr. HAMMER. I misunderstood you. Is this a corporation you are speaking of?

Mr. LEIGHTON. Yes; a management and construction corporation.

Mr. HAMMER. If it has 1,500 engineers, it must be the largest in the country, then.

Mr. LEIGHTON. It is of that type. The properties that are operated and managed by that corporation supply a population of about 8,000,000 people.

Even the strongest proponents of this project admit that unless the Government can sell some of this power to Baltimore and other cities away from Washington, it would not be feasible. And when asked about possible sales, Mr. Leighton indicated that the Government couldn't compete with power sold cheaper from other sources.

Mr. LEIGHTON. If you can sell it all.

Mr. HAMMER. Why, you do not mean to say we could not sell it. Is there a place anywhere in this country where there is not a demand for nearly twice as much as can be furnished?

Mr. LEIGHTON. Yes, sir.

Mr. HAMMER. I wish you would tell me where it is.

Mr. LEIGHTON. Your Great Falls power will not compete very well with the James, Roanoke, or Susquehanna Rivers. You can not expect to sell any power in Baltimore from Great Falls, where they can develop on the Susquehanna River 1,000,000,000 kilowatt hours for $20,000,000, when you propose to expend $50,000,000 for 750,000,000 kilowatt hours.

Mr. HAMMER. I am asking you about these things.

Mr. LEIGHTON. That is it.

Mr. HAMMER. It has been stated here that this is the greatest natural opportunity for development of power of any place except Niagara. Of course, I know that can not be true. I think I have seen places with my own eyes which were better than that; even in my own State, I think.

Mr. LEIGHTON. Great Falls power appears enormous in times of flood. People go out there and see water going down hill, and they conclude that there must be a tremendous amount of power going to waste. Well, there is much power in flood times, but up to the present it has not been economical to develop. Whether it is now or not no one knows, because you have not collected all the information necessary to determine.

Mr. HAMMER. Nobody thinks of ever developing this without being able to make a contract with the Potomac Electric Power Co. to utilize it and work in harmony with them and furnish the power to street-car service from Great Falls.

Mr. LEIGHTON. If I were the Potomac Electric Power Co., I confess, with the present state of our knowledge, that I would be a little apprehensive that you were handing me a white elephant. That may be wrong. The great trouble is that none of us know. My impression is that it is not a feasible thing to do now, and I offer you that opinion for what it is worth.

The firm of Stone & Webster (Inc.), of Boston, Mass., is probably one of the largest construction engineering concerns in the United States. Their expert engineer, Mr. H. Leland Lowe, of Boston, Mass., testified before the committee and showed in detail the actual cost of power both by steam and by the proposed hydroelectric development, and I quote from his summary the following:

Let us use his [Major Tyler's] 6.23 cents per killowatt-hour as the cost of hydroelectric energy, and let us add to it 0.59 mills per kilowatt-hour, which is the expense of steam power which can not be saved, due to the introduction of hydroelectric power. The cost, therefore, of hydroelectric power, including the portion of the steam-plant cost that can not be saved, is 6.82 mills per kilowatt-hour as compared with 6.15 mills per kilowatt-hour for all steam generation. Or, according to this, the hydroelectric power would cost 67 mills per kilowatt-hour more than steam power alone for coal costing $6 per ton of 2,000 pounds.

Perhaps it would be suitable for me to make some statement of conclusions that I have reached from these figures, which is merely my personal opinion. It appears to me that this hydroelectric development would certainly not be attractive to private capital. It is true that on the basis of public credit, the fixed charges allowed by Major Tyler, it does show an advantage at the end of 15 years, but private interests would not care to absorb the losses for that 15-year period for the sake of the benefits that might come later, nor would private capital be at all interested in running the risk of making a hydroelectric development which may cost much more than estimated for the slender prospect of gain that is shown here.

Now, remember, that Stone & Webster's engineer, Mr. Lowe, said that with coal costing $6 per ton steam generation would be 67 mills per kilowatt-hour cheaper than same could be generated by the hydroelectric plant at Great Falls.

As a matter of fact coal is not now costing $6 per ton to the Potomac Electric Power Co. Mr. W. F. Ham, president Potomac Electric Power Co., testified:

I want to show that for many years down to 1916 the price of coal was fairly uniform, running from $3.05 to $3.25 per ton. After that it advanced rapidly, reaching the highest point in 1921, $7.66 per ton, dropping in 1922 to $6.68 and slightly increasing in 1923 to $6.85.

You will note from this statement that our actual generating cost in 1919 was 0.6888 cents. That is a little less than 7 mills.

Potomac Electric Power Co.—Cost of coal and cost per kilowatt hour generated at Benning power plant—Unit cost per annum

	Fuel	Other	Maintenance	Total	Coal per gross ton, not including switching
	Cents	*Cents*	*Cents*	*Cents*	
1907	0.3093	0.0739	0.0420	0.4252	$3.05
1908	.2845	.0429	.0205	.3479	3.05
1909	.2721	.0377	.0192	.3290	3.05
1910	.2782	.0369	.0266	.3417	3.05
1911	.2767	.0359	.0387	.3513	3.05
1912	.2797	.0334	.0157	.3288	3.05
1913	.2912	.0307	.0176	.3395	3.25
1914	.3059	.0320	.0244	.3623	3.25
1915	.3002	.0309	.0269	.3580	3.25
1916	.3042	.0312	.0209	.3563	3.25
1917	.3969	.0346	.0280	.4595	3.72
1918	.5091	.0694	.1041	.6826	4.98
1919	.5540	.0696	.0652	.6888	5.61
1920	.6669	.0624	.0550	.7843	7.33
1921	.6677	.0573	.0483	.7773	7.66
1922	.5657	.0491	.0521	.6677	6.63
1923	.5892	.0475	.0452	.6819	6.85

If you will take substantially the present price of coal—$5 per net ton or $5.60 per gross ton—you will find that the saving given in the Tyler report is 5.57, whereas, according to our corrected figures, it is 4.68.

NO MARKET FOR EXCESS POWER HENCE NOT FEASIBLE

All admit that unless the excess power could be disposed of in Baltimore and other accessible cities, the project should not be built. Now note what President Ham said on this point:

As to the market for power outside of Washington, I would suggest that this be given most careful consideration. My understanding is that hydroelectric development is now being undertaken on a large scale by the American Waterworks & Electric Co., or through its subsidiaries, in Maryland, West Virginia, and Virginia, which makes it quite possible that hydroelectric power from one or

more of these developments may be delivered into Washington even before the Great Falls project could be completed, and at a cost which would be comparable to the power obtained from said project.

Also I know that Baltimore is already partially supplied with hydroelectric power from the Susquehanna River and that due to its large industrial load and more favorable freight rates Baltimore can produce power by steam at a cost lower than is possible here in Washington. On account of more favorable load and more favorable freight rate, they are in position to produce power by steam cheaper than it can be produced by steam in Washington. Therefore, there would be less likelihood of our competing with steam in Baltimore than there is of their competing with steam in Washington.

I am informed that recently the Federal Power Commission granted a permit for another water-power development on the Susquehanna with an ultimate development of 360,000 horsepower, the principal market for this power undoubtedly being Baltimore.

There is no large power market out of Washington until we reach Richmond, 116 miles south, which is at present partially supplied with power from hydroelectric plants and partially from steam plants.

The cost of building transmission lines to Richmond, with a substation at that point, would, of course, amount to a large sum of money, and it is possible that the carrying costs of this line, added to the cost of power, would be too great to sell power in that city from Great Falls.

GREAT FALLS IN SUMMER TIME

Illustrating the small flow of water during the summer months, note the kodak pictures taken from Chain Bridge in August, 1924, which appear in my minority report.

ADVERSE DECISION FROM EXPERT ENGINEER

I quote from the hearings the following adverse opinion against the advisability of constructing this project made by an expert engineer:

GREAT FALLS POWER PROJECT AS PROPOSED

The Great Falls power project as outlined in the bill now pending in Congress should be rejected for many reasons, which the writer desires to summarize briefly. In general, the project should be rejected because the expenditure of public funds for the production and sale of power is illegal, because the project has not been properly examined into and would commit the public to unknown expenditures, with results which are mere assumptions founded on neither facts nor carefully prepared data. Another reason for the rejection is found in the fact that this bill would place the work in the hands of a War Department bureau to execute by force account or day labor, and it has been clearly shown that such a condition results in the wasteful expenditure of public funds. In addition to these features the failure to make the detailed investigations so necessary to arriving at the feasibility of a power project makes the estimates of plant cost and the cost of power production merely guesses, some of which are extremely wild.

As to the legality of the proposition of expending public funds for the construction of power plants and the consequent sale of power, a resolution (S. Res. 44) was adopted in the Sixty-second Congress, second session, directing the Committee on the Judiciary to report to the Senate on the power of the Government over the development and use of water power. A Subcommittee on the Judiciary, composed of Senators Knute Nelson, Elihu Root, and William E. Chilton, made a very exhaustive study of the proposition, making their report to the Sixty-fourth Congress, first session, this report being published as Senate Document No. 246. The report affirms the contention that the Federal Government has full rights to take such action as Congress may deem necessary to improve navigation for the benefit of commerce. In the improvement of navigation the Federal Government may install power machinery as an adjunct to such improvement and sell the power or lease such portions of the plant as are not required for the purposes of commerce (Kaukauna Water Power Co. *v.* Green Bay & Mississippi Canal Co., 142 U. S. 254). The following paragraph found on page 18, Senate Document No. 246, Sixty-fourth Congress, second session, sets forth the legal status quite clearly:

"Congress, as in the case of Wisconsin, Ohio, and other States, can delegate the work of improving portions of navigable rivers to States, municipalities, private corporations, and individuals, and if in connection with such improvements and as an incident thereto surplus power is created, Congress may authorize those to whom the right of improvement is delegated to lease and secure compensation for such surplus power. In such case those to whom the power of making the improvement is delegated are the agents for and stand in place of the Federal Government. But unless such work of improvement is primarily made for the purpose of improving the navigation on streams or other waters carrying interstate commerce the Federal Government could not confer the power to obtain compensation for the use of the water."

If the press reports as published this morning relative to an opinion of the Attorney General are correct, it would appear that his opinion has been one of the snapshot variety given without any real consideration of the case such as was made by the Senate Committee on the Judiciary. This opinion is not founded on facts, but on incorrect assumptions. The assumption that the development of a power project at Great Falls at the expense of the tax-paying public would contribute to the promotion of the welfare of residents of the Capital by furnishing a public utility service which modern life makes convenient and indispensable is entirely unwarranted by the facts. The expenditure of large sums from the Public Treasury would result in producing nothing more than the public already is in possession of, and it is a far-fetched assumption that power would be produced to the consumer at any lower figure than it is now furnished. The coupling of a power project with the District of Columbia water supply is also not warranted, as this project has no connection with the water supply. In other words, it appears that the opinion of the Attorney General is predicated on the mass of propaganda with which the District has been flooded for months, rather than on the question of what is or is not legal. If the Attorney General had devoted every hour of his time since taking his oath of office, he could not have examined the mass of records sufficiently to be able to express a definite opinion.

Our forefathers who drew up the Constitution had suffered greatly from an autocratic government and therefore sought to safeguard the public from the evils of such a government, and placed very definite restrictions on the acts of the Federal Government. They had been unjustly taxed for purposes in which they were not in the least concerned; therefore they stipulated just what taxes could be levied, limiting such taxation to the acquirement of funds for the running expenses of the Government. There is no provision under the Constitution for the socialization of industries and the establishment of an autocratic bureaucracy, such as some of the Government departments are so earnestly striving for—particularly the War Department.

It must be borne in mind that the Great Falls power project contemplates taxing the general public for the construction of what is clearly a questionable project for the benefit of the residents of the District of Columbia, who are already receiving perquisites at the general expense of the public, such as cheap water, a tax rate about one-third of the average rate paid by the public in different States, and many other things it is unnecessary to mention here.

It would take a great deal more than the masses of propaganda disseminated through the local papers for the past several months to convince the farmers of the Western and Southern States, who work from daylight to dark to make both ends meet, that it is necessary for them to have additional taxes levied on them in order that a Government bureau in Washington may have forty or fifty millions of their hard-earned money to spend on a questionable power project which will benefit them in no way.

Proponents of this project may point out that only a mere bagatelle of $45,000,000 are involved, but when this scheme is added to hundreds of others pending before Congress the aggregate runs into billions of dollars.

Almost half of the people of this country are engaged in agricultural pursuits, and these people in particular have suffered from the aftermath of the war more than any other class. There is a widespread demand for a reduction in taxation and also for means of relieving the critical situation existing in the farming districts. Government bureaus are naturally opposed to any tax reduction, for that means a curtailment of useless expenditures, such as the proposed expenditure at Great Falls, for there is nothing new in the situation in the District. The people of the country are entitled to relief from the burden of taxation, but this relief can not be accomplished if hundreds of millions of dollars are to be appropriated merely to satisfy the whims of Government departments.

In the financing of projects there is a radical difference between the financing by private concerns and by the Government. Private projects are financed by enlisting surplus capital from people who have an uninvested surplus available for such purposes; in other words, idle capital is put to work. In Government financing it does not make any difference whether or not the individual is able to pay his pro rata in taxes. If he does not have the money, he must borrow it, and he has absolutely no choice in the matter. The Government has no means of securing funds except from taxation, regardless of what form that taxation takes—the "man in the street" pays the bill. The Government bureaus which measure their importance by the amount of money they can secure and spend are not the least interested in whether or not the farmer is forced to mortgage his farm to meet his taxes in order that some of their paternalistic schemes may be authorized and money secured for spending.

There is no phase of engineering which requires higher professional skill than that of power engineering, and the ability to investigate and prepare plans for a power project is something requiring a great deal more consideration than has been given to the Great Falls project. Power at the plant means little or nothing, and the engineer who stops his consideration at the power plant stops before half his job is completed. The writer has in mind a number of projects where the dis-

tribution systems cost more than the power plants. Take the ill-advised steam-power plant built at Gorgas, Ala., in connection with the Muscle Shoals nitrate plants; this power plant was constructed 89 miles from where the power was to be used, and the transmission line cost more than the plant. In the District of Columbia there is a power company working under a definite charter and which has spent large sums in providing means for distributing power. The Federal Government can not destroy this company simply to gratify the wishes of a War Department bureau. If the Government can construct and operate power plants and sell power, it can engage in the manufacture of products, it can take over shoe stores, grocery stores, and go in the general tailoring business. In fact, if the Federal Government has the powers attributed to it, there is no line of industry which it can not enter into in competition with private industry.

Another good reason why the pending bill should be rejected is because it is so prepared that the War Department under its provisions would be authorized to start expenditures on a project which is hazy in the extreme, and to attempt to carry same out on force account or by day labor, which, as previously stated, involves enormous waste of public funds. Due to this method employed by the War Department the cost of Dam No. 2 at Muscle Shoals has been at least $15,000,000 more than it would have been had it been let to experienced contractors and handled by their experienced engineers. Engineers and contractors all over the country know full well that the execution of public work of any kind by day labor under the Federal Government is extremely expensive and wasteful. In this connection reference is made to some very pertinent facts concerning the work on the Mississippi River, quoted by Senator KING (pp. 8603, 8604, and 8605, CONGRESSIONAL RECORD, May 12, 1924), relative to the waste of public funds on this work. It is certain that where a bill is so prepared by a Government bureau as to give them unlimited authority to make expenditures for which they are neither accountable nor responsible the public is going to be the loser. It must be patent to Members of Congress that there is no section of the Federal Government which functions in an economical manner as compared with private industries. Some of the bureaus desiring to secure large sums to squander in trying to execute work for which they are fitted neither by training nor experience point out that if work is let out by private contract the contractors will make a profit out of it. True enough, but it is generally the case that twice the average profit made on a contract could be made and the work still executed at a less figure than if it is attempted by day labor under Government direction.

Inasmuch as the War Department "plan" for the Great Falls project is more of a scheme than a regular plan, it is not strange that the estimates prepared as representing the cost of the plan are hopelessly inadequate, there being little of value on which to predicate an estimate of cost. The investigation of the proposition has been too shallow to permit of a definite calculation as to the possibilities as a whole.

In connection with the estimated cost of the Great Falls project, the striking resemblance of the War Department report to the War Department's report on Muscle Shoals, published as House Document 1262, Sixty-fourth Congress, first session, is particularly noticeable, though the latter report was a bit more complete. Under this report, submitted to Congress in 1916, a detailed estimate was made showing that three dams with power equipment could be constructed at Muscle Shoals at a cost of $19,300,000. During the World War work was started on the project under this report without authorization from Congress, and the work continued until stopped by failure to receive further appropriations in 1921. Later on, after an immense amount of propaganda had been put out, Congress made an appropriation to continue the work. It developed after some $17,000,000 had been spent that the cost of one dam instead of three would reach the figure of $45,000,000, and this figure was later raised to $50,000,000 for the one dam. It is noticeable that in a period of about seven months, after Congress had been induced to sanction the project, the estimated cost increased from $25,000,000—Col. Lytle Brown, though the estimate was not Colonel Brown's but merely submitted by him to a congressional committee—to $50,000,000 (Col. Hugh L. Cooper). It is also to be noted that the War Department was forced to call in a competent hydroelectric engineer, Col. Hugh L. Cooper, to redesign the project and supervise its construction. This had cost the taxpayers several hundred thousand dollars, though it was money well spent, as long as the project was to be completed.

In the War Department "report" it is noted that a little joker has been inserted in that report and also in the bill which permits the Federal Power Commission to redesign the project, if found necessary. This is an evidence that the War Department feels that it is faulty. The joke of the proposition lies in specifying the Federal Power Commission as the proper unit to make the redesign or changes. The Federal Power Commission is made up of a series of Government officials who know little and care less about the functions of the commission and can be nothing more than a rubber stamp for the War Department or some individual. The theory of a Federal Power Commission is all right, but the agency which wrote the bill adopted by Congress desired to make the commission merely a rubber stamp; otherwise it would have been constituted as a body which would really function as a commission and whose members would be qualified to pass on problems involved. This makes no reference to the present incumbents, but to the general status of the commission, which changes as Cabinets change. As it stands now, the commission appears to be little more than a rubber stamp for the War Department in its paternalistic ventures with public funds.

In order to make this project look feasible, figures on the cost of power production have been submitted to the committee which are little short of being ridiculous. To arrive at a low cost of power the power produced has been figured at full peak load 365 days in the year and 24 hours a day. The average yearly load factor in areas with large industrial organizations is less than 50 per cent—a few places run fairly high, but most run low. The yearly load factor for Great Falls would hardly range greater than 35 per cent, owing to the absence of industries consuming power on a 24-hour basis. The yearly load factor is the joker when it comes to figuring costs of power. When it comes to installing a plant to produce power without considering distribution, etc., a Diesel oil engine driven plant could be installed complete in every respect which would generate power at a less cost than the War Department power project and at a small fraction of the cost in plant. The theory that the construction of the Great Falls project would cut the cost of power to the consumer in half is simply a piece of bunk, which can neither be supported by facts nor figures, as the statements made in this connection have been made without any consideration of the problem of distribution.

The average person who looks at the Potomac River around Washington is inclined to feel that it is "some" river, not knowing the difference between tidal water and a flowing stream. The Potomac River is a very erratic one and a class of river which makes private interests hesitate in considering power potentialities—it is too uncertain. The minimum flow is decidedly small, and the flood stage quite large, the latter being a useless factor as regards power possibilities. In connection with the efforts made to induce Congress to authorize the starting of the proposed project, it was noted that Members of Congress were not taken to Great Falls during the lower-water period, but after the river had begun to assume an air of more importance due to fall rains. It is the several months in the year when there is little rainfall that must be used as the basis for calculation in laying out a power project. Few of the real factors in connection with a power project have been considered, and for this reason, if no other, the bill now pending should not be seriously considered. If the Public Treasury gets so jammed with surplus funds that Congress feels a pressing necessity for relieving the pressure to the extent of sinking from $50,000,000 to $100,000,000 in the Great Falls project, they should employ an expert hydroelectric engineer or engineers to make a real examination and report, so that a report may be had which will give a fair estimate of the situation, which is not the case with anything now before Congress or the committee. No matter how appealing propaganda may be when put out in quantities, as has been the case with Great Falls during the past several months, it has no actual value.

In general, the project has not received much real consideration; the estimates of plant cost are grossly inadequate, the estimates of cost of power (especially the figures presented to the committee) are little short of being ludicrous, and the results represented as possible have little foundation. There can be no justification in spending public funds for such a project as is now covered by the pending bill.

ADVERSE REPORT BY CHOATE, LAROCQUE & MITCHELL

When Mr. Orlando B. Willcox, of the above firm, was before the committee, I requested him to furnish data on the projects of Ontario, Cleveland, and Chippewa, which had been heralded as successful, and he furnished such data in the following letter:

[Choate, Larocque & Mitchell, 40–42 Wall Street, New York. Joseph Larocque, Clarence B. Mitchell, Orlando E. Willcox, Nelson Shipman, William R. Bayes, Clarence Van S. Mitchell. Telephone, 4358 John; cable address, Larocque, New York]

MAY 26, 1924.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR SIR: In the matter of Senate bill 746 and H. R. 4979 for authorizing the Secretary of War to construct hydroelectric development at Great Falls on the Potomac, pursuant to your request—

1. I inclose you herewith pamphlet of National Electric Light Association on municipal ownership and the electric light and power industry, which is full of valuable information.

Re Hydroelectric Commission of Ontario. See page 7 and also below in this letter:

2. The Cleveland municipal electric plant is reported to have been subject to a report by A. D. Roberts, engineer, and financial experts of the municipal research bureau in March last, filed with the Cleveland city council committee on public utilities, stating, among other things, that approximately $3,000,000 is needed in the immediate future to balance up plant and bring it to operating par; actual losses instead of profits shown in the annual reports in every year; that

actual losses have been sustained in every year except 1916 after correct allowances for debt charges are set up instead of the profits shown in the annual reports; that a net loss of over $9,000 was incurred instead of the large book profit reported; that a far-reaching adjustment of municipal light and power operations is viewed as inevitable; and that bookkeeping methods have kept the city council in ignorance of the real problem.

3. Re Ontario Hydroelectric Commission:

P. G. & E. Progress in recent issues reports after study of late reports from the commission that rates for power to municipalities vary from $13 per horsepower year to $117 per horsepower year; rates to rural districts vary from $54 to $347; that in 60 cities supplied by the commission the average revenue for lighting exceeds 7 cents per kilowatt-hour, and in 40 cities exceeds 8 cents per kilowatt-hour; that the lowest cost power obtained by the commission is purchased from a private company; that the Province of Ontario gives the hydroelectric commission out of the public treasury a 50 per cent bonus on all investments in rural lines, in spite of which rates for rural service in Ontario are twice as high as those charged for similar service to rural districts in California by the Pacific Gas & Electric Co. It has been reported that the original estimates on the Chippewa development were $10,500,000 and expenditures to date in excess of $80,000,000, the plant not yet completed, and to the total cost there should be added about $25,000,000 of cost of private plants and water rights made necessary to have water to operate the Chippewa plant.

It is also reported that of the total public debt of the Province of Ontario something more than $200,000,000, a very large percentage, stated to be 80 per cent, is indebtedness incurred by or on behalf of the hydroelectric commission.

4. See an article entitled "The blight of government in business," by George E. Roberts, in the Nation's Business for December last.

Very truly yours,

ORLANDO B. WILLCOX.

PRESENT SYSTEM IN WASHINGTON CHEAPEST

Thus you will note that in 60 cities supplied by the Ontario project the average revenue for lighting exceeds 7 cents per kilowatt-hour, and in 40 cities it exceeds 8 cents per kilowatt-hour, while Stone & Webster's expert engineer, Mr. Lowe, demonstrated before the committee that with coal at $6 per ton the cost of steam generation in Washington would be only 6 cents and 5 mills per kilowatt-hour, and President Ham testified that at this time they are paying only $5.50 per ton for their coal under contract, which brings their cost of steam generation down still cheaper.

FLOOD REPORT ON ONTARIO PROJECT

Mr. Henry Flood, jr., formerly secretary-engineer of the United States Government's superpower organization, in his report on the Ontario project, says:

After a careful analysis of the governmentally owned, controlled, and operated electric utility structure as represented by the Hydroelectric Power Commission of Ontario, I am of the opinion, firstly, that the principles of its application can find no place in the United States; secondly, that to attempt the substitution of its principles of control and operation within the States would be to strike a blow at economic structures, the present existence of which are not only far better equipped to protect the public interests in their conjunctive relation with the public-service commissions of the States regulating their rates, but it would also be to strike an equal blow at the shareholders of the electric utilities which are now serving the American public; and, thirdly, that the hydroelectric power commission owes its being only to the fact that a public-service commission on the order of those operating in the States was not in existence in the Province of Ontario at the time of its creation.

GENERAL BLACK

Gen. William Murray Black testified that he graduated from the United States Military Academy at West Point; that in March, 1916, he was made Chief of Engineers of the United States Army; that on October 31, 1919, as a major general, he retired from service, and is now engaged in private business in Washington, D. C., as a consulting engineer, and is a member of the firm of Black, McKenny & Stewart, engineers, with offices at 1653 Pennsylvania Avenue NW. I quote the following excerpts from his testimony:

Mr. BLANTON. Now, I understand that you are employed by the chamber of commerce here——

General BLACK (interposing). Oh, no; I am not employed.

Mr. BLANTON. What I meant was by some local organization to check up the figures of Major Tyler.

General BLACK. Oh, no, sir; as a citizen of the District of Columbia I want to do my share of civic work, so our firm is a member of the chamber of commerce, and as a member of the chamber of commerce we were put on this committee and I was made chairman of the subcommittee.

Mr. BLANTON. Of your own knowledge do you know of any such power that has been sold by the United States?

General BLACK. I do not recall any now.

Mr. BLANTON. Well, with regard to the present cost of the power of the company here, I understood you to say that you had estimated the cost for 1923 at 7.14 mills?

General BLACK. No, sir; that is the switchboard cost of production—yes, sir; without any overhead charges at all, without any charges for the financing.

Mr. BLANTON. Now, the president of this company day before yesterday testified here before the committee that with present prices of coal his cost was figured at something over 5 mills—I have forgotten the exact amount—taking into consideration their present contract for coal.

General BLACK. Well, that is possible. I do not know. I know that Major Tyler himself states that the cost of electricity by hydroelectric power from his project is economic for all time when the coal is $5.50 a ton and over.

Mr. BLANTON. Well, that is $5.43, I believe it was.

Mr. HAM. $5.41.

Mr. BLANTON. $5.41 is what they are paying now for this year's coal.

General BLACK. Then they may be able to do it. But you must remember in that connection that this $5.41 is not what the people have to pay.

Mr. BLANTON. And you also in that connection spoke of the fact—to use your own words, and I will attempt to quote them—that you would deem this profitable for the United States while it would be unprofitable to private enterprise?

General BLACK. Yes, sir.

Mr. BLANTON. And you mentioned that that was because of one fact alone, and that is that the United States could get its money at from 4½ per cent to 5 per cent interest and it would cost a private enterprise about 8 per cent?

General BLACK. Yes, sir.

Mr. BLANTON. Now, on the Pacific coast you mentioned that the hydroelectric plants out there now were operating and offering electricity and power for sale at 3 mills?

General BLACK. Around that, so I am informed.

Mr. BLANTON. Now, their private plants and private enterprises have been built and constructed with private money, with no help from the Government.

General BLACK. Yes, sir.

Mr. BLANTON. If they can do that on the Pacific coast, why can not they do it on the Atlantic coast?

General BLACK. The difference of the cost of coal. It all hinges back on the relative cost of production of power by water and by coal.

Mr. BLANTON. Now, is not coal cheaper in the East than it is in the West?

General BLACK. Oh, yes, sir.

Mr. BLANTON. Well, coal is cheaper in the East than it is in the West, is it not?

General BLACK. Oh, yes, sir. They have not any coal on the Pacific coast, any good quality of coal, except in Alaska, and those mines have not been developed.

Mr. BLANTON. Your idea was to string them out over a series of years, building the Chain Bridge Dam first, the reservoir second, and the Great Falls project third. That was a matter of distributing the appropriations through Congress?

General BLACK. Yes, sir.

Mr. BLANTON. You think it would be easier to get appropriations through Congress in that way?

General BLACK. Well, I think Congress could afford to make appropriations in that way. We have not any too much money in the Treasury. I have had a good many years' experience with public works of that kind. I think my first appearance before a committee of Congress was in 1881, and I have been coming here ever since, until I was retired.

Mr. BLANTON. I agree with you that that is the way, the usual modus operandi.

General BLACK. Well, it has to be done so. Congress can not do it. Now, you know yourself that it is utterly impossible, although Congress knows that there are some public works in our country that are much more important than others. You know that under the demands of our country itself it is imposible to concentrate an appropriation in any one place. It must be distributed. That is unquestionably so.

Mr. BLANTON. You remember what the distinguished Member from Illinois, one of the greatest we have ever had here, Mr. Jim Mann, said about the initial appropriation for this particular project?

General BLACK. No, sir; I do not remember it.

Mr. BLANTON. He said the nose of the camel had gotten under the tent and he was afraid that the balance was going to have to come.

General BLACK. Well, probably it would. That is what you would expect. But you can always raise your tent and let the nose come in under a little farther.

Mr. BLANTON. That is the method in the departments.

General BLACK. Well, you can not help it under our form of government.

POTOMAC ELECTRIC POWER CO. PERFECTLY WILLING

Mr. BLANTON. There is just one other question. I understood that you had talked over this proposition with some of the directors of the utility company here?

General BLACK. Yes, sir.

Mr. BLANTON. And this is not obnoxious to them?

General BLACK. I will not quote any words, but one gentleman who is prominent here said that if this could go through as now projected, "I can not see any objection to it, but I do not know what in the wide world Congress is going to do with it." Now, that is very frank.

Mr. BLANTON. But they are not objecting to it?

General BLACK. No, sir. He told me that he was not, if properly safeguarded. Now, he would not want to be compelled to buy this power, no matter at what price. He has not any objection to buying the power if he can buy it cheaper than they can produce it.

Mr. BLANTON. They know that no one else on earth, even including the Government, from a competitive business standpoint, could compete with them, they having their distribution system in existence?

General BLACK. Yes, sir.

Mr. BLANTON. So they are sitting back in an easy-chair watching proceedings?

General BLACK. I do not think I would call it that. I think they are very anxious about it, because you know, sir, as well as I, that there is not the very greatest confidence in what Congress will do throughout the country.

Mr. BLANTON. I wish there was more.

General BLACK. I do not make that remark in any disrespect, but there are a good many people anxious because they do not know which way the cat is going to jump.

Mr. BLANTON. I think it is just such measures as this that cause people to be of that impression of mind.

ADVERSE OPINION FROM AN EXPERT ENGINEER

[J. Edward Cassidy, M. Am. Soc. C. E., consulting engineer, 817 Fourteenth Street NW., Washington, D. C. Power developments]

DECEMBER 13, 1924.

Hon. THOMAS L. BLANTON, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: The Great Falls power project reported on favorably yesterday by the District subcommittee shows clearly that when it comes to socialistic ventures this country can outdo Russia. The Great Falls "scheme," hatched in the War Department solely as an excuse to secure large sums of money to spend, is in direct contravention to the Constitution in many ways, the Federal Government being absolutely without authority to engage in such a venture. It proposes to seize private property under the process of condemnation and this property is to be turned over to certain individuals or group of individuals for their pecuniary advantage and to tax the general public for the benefit of such individuals. This is the sort of stuff which breeds anarchy and revolution. If the public can be plundered in this instance merely because the War Department demands it, then there is no limit to the extent to which it can be done.

One of the most amazing pieces of audacity the writer has observed in many years of congressional observation was the appearance before the subcommittee of an attorney for a stock-selling concern who begged the committee to sandbag the public taxpayer into paying for a project he well knows his own interests would not sink a dollar in. He was very frank about the proposition, showing that after the public had been sandbagged for $45,000,000 to $70,000,000 his company desired the proposition to be turned over to it for their gain. If this is good enough to unload on the public why does not E. H. Rollins & Co. get busy and float a company for the exploitation of this wonderful(?) project as an excellent investment? It does not need a soothsayer to find out why they do not do this, and one of the main reasons is that the public would not "bite" on any such a half-baked scheme as is covered by the War Department report. If a project is not a good thing for private capital, it is not a good proposition to saddle on the taxpayer, and when a concern such as Rollins & Co. plead for a $45,000,000 to $70,000,000 subsidy to make a proposition look good to them, it is certainly pretty rotten. To listen to the propagandists, the man in the street would figure that the development of hydroelectric power is entirely dependent on Federal Government appropriations. Millions of horsepower have been developed in such operations and millions more in the process of development. If a project has any merit there is plenty of capital to put it through. When projects have little merit and are not sound, the usual method seems to be to get some political ring and the "pork-barrel section" of the War Department busy concocting a scheme to unload them on the shoulders of the taxpayer who has no say in the matter.

Conservation of coal is one of the greatest pieces of bunk put out in the propagandist "sob stories" for this and other doubtful projects. This has been so consistently harped on that the writer made a request of the United States Geological Survey to furnish a statement as to the life of the coal supply available in this country. The writer was advised by the Director of the Geological Survey that on the basis of the present rate of consumption the coal supply would last for 57,000 years. The taxpayer is more interested right now in getting his tax burden lessened than he is in figuring out what his successors will be doing to solve the fuel problem some 50,000 years hence.

The Rollins & Co. scheme of taxing the public to build this doubtful project so that their company or some other may reap any benefit to be derived after paying 4 per cent interest does not contemplate looking behind the scenes to see where the money comes from that is to go into the project. This money comes from the "man in the street"—the small taxpayer—and as more than 40 per cent of the population are engaged in agricultural pursuits, a large proportion of the tax will come from the farmer who not only often has to borrow money at rates ranging from 6 to 10 per cent to pay his taxes or by mortgaging his property to pay them. Does he get his money to pay taxes at 4 per cent? Not on your life; if a farmer was offered money at 4 per cent, he would probably drop dead from heart failure. The War Department, where more "pork-barrel" schemes originate than in almost any other Government department, is not interested in the troubles of the taxpayer; it is interested only in concocting schemes for spending money. The taxpayer has been sandbagged by rotten legislation in the past seven years until he is dizzy, and it is about time that Congress shuts down on authorizing these wild schemes.

There is no greater an enthusiast for the normal development of water power than the writer, but it must be done in an orderly way and not through a fraud practiced on the public. The Muscle Shoals "cheap fertilizer for the farmer" smoke screen has been largely dispelled during the past few days and the country, which was fed up on propaganda stating that the fertilizer bill of the farmer would be cut in half as soon as the Muscle Shoals project was finished, is now learning that this was merely "bunk." The Great Falls power project was hatched in the same incubator as the "cheap fertilizer for the farmer" slogan.

I do not believe there is a single individual who has appeared before the congressional committees in support of the Great Falls project who would be willing to risk a single dollar of his personal funds in the project now pending. Risking your own money in a half-baked project is quite different from "shooting the moon" with funds filched from the taxpayers.

If the Federal Government can throw aside the Constitution, which purports to protect the rights of the individual as regards his property as well as the sovereign rights of individual States, so that the individual may be deprived of his property in order that a special class or group of citizens may enrich themselves, then there is no phase of private industry which is safe and the Constitution must be considered as a "scrap of paper" when it is balanced against "pork."

Whenever the Federal Government has attempted to engage in business or industry it has made a hopeless failure. If the propaganda with which the country is now being flooded is correct, the billion dollars of taxpayers' money being spent every three years by the Navy Department has produced nothing but a bunch of junk. Three and a half billions of dollars have been sunk by the Federal Government in experimenting with a merchant marine with practically nothing to show for it other than a large increase in Federal employees. Two billion dollars have been spent on airplanes in the past seven years without getting anywhere. There is a $200,000,000 "white elephant" at Muscle Shoals waiting for some one to give it a home. Hundreds of millions of dollars have been spent by the War Department on useless river projects which had no significance other than "politics and pork." With these records of inefficiency and incompetency to deal with business and industrial propositions, it would seem to be about time for Congress to take a look behind the smoke screens.

Common honesty has been nowhere apparent in this Great Falls power scheme. Its first appearance was "shady," to say the least. The so-called "Tyler report" was printed and kept under cover on its first appearance in the Capitol until the House had passed the Army appropriation bill, the bill had been reported out by the Senate committee, and discussion on the bill completed. At this psychological moment, just before the passage of the bill was moved, the sponsor for the "scheme" arose and introduced the proposition as a rider on the appropriation bill and "sprung" the Tyler report. This was done with 16 Senators in the Senate Chamber, and was aided by one of the "without objection, it is so ordered" affairs rather to common for public good. The deal was a little too raw for the chairman of the House Appropriations Committee to let through, so on his insistence the rider went out in conference. The deal was timed so as to preclude any consideration of the matter and to sneak over a congressional authorization for the project when few were looking. The CONGRESSIONAL RECORD will show how this deal went out.

There is a certain power potentiality in the Potomac River just as there is a certain power potentiality in a spring branch, but it bears little resemblance to the War Department "scheme" which has received little actual consideration so far as the vital factors of a power project are concerned. Only experienced power engineers can deal with these vital factors and it does not seem that any such have been in on this "project."

In matters involving finances, it is certain that a project or projects in which private capital can not be enlisted is a good thing for the Federal Government to keep out of, and it is certain that the Great Falls power project is one on which the public would not "bite" as a good investment.

Yours truly, J. EDWARD CASSIDY,
Member American Society Civil Engineers.

ITS COAL NOW COSTS COMPANY $5.41 PER TON

In order that there may be no misunderstanding as to what its coal is now costing the Potomac Electric Power Co., I quote from the hearings the following:

Mr. HAMMER. Coal now is about $5.40, I think, delivered in Washington.

Mr. MARTIN. Probably so.

Mr. HAMMER. I believe that is the figure—$5.41—that was mentioned here the other day; is that correct, Mr. Ham?

Mr. HAM. Yes, sir.

EXCERPTS FROM TESTIMONY OF W. F. HAM

I quote from the hearings the following excerpts:

STATEMENT OF W. F. HAM, PRESIDENT POTOMAC ELECTRIC POWER CO., WASHINGTON, D. C.

Mr. HAM. At the time the recess was taken at the former hearing I had just completed a brief description of the property of the Potomac Electric Power Co., and in furtherance of that I would like to file an exhibit, to be read into the record, showing the value of the property of the Potomac Electric Power Co. upon two different bases.

Potomac Electric Power Co.—Reproduction cost of property based upon findings of Public Utilities Commission of District of Columbia

	July 1, 1914, per Public Utilities Commission (after distribution of general costs)	Additions, July 1, 1914, to Dec. 31, 1923 (after distribution of general costs)	Total, Dec. 31, 1923 (after distribution of general costs)
Land	$452,468.00	$128,603.83	$581,071.83
General structures	127,683.16	284,082.61	411,765.77
Power-plant buildings and equipment	2,732,068.12	3,442,757.48	6,174,825.60
Substation buildings and equipment	1,468,178.45	1,724,713.49	3,192,891.94
Transmission and distribution	6,407,184.57	5,293,093.27	11,700,277.84
General equipment	125,978.40	181,624.78	307,603.18
Materials and supplies	128,893.08	448,939.43	577,832.51
Working capital	135,000.00	263,557.99	398,557.99
Total	11,577,453.78	11,767,372.88	23,344,826.66

Reproduction cost of property as claimed by company

	July 1, 1916 (after distribution of general costs)	Additions, July 1, 1916, to Dec. 31, 1923 (after distribution of general costs)	Total, Dec. 31, 1823 (after distribution of general costs)
Land	$830,967.44	$128,570.10	$959,537.54
General structures	237,353.35	238,142.38	475,495.73
Power-plant buildings and equipment	3,940,661.92	3,390,418.84	7,331,080.76
Substation buildings and equipment	1,867,560.93	1,654,440.98	3,522,001.91
Transmission and distribution	8,560,151.25	4,865,201.70	13,425,352.95
General equipment	147,888.14	172,928.12	320,816.26
Materials and supplies	172,084.89	448,939.43	621,024.32
Working capital	378,396.71	263,557.99	641,954.70
Subtotal	16,135,064.63	11,162,199.54	27,297,264.17
General overhead and other items:			
Property rights in easements	2,500,000.00		2,500,000.00
Development cost	2,115,323.00		2,115,323.00
Preliminary operation	50,000.00		50,000.00
Financing	60,000.00		60,000.00
Compensation to conceivers	650,000.00		650,000.00
Preorganization expense	25,000.00		25,000.00
Brokerage and commissions	700,000.00		700,000.00
Great Falls water-power site	1,000,000.00		1,000,000.00
Total	23,235,387.63	11,162,199.54	34,397,587.17

Mr. BLANTON. The usual electric-light bill for the ordinary family in Washington runs about $3?

Mr. HAM. I think probably that is high for the average.

Mr. BLANTON. Then, if I understand you, if we expend $44,000,000 up here and get the power and have a friendly agreement with you to use it through your distribution plant and everything is perfectly harmonious, the families here will benefit only about 4 cents on their monthly bill?

Mr. HAM. That is correct.

Mr. BLANTON. That is just about one-half of one street-car token?

Mr. HAM. Yes; it is just one-half of one token in every fifty.

Mr. BLANTON. You spoke of Major Tyler's report having an error of about 30 per cent as to your cost of operation?

Mr. HAM. Yes, sir.

Mr. BLANTON. If Major Tyler's project is based upon economies to be effected and he made a mistake to start with of 30 per cent on your cost of operation, we would have to deduct 30 per cent from the availability of his project, would we not?

Mr. HAM. I would feel that you ought to study into the accuracy of our figures; but it is apparent that if he has gone on a false assumption as to steam costs, that same error must necessarily be throughout his report in comparing the economies of the hydroelectric development with the steam production.

Mr. BLANTON. Your expense now you fix at $0.539?

Mr. HAM. Yes.

Mr. BLANTON. Then you do admit that the people are interested in the economies of your company?

Mr. HAM. Absolutely.

Mr. BLANTON. In other words, they are entitled to have an economical administration of the affairs of all public utilities?

Mr. HAM. Yes, sir.

Mr. BLANTON. Would you mind stating how many salaries the Potomac Electric Power Co. pays in excess of $5,000?

Mr. HAM. I would be very glad to insert the figures in the record. They are on file with Congress.

Mr. BLANTON. Will you do that, please?

Mr. HAM. I will be glad to.

Mr. BLANTON. What is the highest salary the Potomac Electric Power Co. pays?

Mr. HAM. Fifteen thousand dollars.

Mr. BLANTON. That is to the president?

Mr. HAM. Yes.

Mr. BLANTON. What is the highest salary that the Washington Railway & Electric Co. pays?

Mr. HAM. Ten thousand dollars to the same president.

Mr. BLANTON. Then the two companies pay $25,000 to one man?

Mr. HAM. Yes, sir.

Mr. BLANTON. And the two companies are really owned by one company?

Mr. HAM. Yes.

Mr. BLANTON. Same stockholders?

Mr. HAM. All the stock of the Potomac Electric Power Co. is owned by the Washington Railway & Electric Co.

Mr. BLANTON. How many subsidiary companies are there that are owned by these two companies or either of them?

Mr. HAM. Eight or ten.

Mr. BLANTON. Are you the president of all of them?

Mr. HAM. Yes.

Mr. BLANTON. You are president of 8 or 10 subsidiary companies?

Mr. HAM. Yes.

Mr. BLANTON. What salary do they pay their president?

Mr. HAM. Those salaries that I have given you are the total. When I spoke of the Washington Railway & Electric Co. I had reference to these other companies except the Potomac Electric Power Co.

Mr. BLANTON. Then they pay out no official salaries, these subsidiary companies?

Mr. HAM. They are included in the figure I gave you. We have a very economical organization. It may be that this report——

Mr. BLANTON (interposing). I would rather have the 1924 figures.

Mr. HAM. Suppose I have that inserted in the record. You want both companies?

Washington Railway & Electric Co.'s system—Annual salaries in excess of $5,000

	Paid by Potomac Electric Power Co.	Paid by Washington Railway & Electric Co.	Tota
President	$15,000.00	$10,000.00	$25,000.00
General superintendent Potomac Electric Power Co	13,500.00		13,500.00
Superintendent railways		8,500.00	8,500.00
Vice president and counsel	6,500.00	5,500.00	12,000.00
Comptroller	4,250.00	3,250.00	7,500.00
Manager, commercial department, Potomac Electric Power Co	7,000.00		7,000.00
Secretary	3,000.00	3,000.00	6,000.00
Attorney	3,000.00	3,000.00	6,000.00
Do	1,500.00	4,500.00	6,000.00
Treasurer	3,000.00	2,500.00	5,500.00
Engineer of way		5,500.00	5,500.00

Mr. BLANTON. This is a project you have had in mind for some time?

Mr. HAM. Yes, sir.

Mr. BLANTON. You were present when General Black stated that he had conferred with various officials of your organization and he knew or could state that this project was agreeable to your organization? That is a fact?

Mr. HAM. I do not think that he intended to put it that way. As I understand the facts, so far as I know them, General Black called upon one of our directors.

Mr. BLANTON. But you are not antagonistic to this project

Mr. HAM. No; but the company has never done anything which would warrant General Black in arriving at that conclusion. He had a conversation with one of 15 directors.

SAVING OF ONLY 4 CENTS PER MONTH TO EACH FAMILY

The uncontroverted evidence in the hearings before the committee shows that even if this project could be built with the $44,421,000 of public money proposed in the bill, it would be a saving of only 4 cents per month to each family living in the District of Columbia. And to save each family living here 4 cents per month we are proposing to spend from $45,000,000 to $75,000,000 of the public money of the taxpayers of America out of the Federal Treasury. Such a proposal is ridiculous.

PET SCHEME OF TWO COLLEAGUES

This is the pet scheme of our two colleagues, the distinguished gentleman from Virginia [Mr. MOORE], whose district lies contiguous to the Potomac River on the west side of this project and whose constituents would be specially benefited, and the distinguished gentleman from Maryland [Mr. ZIHLMAN], whose Maryland friends live on the east side of the river contiguous to the project, and who would likewise be specially benefited.

Notwithstanding that I had been to Great Falls many times in my car, these two colleagues, the gentleman from Virginia and the gentleman from Maryland, arranged a special trip to this project site, and got our subcommittee to accompany them up to the project site to demonstrate to us that same should be built. All on earth that we did was to visit the site and spend a short time looking at it, and then return, learning absolutely nothing in addition to that which one would naturally learn on a first visit there. But that afternoon the newspapers of Washington carried a large picture of our subcommittee, and heralded that the entire membership, with the one exception of myself, were in favor of constructing this project.

NO OBJECTION TO THE PEOPLE OF WASHINGTON BUILDING IT

If the committee would let the necessary funds come out of the revenues of the District of Columbia I would have no objections whatever to the people of Washington constructing this project. But why should it be built with Government funds? Why should the already overburdened taxpayers of the United States be forced to spend from $45,000,000 to $75,000,000 of their money to furnish cheaper lights to Washington people, and thereby save each family in the District of Columbia 4 cents per month? There are numerous wealthy people living in Washington, owning big properties here, who have no connection whatever with the Government. They live here to take advantage of this beautiful city and to enjoy the cheap taxes prevailing here. Why should they not pay part of this expense?

PRESENT TAX RATE ONLY $1.40 ON THE $100

The tax rate on intangibles now prevailing in the District of Columbia is only five-tenths of 1 per cent. Until recently it was only three-tenths of 1 per cent. Each family here is allowed $1,000 personal property free and exempt of all taxes. And the present rate of taxes here in the District of Columbia on real and personal property is only $1.40 on the $100, assessed at from one-half to two-thirds valuation. Until last year it was only $1.20 on the $100. The reason for such a low tax rate is because the overburdened taxpayers of the United States, back in the 48 States from which we Congressmen hail, are required to pay all of the balance of the expenses of the people of the District of Columbia out of the Federal Treasury. And until 1922 these taxpayers of the United States paid 50 per cent of all the civic expenses of Washington out of the Federal Treasury.

MAKING WASHINGTON BEAUTIFUL DOES NOT MEAN EXEMPTING PEOPLE HERE FROM TAXES

I want to say this to you: I am for making Washington the most beautiful city in the world. I am for taking every million dollars out of the Treasury of the United States for the Government to spend to do it that is justly needed, but I am not willing to continue taxing the already tax-burdened people of this country, who have to pay their own large taxes at home, to pay the civic expenses here and then let these specially favored, petted, pampered, selfish, spoiled people in Washington pay only $1.40 on the hundred and enjoy all the benefits of this great city at the expense of our constituents back home.

Take this magnificent $6,000,000 Congressional Library that would cost at least $15,000,000 now—is not it enjoyed by every citizen in the District? Take the magnificent Smithsonian Institution, the magnificent museums here, the art gallery, the magnificent parks, the magnificent playgrounds. Are not the people of the District of Columbia getting the benefit? And yet they want to tax the Government of the United States more than $9,000,000 a year, which the Cramton amendment offers them, for the very property that they enjoy hourly here in this District.

THE OLD SLOGAN HAS WORN THREADBARE

Whenever a Member of Congress seeks to change the unjust system of allowing the people of Washington to pay the ridiculous tax rate of only $1.40 on the $100, the newspapers and citizens' associations immediately resort to their old battle cry—

That Washington is the Nation's Capital and must be made the most beautiful city in the world; that the Government should pay a big part of the local city expenses because it owns so much property here.

Washington is the Nation's Capital and should be made the most beautiful city in the world, and I will go just as far as any other man through all legitimate and proper means to make it the most beautiful city in the world. Before the Government built all of its fine institutions here Washington was a mere village. Property here was of little value. It is because of the fact that the United States has spent its millions here that has caused some lots to jump in value from $100 to $100,000. Every piece of property owned by the Government in Washington is daily enjoyed by the people of Washington.

The local pay roll of the Government is a bonanza to the merchants and business enterprises of Washington. The Government pays its nearly 100,000 employees in Washington their wages promptly every two weeks in new money that has never been spent before. Chicago, or any other big city in the United States, would gladly exempt the Government from paying all taxes on its property to get it to move its Capital to such city.

Because we want to make it the most beautiful city in the world is no reason why the Government should pay for building million-dollar school buildings and employing 2,500 teachers and buying the schoolbooks for the 70,000 school children of the thousands of families living in Washington who have no connection whatever with the Government except to bleed it on all occasions and to grow rich on the Government pay rolls expended here.

Because we want to make Washington the most beautiful city in the world is no reason why the Government should pay for the army of garbage gatherers, the army of ash gatherers, the army of trash gatherers, the army of street cleaners and sprinklers, the army of tree pruners and sprayers, and the street-lighting system for the several hundred miles of private residences owned by rich tax dodgers who have no connection whatever with the Government; nor is it any reason why the Government should pay for their water system, their sewer system, their police protection, their fire protection, for playgrounds for their children, for parks for their enjoyment, for their municipal golf grounds, for their numerous public tennis courts, for their bathing beaches, for their skating ponds, for their cricket grounds, for their baseball and football grounds, for their horseback-riding paths, for paving the streets in front of their residences and maintaining and keeping them in repair, for building their million-dollar bridges, furnishing million-and-a-half-dollar market houses, their municipal trial and appellate courts, their jails and houses of correction, their municipal hospitals, asylums for their insane, special asylum schools for their deaf and dumb, asylums for their orphans, a university for their 110,000 colored people, their municipal libraries, their municipal community-center facilities, salaries of all their municipal officers, employees, buildings, furnishings, equipments, sanitary and health departments, and the hundred of other things that all other cities of the United States must furnish and pay for themselves, but a very substantial part of which the people of Washington have been getting out of the Federal Treasury for years.

The magnificent Capitol and its beautiful grounds are daily enjoyed by Washington people. The Congressional Library,

which cost $6,032,124, in addition to the sum of $585,000 paid for its grounds, and for the upkeep of which Congress annually spends a large sum of money, is daily enjoyed by the people of Washington. The Government furnished and maintains the magnificent Botanic Gardens here for the pleasure and enjoyment of Washington people. The Government furnished and maintains the wonderful Zoo Park with all of its interesting animals for the instruction and amusement of Washington children. The Government furnished and maintains the extensive and most beautiful Rock Creek Park, with its picturesque picnic grounds, its miles of wonderful boulevards, its incomparable scenery, all for the pleasure of Washington people. Congress has spent millions of dollars reclaiming and purchasing the lands now embraced in the Potomac Parks and Speedway, daily used and enjoyed by Washington people. The Government has spent several million dollars building the various bridges spanning the Potomac River and huge sums for the bridges spanning the Anacostia River, and spent $1,000,000 building the beautiful "million-dollar bridge" on Connecticut Avenue. The Government has spent millions of dollars on the Lincoln Memorial, grounds, and reflecting pool, the Washington Monument Grounds, Lincoln Park on East Capitol Street, and the numerous beautiful little parks scattered all over the city, all for the pleasure and benefit of Washington people.

In the debate the other day on the floor of the House, when the so-called $4,438,000 alleged surplus bill was up, the gentleman from Colorado [Mr. HARDY] admitted that the Government had spent $190,000,000 out of the Federal Treasury for civic matters here in Washington. I have been fighting this unjust low tax rate ever since I came to Washington. We have succeeded in getting it changed from the old 50–50 plan of Government contribution to 60–40, and then further reduced to a $9,000,000 lump-sum contribution by the Government annually, and I shall not stop until a just and reasonable tax rate is fixed here.

Let me again mention that in October, 1923, when the tax rate here was $1.20 per $100, I wrote to the mayor of every city of any size in the United States and asked them to advise us of their local tax rate, of the charges for water, sewer, paving, and so forth, and what rate, in their judgment, they thought Washington people should pay as a minimum. I want to insert just a few in this report. The consensus of opinion was that the rate here should be at least $2.50 per $100, and there was a large per cent who were in favor of it being much higher, and the rates for taxation ranged from $2.75 to over $6.50, and in all these cities the people were charged more for water, sewer, and paving.

Let me again quote a few excerpts from the letter sent me by the mayor of the city of Peoria, Ill., which is a city comparable in size to Washington, D. C.:

[City of Peoria, Ill., mayor's office. Edward N. Woodruff, mayor]

NOVEMBER 1, 1923.

HON. THOMAS L. BLANTON,
Representative, Washington, D. C.

DEAR SIR: Answering your questionnaire of October 15, concerning relative tax rates of the cities of Washington and Peoria:

The tax rates on each $100 taxable valuation levied against the real and personal property of the citizens of Peoria for the year 1922 is itemized as follows:

City corporate tax, including library, tuberculosis, garbage, and police and fire pension fund	$1.94	
Street and bridge	.24	
School district	2.70	
Park district	.41	
		$5.29
State	.45	
County	.59	
County highway	.25	
		1.29
Total, all purposes		6.58

Unless there is a tremendous revenue derived from sources other than from taxes, the rate of $1.20 for Washington is ridiculous. While I have never had my attention called to this disparity, I am amazed that the light has not been let into financial affairs of the Capital City long before this time.

You should be supported by every colleague in your effort to compel the citizens of Washington to do theirs, even as every citizen outside the District is doing his.

Wishing you success, I am,

Very truly yours,

E. N. WOODRUFF, *Mayor.*

The foregoing statement from the mayor of Peoria, Ill., fairly indicates the sentiment of the people over the United States. It might be enlightening to quote from a few of the letters received the tax rates of some of the cities over the United States as certified to me by the mayors of such cities.

When I speak of the tax rate of these cities I, of course, mean their total tax—State, county, school, and municipal—which is the total tax citizens of those respective cities have to pay on their property, as compared with the $1.40 on the $100 rate Washington people have to pay in the District of Columbia.

The tax rate paid by the people in Baltimore, Md., $3.27 on the $100; in New Orleans, La., $3.16½ on the $100; in Portland, Oreg., $4.52 on the $100; in my birthplace, Houston, Tex., $4.29½ on the $100; in Ogden, Utah, $3.33 on the $100; in Cheyenne, Wyo., $3.75 on the $100; in Fort Smith, Ark., $3.32 on the $100; in New Bedford, Mass., $3.13; in Burlington, Vt., $3.10 on the $100; in Pittsburgh, Pa., $3.22 on the $100; in St. Louis, Mo., which is a distinct political subdivision of the State, the city tax is $2.43 on the $100; in Boston, Mass., $2.47 on the $100; in Rochester, N. Y., $3.36 on the $100; in Portland, Me., $3.40 on the $100; in Boise City, Idaho, $4.29 on the $100; in Mobile, Ala., $3.40 on the $100; in Detroit, Mich., $2.75 per $100; in Duluth, Minn., $5.79 on the $100; in Atlanta, Ga., $3.15 on the $100; in Kansas City, Mo., $2.93 on the $100; in Minneapolis, Minn., $6.52 on the $100; in Salt Lake City, Utah, $3.18 on the $100; in Oakland, Calif., $4.02 on the $100.

Mr. Cornelius M. Sheehan, president, and Mr. Leo Kenneth Mayer, director, respectively, of the American City Government League, advise me that the tax rate in the city of New York is as follows:

TAXES IN CITY OF NEW YORK

City purposes	$1.287
School purposes	.555
Debt charges	.619
County charges	.096
State charges	.171
Total city tax rate	2.728

TAX RATE IN TEXAS CITIES

In the city of Austin, the capital of Texas, $3.54 on the $100; in Denver, Colo., $2.76 on the $100; in Trenton, N. J., $3.22 on the $100; in Racine, Wis., $2.87 on the $100; in Nashville, Tenn., $2.80 on the $100; in Charlottesville, Va., $2.85. And let me illustrate as the tax rate runs generally over Texas: In Paris, Tex., $4.10 on the $100; in Port Arthur, Tex., $3.54 on the $100; in Tyler, Tex., $4.61 on the $100; in Denison, Tex., $3.32 on the $100; in Waco, Tex., $3.63 on the $100; in Amarillo, Tex., $3.55 on the $100; in Temple, Tex., $3.15; in Wichita Falls, Tex., $5.05 on the $100; in Beaumont, Tex., $4.04.

Mr. Edward F. Bryant, tax collector for San Francisco, Calif., has sent me a statement certifying that the following is the tax rate paid by the citizens in the following cities:

In Seattle, Wash., $8.80 on the $100; Chicago, Ill., $8 on the $100; in Reno, Nev., $7.38 on the $100; in Philadelphia, Pa., $6 on the $100; in Detroit, Mich., $4.48 on the $100; in San Francisco, Calif., $3.47 on the $100; in Los Angeles, Calif., $3.89 on the $100.

What excuse have we to offer to our constituents back at home who are paying the above tax rates for permitting by our votes here the 437,000 people in Washington, D. C., to continue paying the measly little pittance of only $1.40 on the $100, based on a half to two-thirds valuation, when our constituents have to pay all the balance of the expenses of this great city?

WHO SHOULD OBJECT TO WHAT IS JUST AND RIGHT?

Some of the finest people in the world live in Washington. They are selfish simply because Congress has raised them that way from their infancy up. They have been taught to depend on hand-outs each year from the Public Treasury. I am contending only that they should pay a reasonable and fair tax; not a high tax but a reasonable and fair one. I am willing to find out what is the lowest tax rate in any comparable city in the whole United States and adopt that rate as the tax rate for Washington. Isn't that fair? What could be fairer?

MEMBERS OF PRESS GALLERY CITIZENS OF WASHINGTON

Most of the members of the press gallery are citizens of Washington, owning homes here, and some own property here of various kinds. They are personally interested in keeping this low tax rate here. Because I have continued a never-ceasing, determined fight to force a reasonable tax rate here most of them are prejudiced against me, and with very rare exceptions they never permit any kind of reference about any of my work here to go into the press of the country. But the people of the United States who read the daily CONGRESSIONAL RECORD and who are familiar with my work in Congress are

catching on to the discrimination, and to the punishment which these press reporters attempt to inflict upon me, hence their third degrees cause little injury to me. When I know that I am right, I am not afraid to go ahead.

DRESS-SUIT FOOLISHNESS

Illustrative of the above, for the past three days practically all of the newspapers in Washington have been carrying front-paged articles about my appearing in a dress suit and silk hat last Wednesday night. What of it? Was not it proper? It was a dress suit and a silk hat that I brought with me to Washington eight years ago. I have worn it about once a month during the past eight years. I wore one on dress occasions for many years before coming to Washington. I was invited to attend a full-dress uniform banquet given by the 800 members of the fire department of Washington. They wore their full-dress uniforms. What was there wrong in my doing likewise? Col. Bill Price, the veteran and distinguished associate editor of the Washington Times, was toastmaster at this banquet. I enjoyed the very pleasurable honor of being seated next to him. I noticed that he was in full dress, and costumed just as I was. Hence I could not have been far wrong. I want to say this, when I go to a full-dress banquet given for the firemen of the District I put on the best I have got. [Applause.] And I am deeply grateful to Colonel Price for his very kind editorial appearing in this afternoon's Washington Times, which, under the circumstances, I quote:

CONGRESSMAN TOM BLANTON'S DRESS SUIT AND THE DISTRICT OF COLUMBIA IN CONGRESS

(By Bill Price)

Here's where we rise to the defense of Congressman TOM BLANTON. His friend, Congressman ZIHLMAN, of Maryland, "let the cat out of the bag" in open House that the Texan had appeared the night before all dolled up in "evening clothes," and one newspaper goes so far as to print a picture of the silk hat he is alleged to have worn on that occasion.

This writer saw BLANTON in the dress suit at the annual banquet of the Firefighters' Association of Washington. The writer happened to be master of ceremonies, once called "toastmaster" back in the days when there was something liquid to offer in the way of toasts.

Well, TOM BLANTON looked the part of a million dollars in his nifty suit. He smiled like a million dollars, his speech was of that eloquent, earnest, courageous kind he always makes, and he got a storm of applause from the Washington firemen he has consistently befriended in Congress.

It can't be possible that this thing has been sprung on BLANTON to put the cowboys of his congressional district to kidding him or to have them turn their admiration toward a political rival who does not believe "in them dürn dress suits." If it was, we don't mind telling those cowboy Texans that their friend Tom "ain't no slouch" in a dress suit and that he is "right there" wherever his duties or obligations call him, even if he does have to put on a "jimswinger" or a dinner coat.

As a matter of fact, all these Texas statesmen are at home either at a social gathering or a stiff poker game, and mighty few of them refuse to don evening clothes when the occasion demands. Former Senator Joe Bailey, of Texas, was one of the few Texas statesmen of recent years who posititvely would not take to evening wear, and so kept out of so-called "sassiety."

BLANTON is no society leader, either, but he likes to mingle among red-blooded men like the firemen of Washington.

Fighting TOM BLANTON doesn't have the right slant as to heavy taxation of District citizens for the upkeep of a strictly National Capital, but means to be fair. That he is sincere and honest goes without question. The worst thing yet brought against him is this dress suit charge, and we hope we have explained that satisfactorily to his constituents.

THIS BILL SHOULD NOT PASS

At the proper moment I shall move to strike out the enacting clause of this bill, and I hope that my colleagues will support same, and thus prevent this unmeritorious and unjust measure from passing.

The CHAIRMAN. Without objection, the gentleman from Texas withdraws his pro forma amendment.

The Clerk read as follows:

SEC. 5. That the commissioners are authorized to employ in the execution of work the cost of which is payable from the appropriation account created in the District of Columbia appropriation act, approved April 27, 1904, and known as the "Miscellaneous trust-fund deposits, District of Columbia," all necessary inspectors, overseers, foremen, sewer tappers, skilled laborers, mechanics, laborers, special policemen stationed at street-railway crossings, one inspector of gas fitting, two janitors for laboratories of the Washington and Georgetown Gas Light Co.'s market master, assistant market master, watchman, two bookkeepers in the auditor's office, clerk in the office of the collector of taxes, horses, carts, and wagons, and to hire therefor motor trucks when specifically and in writing authorized by the commissioners, and to incur all necessary expenses incidental to carry on such work and necessary for the proper execution thereof, and including maintenance of nonpassenger-carrying motor vehicles, such services and expenses to be paid from said appropriation account.

Mr. AYRES. Mr. Chairman, I would like to offer an amendment on line 12, page 84, by striking out the words "nonpassenger carrying."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. AYRES: Page 84, line 12, strike out the words "nonpassenger carrying."

Mr. DAVIS of Minnesota. Mr. Chairman, I have no objection to that; it is a proper amendment.

The question was taken, and the amendment was agreed to.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word. I do this for the purpose of calling attention to an amendment I offered to the section dealing with the public schools. This amendment was adopted last year but inadvertently one word was omitted. On page 34, line 13, after the word "of" there should have been inserted the word "offensive," and on page 35, line 2, after "teachers" there should be inserted the word "offensive." I was detained and not able to be on the floor when we passed this section, and am asking unanimous consent that we return to this section for the purpose of offering the one word amendment at the two places I have indicated.

The CHAIRMAN. What page?

Mr. SUMMERS of Washington. Page 34.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to return to page 34, for the purpose of offering an amendment. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Mr. SUMMERS of Washington offers the following amendment: Page 34, line 13, after the words "teaching of," insert the word "offensive."

Mr. SUMMERS of Washington. Mr. Chairman, only a word of explanation to those who have not the bill before them. Last year, on account of certain things which were being taught in the schools here, an amendment prepared by me was inserted which reads:

Provided, That no part of this sum shall be available for the payment of the salary of any superintendent, assistant superintendent, director of intermediate instruction, or supervising principal who permits the teaching of partisan politics, disrespect of the Holy Bible, or that ours is an inferior form of government.

Now, inadvertently the word "offensive" was omitted last year, and that is what I am asking to insert at this time.

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

Mr. SUMMERS of Washington. Yes.

Mr. CRAMTON. Can the gentleman explain clearly to this House just what kind of partisan politics would be considered as offensive partisan politics and what kind would be inoffensive? Does it not depend a good deal on the individual concerned whether it is offensive or inoffensive?

Mr. SUMMERS of Washington. The language is "partisan politics." That is unduly restrictive. It was not intended to be so.

Mr. CRAMTON. The gentleman has put in a word that makes the whole thing of very questionable value. It makes the whole thing a matter that is very difficult to define. If I were a teacher I would not know what the gentleman from Washington thought was offensive.

Mr. SUMMERS of Washington. Some teachers of history have said that they did not understand how they could teach the doctrines held by the great parties throughout the history of this country and keep wholly away from a subject that might be construed as partisan politics. Now, to deal with those subjects on broad, general lines, as is quite proper in any school or any college, is one thing; that is permissible and that is right; but to deal with those subjects in a way that offends the sensibilities of the children who are in the classes is a wholly different thing.

I do not want to say too much about this, but there have been a good many instances where teachers have injected what

you and I would say is offensive partisan politics, and have presented their own views, and when the child wanted to present his views they would say, "We will not discuss this matter any further."

That is a condition that I believe the gentleman from Michigan would want to see corrected. There is no objection to their teaching what is commonly taught in schools and colleges, but when it is dealt with in a way that any reasonable person would say is an offensive manner, that is the thing we wish to prevent. That is a thing that should not be done in any public school.

Mr. CRAMTON. Mr. Chairman, I simply wish to call attention to the language in the paragraph and to show how unreasonable it is. The language carries on its face the admission that Congress does not trust the administration of our schools, because everything that the gentleman from Washington [Mr. SUMMERS] seeks to accomplish by the language he has put in is something that would be accomplished, anyway, under any responsible administration of our schools. Does the Congress have to tell the superintendent of public schools that he must not teach, for example, that we have not an inferior form of government? If it is necessary to tell him that, then it is evident that a new Board of Education and a new superintendent of schools should be obtained.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield at that point?

Mr. CRAMTON. Yes.

Mr. SUMMERS of Washington. Last year when this was offered a number of gentlemen told me that these abuses referred to were occurring in the schools, and I have heard two or three gentlemen say within the last few minutes that these things that are referred to in this paragraph were being taught here.

Mr. CRAMTON. As to partisan politics, the gentleman says they want to teach what has happened with respect to partisan politics in our past history, and if they tell the truth about it they are bound to offend somebody. I can imagine, for example, a teacher getting up and telling the pupils what happened last November and about this new party that promised it "was going to restore the Government to the people." They might readily say something that would be offensive to the pupils or to their parents, and it might be offensive to some Member of Congress or somebody outside. The fact is, you can not take up live political questions without a chance of hurting somebody's feelings. While the gentleman has put in the word "offensive" before the words "partisan politics," he is just illustrating the inefficiency of the whole policy contemplated under this paragraph of the bill.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Certainly.

Mr. MOORE of Virginia. I agree with the gentleman that the bill would be weakened by the adoption of the amendment, because I think the provision would be left open to construction, so that it would be difficult to define what is offensive partisan politics, just as it was difficult in the interpretation and administration of the Lever Act to define what was meant by "unreasonable prices."

Mr. CRAMTON. I suppose what the gentleman wants to accomplish is this: He does not want the schools to be used for partisan purposes. If they should happen to touch on the relationship between bathing beaches and important elections, for example, that might be deemed offensive. I hope the amendment will not be adopted, and if it is not adopted I will move to strike out the rest of the language.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

Mr. WINGO. Mr. Chairman, I rise in opposition to the amendment. As I understand it, the proposition hinges on the practice of teaching offensive partisanship in the schools. I do not think anybody will charge that I am not a loyal friend of the public schools of the District of Columbia, but there are some people connected with the schools of the District who ought to realize that the Civil War is over. They ought to realize that the most cowardly thing on earth—and I measure my words when I say it—the most cowardly thing on earth is for a man or a woman to take advantage of the temporary authority he may have or she may have over a child and say contemptible and offensive things against the ancestors of that child, or teach that child falsely that his father or his grandfather was a traitor to his country and unworthy of respect. I repeat my words: Nobody but a coward would do it. Nobody but a scurvy cur would approve it. [Applause.]

Mr. DAVIS of Minnesota. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Minnesota moves that all debate on this paragraph and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

Mr. CRAMTON. Mr. Chairman, I move to strike out the proviso in this paragraph.

Mr. TINCHER. Mr. Chairman, I make the point of order that the paragraph has been passed and there has been no consent granted to return to it except for the purpose of permitting the gentleman from Washington [Mr. SUMMERS] to offer a specific amendment.

Mr. CHINDBLOM. Mr. Chairman, consent was granted to return to that specific paragraph and to the succeeding paragraph for the purpose of offering amendments to them.

Mr. TINCHER. Consent was granted to return for the purpose of offering a certain amendment, and the gentleman from Washington stated the amendment he was going to offer when he obtained the consent.

The CHAIRMAN. It seems to the Chair it would be abusing the confidence of the House to ask to return to this paragraph for the purpose of offering a specific amendment and then open it for further amendment.

Mr. CHINDBLOM. Mr. Chairman, my distinct recollection is that the request was to return to the paragraph.

The CHAIRMAN. As the Chair recalls, it was for a specific purpose, for the purpose of permitting the gentleman from Washington to offer an amendment, that permission to return to this paragraph was given. If the Chair is in error, he would like to be corrected. The Clerk will read.

The Clerk read as follows:

SEC. 6. That the commissioners and other responsible officials, in expending appropriations contained in this act, so far as possible shall purchase material, supplies, including food supplies and equipment, when needed and funds are available, from the various services of the Government of the United States possessing material, supplies, passenger-carrying and other motor vehicles, and equipment no longer required because of the cessation of war activities. It shall be the duty of the commissioners and other officials, before purchasing any of the articles described herein, to ascertain from the Government of the United States whether it has articles of the character described that are serviceable. And articles purchased from the Government, if the same have not been used, shall be paid for at a reasonable price, not to exceed actual cost, and if the same have been used, at a reasonble price based upon length of usage. The various services of the Government of the United States are authorized to sell such articles to the municipal government under the conditions specified and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts: *Provided*, That this section shall not be construed to amend, alter, or repeal the Executive order of December 3, 1918, concerning the transfer of office materials, supplies, and equipment in the District of Columbia falling into disuse because of the cessation of war activities.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 85, after line 13, insert a new section, as follows:

"SEC. 7. The estimates of appropriations in the District of Columbia chapter of the Budget for the fiscal year 1927 shall be submitted on the same basis of contribution by the United States which this act provides."

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MADDEN. Mr. Chairman, I do not care to discuss the amendment, and ask for a vote.

Mr. MOORE of Virginia. Mr. Chairman, I make a point of order against the amendment.

Mr. CRAMTON. Mr. Chairman, I make the point of order that that point of order comes too late.

Mr. MOORE of Virginia. I did not hear anything intervene.

Mr. CRAMTON. The Chair had recognized the gentleman from Illinois, and the gentleman stated he did not care to discuss the amendment.

The CHAIRMAN. It is evident that the gentleman from Virginia is too late, because the Chair paused and then recognized the gentleman from Illinois, and the gentleman spoke several words.

Mr. MADDEN. Mr. Chairman, I ask for a vote.

Mr. GARRETT of Tennessee. Mr. Chairman, I would like to ask the gentleman from Illinois a question about this amendment, if he does not mind. I heard the amendment read, but I do not understand its exact meaning.

Mr. MADDEN. The point is that it would be more fair and more convenient, I believe, for the District government authorities and the Budget authorities to make their estimates on the basis of a flat contribution by the United States, as this bill and the previous bill provides, than it would be on the 60–40 percentage basis which is the permanent law. That is why I think this should be done. It is in the interest of permitting the submission of the estimates to conform to the lump-sum basis of appropriation.

Mr. MOORE of Virginia. May I ask the gentleman to what year this amendment would apply?

Mr. MADDEN. To next year.

Mr. MOORE of Virginia. It does not apply indefinitely?

Mr. MADDEN. No; just for one year.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word for the purpose of discussing an amendment which was adopted a little while ago, and for that purpose I ask unanimous consent to proceed out of order for five minutes.

Mr. MOORE of Virginia. Mr. Chairman, reserving the right to object, may I ask whether it is the purpose to vote this afternoon?

Mr. MADDEN. It is; yes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed out of order for five minutes. Is there objection?

There was no objection.

Mr. CHINDBLOM. Mr. Chairman, a little while ago, while most of those who are now present were out of the Chamber—which, of course, was their own fault, as it was mine; I happened to be at luncheon—an amendment was adopted on page 55, at the end of line 6, in which is included the following language:

Provided further, That the second paragraph of section 44 of the Code of Law for the District of Columbia hereby is amended to read as follows:

I would like to have the membership listen to this amendment:

In all cases where the accused would not by force of the Constitution of the United States be entitled to a trial by jury, the trial shall be by the court without a jury, unless in such of said last-named cases wherein the fine or penalty may be more than $300, or imprisonment as punishment for the offense may be more than 90 days, the accused shall demand a trial by jury, in which case the trial shall be by jury. In all cases where the said court shall impose a fine it may, in default of the payment of the fine imposed, commit the defendant for such a term as the court thinks right and proper, not to exceed one year.

This amendment was offered under the head of the "police court." The constitutional provision governing this kind of cases is this:

The trial of all crimes, except in cases of impeachment, shall be by jury.

It has been held that even quasi-criminal cases——

Mr. AYRES. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. AYRES. I will say that the supreme court of this District, in Twenty-second District Court of Appeals, at page 321, held in cases of this kind—that is, petty offenses—that as a matter of right the offender has no right to demand a trial by jury.

Mr. CHINDBLOM. I thought the gentleman wanted to ask a question. I can not yield all of my time. I have only five minutes.

Mr. AYRES. I was just calling the gentleman's attention to the fact that the constitutional provision which the gentleman is citing was construed in this case and they held it did not apply to petty offenses.

Mr. CHINDBLOM. I had started to say that it has been held in some jurisdictions that even in quasi-criminal cases where there is a possibility of infliction of punishment by imprisonment, the trial must be by jury. I have not risen for the purpose of arguing the constitutional question. I have risen for the purpose of submitting to the House the question whether we are prepared in and for the District of Columbia to deprive any offender, any criminal, any man charged with misdemeanor or with crime, of the right of trial by jury, even where the imprisonment is less than 90 days or where the fine is less than $300.

Mr. BLANTON. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BLANTON. This is just an enlargement of the present law of the District. Where the fine is not more than $50 he is not entitled to a trial by jury, as a matter of right.

Mr. CHINDBLOM. That might look like a bagatelle and a very small matter, but when you come to a fine of $300 or imprisonment for 90 days I think we are going a little far in the District of Columbia, when we, the Congress of the United States, provide that such penalties and such punishments may be inflicted without giving a man the right to demand a trial by jury. Of course, if it is some petty offense and the man should prefer to have his case tried by the court, as is often true, there would be no objection to that, but we are depriving such persons of the right even to demand a trial by jury where there may be imposed a find of $300 or where there may be imposed imprisonment for a period of 90 days. I shall not be captious about it. I shall ask for a separate vote upon the amendment and if the amendment is approved by the membership present, with full knowledge of what it contains, of course, I shall be perfectly content.

Mr. LOZIER. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. LOZIER. Is it not almost universally held in all jurisdictions that proceedings for violations of city ordinances are not criminal proceedings but are in the nature of proceedings for the collection of a penalty, and on that theory has not practically every State held that they are not entitled to trial by jury as a matter of right?

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

Mr. DAVIS of Minnesota. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

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 having had under consideration the bill H. R. 12033, the District of Columbia appropriation bill, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. DAVIS of Minnesota. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. MADDEN. Mr. Speaker, I demand a separate vote on the amendment of the gentleman from Tennessee [Mr. BYRNS].

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. CHINDBLOM. Mr. Speaker, a moment ago I referred to the amendment on page 55, line 6. I am assured that that may receive further consideration by the committee and perhaps by the other body, so I shall not press the matter now.

RENT COMMISSION BILL

Mr. BLANTON. Mr. Speaker, may I have permission at this time, in order that I may attend to some other work, to file minority views up to midnight to-night on the bill that the Committee on the District of Columbia reported out yesterday, known as the rent bill?

The SPEAKER. The Chair does not think the business of the House ought to be interrupted in that way, but the Chair will put the request. The gentleman from Texas asks unanimous consent to have until midnight to-night to file minority views on the bill referred to. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL

The SPEAKER. If a separate vote is not demanded on any other amendment, the Chair will put the other amendments in gross.

The amendments were agreed to.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. BYRNS], which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNS of Tennessee: On page 73, strike out lines 24, 25, and 26 and insert in lieu thereof the following: "The unexpended balance of the sum of $50,000 and the reappropriation of $25,000 provided in the second deficiency act, fiscal year 1924, approved December 5, 1924, for the construction and maintenance of a bathing beach and bathhouse on the west shore of the Tidal Basin in Potomac Park is hereby directed to be covered into the Treasury to the credit of the District of Columbia.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BYRNS of Tennessee) there were—ayes 54, noes 49.

Mr. MADDEN. Mr. Speaker, I object to the vote on the ground of no quorum being present and make the point of no quorum.

The SPEAKER. It is clear there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 129, nays 137, not voting 165, as follows:

[Roll No. 55]

YEAS—129

Allen	Driver	Lee, Ga.	Sanders, Tex.
Arnold	Eagan	Lilly	Sandlin
Aswell	Evans, Mont.	Lowrey	Sears, Fla.
Ayres	Fisher	Lozier	Shallenberger
Bankhead	Fulbright	Lyon	Sherwood
Barkley	Fulmer	McClintic	Smithwick
Bell	Gambrill	McDuffie	Spearing
Black, Tex.	Gardner, Ind.	McReynolds	Steagall
Bland	Garner, Tex.	McSweeney	Stedman
Blanton	Garrett, Tenn.	Major, Mo.	Stengle
Bowling	Garrett, Tex.	Martin	Stevenson
Box	Gasque	Milligan	Sumners, Tex.
Boyce	Greenwood	Mooney	Swank
Brand, Ga.	Hammer	Moore, Ga.	Taylor, Colo.
Briggs	Harrison	Moore, Va.	Taylor, W. Va.
Browne, N. J.	Hastings	Morehead	Thomas, Ky.
Browne, Wis.	Hayden	Morris	Thomas, Okla.
Browning	Hill, Ala.	Morrow	Tillman
Bulwinkle	Hill, Wash.	Oldfield	Tucker
Busby	Hooker	Oliver, Ala.	Underwood
Byrnes, S. C.	Howard, Nebr.	Park, Ga.	Upshaw
Byrns, Tenn.	Howard, Okla.	Parks, Ark.	Vinson, Ga.
Canfield	Huddleston	Peery	Vinson, Ky.
Carter	Hull, Tenn.	Quin	Watkins
Collier	Jeffers	Ragon	Weaver
Connally, Tex.	Johnson, Tex.	Rainey	Williams, Tex.
Crisp	Jones	Raker	Wilson, Ind.
Davis, Tenn.	Jost	Rankin	Wilson, La.
Deal	Kerr	Rayburn	Wingo
Dickinson, Mo.	Kincheloe	Reece	Wright
Doughton	Lanham	Romjue	
Drane	Lankford	Rubey	
Drewry	Larsen, Ga.	Salmon	

NAYS—137

Ackerman	Free	McLaughlin, Nebr.	Sites
Aldrich	Freeman	McLeod	Smith
Bacharach	French	MacGregor	Snell
Bacon	Fuller	MacLafferty	Snyder
Barbour	Funk	Madden	Speaks
Beedy	Geran	Magee, N. Y.	Sproul, Ill.
Beers	Gibson	Magee, Pa.	Sproul, Kans.
Begg	Gifford	Major, Ill.	Stalker
Black, N. Y.	Green	Mapes	Strong, Kans.
Boies	Guyer	Michener	Summers, Wash.
Burtness	Hadley	Miller, Wash.	Taber
Burton	Hall	Minahan	Temple
Campbell	Hardy	Moore, Ohio	Thatcher
Chindblom	Haugen	Moores, Ind.	Tilson
Clague	Hawley	Morgan	Timberlake
Clancy	Hersey	Murphy	Tincher
Clarke, N. Y.	Hickey	Nelson, Me.	Tinkham
Cole, Iowa	Hoch	Newton, Minn.	Vaile
Colton	Hudson	O'Connell, R. I.	Vestal
Cooper, Wis.	Hull, Iowa	Patterson	Vincent, Mich.
Cramton	Hull, Morton D.	Perkins	Wainwright
Crosser	Hull, William E.	Purnell	Watres
Darrow	Jacobstein	Ramseyer	Watson
Davis, Minn.	Johnson, S. Dak.	Ransley	Wefald
Denison	Ketcham	Rathbone	White, Kans.
Dickinson, Iowa	Knutson	Reed, N. Y.	Williams, Ill.
Dowell	Kopp	Reed, W. Va.	Williams, Mich.
Dyer	LaGuardia	Robsion, Ky.	Winter
Elliott	Leavitt	Sanders, Ind.	Woodruff
Fairchild	Lehlbach	Sanders, N. Y.	Wyant
Faust	Lineberger	Seger	Yates
Fenn	Longworth	Shreve	Zihlman
Fish	Luce	Simmons	
Fitzgerald	McKenzie	Sinclair	
Foster	McLaughlin, Mich.	Sinnott	

NOT VOTING—165

Abernethy	Boylan	Carew	Cook
Allgood	Brand, Ohio	Casey	Cooper, Ohio
Almon	Britten	Celler	Corning
Anderson	Brumm	Christopherson	Croll
Andrew	Buchanan	Clark, Fla.	Crowther
Anthony	Buckley	Cleary	Cullen
Beck	Burdick	Cole, Ohio	Cummings
Berger	Butler	Collins	Curry
Bixler	Cable	Connery	Dallinger
Bloom	Cannon	Connolly, Pa.	Davey
Dempsey	Kendall	Nelson, Wis.	Sears, Nebr.
Dickstein	Kent	Newton, Mo.	Stephens
Dominick	Kiess	Nolan	Strong, Pa.
Doyle	Kindred	O'Brien	Sullivan
Edmonds	King	O'Connell, N. Y.	Sweet
Evans, Iowa	Kunz	O'Connor, La.	Swing
Fairfield	Kurtz	O'Connor, N. Y.	Swoope
Favrot	Kvale	O'Sullivan	Tague
Fleetwood	Lampert	Oliver, N. Y.	Taylor, Tenn.
Frear	Langley	Paige	Thompson
Fredericks	Larson, Minn.	Parker	Treadway
Frothingham	Lazaro	Peavey	Tydings
Gallivan	Lea, Calif.	Perlman	Underhill
Garber	Leach	Phillips	Vare
Gilbert	Leatherwood	Porter	Voigt
Glatfelter	Lindsay	Pou	Ward, N. Y.
Goldsborough	Linthicum	Prall	Ward, N. C.
Graham	Logan	Quayle	Wason
Griest	McFadden	Reed, Ark.	Weller
Griffin	McKeown	Reid, Ill.	Welsh
Hawes	McNulty	Richards	Wertz
Hill, Md.	McSwain	Roach	White, Me.
Holaday	Manlove	Robinson, Iowa	Williamson
Hudspeth	Mansfield	Rogers, Mass.	Wilson, Miss.
Humphreys	Mead	Rogers, N. H.	Winslow
James	Merritt	Rosenbloom	Wolff
Johnson, Ky.	Michaelson	Rouse	Wood
Johnson, Wash.	Miller, Ill.	Sabath	Woodrum
Johnson, W. Va.	Mills	Schafer	Wurzbach
Kearns	Montague	Schall	
Keller	Moore, Ill.	Schneider	
Kelly	Morin	Scott	

So the amendment was rejected.

The following pairs were announced:

Mr. Strong of Pennsylvania with Mr. Abernethy.
Mr. Michaelson with Mr. Gallivan.
Mr. Frothingham with Mr. O'Connor of Louisiana.
Mr. Morin with Mr. Prall.
Mr. Sweet with Mr. Hawes.
Mr. Miller of Illinois with Mr. Boylan.
Mr. Swing with Mr. Johnson of Kentucky.
Mr. Mills with Mr. Richards.
Mr. Taylor of Tennessee with Mr. Cannon.
Mr. Swoope with Mr. Weller.
Mr. Stephens with Mr. Logan.
Mr. McFadden with Mr. Corning.
Mr. Dempsey with Mr. Favrot.
Mr. Crowther with Mr. O'Connell of New York.
Mr. Connolly of Pennsylvania with Mr. Reed of Arkansas.
Mr. Rogers of Massachusetts with Mr. Buckley.
Mr. Cooper of Ohio with Mr. Humphreys.
Mr. Brumm with Mr. Almon.
Mr. Winslow with Mr. Glatfelter.
Mr. Wurzbach with Mr. O'Sullivan.
Mr. Treadway with Mr. Quayle.
Mr. Vare with Mr. Hudspeth.
Mr. Wertz with Mr. Buchanan.
Mr. White of Maine with Mr. Carew.
Mr. Johnson of Washington with Mr. Johnson of West Virginia.
Mrs. Nolan with Mr. Rogers of New Hampshire.
Mr. Kiess with Mr. Casey.
Mr. Moore of Illinois with Mr. Kent.
Mr. Scott with Mr. Rouse.
Mr. Porter with Mr. Allgood.
Mr. Welsh with Mr. Gilbert.
Mr. Phillips with Mr. O'Connor of New York.
Mr. Hill of Maryland with Mr. Bloom.
Mr. Paige with Mr. Griffin.
Mr. Garber with Mr. Pou.
Mr. Wason with Mr. Celler.
Mr. Burdick with Mr. Kunz.
Mr. Christopherson with Mr. Sabath.
Mr. Kearns with Mr. Linthicum.
Mr. Britten with Mr. Ward of North Carolina.
Mr. Fredericks with Mr. Cook.
Mr. Thompson with Mr. Kvale.
Mr. Leatherwood with Mr. Clark of Florida.
Mr. Kurtz with Mr. Steagall.
Mr. James with Mr. Tague.
Mr. Kelly with Mr. Lea of California.
Mr. Evans of Iowa with Mr. Wilson of Mississippi.
Mr. Fairfield with Mr. McKeown.
Mr. Larson of Minnesota with Mr. Croll.
Mr. Frear with Mr. Davey.
Mr. Anderson with Mr. Mansfield.
Mr. Andrew with Mr. Collins.
Mr. Wood with Mr. Mead.
Mr. Newton of Missouri with Mr. Dickstein.
Mr. Bixler with Mr. O'Brien.
Mr. Parker with Mr. Doyle.
Mr. Griest with Mr. Woodrum.
Mr. Anthony with Mr. McSwain.
Mr. Butler with Mr. Cummings.
Mr. Reid of Illinois with Mr. Sullivan.
Mr. Kendall with Mr. Lazaro.
Mr. Cole of Ohio with Mr. Cleary.
Mr. Lampert with Mr. Goldsborough.
Mr. Curry with Mr. Oliver of New York.
Mr. Manlove with Mr. Lindsay.
Mr. Fleetwood with Mr. Tydings.
Mr. Dallinger with Mr. Connery.
Mr. Roach with Mr. Cullen.
Mr. Perlman with Mr. McNulty.
Mr. Brand of Ohio with Mr. Wolff.
Mr. Graham with Mr. Dominick.
Mr. Merritt with Mr. Montague.
Mr. King with Mr. Berger.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. DAVIS of Minnesota, a motion to reconsider the vote by which the bill was passed was laid on the table.

FEDERAL AID TO RURAL POST ROADS

Mr. DOWELL. Mr. Speaker, I call up from the Speaker's table the bill H. R. 4971, with Senate amendments.

The Clerk will read the title, as follows:

An act (H. R. 4971) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

The Senate amendments were read.

Mr. DOWELL. Mr. Speaker, the principal amendment to this legislation adopted by the Senate was the one just read extending the time for the compliance with the Federal road law to the States where it was found necessary to amend their statutes and constitutions in order to comply with the Federal aid law. This amendment extends further time to these States, to give them an opportunity to amend their laws in order that they may fully comply with the Federal-aid legislation. The other amendments are merely correcting amendments.

I move that the House concur in the Senate amendments to the bill.

The Senate amendments were agreed to.

FEDERAL FINANCES, 1913–1925

Mr. GARNER of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. HULL] may have permission to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. GARNER] that the gentleman from Tennessee [Mr. HULL] may extend his remarks in the RECORD?

There was no objection.

Mr. HULL of Tennessee. Mr. Speaker, the financial operations of the Federal Government are of the greatest interest and importance to the people, and yet no other phase of our governmental affairs is so little understood by them. This unfortunate condition seems to be due to the fact that Treasury bookkeeping has long been obsolete and unintelligible, and besides people otherwise intelligent make no effort, with rare exceptions, thus to keep themselves informed. This lack of intelligent understanding is to-day everywhere apparent, notwithstanding the historic and dramatic financial activities and experiences of the Government during recent years. The World War taxed the power of America and of all nations engaged—the financial, the industrial, and the man power—as never before. The financial operations of our Government were conducted on a colossal and gigantic scale never dreamed of in the past. Their history reads like an epic. They were huge and amazing, even to the most experienced banker and business man. The example of financing set by the American Government in connection with the World War period, which, in wisdom and soundness, far surpasses that of our own Government during former wars and of any other government during any war, will be invoked and followed as a model by this and all other enlightened governments in the unfortunate event of future wars.

While the people are too near the recent confusing war conditions to grasp and understand the full and true nature of the financial policies and methods conceived and placed in operation by the American Government since 1913, the present period nevertheless calls for a brief résumé of their more outstanding phases as a means both of better understanding and of removing widespread misinformation and resulting misconceptions existing in the public mind. Next to the loss of the war itself are the losses which the people may suffer both during and subsequent to the war on account of the manner of its financing. Finance not only underlies every war activity from the front-line trenches back to the plants, mines, and factories where war materials and supplies are produced, but the methods by which a war is financed have a tremendous and controlling effect upon the entire financial, industrial, and economic welfare of the people during the generation that follows.

While the Democratic Party through the agency of the Wilson administration had control of the executive and legislative departments of the Government beginning March 4, 1913, one outstanding object in view was to give to America a new and modernized fiscal system. This embraced tax reform, financial or banking reform, a rural credits system, and reform in accounting and retrenchment in expenditures through a Budget system.

THE PAYNE TARIFF

The Wilson administration found in operation in 1913 a grossly unfair, lopsided, and archaic system of Federal taxation. They found an antiquated, extortionate, inequitable, and class system of high tariff taxation—a system which had been dictated by its own beneficiaries. The masses were bearing the burden of most all Federal taxation. The owners of the principal wealth of the country were virtually immune from Federal taxes. At the same time manufacturers, sheltered from competition behind abnormally high tariffs, were charging the people profits far above reasonable profits. These high tariffs, in addition, had greatly obstructed our foreign trade until "dumping" became the favorite resort of exporters. Many economic trade barriers were erected against us, including rank discriminatory practices, by other commercial nations.

The Payne tariff law had jacked up the costs of production to a high artificial level, having unduly increased the cost of living, the cost of raw materials, and other items in manufacturing costs. A further result was trust-controlled prices, stagnation, and depression at home.

All rules of justice and equity in taxation had been ignored. The doctrine of ability to pay had become obsolete under previous administrations. The only breach that had been made in this tariff wall of entrenched privilege by the opposition occurred in 1909, when the sponsors of the Payne tariff bill were obliged to agree to the submission of an income-tax amendment to the Constitution in order to prevent an income-tax measure from being enacted as a part of the Payne law; or, to quote the language of Senator Aldrich at the time, "to defeat the income tax." And, too, revenue necessities required the Payne law to be supplemented by a 1 per cent tax on the net earnings of corporations, which yielded around $30,000,000.

THE UNDERWOOD TARIFF

The Wilson administration proceeded promptly to enact the Underwood-Simmons tariff law, which embraced two great policies of tax reform—a competitive tariff for revenue and an income tax. The fundamental policies of this law were revenue, reasonable competition, and moderate tariff rates—rates which would not afford a shelter for excessive or extortionate prices on the one hand, nor destroy or materially injure any industry economically justifiable on the other. Higher rates were levied upon articles of luxury and lower rates or none at all upon articles of necessity. The general effects of this measure were to prevent trust-controlled prices in many instances, and hence to lower the cost of living as well as the previously existing high and artificial level of production costs. This measure was likewise calculated to unfetter many phases of our foreign commerce and greatly to promote its growth and expansion. It repudiated the economic absurdity that we would forever sell but never buy. This tariff policy also contemplated the elimination of many forms of discrimination in international commerce and other hurtful trade practices.

The income tax was enacted in response to the best modern fiscal opinion for the twofold purpose of providing revenue and equalizing the tax burden. Fifty-two countries and States had already adopted a permanent income-tax policy and none had abandoned it. This tax method was the outgrowth of centuries of tax legislation throughout the world. The income-tax provision in the Underwood-Simmons law of 1913 was modeled after parts of different existing systems, and carried a normal rate of 1 per cent with a maximum surtax rate of 6 per cent. Who could complain at these peace-time rates? Experience has demonstrated that the income tax offers the only method of getting at the financial resources of the country in fair measure by reaching classes of persons who would otherwise virtually escape taxation. No statesman or economist to this day has been able to suggest any substitute method for the income tax that would constitute an improvement. Like all other general tax methods this tax is not without some complications, and like all other taxes it is disagreeable to pay; but unlike most others it is equitable, and constitutes an indispensable part of every sound, well-balanced revenue system. The Nation was soon to turn to this tax, which Gladstone characterized as "an engine of gigantic power for national purposes," as the "center and sheet anchor of our financial system" during the World War.

The Underwood-Simmons law remained on the statute books from October, 1913, to September, 1922, and met every sound economic law and every expectation as a producer of revenue. The estimated yield from customs for the fiscal year ending June 30, 1914, was $270,000,000, whereas the actual yield was $292,000,000. The combined tariff and income-tax yield for the same period was many millions in excess of the combined revenue yield of the Payne law for the previous year. Under the operation of this salutary law the only hesitation of any branch of business occurred during the fore part of 1914, when and because central Europe, to whom we owed billions, dumped vast quantities of securities upon America for payment, in rapid preparation for the World War soon to commence. Nor

did the Underwood tariff result in "a flood" of imports, as had been predicted by its enemies.

The imports of manufactures for the year 1914 were $682,632,000, as against imports of $753,689,000 during 1913, chiefly under the Payne rates. The carefully propagated myth that Democratic tariffs are followed by bad business conditions was not only effectively destroyed by the nine years' operation of the Underwood-Simmons tariff act but the country is now forcibly reminded that the disastrous panic of 1873 occurred under the Morrill high tariff; that the more disastrous panic of 1890–1893 occurred under the McKinley high tariff; that the severe panic of 1907 occurred under the Dingley high tariff; and that the panic of 1921–1923, disastrous mainly to agriculture, occurred under the Republican emergency high tariff and while the general Fordney tariff was either in process of enactment or was the existing law.

GROSSLY DEFECTIVE FINANCIAL SYSTEM PRIOR TO 1913

Since the Civil War the country had bumped along with a patchwork, panic-breeding currency system. As late as 1900 to 1907 those in control of the Government were content to boast that the old Civil War national banking act was good enough. They ignored the patent fact that the banking system was vitally defective in its most essential elements. It is true that spasmodic efforts at solution were made by individual Members of Congress from time to time, but with no results. Notwithstanding the appearance of many storm signals and other ominous warnings, the banking and currency question was not touched from 1900 to 1908, and the currency law of 1900 had offered but a slight step toward general banking reform. There never was in any government such serious necessity for a wise and permanent national policy relating to money and credit as during these and former years. This question for more than 40 years had afforded a fruitful field for the demagogue and the ignorant during periods of hard times.

The terrific panic of 1907 sobered officials in charge of the Government long enough to secure the enactment of a second piece of inadequate and ill-considered banking and currency legislation, which failed to meet the demand even as a temporary makeshift—the Aldrich-Vreeland Act.

This act was solely an emergency measure and was to expire by limitation in June, 1914. It was materially amended, however, in a number of instances and extended for a year, by the Wilson administration, pending the complete operation of the Federal reserve system which began in November, 1914. As thus amended in certain vital respects the Aldrich-Vreeland Act afforded partial aid in preventing a panic at the outbreak of the war in August, 1914, but the chief safeguard and protection against panic were the assurances offered by the Federal reserve system which had been enacted late in the previous year. The panic of 1907 was a bankers' panic, which resulted in a vast number of bank failures, accompanied by suspension of specie payments. Another gesture toward banking reform was the creation of the Aldrich Monetary Commission in 1908. This commission prepared and recommended the Aldrich bill in 1912. One great central bank was its distinguishing feature. It embraced the idea of private banking control, of a uniform discount rate, and of the discredited reserve city deposit system.

FEDERAL RESERVE SYSTEM, 1913

The Wilson administration in 1913 brushed aside the dominant features and provisions of the Aldrich measure and cleared the decks for legislative action on a broad and constructive scale. The result, late in that year, was the enactment of the great Federal reserve system, the detailed provisions of which are now familiar to the general public. This wonderful law differed fundamentally from the Aldrich proposal, in that it substituted Government control for private banking control, and a system of branch banks for one great central bank. It was designed to make available the best possible distribution of money and credit alike to business, agriculture, and labor at all times. This salutary and epochal measure was vigorously opposed by the larger banks generally, as it was by Senator Aldrich and his group. The fact is significant that even the conference report on this great measure was opposed by a majority of the Republicans voting in the Senate and a majority voting in the House.

This historic measure was in the act of being placed in operation when the war broke out in 1914 and proved a mainstay to our financial situation seriously threatened by the world panic at that time. Perhaps the ablest world banker of this period, Sir Edward Holden, of England, early in 1918 paid the following tribute to our Federal reserve system:

I wish to congratulate the Federal Reserve Board and the bankers of America on having succeeded in creating and building up a banking system which surpasses in strength and excellence any other banking system in the world.

The enactment of the Federal reserve system in 1913 over the bitter opposition of dominant Republican leaders and the principal banking interests of the country is a forceful reminder of the line of cleavage between the Democratic Party and its opponents on the banking and currency question from the beginning of the Government, when Hamilton's national bank proposal was seriously questioned by those of the Jeffersonian views of government. This fight was later fought to a finish under the leadership of Andrew Jackson when a new national bank charter was denied upon the ground originally urged to the effect that the people would be subjected to a monopoly of money and credit. The old story of the banks and their friends seeking to perpetuate a like policy that had prevailed since the Civil War was strikingly revealed in the fight made by the Democratic Party under the Wilson leadership to abolish these conditions by giving to the country a financial system controlled by Government officials rather than by private bankers, and money issued by the Government rather than by private banking agencies. The people will forever remain greatly indebted to the Democratic Party for these outstanding services. That party will be needed as greatly in the future as during the periods of Jefferson, Jackson, and Wilson to wage over again this never-ending controversy which the opposition watch every opportunity to revive.

NEW FISCAL MEASURES INDISPENSABLE DURING WAR

The Wilson administration had thus built a great, well-balanced structure of revenue and finance as a peace-time model to this and all other countries, which constituted the greatest fiscal reform of all time. But even more important, this wonderful fiscal system was soon to become the indispensable mainstay of America and of the world through the greatest war in history. The money and credit operations conducted through the agency or supervision of the Federal reserve system and the vast revenues raised mainly from war profits through the agency of the income tax, extended and developed for war purposes, not only made possible the winning of the war but its financing on a wiser and sounder basis than had ever before been known.

To illustrate the utter helplessness of the Government to raise money from any other kind of taxes for the prosecution of the war, it is only necessary to point to the fact that from the income and profits taxes the Government for the years 1917 to 1922, inclusive, raised $15,000,000,000, while the miscellaneous revenue yield was only $5,250,000,000 and the entire tariff revenue yield was $1,500,000,000. At the same time the new Federal reserve system alone made it possible to finance our enormous commerce and trade, foreign and domestic, to mobilize our money and credit on that gigantic scale necessary to assist the allied governments and to meet our own tremendous expenditures which our participation in the war incurred. Our old banking and currency system would utterly have failed and the Nation would have been entirely helpless to conduct the greatest financial operations hitherto known to any government and so indispensable to the winning of the war.

None of these great fiscal measures would have been enacted by a Republican administration, with the result that probably a losing war would have been financed chiefly by bonds and fiat money, while great mountains of war profits would have escaped war taxes then and war burdens thereafter. And, too, the people would have been subjected to all the incalculable evils and losses of inflation and depreciation. The policy of this new fiscal system will continue, as it always has, to constitute a dividing line between the Democratic Party and its opposition.

Our Civil War, due to the lack of an adequate revenue system, was financed chiefly by bonds and depreciated paper currency hurriedly issued for the purpose. The total taxes raised in 1861–62 were $50,841,000, and for 1864–65, $295,593,000. The loans carried astonishingly high rates of interest compared with those of the recent war, ranging from 7.3 per cent to 5 per cent, which rates were greatly augmented in effect by the depreciated currency. The result further was that in funding the public debt of $4,846,000,000 following the Civil War, the taxpayers were severely penalized both by high interest rates and by the purchase of outstanding bonds at large premiums, as great as 25 per cent.

The policy of the Wilson administration in financing the Government during the World War was by taxation as heavy as the country could reasonably bear, supplemented by bonds carrying interest rates sufficiently low as not to result in substantial premiums on the bonds during the years to follow the war, together with such terms of maturity and redemption

as would enable the bonds to be refunded or paid off in a manner least burdensome and unfair to the taxpayers.

ADDITIONAL REVENUE NECESSARY UNDER WAR CONDITIONS

The general war which began in Europe in 1914 greatly demoralized American finances and commerce, as it did those of all countries. Foreign trade everywhere was severely checked and reduced. The South American countries suffered a loss of imports during the first few months of the war averaging 50 per cent. Canada lost 28 per cent of her customs revenue, and Japan's customs declined $41,000,000 during the first four months of the war. The United States was no exception. To meet this threatened deficit, Congress passed a war emergency revenue act, October 22, 1914, which increased duties on beer and other fermented liquors and prescribed certain special taxes, including stamp taxes. The measure was estimated to yield $54,000,000 and did not fall far short of this sum. This emergency revenue measure which had been enacted for only one year was later extended in the fall of 1915 for a period of two years.

The new national defense law enacted in 1916 and the sending of troops to the Mexican border during that year, together with proposed expenditures by the new Shipping Board, called for further emergency revenue legislation. The revenue act of 1916, designed to yield $197,000,000, expanded the emergency act of 1914; restored the duty on sugar, which the Underwood law had left free; increased the normal income-tax rate on individuals and corporations from 1 per cent to 2 per cent; and extended the surtaxes to a small extent.

A new general estate or inheritance tax provision, carrying graduated rates to a maximum of 10 per cent, with $50,000 exemption, was also inserted in this revenue measure as a permanent part of our revenue system.

To meet emergency needs of the Army and Navy and our fortifications as war conditions became more threatening the revenue act of March, 1917, was passed. It was intended to yield $207,000,000 of revenue, while it authorized bond issues for the cost of the Mexican trouble, the Danish West Indies, the Alaskan railroad, shipping, and armor-plate plant. These, however, were not issued, but were later merged into the war bond issues. This act, too, was soon merged into the revenue act of October, 1917. The general result was that ordinary receipts, exclusive of postal, rose from $779,000,000 in 1916 to $1,118,000,000 in 1917. Two hundred and thirty-five million dollars of this amount was due to the income tax. These emergency tax measures were based upon precedent and sound revenue considerations, and with the exception of a slight deficit for 1915 they amply met all ordinary Treasury requirements until after our entry into the war. A nonpartisan Tariff Commission was at this time created, with the view to taking the tariff to the fullest possible extent out of politics.

THE FARM-LOAN SYSTEM

It is pertinent here to refer to the establishment in July, 1916, of the great Federal farm-loan bank system to provide long-term credits for the farmers of the United States at lower and reasonable rates of interest. This most salutary measure, to be further developed and extended from time to time, not only undertook to make available sufficient credits for deserving farmers but to do so, as stated, at reasonable rates of interest.

One outstanding result of this notable new policy has been that $1,500,000,000 has been loaned, and the interest level to which the American farmers were subjected at the time of its adoption by loan concerns, averaging around 8 per cent, has been reduced under the direct effects of the Federal farm-loan system to an average of 6 per cent. The farmers, as a consequence, are to-day saving over $200,000,000 each year in reduced interest, if their indebtedness amounts to $14,000,000,000, as is claimed.

When the United States was forced into the World War on April 6, 1917, the most stupendous and seemingly impossible problems of Government finance suddenly presented themselves in the most acute form. From every allied capital in Europe the most urgent messages hourly came to the effect that the allied forces were in tremendous need of munitions and general supplies and that these must be immediately forthcoming if they were to hold the battle lines until American troops could be organized and sent to Europe to turn the tide of war. The allied objective as to the fighting had then become the American objective. The most, therefore, that America could do during the many months that were to elapse before her armies could reach Europe was to supply the allied governments with a certain amount of credit. The entire problem of our Government in brief was, during the 19 months to follow, to throw the very maximum of the Nation's resources, including man power and supplies, into the war. Money and credit constituted the mainspring by which alone this could be done. To this end every citizen was urged to produce and save. For the first time America could not turn to any other nation for money and credit aid, but from the resources of her people alone must finance her part in the war and much of that of the Allies as well.

METHODS AND PRINCIPLES OF WAR FINANCING

Congress and the Treasury immediately proceeded to grapple with the staggering problems of finance—of loans and taxes. A war can only be financed by taxes, bonds, or currency, the latter more or less of a fiat nature. There was no thought of utilizing this latter agency. It was impossible in advance to determine just what proportion of the war should be financed by taxes and what proportion by loans, on account of the many factors involved, such as the uncertain length of the war, its large or small cost, the country's credit, and the amount of war taxes the country might be able to bear at successive stages.

The general policy agreed upon, however, was that as large an amount of taxes as could be levied without materially injuring our commercial, financial, and industrial affairs or seriously handicapping their activities and development for war purposes would be justifiable and wise. This embraced the idea also that after the initial war-tax levy, as the war progressed and revenue needs increased, the rates and provisions of the original war-revenue measure could properly be extended and should be.

The loan side of our Government financing was even more perplexing, not only because of the universal effects upon price levels of other securities and upon all phases of private business, finance, and commerce, but upon the entire economic conditions during the generation to follow the war. The staggering amount of the loans necessary to be floated was another giant problem. The high commercial interest rates, too, must be faced. Most of the European countries engaged in the war, England excepted, relied chiefly on bonds rather than taxes for its prosecution. This unwise and unsound policy was destined to incur upon the countries so practicing all the frightful calamities and more which befell the American people for 30 years as a result of financing the late Civil War chiefly by bonds or loans, together with fiat paper currency. The inevitable and invariable results of this method of war financing are incalculable losses from inflation and resulting depreciation with their devastating effects upon the people for years to follow and excessive interest rates both during the war and the life of the indebtedness incurred.

FIRST LIBERTY LOAN

Congress and the Treasury cooperated in complete harmony throughout the period of the war. An act was approved April 24, 1917, authorizing the Treasury to issue bonds to the extent of $5,000,000,000 at a rate of 3½ per cent, exempt from taxation. Many of the ablest bankers assured the Secretary of the Treasury that it would be impossible to float at one time more than $500,000,000, or in any event more than $1,000,000,000 of bonds. The Secretary of the Treasury, feeling obliged to ignore this expert advice, offered for subscription a bond issue of $2,000,000,000 to meet the urgent needs of the allied governments.

To the surprise of most persons the subscriptions aggregated $3,035,000,000, of which amount $2,000,000,000 was allotted, and most of this amount was rapidly converted into loans for the Allies according to their relative necessities. Only $2,000,000,000 of bonds were issued under this act at 3½ per cent, tax exempt. These loans to foreign governments were made on demand obligations in legal form, with the understanding that they were, as early as feasible, to be converted into bonds of the same terms as our domestic Liberty bonds. The interest level, time of maturity, redemption period, and other terms of these foreign obligations were placed by law on an exact parity with corresponding issues of Liberty bonds, plus the expense of floating them, the proceeds of which constituted the loan basis to the allied governments.

WAR REVENUE ACT OF 1917

Congress immediately proceeded to the consideration of the war-revenue measure upon the policy finally decided of defraying as nearly one-half the expenses of the war by taxes as might be possible. The House in May, 1917, passed a bill carrying additional taxes of $1,800,000,000. This measure, which extended the income, profits, estate, and miscellaneous taxes, became a law October 3, 1917, and contemplated a total yield of revenue for the fiscal year ending June 30, 1918, of $3,400,000,000, which yield was actually $3,696,000,000.

In order to conserve our gold supply the act of June 15, 1917, authorized the prohibition of transfers or exports of gold

from the United States, with certain specific limitations. The United States was at this time the only country of any importance which was not already enforcing a similar prohibition. The principal countries at war were feverishly grasping for every ounce of gold possible to be obtained. This wise and timely step was an invaluable safeguard to America's gold reserves during the trying period to follow.

SECOND AND THIRD LIBERTY LOANS

By the 1st of September, 1917, the increased war demands of this and allied Governments rendered a second loan necessary. The second Liberty loan act of September 24, 1917, was promptly made a law and contained authorizations of $7,538,000,000, to bear interest at not exceeding 4 per cent and subject to surtax and Federal estate tax. This was in addition to the issue of $2,000,000,000 3½ per cents. The Treasury, early in October following, offered $3,000,000,000 of bonds to the public. The total subscriptions were $4,617,000,000—a most gratifying result. The Treasury allotted of this amount $3,808,000,000. This act also authorized the issue and sale of war-savings certificates and thrift stamps not exceeding $2,000,000,000.

The fact should be mentioned here that in the act of April 24, 1917, the issuance of Treasury certificates to the extent of $2,000,000,000 at not exceeding 3½ per cent interest was authorized, and the second Liberty loan act in September authorized additional issues of Treasury certificates not to exceed $4,000,000,000 outstanding at any one time, the same to mature in 12 months. The object of the Treasury at each stage of war financing was to offer Government paper maturing over many different periods, beginning with three months, so as to avail itself of all moneys looking for investment, whether for short or longer periods. This policy met the convenience and desires of every class of investors, while it brought to the Treasury the maximum amount of money. These Treasury certificates were likewise issued in anticipation of taxes due by installments during the months to follow in each year.

It became necessary for Congress to enact the third Liberty loan act on April 4, 1918, authorizing a sale of bonds at not exceeding 4¼ per cent, nonconvertible and taxable as per the terms of the second Liberty loan. This loan act increased the amount of bonds authorized from $7,538,000,000 to $12,000,000,000 and the issues of Treasury certificates from $4,000,000,000 to $8,000,000,000.

The Treasury in May invited subscriptions in the amount of $3,000,000,000. The subscriptions received amounted to $4,176,000,000—another most gratifying result. The entire amount was allotted. The general opinion among bankers, strongly expressed, was that the third Liberty loan must carry an interest rate of 4½ per cent. The contention was earnestly made that the country could not absorb another huge loan without unusual effort and that former bond issues were then below par and that a higher rate of interest was imperative.

Congress and the Treasury gave most serious consideration to all the conflicting conditions. The two former bond issues by their terms were convertible, with the result that an increase of interest rate for the third loan would swing the interest rates of the two preceding loans to a higher level of 4½ per cent, thereby greatly augmenting the cost of the war. Then it was that the big decision was made not only to hold the interest rate down to 4¼ per cent, but to stabilize this rate by making the bonds nonconvertible into any new issues that might later be made. This far-reaching step, decided upon with such acute apprehension but pursued with firmness and vigorous determination, was the turning point in war financing. It meant an incalculable saving in the cost of the war.

SECOND WAR REVENUE ACT, 1918

In May, 1918, Congress proceeded with the task of enacting another war-revenue measure still further increasing and extending the income, profits, estate, and miscellaneous taxes and carrying $8,000,000,000 of additional taxes. This course was in courageous recognition of the stern policy that war expenditures should be met by the very maximum of war taxes, for the reason that war debts contracted in time of high and artificial prices and years later paid off in a period of low or normal peace prices inevitably inflict a vastly increased burden on all taxpayers. Before this measure had passed the Senate the armistice came and the bill was cut to the estimated amount of $6,000,000,000 for the calendar year 1918, and to $4,000,000,000 for 1919 and until taxes could be further reduced.

This act promptly reducing war taxes for 1919 and subsequent years was severely criticised by Republican leaders, apparently through a selfish desire to permit the incoming Republican Congress after March 4, 1919, to secure the credit. This was in harmony with the later Republican congressional policy which postponed all further war-tax reduction until the Harding administration. Attention should be called to the fact that great delay was experienced in collecting the full amount of taxes under the high rates applicable to 1918, under the act of 1918, enacted in February, 1919, so that these 1918 taxes are reflected in the taxes of 1920–21.

FOURTH LIBERTY LOAN

The fourth Liberty bond act was deemed necessary and accordingly passed on July 9, 1918. This act increased Liberty bond authorizations from $12,000,000,000 to $20,000,000,000 to bear 4¼ per cent interest and taxable as aforesaid. Subscriptions for $6,000,000,000 were invited in October, 1918, with result that $6,989,000,000 were received, notwithstanding the influenza epidemic was at its height in every community in the United States at the time. The floating of this loan in its magnitude and success constitutes an outstanding financial achievement in all history. The Treasury made allotment in full upon all subscriptions.

Herculean efforts were necessary and seemingly insurmountable obstacles were confronted in connection with the floating of the fourth Liberty loan at 4¼ per cent interest rate. A new revenue bill carrying $8,000,000,000 was pending in Congress; surtaxes had been increased and still greater increases were carried in the revenue bill then pending, and our money and credit resources were already severely taxed. The Treasury and Congress adopted the expedient of liberalizing the surtaxes on Liberty bonds for a temporary period. Thus to the lasting patriotism of the American people, the fourth Liberty loan was consummated at a 4¼ per cent interest level and the country was again saved an enormous item in the cost of the war.

During the fore part of 1918 great apprehension arose, especially among industries producing war supplies, lest they should not be able to secure a sufficient supply of necessary credits on account of large Government borrowings. This threatening condition was promptly met by the creation of the War Finance Corporation. This agency of the Government was designed to furnish financial aid to war industries in emergency or exceptional cases. The provisions of the act also authorized emergency aid to savings banks. The War Finance Corporation both during and since the war proved a most powerful and effective instrumentality of financial aid.

CAPITAL ISSUES COMMITTEE—WAR-SAVINGS STAMPS

While throughout the war the American people promptly, scrupulously, and patriotically endeavored to comply in the fullest with every war demand made upon them by the Government, they were not at other times devoid of that human nature which prompted every individual to make as much money as possible from production, trade, and commerce. In order to mobilize behind the Government a sufficient amount of the money and credit of the people to prosecute the war successfully, it was deemed advisable and necessary to take steps to prevent large absorptions of capital by nonessential industries during the war. The result was the creation of the Capital Issues Committee along with the War Finance Corporation. The function of this committee, which was performed in a wonderful manner and to the extremely valuable aid of the Government during the war period, was to supervise and control new issues of securities except for essential war industries and in other instances where the need was imperative. The Capital Issues Committee thus prevented unnecessary issues of $450,000,000 and required their postponement for the time being.

The war-savings and thrift system, so wisely established by the Government early in the war, not only resulted in investments of near $1,100,000,000 in war-savings paper during the war period, but the people were carefully instructed by the Government loan organizations as to the immense benefits of investments for savings purposes, the importance of an individual savings policy, and the safety and superior value of governmental securities as a permanent investment. This new system of savings both rendered extremely valuable financial aid to the Government and taught and encouraged the people to adopt the habit of saving. The people were also taught that they could best serve the Government and themselves by holding their Government bonds and other securities except where their sale became imperative. This policy meant both the practice of thrift and the maintenance of Government security values.

FOREIGN LOANS

The first Liberty loan act of April 24, 1917, authorized loans to foreign governments and prescribed the terms. Additional authorizations were made in the subsequent Liberty loan acts of September 24, 1917, and April 4 and July 9, 1918. A total

appropriation of $10,000,000,000 was accordingly made for this purpose. These foreign loans were made after the most searching investigation as to the urgent necessities of the government making application and in accordance therewith. The amount thus loaned up to November 1, 1917, aggregated $2,717,200,000, while the amount of credits established up to November 15, 1918, aggregated $8,171,796,000, and the total cash advances to this date were $7,098,714,000. The Interally Purchasing Commission, created in August, 1917, supplied our Government with detailed information as to the urgency and necessity of these successive loans. With respect to all advances made to these foreign governments during the war period the fact should be noted that the demand certificates of indebtedness, legally executed by the foreign governments, bore a 5 per cent rate of interest, which was designed to cover Liberty loan rates, loss from tax exemptions, and the costs of our entire bond transaction in connection therewith.

When America entered the war allied European governments made request for these loans on the recognized condition then and theretofore prevailing, which was that each government engaged in the war would provide by one method or another for the support of their respective armies and navies participating in the war and for the payment of any other expenses which such nation itself saw fit to incur in the prosecution of the war. This was the general policy of these loans. There is nothing to the contrary in any treaty or understanding entered into at any time before or since. During the existence of the war it was almost, if not quite, as necessary that each government should provide absolute necessities for the civilian population engaged chiefly in producing war supplies. No country could fight with a starving civilian population behind the military lines.

According to the testimony of Hon. Oscar F. Crosby, Assistant Secretary of the Treasury, and the representative of our Government in Europe in connection with loans and purchases between this Government and the allied governments, it was not until near the close of the war that officials of the allied governments began quietly to raise the question of future debt cancellation. American officials carefully declined to discuss the question. Later an alternative suggestion of "sacrifices in proportion to resources" was offered in connection with this debt situation. Mr. Crosby again wisely suggests that this would raise the questions of relative responsibility for creating the European situation of 1914, relative dangers to national welfare due to political or geographical and population conditions, and relative gains finally realized through victory. Such inquiries, Mr. Crosby further suggested, would "revive the hastily surrendered claim of the United States to a large slice of reparation payment for pensions and allowances."

In view of the fact that these foreign loans were contracted freely and without condition or qualification, it would seem to be logical and proper that when a debt settlement is made with a foreign debtor and the principle is substantially scaled, when compared with the corresponding amount of domestic bonds issued to raise the money, it would be both logical and proper for Congress to pass a measure appropriating the amount of the reduction, reciting that for satisfactory reasons shown the appropriation shall be treated as a credit on such foreign debt. Under the terms of the British settlement such an appropriation would amount to $1,666,000,000. The merits of this foreign debt situation should be carefully and impartially discussed and developed with the view of maintaining international good will and credit.

Unless the heads of the various governments involved shall exercise patience and forbearance the settlement and extinction of these debts is calculated to create constant feeling, broils, and bitter international strife for two generations. Experience has already shown that had the United States, instead of assuming and maintaining an attitude of almost entire aloofness during the four years following the war, pursued the policy of practical cooperation, at least morally and economically, our debtor governments in Europe would have been in a far better financial situation and in a better humor with respect to payment of these debts in full, and the debts would probably have been long since funded at or near the full principal.

For the fiscal year ending June 30, 1917, it is interesting to note that exclusive of foreign loans and public debt transactions, the Treasury was able to meet 98.5 per cent of the expenditures of the Government from revenue receipts, while for the fiscal year ending June 30, 1918, with the same items excluded, 49.4 per cent of the expenditures was paid from revenue receipts; and for the fiscal year ending June 30, 1919, the Treasury under the same conditions met 43 per cent of the expenditures out of tax receipts.

VICTORY LOAN, 1919

After the armistice, on November 11, 1918, Government financing for a time continued even more difficult. Near 4,500,000 men in the military and naval service had to be brought home from many parts of the world and discharged. America had made war preparations on the hugest imaginable scale upon the representations of all the highest military experts that the war would continue into and through much of the year 1919. By the spring of 1919 the floating debt had accumulated to such an extent—near $5,000,000,000—as to call for funding steps. A new loan for this purpose constituted an almost insurmountable problem to the Government, because "the war was over" according to the popular mind, and hence the people might thereafter turn attention to peace-time affairs. Bankers and business men earnestly insisted that a new large loan could not be floated except at a considerable increase of interest rates, especially on account of the high commercial interest level then prevailing and the vast amount of money and credit the Government had already absorbed. Congress and the Treasury proceeded notwithstanding to grapple vigorously with this problem. It was deemed important not to disturb the market level of long-term Liberty bonds bearing 4 per cent and 4½ per cent already in the hands of the public.

The final outcome was that on March 3, 1919, the short-term Victory loan act was passed authorizing the issuance of notes in an amount not exceeding $7,000,000,000, to mature within a period of not less than one year nor more than five years. in the face of the high commercial interest level, of the depleted money and credit resources of the people, and amidst the most disturbed economic conditions, the Treasury, during April and May, 1919, floated the Victory loan at 4¾ per cent and 3¾ per cent containing liberalized surtax or tax-exempt provisions and running four years. These bonds were made interconvertible. The amount of the issue was fixed at $4,500,000,000, and the total subscriptions received were $5,249,000,000, of which amount a little less than $4,450,000,000 was accepted or allotted. Near $700,000,000 of notes were taken at the 3¾ per cent tax-exempt interest rate.

In the light of the state of the public mind and the postwar conditions, including the low price of Liberty bonds, the exhaustion of the country's supply of money and credit, and high commercial rates of interest throughout the Nation, the achievement of this loan undertaking was never excelled and probably never equaled. It magnificiently succeeded without the advantages of peace conditions and without the support of the war psychology.

In their manifold complications, unimaginable difficulties, and giant proportions the financ al operations of the Federal Government from April 6, 1917, to the summer of 1919 are absolutely incomparable, and the names of McAdoo and Glass, who presided over the Treasury during this momentous period, will forever stand out in fiscal history. During the brief period of 24 months, or say until June 30, 1919, the economic resources of America had absorbed a new Government indebtedness of approximately $17,000,000,000 long-term bonds, $4,500,000,000 of four-year notes, $3,626,000,000 of treasury certificates, and $953,997,000 of war-savings certificates and thrift stamps, which on August 31, 1919, culminated in a gross debt of $26,596,000,000, which was the peak point of our national war indebtedness. To the lasting credit of the Treasury officials be it said that no war debt of magnitude was ever created on a wiser or sounder basis. The following statement of the five large debt issues speaks for itself:

	Amount	Due	Redeemable
First Liberty loan	$2,000,000,000	30 years (1947)	15 years (1932).
Second Liberty loan	3,808,000,000	25 years (1942)	10 years (1927).
Third Liberty loan	4,176,000,000	10 years (1928)	10 years (1928).
Fourth Liberty loan	6,989,000,000	20 years (1938)	15 years (1933).
Fifth Victory loan	4,498,000,000	4 years (1923)	3 years (1922).

WAR DEBT POLICIES—APPROVAL AND CRITICISM

This extremely able course in financing pursued the original American policy of early convertibility by making the longest term bonds redeemable at the end of 15 years, as it also followed the ancient American doctrine that there should be no permanent national debt and that the first and most urgent duty in time of peace is to discharge promptly all war obligations. The life of this huge debt, therefore, was made 30 years. Such terms of maturity and such different kinds of Government obligations were prescribed as would apportion the burden over the debt period in a manner most fair and convenient to all the taxpayers as well as the investors. To have

created a long-term war debt alone would have almost doubled the period of its ultimate payment. The interest level of 4¼ per cent for the long-period debt was below that of any government in any important war. When rapidly ascending commercial interest rates rendered it impossible to float Government bonds at 4¼ per cent, the Treasury adopted the heroic tactics of floating short-term paper at a higher rate to the end that the same might soon be refunded into lower rates, as in the case of the 4¾ per cent Victory notes and a considerable amount of one-year Treasury certificates. Any other course would have resulted in swinging the entire long-term public debt further toward the high, but temporary, commercial interest level.

Another ingenious but important phase of financing by the Treasury and Congress was the imposition of the graduated surtax upon bond interest which would forever prevent the chief portion of the war debt from gravitating into the hands of a small number of wealthy individuals, as occurred here following the Civil War and as is occurring to-day in most countries engaged in the recent war. If this policy could be extended to our State and local debt situation, preferably by uniform State legislation, the best possible solution of the tax-free security problem would result. Due to the fact that the market level of State and local securities is normally several points below that of Federal securities, the graduated surtax rates should be adjusted accordingly. The chief effect of such uniform tax would not depress the normal security price level more than 20 points, according to experience, while all Federal, State, and local governmental agencies would continue to have the benefit of bond issues at near the present interest rates and price levels, and at the same time no small number of individuals of large wealth would be able to monopolize such holdings. The taxes that would be derived from fully taxed bonds is not comparable with the interest savings from bonds subject alone to surtaxes.

Our Federal debt is now so adjusted that the Nation will have the opportunity to pay off the principal at par and interest accumulations as rapidly as the ability of the Treasury from year to year will permit. The policy originally contemplated of paying maximum amounts during periods of general prosperity and relatively smaller amounts in times of depression is always wise and sound.

The most rabid critic of the Wilson administration has never dared to assault its unparalleled record of Government financing except upon two minor points, and these were steeped in demagogy and bitterest partisanship. One of these criticisms was that war expenditures were excessive, although the merest tyro knows that war means waste—waste of money, of property, and of life—and that the one single and supreme objective is winning the war, in which time is the very essence. Throughout this trying period the members of both political parties in Congress worked together and agreed with singular unanimity upon all tax measures, all appropriation bills, and all loan authorizations, both foreign and domestic, as well as their respective amounts. Since the war vicious party charges of waste during the war have been made, but no theft or criminality in connection with expenditures has been seriously alleged. Waste of money and of property there inevitably was, but no jackal has ever dared to charge the Wilson administration, intrusted with American leadership during the war, with waste of human life. History now shows that the swiftness with which America threw her men, money, and materials into the war prevented its continuance into 1919, which would have cost countless lives and additional billions of money.

The other criticism much harped on solely for partisan purposes, was that Liberty bonds temporarily went below par. During this same period every person at all sane or intelligent knew that interest rates were different in different parts of America and that wide fluctuations in security and other price levels were constantly taking place, and that the owners of almost all other kinds of securities or property have suffered much greater losses from depreciation than did the holders of Government bonds. Secondly, it was impossible to finance the Government solely on short-term loans, but was absolutely necessary from time to time to consolidate them into long-term loans. To have floated such long-term loans on the then existing high artificial commercial interest level would not only have resulted in swinging the entire war debt up to that level for the future, but all the bonds would soon after the war have gone to a high premium, as they did under this policy following the Civil War.

The future taxpayers would accordingly have been penalized to the extent of billions of dollars. Moreover, the purchaser of every piece of Government paper during the war only had to hold it to be sure of payment later at par. To the suggestion that had our huge war debt been contracted at high commercial interest rates it could, immediately after the war, have been refunded into lower rates of interest, the patent answer is that no government could within any short length of time refund a debt of $26,000,000,000 on anything like satisfactory rates of interest. Imagine, too, this huge debt falling due at one time. The conclusion is inescapable that the coming generation has been saved literally billions of dollars in excessive interest rates and in premiums on the war debt by reason of the wise and courageous financing prosecuted by the Treasury in cooperation with Congress during the World War period.

Secretary of the Treasury Mellon at the end of his four years' administration of the Treasury pays the highest possible compliment to the financing of his predecessors when he admits that he has only been able to effect a few appreciable interest reductions in the course of the Treasury's refunding operations since March 4, 1921, although it has been true in the past that the two principal methods of paying off war debt are by taxes and by refunding into lower rates of interest. Treasury officials prior to 1921 deserve a lasting monument for having virtually discounted the operation of this last method of debt payment.

SINKING FUND ACT

Not a single point in financing was overlooked during this trying war period. The Victory bond act of March 3, 1919, was careful to provide for a permanent, and so far as possible, irrepealable and constantly operating sinking fund, calculated to pay off the war debt within a period of 25 years. Cursed be the official who dares to lay violent hands on the sinking fund act or its operation during the life of our World War debt. Since the creation of the sinking fund to June 30, 1924, or during the three preceding fiscal years, $856,051,000 have been paid on the public debt through this automatic agency, or including franchise tax receipts from Federal reserve banks, foreign debt payments, and other items made applicable to debt redemption, the total for these three years was $1,283,543,000. It would not be unfair in this connection to say that the administration which created and placed in operation this permanent debt-paying agency is entitled to its fair share of credit for debt payments to this extent that have since been annually made.

COST OF WAR

A brief recital of governmental receipts and expenditures during the war period is important. From April 6, 1917, to June 30, 1920, the total receipts, exclusive of principal of the public debt, were $16,078,000,000, while the total expenditures on the same basis were $38,830,000,000. More than 41 per cent of expenditures were met by Treasury receipts other than public-debt receipts, excluding installments of taxes for 1919 payable during the last half of 1920. In order to answer the true inquiry as to the actual cost of prosecuting the war by the United States, we would deduct from expenditures $9,523,000,000 loaned to foreign governments up to June 30, 1920, which would leave total expenditures for the period above stated of $29,307,000,000, 55 per cent of which was met by Treasury receipts other than borrowed money.

If finally we should deduct from the total expenditures above the sum of $3,750,000,000, the estimated amount of expenditures of the Government on a peace basis from April 6, 1917, to June 30, 1920, and if we also deduct certain miscellaneous receipts due to war conditions of $1,625,000,000, which should have been merely offset against like expenditures, and likewise deduct the amount of foreign loans as aforesaid, we have a net cost of $24,010,000,000 resulting from the war. At the same time deducting from the total current receipts above $3,750,000,000 plus $1,625,000,000 miscellaneous receipts aforesaid, we have remaining as net war-tax receipts $10,703,000,000, or 44.57 per cent of the net war expenditures, while with foreign loans included the percentage of net expenditures would be 32. The history of any other government in the recent or any war can successfully be challenged in like circumstances to show similar unparalleled achievements in war financing.

It is proper to call attention to the fact that the sinking-fund system contemplated that an amount of domestic debt equal to loans to foreign governments would be set off by such foreign-debt payments. Subsequent events have interfered with this policy. The moratorium and the scaling of interest rates in debt settlements thus far made with England and two or three minor foreign governments will inevitably delay the payment of our public debt considerably beyond the period contemplated by the sinking fund act.

Had the United States been able to throw the necessary number of troops into Europe promptly after it entered the war,

these foreign loans would have been neither necessary nor possible, because our troops would have quickly won the war, and, besides, all our available money and credit would have been applied to the furnishing of munitions and supplies to our own troops. These were not loans of money, however, except to a slight extent, because the allied governments absorbed the loans by the purchase of war supplies from America at top war prices. One phase of this situation was graphically described by Hon. R. C. Leffingwell, whose great ability and genius constituted one of the mainstays of the Treasury in coping with all the difficulties of war financing, when he said:

I have no doubt but that if the Russian Army had not been kept on the eastern front during the summer of 1917, the war could not have been kept going long enough for us to get in and win it. The loan of $187,000,000 to Russia, which, at the time, had greater wealth and population than any country on the planet, kept Russia in the war and held that eastern front for six precious months. What would it have cost America had not that eastern front thus been held for that six months?

Similar effects of our loans, Mr. Leffingwell added, were had upon the Italian Army in the summer and fall of 1917, when the great German offensive broke loose on Italy. In brief, it is patent to any observer now that except for these foreign loans the war would have been disastrously over before we really got into it, with the unspeakable result that, having previously entered the war on April 6, 1917, we would have been left to wage it almost single-handed.

TAXES—EXPENDITURES—DEBT, 1919–20

The Treasury during 1919–20 resolutely wrestled with every financial problem with "economy" and "abolition of war agencies" as its watchword. This patriotic course enabled the Treasury to accomplish the astounding feat of not only balancing our national budget with a Treasury balance of $291,000,000, but to accomplish this remarkable achievement at the end of the first full fiscal year after the war, June 30, 1920. Few other countries not engaged in the war and none of the participating nations were able to do so, and not until the present year have most of the European countries reached this goal.

The armistice ended the fighting part of the war, but, as stated, by no means ended war expenditures and war financing. The treaty of peace was not even negotiated until the spring of 1919, and was later tied up indefinitely in the United States Senate. Instead of the restoring of conditions of peace, the world continued an armed camp for the two years following 1918. This course necessarily delayed the disbandment of troops by any large nation such as the United States. We did not make peace with Germany until 1921. A considerable body of American troops were kept in Germany until far into the Harding administration. Reduction of our Treasury war expenditures was correspondingly impeded. During the war the Treasury had conducted the financing in a manner calculated to keep our business and economic conditions as stable as was possible. From the date of the armistice the Treasury took the earliest feasible steps to aid in restoring private business initiative and to remove governmental control. The functions of the capital issues committee were discontinued and the embargo on gold exports was removed. America from that time to this day has furnished the only large free gold market in the world.

The Wilson administration early in 1919 promulgated a comprehensive reconstruction program, which included rigid economy, additional tax reduction and readjustment, and general disarmament, with corresponding further tax reduction. In December, 1918, the Treasury had recommended the early discontinuance of excess-profits taxes. It was in order for Congress promptly to enact legislation necessary for the return of the railroads, to provide a general shipping policy, to establish a permanent peace basis for the Army and Navy, and by legislation to discontinue many war agencies. To the incalculable injury of America a recalcitrant and extremely partisan Republican Congress assumed control on March 4, 1919, and soon thereafter adopted a policy of defeat or indefinite delay as to the chief features of the administration's reconstruction program. It was to this policy that Republican House leader Fordney later referred when he blurted out the statement that, "We were voting to put Wilson in a hole." Railroad legislation, for example, was delayed for more than a year, while wholly unnecessary expenditures of $1,000,000,000 were incurred. Tremendous Treasury outlays likewise resulted from congressional delay in devising permanent peace policies for our shipping and our Army and Navy. Congress also deliberately declined to consider tax reduction for two years, seemingly upon the belief that a Republican administration in 1921 would thereby secure greater credit and the Wilson administration less. The taxpayers were not considered.

In harmony with this partisan course the Budget system, which the Wilson administration had for some time sought to create, was deliberately postponed by the Republican Congress for a year in order that a Republican administration might claim sole credit for it, although when President Wilson was obliged to veto the Budget measure in the spring of 1920 on patent constitutional grounds he earnestly requested Congress promptly to repass it with the objectionable part omitted. It was passed a year later in the identical language of the Wilson recommendation. The extra session of the Republican Congress in the spring and summer of 1919 and the following regular session well earned the appellation of the "do-nothing Congress."

The tax situation from the armistice to March 4, 1919, has been described. It is interesting to glance at the debt and expenditures phases of our Government financing during this period. The public debt, which had swept up to its peak on August 31, 1919, when it stood at $26,596,000,000 gross, stood at $24,051,000,000 on February 28, 1921, a reduction by the Wilson administration during the preceding 18 months of $2,545,000,000. While it is true that much of this debt reduction was effected by Treasury receipts other than tax revenues, the Treasury is nevertheless entitled to the same credit for this huge and startling reduction of the public debt, because the Treasury and Congress in any event are charged with the responsibility for creating other assets of the Treasury as much so as if they had been tax assets. The only question was whether it was necessary to create the full amount of the debt. No person has raised, or can raise, this question. And besides, Secretary Mellon, who now says that the large volume of tax certificates should minimize the full size of the debt, can not complain, because he, on October 31, 1924, had outstanding $1,196,000,000 of tax certificates. The above gross debt at the end of February, 1921, consisted of $16,165,000,000 of Liberty bonds, $4,149,000,000 of Victory notes, $2,771,000,000 of Treasury certificates, and $735,000,000 war-savings certificates. Of the Treasury certificates, $1,651,000,000 were tax certificates.

The Treasury during the last 18 months of the Wilson administration had a well-defined program for the retirement of the remaining floating war indebtedness already well under control, but the program for these debt payments was unexpectedly reduced near $2,000,000,000 chiefly on account of the delay in Congress in dealing with the railroads, shipping, the Army, and other agencies which were continuing war expenditures.

The total ordinary cash expenditures of the Government for the fiscal year 1919 were $18,514,000,000, when war expenditures reached their peak. This included foreign loans of $3,477,000,000. Expenditures were reduced to $6,403,000,000 for the fiscal year 1920, and still further reduced to $5,538,000,000 for the fiscal year 1921.

WHAT WILSON ADMINISTRATION TURNED OVER TO ITS SUCCESSOR

The Democratic administration, on March 4, 1921, turned over to its successor (1) a system of war taxes that had been promptly reduced $2,000,000,000; (2) war expenditures that had been reduced $12,976,000,000; (3) a gross war debt that had been reduced $2,545,000,000 within 18 months; (4) back taxes for years prior to 1921, from which a net amount of at least $600,000,000 was later realized during the years 1922–3–4; (5) surplus property which yielded a net amount of $252,036,000 for the years 1922–3–4; (6) assets of Railroad Administration and War Finance Corporation, from which $250,800,000 net was realized during 1922–3–4; (7) securities held by the Treasury aggregating $11,318,000,000, from the foreign loan portion of which the Treasury received in principal and interest $500,000,000 during 1922–3–4; (8) a surplus of ordinary receipts over ordinary expenditures of $186,000,000; (9) a net balance in the general fund of the Treasury of $301,000,000; (10) a rigid sinking-fund law which, with kindred provisions, made certain the annual payment of more than $400,000,000 on the public debt.

These recitals only reveal a part of the story. The War Finance Corporation was likewise bequeathed to the present administration. With some slight extensions by the Victory loan act of 1919 and the later law of 1921, this corporation has been utilized in a wonderful way to promote foreign exports and to relieve agriculture. The Federal reserve and the rural credits systems also were priceless bequests of the Wilson to the Harding-Coolidge administrations.

The fact was universally recognized that while the United States had been greatly impeded in the work of postwar re-

habilitation and readjustment on account of the perverse and recalcitrant Republican Congress, this country by 1921 had nevertheless made far greater advances toward normal peacetime conditions than any other. Little wonder is it that Secretary Mellon in an official letter of March 9, 1921, referring to the public debt figures and current operations of the Treasury, said:

They show the country's finances are sound, etc.

And that he again in an official letter of April 30, 1921, said:

The Nation's finances are sound and its credit is the best in the world.

So this is the "great mess" the Democratic administration left on the hands of its successor! It is time that the puny and mendacious efforts to minimize the record of financing of the Wilson administration, which will reflect lasting honor upon the Nation, and to magnify out of all proportions the financing of its successor, should, as a matter of common decency, cease.

REPUBLICAN RECORD OF DEBT REDUCTION

Let us now glance briefly at the course of the Harding-Coolidge administration in dealing with debt, expenditures, and taxes and the results to date. Almost monthly, weekly, and daily during the last three years reckless propaganda has been sent out through the press, the radio, moving pictures, and other agencies to the effect that the Republican national administration was not only balancing its budgets but accomplishing wonders in the reduction of the public debt. At the end of the last fiscal year, June 30, 1924, as well as thereafter, the press was filled with inspired statements to the effect that the public debt had been reduced more than $5,000,000,000, with the inference always clearly left that this entire reduction had been effected by the Harding-Coolidge administration.

The constantly repeated reference to the taxpayers in this connection was also calculated, if not intended, to create the fixed impression that the administration in power was meeting current expenses and paying off this vast amount of debt during its three years' existence from taxes levied during that period.

With no disposition to deny the Republican administration the fullest credit due, considerations of fair dealing and of decency, however, require that its predecessor should likewise have its fair share of credit in accordance with the facts.

The Wilson administration, as pointed out, not only reduced the gross public debt in the amount of $2,545,000,000, but it turned over to the Republican administration almost incalculable assets which it had created amidst unimaginable difficulties, from which the present administration easily realized a net cash amount of from $1,600,000,000 to $2,000,000,000 during the fiscal years 1922–1924 and applied the same either to debt reduction or current expenses, or both. While boasting that the Republican administration has effected these vast reductions in the public debt, the damaging fact that the Democratic administration furnished the major portion of the money is carefully concealed from the public. Adding $1,600,000,000, the minimum of cash thus far realized from assets of the preceding administration, as stated, to $2,545,000,000, the amount of public-debt reductions during the Wilson administration, totals $4,145,000,000, for which the Democratic administration is really entitled to credit on the total reductions of the public debt of $5,345,000,000 to June 30, 1924, while credit for the remainder of $1,200,000,000 would justly go to the Harding-Coolidge administration. It is extremely regrettable that Secretary Mellon not only refuses thus to give credit, but takes most to himself, and, in addition, for the first time in the history of that great office, injects partisanship in his annual report in order to belittle the amount of debt payments of his predecessors.

It is almost a crime to mislead the public by the recital of such partial figures and such less-than-half truths as have emanated from inspired Republican publicity sources in regard to the state of the public debt since March, 1921. In harmony with this same policy of concealment and gross exaggeration we have seen similar tactics pursued in connection with the funding and refunding operations of the Treasury during the past three years. Secretary Mellon is one of the great individual heads of finance and industry in the United States, and is entitled to be recognized as such. He may possess the constructive and administrative ability of Alexander Hamilton as Secretary of the Treasury, but he is only entitled to credit for his fairly appraised achievements in that official capacity in the light of the problems and duties involved, and not credit for tremendous imaginary achievements for which no opportunity nor occasion was offered. Only those who have met and successfully dealt with massive problems such as confronted Hamilton would, I dare say, either expect or desire to be called a second Alexander Hamilton, either by flatterers or ignorant worshippers.

It is only truth to say that it has not been the misfortune of Secretary Mellon to face Treasury problems at all insurmountable. It also may be said that the history of the office of Secretary of the Treasury shows that more often Secretaries have been appointed who were not skilled in private banking and not specially trained in private finance, but their records have been equally, if not more, brilliant than those of the other type. The Treasury administration, therefore, to quote Dewey in his financial history, "Is not vitally dependent upon the personality of the Secretary."

MELLON REFUNDING OPERATIONS

The long-term war debt of $16,165,000,000, as already stated, was contracted on a 4¼ per cent interest level. No part of this was payable or redeemable until 1927 and 1928, so that it gave the Treasury no serious concern during the last four years. The flotation of certificates has not at any time since 1920 involved a difficult undertaking. In his annual report for 1921 Secretary Mellon states that since March of that year "the certificates of all issues outstanding have been quoted at par or a premium." While the Treasury at the beginning of the Harding administration was faced with the task of paying off or refunding the short-term debt of $7,500,000,000 during the two years and more following, the fact should be recalled that $1,651,000,000 of this amount comprised tax certificates which would automatically disappear, thus leaving near $6,000,000,000, which included Victory notes due in May, 1923, but redeemable a year earlier.

In making all flotations of Government paper Secretary Mellon adopted the policy of prescribing interest rates that would well conform to market quotations for such Government securities. That is to say, the public and not the Treasury fixed the interest rates. The first offering of certificates was in anticipation of taxes and was made for $400,000,000 on March 15, 1921. The subscriptions were for $503,000,000 while the interest rates ranged from 5½ per cent to 5¾ per cent, or a decline of one-fourth of 1 per cent from the latter half of 1920. This transaction was not difficult but almost automatic. An issue of loan certificates in the amount of $150,000,000 was announced for April 15, 1921, and subscriptions in double this amount were promptly received. The interest rate was 5½ per cent, and $190,000,000 was allotted. Another offering of loan certificates of $200,000,000 was made on May 16, 1921, at the same interest rate, and the subscriptions amounted to $532,000,000, or two and one-half times the amount offered. These examples of Treasury-certificate financing are thoroughly typical and illustrative of the experience of the Treasury from that time forward. The Secretary of the Treasury has not been required at any time to exhibit more than ordinary capacity in dealing with this entire certificate situation. The opportunity, therefore, for any outstanding or noteworthy achievements in connection with these activities has been utterly lacking. This financing, be it said, has been well performed, but with interest terms fixed by the current market quotations.

The Mellon administration, in dealing with Treasury certificates, as with most of all its financing, has pursued the same policies which its predecessor originated and adopted. Where, then, does Alexander Hamilton's name come in? The people now had great surpluses of money and credit anxious to go into all Government paper.

The Treasury adopted another policy of its predecessor by offering short-dated notes of three years on June 15 and September 15, 1921, the former bearing 5¾ per cent and the latter 5½ per cent, with the result that both subscriptions were tremendous and the two allotments aggregated $701,000,000. This natural and easy transaction required no Hamiltonian qualities. The fact is apparent that these operations neither taxed the ingenuity of the Treasury nor the absorbing ability of investors.

Secretary Mellon in his annual report in December, 1921, referring to the increase of the market price of Liberty and Victory bonds during 1921, thoroughly vindicated the policy of foresight of his predecessors in their flotations. He said:

It is a well-known economic law that high money rates and high commodity prices mean low prices for bonds and other fixed income securities, while lower money rates with reduced commodity prices normally bring higher market prices for bonds.

During the war the Treasury contracted the war debt absolutely upon this sound assumption and with the certain knowledge that soon after the war the entire debt would proceed to

par, which it has done. This is the answer to the political demagogy and balderdash during 1919 and 1920 to the effect that a different political party could, without regard to the law of supply and demand and all other sound economic laws and conditions, restore these securities to par. The fact, too, was apparent from the beginning that if the American people had been able to take the great mass of war bonds and hold them for a time, which they were not, such securities would not at any time have fallen far below par, and in any event the subscribers holding them would not have suffered the loss of one penny either in interest or principal.

The Treasury with one exception pursued its same policies of financing during the year 1922, which, in the language of Secretary Mellon, included the policy of "financing the maturities on a straight investment basis." Any person will recall in this connection that panic conditions during 1921 and 1922 either drove or kept vast amounts of money and credit out of industry and active business, with the result that it was keen for Government investments at reduced rates of interest, which, be it remembered, the public itself fixed.

In addition to successive flotations of Treasury certificates for different periods with varying rates of interest, the Treasury floated four offerings of three-year Treasury notes during 1922 at interest rates ranging from 4¼ per cent to 4¾ per cent and aggregating allotments of $2,042,000,000. The ease with which these financial operations were performed is shown by the experience of the first of these loans on February 1, 1922. The offering was for $400,000,000, while the total subscriptions aggregated $1,249,000,000, and $601,000,000 was allotted, and yet these were loudly proclaimed as Hamiltonian achievements! The Treasury experienced similar pleasing results in connection with the other three issues of Treasury notes during 1922. The maturities of these notes ranged from three to four years.

It was not until October, 1922, that the Secretary of the Treasury undertook his first long-term refunding operation. He then offered $500,000,000 of 30-year bonds, redeemable at the end of 25 years, at 4¼ per cent. The total subscriptions were $1,651,000,000. But seldom has there been a larger amount of idle money seeking just this sort of investment than at this time. This loan matures in October, 1952, and extends the period of the war debt to the extent of this loan five years beyond the period originally contemplated and marked the first departure. The total allotment of this offering was $764,000,000. For some time this loan has been at a premium of 104.5. The interest rate was too high and the redeemable privilege too far off. The entire freedom from difficulty with which this refinancing was accomplished is shown both by the tremendous oversubscription and by the premium at which this paper has since been quoted. Was there anything Hamiltonian in this transaction? But it was widely published as such. As a result of these various operations the Victory notes to the extent of $1,922,000,000 were either refunded or paid off between June 30, 1921, and June 30, 1922, leaving less than $2,000,000,000 still to be disposed of. The sinking fund, operating automatically and unerringly, revealed itself as a mighty factor at every stage of debt reduction. The market quotations during the fiscal year 1922 showed Treasury certificate interest rates at as low as 3½ per cent on a six months' maturity. We may still properly keep in mind the fact that at all times the public prescribed the market and interest level for this class of securities according to the law of supply and demand. The Treasury at no time, so far as public information reveals, sought a closer rate. Attention is thus called for the purpose of reciting the policy of the Treasury.

During the fiscal year ending June 30, 1923, Treasury financing was even more free from serious complications or unusual difficulties. The Treasury successfully offered four additional issues of short-dated Treasury notes with maturities ranging from two and one-half to near five years at interest rates of from 4¼ per cent to 4¾ per cent. The total allotments were $1,991,000,000. As illustrating the great demand for these Treasury notes, whenever offered at the interest rates prescribed, the offering of $300,000,000 on January 15, 1923, met with subscriptions of $581,000,000. And again when the Treasury note offering of May 15, 1923, at 4¾ per cent was announced the public sent in overwhelming subscriptions. The offering was for $400,000,000, and the total subscriptions $1,233,000,000 for these notes maturing March 15, 1927. Offerings of certificates or short-term notes during this period were met with tremendous subscriptions. The end of the fiscal year 1923 found most all of the short-dated and floating debt existing in March, 1921, either retired or refunded.

No Treasury financing of unusual interest occurred during the fiscal year 1924. The Treasury, however, made a second long-term offering on December 15, 1924, of 4 per cent bonds to run 30 years, and redeemable at the end of 20 years. To this extent the maturity of the war debt was extended 7 years beyond the original 30-year policy. The cash offering was for $200,000,000, with the privilege of allotting additional bonds to refund third Liberties, certificates of indebtedness, and Treasury notes. Cash and exchange subscriptions were received in the amount of $1,900,000,000. The total allotments are probably $750,000,000. These bonds are now at a slight premium, thus vindicating the unwisdom of the previous 4¼ per cent long-term loan maturing in 1952. Most Government securities are now selling on a basis slightly below 4 per cent. The question might well be raised as to the policy of extending our long-term debt too far in the future without optional provisions giving the Government the privilege of paying off or refunding into lower interest rates at an earlier date. Another difficulty that might arise from maintaining Government securities at a premium would be interference with sinking-fund operations except as to maturing securities.

The refunding operations since March, 1921, have been heralded as matchless achievements in a class with those of Alexander Hamilton, and yet a review of the investment conditions and of the actual nature and extent of these operations utterly fails to reveal any really new policies compared with those of the previous administration or any serious problems to be solved or any important difficulties to overcome. The history of this period shows the existence at every stage of greatly excessive moneys ready and anxious for investment in Government securities at the market interest rates. It shows also that the chief portion of the Victory notes floated at 4¾ per cent in 1919, in the face of unimaginable difficulties, was refunded by this administration into Treasury notes at or near the same rate of interest. Assuming that the public has forgotten the former, we are daily reminded that the latter transaction was an astonishing financial feat. This is merely illustrative of many similar transactions.

Again, Secretary Mellon, while significantly silent as to amount of debt reductions by refunding into lower interest rates, strongly emphasizes the saving of $225,000,000 annual interest by chiefly debt retirement. England, under far greater disadvantages, but with a larger debt, it is true, has effected interest reductions of $200,000,000 a year, in accomplishing which lower interest rates were an important factor. This fact is a high compliment to Democratic war financing, rather than a criticism of Secretary Mellon, and hence his silence. The financial operations of McAdoo and GLASS, in their magnitude and difficulties, compare with those of Mellon as Mount Everest to a small elevation, and yet it is popular to glorify Mellon, but sacrilege even to mention the names of McAdoo and GLASS and Houston.

In determining the wisdom of Secretary Mellon's refunding policies the question naturally arises as to whether any portion of the short-term debt that can not be retired prior to 1927–8 could not more profitably have been refunded into a longer period during the past two years. Beginning with 1927 the Treasury will be sufficiently occupied in dealing with the second and third Liberty loans. The Government will probably not then find a more favorable investment market or more attractive interest opportunities than during the past two years, but even in this event redeemable privileges could be made to safeguard against lower interest possibilities. On the general question of interest rates at present the Government is at least paying liberally. I thoroughly agree, however, that all Government securities should under peace conditions always stand at par.

REPUBLICAN EXPENDITURES—ECONOMY

We next come to the subject of Federal expenditures since June 30, 1921. During this period almost every conceivable claim of economy and retrenchment has been broadcast by the party in power. Upon no other phase of Government have so many misleading statements and so much misinformation, including statements of partial facts, half truths, and no truths, been inflicted upon the helpless public by spokesmen of the Harding-Coolidge administration during the past three years.

For the benefit of the average citizen it is important first to describe the background of our national expenditures situation. He can then better comprehend and appraise what he hears or reads on this subject. Near the close of the fiscal year 1922 Budget Director Dawes said:

> The indefensible system of governmental accounting renders possible the placing of almost any kind of misconstruction on the fiscal figures of government as ordinarily presented.

This statement was not in the least overdrawn. It has long been the favorite practice of unscrupulous persons to use the terms "appropriations," "authorizations," "expendi-

tures," and "Treasury estimates" interchangeably, according to which would offer the most favorable set of figures in support of the particular purpose in view. Such practices are as a rule intended to deceive. Actual expenditures are the real test of the cost of government, but even the true figures as to these are not generally obtainable on the surface because of revolving funds; hidden appropriations; reappropriations; the setting off of certain receipts against certain liabilities and reporting the net balance; postponement of legitimate items of expenditure to another year; the shifting of still other items of expenditure from one governmental agency to another, thereby creating the impression of reductions without calling attention to corresponding increases elsewhere; appropriations for only a part of a year or to meet only a part of fixed obligations, thereby creating the false impression that reductions are occurring, whereas the balances are later made up by deficiency bills, which escape the attention of the public. Another recent practice is to publish swollen estimates of expenditures for a year ahead and later take credit in large part for their reduction. Four different estimates of expenditures for 1923 had a spread of $1,100,000,000. Think of it!

The citizen can thus form an idea as to the bewildering qualifications and complications confronting him when he seeks the exact figures as to the cost of Government at Washington. The unscrupulous politician is accustomed to revel in these many sets of trick figures.

Another phase necessary to keep in mind is that successful economy and retrenchment can only be fully obtained by the whole-hearted cooperation of Congress and all important officials and employees of the executive department of the Government. Credit for economy, therefore, must be apportioned accordingly. It is ludicrous for some one group in the executive branch to attempt to delude the public into the belief that any one set of officials is entitled to a monopoly of credit. Congress has more often held to the true course of economy than any other Government officials. And yet from the "economy" speeches of the President and Budget officials, the citizen would scarcely know that Congress was in existence.

In apportioning credit the public, too, must keep in mind the records of the two leading political parties on the subjects of economy and taxation, if it would accurately determine whether acts or professions at a given time contemplate temporary or permanent practices. The Democratic Party, for example, has an ancient and traditional record for rigid economy and the lowest level of equitable taxation consistent with imperative Treasury needs. The Republican Party, on the other hand, has a consistent record to 1921 of gross extravagance and high and inequitable taxation. In the four fiscal years ending in 1897 the total expenditures of the Government were $1,758,000,000, while in the four fiscal years ending in 1905 the total expenditures were $2,769,000,000, or $235,000,000 in excess of those of the preceding four years, which included the Spanish war. For the four-year period ending with the fiscal year 1913 the expenditures aggregated more than $4,000,000,000.

Still another part of the background of our expenditures situation which the citizen must keep in mind is that the Government has been passing through the postwar period, with the result that it has been possible only gradually to get rid of the many war hang overs, such as the adjustment of a vast number of uncompleted contracts; the discontinuance of war agencies, such as the railroads, the Grain Corporation, Sugar Equalization Board; gradual reductions of the Army and Navy Departments to a normal peace basis, and many other like factors. Any sane person will readily realize that without any effort at real economy during the years following a war the automatic disappearance of war agencies alone affords large reductions in annual expenditures. There was, for example, no effort for actual economy following the Civil War, and yet expenditures, computed on a four-year period, steadily declined until the year 1881, when they stood at near four times the amount of expenditures for a like period prior to the Civil War.

In February, 1921, Assistant Secretary Gilbert, who has been Secretary Mellon's right arm in conducting refunding operations, said:

> It might well be possible to save as much as $50,000,000 or $100,000,000 by careful and scientific reorganization of the Government's business. It is futile, however, to expect that any reorganization of Government departments will effect a relatively substantial reduction of expenditures.

We now come to the final question of what is "economy" in the true sense. By what standard are we to determine just what constitutes actual savings and economies in the cost of government? Certainly reductions of expenditures from the disappearance of war agencies and war hang overs, as stated, is not the standard. They would inevitably occur in the ordinary course of the Government's business. Nor do reductions of appropriations below Treasury estimates or even of expenditures below appropriations within themselves constitute a saving or economy in the practical and true sense of these terms. All the facts and factors involved must be considered, as in a private business.

> Whenever it is possible to reduce the expenditures for work performed below those for the identical work hitherto performed under the identical operating conditions, such reduction would constitute a savings or economy.

This definition is approved by the Budget Bureau. When the Democratic House, under the leadership of Samuel J. Randall, in 1875, proceeded to lower the level of expenditures annually recurring during 10 years of normal peace conditions, a shining example of true economy was presented.

With the foregoing lights and tests in mind, let us examine and appraise the Government expenditures during the past three fiscal years of 1922, 1923, and 1924. The Harding-Coolidge administration at every stage has sought to feature and dramatize "economy" in the evident attempt to create the popular impression that they were each year effecting the most wholesale savings and economies in the total cost of the Federal Government. No matter how slight the decrease of a given expenditure in one department nor how large the increase in another, the latter has been ignored, while the former has been magnified out of all proportion. The American citizen is not specially interested in any particular item of increased or decreased expenditures, but he is tremendously interested in knowing what is the total annual cost of Government at Washington for all purposes. The total cost of Government for which the people have matched dollar for dollar was approximately $4,102,829,000 for the fiscal year ending June 30, 1922; $4,180,469,000 for 1923; and $4,086,625,000 for 1924.

The actual expenditures of the Government payable from ordinary receipts, exclusive of Postal Service, were $3,782,000,000 for 1922, $3,696,000,000 for 1923, and $3,499,000,000 for 1924. The American people during each of these three years have been required to meet not a portion but every dollar of these total expenditures. What reductions are thus shown? These figures reveal a total net reduction for 1923 below 1922 of only $86,000,000 and for 1924 below 1923 of $197,000,000, or a total of $283,000,000 since June 30, 1922. This amount since June 30, 1922, is but little more than the $225,000,000 reduction of public-debt interest due to debt retirements. Republicans virtually ignore the low level of reductions for 1923 and 1924, and rest almost their sole claim for economies on the one large reduction of war expenditures in 1922 below those of 1921.

In order deliberately to mislead the American people, Republican propagandists carefully dodge this true and inescapable test of the burdens the American people must bear and are bearing each year. One favorite device thus to divert attention is to enthusiastically point to reductions in certain departments, or bureaus or divisions, often more apparent than real, but keeping away from figures as to the reduction of total expenditures for each of the three past years. The big catch in their favorite "economy" figures was disclosed in another way by President Coolidge and General Lord, Director of the Budget, on January 26, 1925. President Coolidge said:

> In the fiscal year 1921 we spent $5,538,000,000. It is estimated that we will spend this fiscal year $3,534,000,000. This will show a reduction in our expenditures of $2,004,000,000.

To show the "clarity" and the "harmony" of the figures of expenditures solemnly proclaimed by President Coolidge and General Lord, which the American public was seriously expected to reconcile and understand, I now quote from General Lord on the same occasion:

> Federal expenditures in 1921, the last pre-Budget year, was $5,115,927,689.30.

This is the sort of hopelessly confusing information that is being even broadcasted over the American radio service by the highest governmental officials. It is true that General Lord parenthetically remarks that "this was exclusive of the amount applied to the reduction of the public debt," a statement which, of course, escaped the public. Both President Coolidge and General Lord, carefully omitting mention of the slight reductions of total expenditures for 1923 and for 1924, proceeded to rely almost solely on the single reduction of $1,700,000,000 in 1922 below 1921 as constituting a continuous three and one-half

years' record of outstanding economies. With due respect to the high offices they occupy, the true facts and figures absolutely refute their statements as genuine economy claims.

In all candor, it would have been equally sound and accurate for the Wilson administration to have seriously claimed the reduction of war expenditures from $18,514,000,000 in 1919 to $6,403,000,000 in 1920, a total of $12,111,000,000, as an actual economy and saving. The recital of just a few items of purely war expenditures in 1921, which naturally or in large measure, automatically disappeared from the expenditures in 1922, irrefutably destroys this amazing "economy" claim of President Coolidge and General Lord. One item, which afforded nearly one half of the reduction of expenditures for 1922 below those of 1921, was that pertaining to the Government operation of the railroads. In his special report of May 8, 1922, General Dawes, Director of the Budget, states that the expenditures for the railroad administration in 1921 were $730,711,000 contrasted with not one penny of like expenditures, but $56,000,000 of actual receipts, in 1922, thus operating at a total net reduction of $786,711,000 for 1922 below 1921 on this one item. It was not physically possible for the Government, after 1921, to continue these expenditures on account of the railroads, because they had been permanently returned to private ownership and operation. And yet this automatic disappearing expenditure is solemnly included as constituting as genuine a part of the Republican record of actual savings and economy as any other item to which they lay claim.

Every consideration of decency justifies the branding of this contention as a fake and a fraud on the credulous and trusting American people. General Dawes, in the same special report of May, 1922, recites that the expenditures of the War Department were reduced for 1922 below those of 1921, $712,594,513. He, of course, estimated War Department expenditures for the remaining seven weeks of the fiscal year, 1922, which at that stage could be closely approximated. General Dawes, in the same report, cites a reduction in naval expenditures of $192,000,000 below those of 1921. For the first time it had become possible to take the last step in reducing the Army and Navy virtually to a peace level.

These three purely war items of expenditures wipe out this "huge and masterly economy" showing, on which virtually the entire prestige of the Harding-Coolidge administration for reducing expenditures has been built up. It, of course, was impossible to audit and settle all of the vast Army and Navy accounts created in connection with the war and to reduce the personnel of the Army and Navy to a permanent peace basis prior to the making of the appropriations for the fiscal year 1921, which a Republican Congress was obliged under the law to estimate and enact as early as the session of Congress beginning in December, 1919. The truth is that there were both numerous increases as well as decreases in the expenditures of 1922 as compared with those of 1921. There were increases aggregating many millions in the State Department, in the Veterans' Bureau, in the Treasury for tax refunds, good roads, and so forth.

The question of governmental expenditures is essentially nonpolitical and relatively as many honest and zealous supporters of practical economy are to be found in both Houses of Congress as in the executive department or anywhere. These embrace Members alike in both political parties. They are to-day meeting President Coolidge and the Budget Bureau more than halfway in prosecuting the policy of retrenchment and economy. The Budget law, as General Dawes stated in 1922, "is the product of nonpartisanship in Congress." President Wilson and his Secretaries of the Treasury had often strongly urged this law, as had Fitzgerald, Shirley, BYRNS, and other House leaders, supported by leading Republicans in Congress. The law was conceived and completely framed during the Wilson administration. Since its delayed enactment in the summer of 1921 the Budget officials have done excellent work, and Congress most heartily welcomes their cooperation in prosecuting economy and savings policies. It would be most unfortunate for this bureau to destroy its efficiency by injecting politics into the absurd claims of economy which the Executive department has been endeavoring to monopolize at the entire expense of Congress during the past three years. This and a disposition to usurp policies properly belonging to Congress are the chief dangers to the success of the Budget Bureau.

The Executive department, including the Budget Bureau, are freely granted the fullest measure of credit for what they actually accomplish, but they shall not be permitted without protest and exposure to constantly peddle out to the country spurious and misleading data as to wholesale economies which are purely imaginary. It would be entirely fair and accurate to say that the Democratic administration reduced war expenditures $12,111,000,000, and the Harding-Coolidge administration reduced them near $1,700,000,000.

When the President and the Budget Bureau were called upon by the House to specify their savings and economies, the report made by the Budget Director in May, 1922, only lays claim to $250,000,000 of this character. The saving of most of this amount was due to the fact that following the war the Democratic administration left on hand in each department, bureau, and division a vast amount of supplies; far more than was needed by such agencies in time of peace. The Bureau of the Budget materially aided in carrying out the patent idea of a full interchange or transfer among each of the departments, bureaus, and divisions of such surplus which one did not need but which another could profitably utilize. This course was naturally pursued and avoided the loss of selling surplus at a sacrifice by some Government agencies and the independent purchase at commercial price levels of like supplies by other agencies in need of the same. The Budget Bureau was a principal factor in performing this valuable service. But the Democratic administration furnished the assets, and, besides, this was chiefly an adjustment of certain war conditions to a peace basis at virtually the earliest opportunity afforded. In the face of these conditions, pure and unadulterated economies to the extent of $250,000,000 are claimed for the Harding-Coolidge administration just as though the preceding administration had not furnished the assets and as though this action constituted a readjustment of fixed peace conditions rather than those of war. Credit should accordingly be allowed and apportioned between the present administration and its Democratic predecessor.

All Cabinet heads would have been grossly derelict had they not obviously pursued the same policy as the foregoing. What occurred and all that occurred in this $250,000,000 transaction, save as to a few items, was that the Wilson administration made a present of these immense supplies to the Republican administration, and because it needed and kept and used the supplies instead of virtually giving them away it claims large credit for an actual economy.

In justice to the American people the Treasury should be required by law to publish more often the total annual expenditures for all purposes. The practice of the Treasury, especially during recent years, has been almost parenthetically to compile and publish in any one statement the amount of these total expenditures. Postal receipts and expenditures are eliminated in most instances. Another favorite method of publication is to eliminate from expenditures the amount paid on the public debt from the ordinary receipts, thereby giving the public the benefit of annual expenditures less those of the Postal Service and less those for the retirement of the public debt. During the present administration it has also become fashionable still further to chop up the total expenditures by eliminating interest on the public debt and all other public-debt transactions, and to stereotype before the country the cost of the naked Government establishment, but not including the post office, which ranged around $1,700,000,000. The compilation and use of these various sets of figures as to partial Government costs are justifiable and wise for the purpose of administration, legislation, and economy. After all is said, I agree with Assistant Secretary Gilbert that the Budget can not effect what are true economies in the administration of the business of the 10 departments of more than $50,000,000 to $100,000,000. This has been the result and is the true situation to-day, except as to some millions of savings in naval expenditures under the disarmament treaty.

The people should insist, however, that systematic publications of only partial receipts or expenditures or only partial reductions in the cost of government should also embrace the facts as to increases at the same time, if any, together with the net effect upon the total cost of government, as stated.

The result of this recent practice is that claims of partial reductions in the annual cost of certain governmental departments are now more misleading than otherwise, because they not only ignore the total expenditures still arising but they ignore the fact that many permanent expenditures of regular departments have been shifted to a large number of independent bureaus, commissions, and so forth, of which there are to-day some 39, which call for annual expenditures of near $500,000,000.

And, again, it is necessary to recognize that on account of constantly disappearing special items of expenditures and the appearance of special new or temporary items, the total Treasury expenditures may vary up or down to the extent of $100,000,000 to $200,000,000 annually. For example, the large item for vocational education of ex-service men, aggregating near

$500,000,000 since the war, is rapidly disappearing and will soon entirely disappear. It is already plainly evident, for further example, that the total expenditures payable out of ordinary receipts will be greater for 1925 than for 1924.

REPUBLICAN TAX REDUCTION

I now approach the final subject of tariff and other tax legislation during the four years of the Harding-Coolidge administration. The widest misleading propaganda as to the true nature and extent of this revenue legislation and the net amount of tax relief afforded the people as a result has been systematically poured out upon the American people. For illustration, President Coolidge, in his widely broadcasted speech on January 26, 1925, complacently remarked that in this period of four years "the people have been benefited by a material reduction in taxes of about $2,000,000,000 yearly." Some careless subordinate has grossly misled the President. The unvarnished truth is that the total amount of such tax reductions is exactly nothing. The record shows that a large amount of taxes have been shifted but not reduced. Internal tax reductions were effected while increased tariff taxes imposed a burden certainly equal to the amount of internal-revenue taxes removed.

REVENUE ACT 1921

It is just as well at this point to cite the exact figures of internal-revenue reductions to which President Coolidge refers and which he overstates to an astonishing extent. The revenue act of 1921 and the revenue act of 1924 constitute the entire internal-revenue reductions brought about during the four years of the Republican administration. In his annual report for the fiscal year 1921 Secretary Mellon estimates the total tax reductions under the revenue act of 1921 at $835,000,000. In his annual report for 1923, during which year the full effects of the tax reduction were reflected, Secretary Mellon said:

> As a result of the revenue act of 1921 internal-revenue receipts during the fiscal year just closed, it is estimated, were approximately $800,000,000 less than they would have been at the rates contained in the old law.

This is the deliberate judgment of Secretary Mellon at the end of the first full year's operation and effects of the revenue act of 1921. Internal-revenue receipts for 1923, however, fell off $1,972,000,000 below those of 1921. According to Secretary Mellon's repeated estimates only $800,000,000 of this decline or difference is attributable to 1921 tax reduction. It is patent that the remaining $1,172,000,000 loss was due to the effects of panic conditions on the taxpayers during 1921–22. President Coolidge, in his statement already quoted, fails to make this distinction, and falls into the tremendous error of claiming as a part of the total annual tax reductions $800,000,000 as tax losses which were panic losses. This is plainly evident when we add the reductions of $800,000,000 under the revenue act of 1921 to the annual reductions of $400,000,000 under the revenue act of 1924, and deduct the total Republican tax reductions of $1,200,000,000 from $2,000,000,000 which the President now claims as the true total of yearly tax reductions effected under this administration. In other words, while total internal-revenue tax receipts have declined $2,000,000,000 since 1921, according to Secretary Mellon and the inherent, bald facts, $800,000,000 of this decline was due to the panic.

This is a wide discrepancy and I deny the right of the President or any other official to broadcast so-called economy figures so entirely inaccurate and so greatly misleading to the country. I have a right to demand that the President and his Director of the Budget correct these figures in the course of their frequent radio-broadcast statements about the alleged savings and economies they are effecting. The President was expressly referring to yearly tax reductions and could not have had in mind the single temporary item of 25 per cent reduction on individual incomes for 1923, and even if he had, the mistake as to his figures would have remained almost as great.

Internal revenue taxes are essentially nonpolitical. Democrats while in control of Congress had consistently kept them out of politics. The Republican leadership immediately after the Republican Congress came into power March 4, 1919, proceeded to make this legislation a strict partisan matter almost the same as the tariff. Ignoring the earnest urgings of President Wilson, his Secretaries of the Treasury, and Democratic leaders in Congress, during 1919 and 1920, to enact further tax reduction and readjustment legislation, this partisan Congress deadlocked the Government in this as in many other instances until March 4, 1921. In the meantime, oceans of propaganda were put out condemning the Wilson administration for failure to give further tax relief and conveying the very definite idea that taxpayers could only get relief by electing a Republican administration. The inevitable result was that the Harding administration found an utterly chaotic legislative situation when the passage of the revenue act of 1921 was undertaken. The injection of internal revenue taxes into partisan politics had the direct effect of creating class consciousness and class controversy. Factions, blocs, and cliques then promptly made their appearance in the Republican Congress of 1921. This Congress, containing a tremendous Republican majority, found itself utterly unable to legislate on taxes either scientifically or practically or intelligently. The remainder of the excess-profits provisions were repealed in accordance with the recommendation of Secretary McAdoo in December, 1919; surtaxes constituted the next largest reduction, and certain miscellaneous items the chief remaining reduction.

Senator Penrose best described this patchwork measure when he stated that "the bill is a temporary makeshift." Senator MOSES gave a more detailed estimate in his reported statement that it was "the tattered rags of a tax measure, three years old, long since out of style, and faded." Further comment is scarcely necessary.

The larger taxpayers, many of whom had contributed vast sums to the Republican campaign of 1920, seemed to feel that their demands for tax relief would be given paramount and quickly effective consideration. They were woefully disappointed at the outcome because many of them, as stated, had joined in the movement to make this a partisan matter and so had for two years aided in making war on the Democratic administration, notwithstanding its insistent fight for the most rapid war-tax reduction possible from December, 1918.

It is really calamitous that any phase of internal-revenue taxes has thus become the football of politics. It is most unfortunate for any one group of income taxpayers to permit themselves to be segregated by designing politicians with respect to income taxation which may prove for them a condition of never-ending controversy.

Democrats generally have all along favored the policy of imposing graduated income-tax rates so as to conform to the principle of ability to pay, reasonable rates which could not be considered as unduly burdensome or oppressive or punitive, and which would neither materially handicap any business nor interfere with its natural and proper expansion and development, or in other words, rates which the weight of disinterested economic authority friendly to the doctrine of progressive income taxation might suggest. Well-balanced scientific rates according to the policy of graduated income taxation can not be based upon collateral considerations such as the tax-free security situation, which of course should be dealt with on its own separate merits. A recent report of the Federal Trade Commission justified this view when it revealed that taxpayers with incomes of $10,000 and over only held about $4,450,000,000 of tax-exempt securities at the close of 1922, from which they derived interest of $175,740,000.

REVENUE ACT OF 1924

In accordance with their fixed policy of keeping internal taxes in partisan politics, Secretary Mellon long before the meeting of Congress in December, 1923, drafted or caused to be drafted an internal revenue tax reduction measure complete in its every detail, and sent same over to Congress with rather peremptory intimations from himself and President Coolidge that Congress should promptly enact the measure without material changes. No Democratic Member of either House was consulted or permitted to see the draft. Relief for a small group of the larger taxpayers was again emphasized and made the outstanding feature of this proposed tax revision. The first thing that happened was that the so-called progressive republicans proposed a substitute measure representing the opposite extreme. The Democrats, easily recognizing that there would either be no tax legislation under these proposals or that there would at most be turned out another lopsided patchwork law such as that of 1921, proceeded to draft and offer a substitute proposal which would give substantial relief to every class of taxpayers, large and small, and which would have a real chance of passage. Their judgment was later vindicated by the passage of a tax reduction measure, all the income tax rates in which were written by the Democrats under the leadership of Senator SIMMONS and Representative GARNER.

The supporters of the defeated Mellon plan have slandered this tremendously beneficial tax reduction law in every conceivable way. President Coolidge signed it under bitter protest. Fortunately, however, all taxpayers just now are discovering for themselves the great reductions which this democratic measure has given them—reductions larger to all income taxpayers, save those five or six thousand whose income exceed $66,000, than the Mellon plan proposed. Under this

salutary measure there is a difference of less than $3,000 on an income of even $100,000 as compared with the Mellon plan. The public was never so grossly deceived by inspired propaganda than that put out in behalf of the Mellon plan during 1923 and 1924, but it has been deceived almost to a like extent by deliberately false reports intended to discredit the democratic compromise measure which became a law. Tens of thousands of income surtax payers who actually received larger reductions under the democratic proposal are still condemning it upon the silly and absurd hallucination that they would have received larger reductions under the Mellon proposal.

Republican leaders have evidently been more interested in prejudicing some of the income taxpayers against Democrats than they have in giving them tax relief. This fact ought now to be patent to every intelligent person. In any event, the Democrats are conscious of having been responsible for another long step in tax reduction and readjustment following the war. Further steps can and should later be taken in accordance with the sound rules and principles of fair and reasonable taxation, free from Republican political jockeying and horseplay.

The revenue act of 1924 made substantial reductions in the normal income tax rates and in the surtax rates from top to bottom. At the same time it went far beyond the Mellon plan, which proposed to eliminate only two or three of the miscellaneous tax items by eliminating or materially reducing a large number of this class of taxes.

Credit for the initiation of the gift tax and the increase of the estate tax rates in fairness belongs to the Republicans in the House, but there was not serious controversy as to the passage of each. The Federal Government doubtless would be prepared to relinquish the estate tax entirely provided the States would agree to a somewhat uniform law with duplicate, triplicate, and quadruple taxation eliminated. This the States thus far have shown their indisposition or inability to do. The people of the United States could and should pay from $300,000,000 to $400,000,000 of estate or inheritance taxes without undue burden. Most of the States did not undertake seriously and comprehensively to develop this tax method until after the Federal enactment of 1916. The other way out of the conflicting State and Federal systems, which should be pursued in default of State solution, would be one uniform Federal tax, coupled with a provision for the return of a certain substantial percentage to the States according to the place of citizenship of the persons whose estates are subject to such taxes. Additional factors governing such distribution might be introduced. The Federal method was the pre-war Germany policy. If a solution of this deplorable condition of combined and conflicting Federal and State taxes can not be effected, it will then become the duty of each of these governmental agencies to prescribe rates tempered by such moderation as the existence of duplicate rates of other governmental agencies would suggest.

FORDNEY TARIFF, 1922

The tariff tax legislation of the Harding-Coolidge administration comprises the emergency high tariff act of May 27, 1921, and the Fordney general high tariff revision act of September 22, 1922. The first act greatly increased the tariff on agricultural products and also contained antidumping legislation. The fact at once becomes apparent that the increased tax burdens due to the radical increase of these tariff taxes more than offsets the amount of tax relief given to the American people by reductions of internal-revenue taxes under the revenue acts of 1921 and 1924. This statement will go down in fiscal history as an obvious fact. Those taxpayers who are the victims of this condition are thus far utterly oblivious of its true nature for the reason that inspired propaganda has kept their attention riveted upon the internal-revenue tax situation. They will undoubtedly awaken and become aroused to just what has happened in the way of revenue legislation at no distant date.

If the American people would accurately appraise and understand the real attitude of the two leading political parties with respect to tariff taxation, they must look to the actual practices of the respective parties when dealing with the tariff. There is as much difference, for illustration, between the tariff professions and practices of the Republican Party as there is between literal free trade and a fair and reasonable protective tariff. The distinguishing characteristics of the present Republican high-tariff system are its jokers, its inconsistencies, its anomalies, and its vast number of excessive and extortionate rates. Tariff beneficiaries during recent years have been accustomed to give large campaign contributions and, in return, been permitted to send their lobbyists to Washington and write their own high and exorbitant rates. The result is that Republican leaders are accustomed to preach tariff protection in terms of moderation while their high-tariff legislation, drafted and enacted in the manner and spirit just stated, is filled with excesses, abnormalities, extortion, and other unconscionable provisions.

The Fordney-McCumber law was not only framed and enacted in defiance of every sound economic law of to-day, but it ignored all professed Republican requirements of the past for the proper framing and enactment of comprehensive high-tariff legislation. I refer to the fact that this measure was framed and passed during a period when unsettled, artificial, and constantly changing economic conditions here and everywhere rendered it utterly impossible to ascertain either foreign production costs or figures as to domestic production costs at all accurate or satisfactory. Collapsed foreign exchanges, depreciated foreign moneys, extreme scarcity of law materials in other manufacturing countries, and the general dislocation, derangement and breakdown of the processes of production, transportation, and distribution, both internally and externally, throughout Europe, were well known outstanding conditions when the Fordney tariff law was prepared and enacted.

When hard pressed the apologists and proponents of this measure conceded these facts, but their ingenuity worked out a contrivance which afforded them a pretext for the passage of this measure in 1922. They said, in effect, that while it is true we have no definite tangible facts on which to base tariff rates, with the result that we can only plunge into the realm of figures and thus promiscuously prescribe rates, we will at the same time take care of all these difficulties by inserting what is now known as the flexible tariff provisions. The chief object was to fix the rates sufficiently high for every contingency. Under these provisions they set up the contention that the President would promptly proceed to raise or lower any and all rates according to the true economic facts which would later be developed and reported to him by the tariff commission. The fact that this provision was probably unconstitutional and certainly unworkable, as experience has since demonstrated, did not cause the slightest hesitation on the part of the proponents nor check their enthusiasm for a speedy enactment of this wholly unsound, impractical, and extremely harsh legislation.

From my viewpoint the real issue between the Democratic and Republican Parties, as the latter is controlled, with respect to the tariff is, Shall the United States maintain a system of tariff (1) for revenue, (2) that will afford reasonable competition, and (3) with moderate rates having the application and effects as I described in my references to the policy of the Underwood law? Or, to state the Republican attitude as shown by actual practice, shall the United States pursue the policy of permitting tariff beneficiaries by their vast campaign contributions to dominate a political party, and when it is in power to write their own tariff rates which according to every law of human nature are only limited by the selfishness and the greed of their authors? Democrats, as in 1913, would approach tariff reform and readjustment with due consideration of all existing business conditions.

Carefully diverting the attention of the overburdened tariff taxpayers from the artificial high tariff prices they pay for most of what they purchase to wear or use, Republican spokesmen for tariff beneficiaries point to the increased revenue yield from the Fordney-McCumber law, although it is relatively trivial when compared with the total revenue the Government must annually raise. The fact also carefully concealed is that nearly $140,000,000 of the total tariff revenue is derived from importation of sugar alone and tens of millions of additional revenue from wool and other raw materials, which greatly increase the cost of manufacture and which jack up our entire production costs to a high artificial level, thereby entailing a four to five fold burden to the people apart from the taxes that reach the Treasury.

In order to raise $550,000,000 from the present high tariff the American people are subjected in the way of artificial high prices for what they purchase to a far heavier penalty than was ever imposed upon a like amount of revenue that found its way into the Federal Treasury. The existing tariff system is in direct conflict with sound economic policies, domestic and international. It not only sets up every sort of artificial trade barriers but invites other commercial nations to do likewise. Its price-increasing effect ramifies into every commodity of which any tariff-ridden product is a part.

American producers have already been forced into the practice of dumping, or selling their surplus abroad cheaper than at home. It is no justification of the Fordney system to point to the recent temporary increase in our foreign trade. The fact that we have loaned our foreign customers $950,000,000 during the past year and probably extended credit for an additional billion dollars is a complete answer. It is also true that

some foreign populations have been behind in production and have suffered great loss in purchasing power, whereas the regaining of the latter renders it both possible and necessary that they should buy from us at any price for the time being. It is also true that the present gradual recovery of Europe—long delayed by republican obstruction of international, moral, and economic cooperation—will for a short period result in larger trade with this country, thereby obscuring and delaying the appearance of the inherent injuries and unsound effects of the high tariff upon our permanent business and economic conditions.

Foreign countries and peoples to-day owe to America from $20,000,000,000 to $30,000,000,000. They can only pay with gold, goods, or service. We have the major portion of the gold, as we also have our own merchant marine. We increased production during the war period an average of 25 to 33⅓ per cent. We must either maintain and increase that level, finding markets abroad for the surplus, or we may continue a high tariff fence around the Nation and shrink and shrivel to a production volume which will only equal our home consumption demands. We are destined to come to this latter condition under our present high tariff policies. This inevitably means much idle capital, idle labor, and conditions of stagnation in the future. To-day our chief imports are raw materials and foodstuffs we do not produce. Imports of manufactures consist mainly of high-priced articles specially wanted on account of their pattern, design, or foreign make.

A glance at the financial, industrial, and commercial power and resources of America utterly discredits such restricted, provincial, temporary, and suicidal economic policies as the Fordney tariff law embraces. America produces 40 per cent of the world's supply of iron and steel, 25 per cent of the wheat, 40 per cent of the lead, 50 per cent of zinc, 52 per cent of the coal, 60 per cent of the aluminum, 60 per cent of copper, 60 per cent of the cotton, 66 per cent of the oil, 75 per cent of the corn, and more than 85 per cent of the automobiles. We are the chief source of international credit; we have vast and unrivaled systems of mass production; the most modernized machinery, and labor of the highest skill and intelligence in the world. Shall we continue to improve our efficiency in manufacturing and general production, correspondingly lowering our cost levels, and proceed further to develop and expand our domestic and international finance, trade, and commerce in a natural way, or shall we turn away from this inviting picture and tempting opportunity and pursue the shortsighted and disastrous course of curtailing production in all lines to our domestic needs save such excess as may be disposed of by the unthinkable process of dumping? The Fordney-McCumber tariff law is the signboard pointing in this latter direction. The world is still passing through more or less temporary, uncertain, artificial, and abnormal business and economic conditions. It is absurd to attribute the concurrence for the time being of a number of favorable industrial and commercial conditions to the existence of the Fordney tariff law, the authors of which have conceded that its rates were the haphazard product of the purest guesswork by reason of the very temporary and instable conditions already described. America can never long participate profitably in world commerce while her prices and production costs are kept upon a high, artificial level by high tariffs. It is true, such tariffs, as to some industries, will stimulate an unhealthy and inflated development, but such an economic structure would be unsound and destructive of our permanent economic welfare.

The American farmer, for further illustration, has undoubtedly learned his tariff lesson. He now knows that as to his most important products he has never received any tariff advantages, while all the time he has been obliged to pay extortionate tariff prices for what he has had to buy. He now knows that any industry or business in America which produces a substantial surplus which must be sold in world markets can not hope to receive any appreciable tariff benefits; that so-called high protective tariffs have the effect of artificially increasing prices, except as just stated, which is the prime purpose of those demanding the same; that while the high tariff creates artificial temporary prosperity for certain industries, others languish or suffer depression; that the high tariff by preventing other countries from paying for our surplus in part in goods thereby diminishes their purchasing power and lessens their ability to buy our surplus at the attractive prices fixed by the undisturbed law of supply and demand. Our foreign trade is more than $5,000,000,000 less for 1924 than it was in 1920.

The tariff can not be entirely taken out of politics so long as the Republican Party, as at present, is supported, financed, and controlled by the tariff beneficiaries. They furnish the financial aid to maintain every kind of publicity agency through which the people are kept confused and in a state of misunderstanding as to the sound solution of this economic question. The people seemingly can only discover the fallacy and the fraud gradually and by disastrous experience.

UNVEILING OF THE MEMORIAL TABLET TO PRESIDENT WILSON

Mr. OLIVER of Alabama. Mr. Speaker, President Wilson was an elder in the Central Presbyterian Church of Washington and attended services there during his term as President. Memorial exercises for the late President were held at the church, and I ask unanimous consent to extend my remarks by printing the address of Dr. James H. Taylor on that occasion.

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

There was no objection.

Mr. OLIVER. Mr. Speaker, on Sunday, January 25, at the morning service in the Central Presbyterian Church, Washington, D. C., in the presence of a large congregation, including many officials high in the Government service, President Calvin Coolidge unveiled a bronze memorial tablet commemorating the organization of this church by Rev. Dr. A. W. Pitzer in 1868, and the laying of the corner stone on December 19, 1913, of the present building by former President Woodrow Wilson, a member of this congregation. Besides President and Mrs. Coolidge, Mrs. Woodrow Wilson was present, accompanied by members of her family. The pastor, Dr. James H. Taylor, conducted the service, assisted by Dr. Wallace Radcliffe, pastor emeritus of the New York Avenue Presbyterian Church, and by Dr. Parks P. Flournoy.

Doctor Taylor spoke briefly as follows, from the text:

"Except the Lord build the house, they labour in vain that build it." (Psalm cxxvii, 1.)

The place of worship is a place where God is. It may be a very small place, an out of the way place, or an obscure place, but that which makes the place of worship is not the material surroundings but the presence of God. How clearly this fact is disclosed in the Old Testament is seen in the experiences of the people of God in the early days. Noah built for himself an altar (Genesis viii, 20), and there he worshiped God. It was only a pile of stones, but it was a place that signified God's presence. Abraham, on his way from Ur of the Chaldees to Canaan, stopped at Moriah, gathered some stones together, and "there builded he an altar" where he worshiped. (Genesis xii, 7.) So, wherever men happened to be, they might build an altar of stones, and worship God at that place. Jacob, after his dream in which he saw a ladder set up on the earth, the top of it reaching to Heaven, with the angels ascending and descending upon it, said of this place, "Surely the Lord is in this place; and I knew it not. * * * This is none other but the house of God." He set up a stone pillar and called it Bethel, which being translated means the house of God. (Genesis xxviii, 19.) So that there was the first intimation of a permanent place of worship in the location of this stone pillar. Moses, after the battle with the Amalekites, built an altar, and this pile of stones was a place of worship. (Exodus xvii, 15.)

In later years God gave to Moses and his people a tabernacle or tent of meeting, which these wanderers carried with them through the desert. Wherever they stopped to rest, or wherever they camped, they set up the tabernacle as a place of worship, for the presence of God was made evident to them in the tabernacle. Thus the pile of stones as a place of worship is supplanted by the tabernacle.

When the conquest of Canaan was finished, and the Hebrew people had dwelt long in this promised land, King David wished to build a temple, but he was denied that privilege, and his son, Solomon, was permitted to build a great temple of worship (I Kings, chs. 5 and 6). No sound of ax or hammer was heard in the construction of this beautiful temple, and when it was completed the presence of God was made evident to the worshipers, "for the glory of the Lord had filled the house of the Lord." In course of time, when the people of God were carried away captive by the invading hosts, the temple of Solomon was destroyed and the vessels of gold and silver were carried away, and the Ark of the Covenant, the symbol of the religious hope and life of the people, disappeared. During these days of captivity, when they had no temple, the people gathered together in places of worship, and the synagogue came into being. But the day of restoration soon came, when the people, under the providence of God, returned to their land, and the temple was rebuilt, only to be destroyed about 30 years before Christ. Another temple was built which was called the Temple of Herod, but was not finished until about 10 years after the death of Herod, and this temple was destroyed by the Roman Emperor Titus in A. D. 70. Thus, from a pile of stones and a stone pillar and a movable tabernacle the house of God came to be a permanent place of worship. Man can worship God in the simplest surroundings or in the most elaborate building, if God is present. "God is a Spirit, and they that worship Him must worship Him in spirit and in truth."

We record to-day in this service our gratitude for the providence of God in the organization of this church and in the building of this house of worship. The providence of God is evident as we recall the early history of this church, when on May 31, 1868, the Rev. Dr. A. W. Pitzer with a small group of 29 earnest Christians organized the Central Presbyterian Church. Those were troublous times in the National Capital. Doctor Pitzer, himself being a southern man and coming to Washington at this time to organize a church in connection with the Southern Presbyterian Assembly, faced an almost impossible problem. This group of people had no money, no building, and not a foot of ground. With a wonderful faith and with undaunted courage they undertook this work, giving of their time and possessions and relying constantly on prayer; but they were committed to a great idea; their purpose was to build a house of worship to which those might repair who wished to worship God in simplicity. Political preaching and discussions of national problems were not included in the message of the preacher. It was to be a Bible church with a Bible ministry, where all might come to worship, irrespective of political views and affiliations. And so it came to pass that many came to this church to worship who entertained opposite political views and interests, but found in this place the common ground of the worship of God. Many were the sacrifices that these people made in the early days to help to build the house of God. One lady gave a very handsome picture of the Madonna, which was purchased by Mr. Levi P. Morton, afterwards Vice President of the United States. Others gave silver plate to be made into the communion set; jewels of gold and silver were sold and the proceeds given to swell the fund. It was the Bible story over again, the great struggle of a group of faithful people to have their house of worship. In course of time a house of worship was secured in which this congregation worshipped for many years, Doctor Pitzer continuing as the active pastor of this church for 38 years. Upon his resignation in April, 1906, Doctor Pitzer was made pastor emeritus and moved to Salem, Va. It was my privilege to succeed him in the pastorate. We soon discovered that it would be necessary, owing to changing conditions in our city, to remove to a new location. In 1911 we acquired the property at the corner of Fifteenth and Irving Streets NW. In October, 1912, we began work upon our new building on this site.

Meantime, President Woodrow Wilson had come to our church and had written me a letter stating that he and his family would make the Central Presbyterian Church their church home. I immediately told him that we planned to move from the old location and build on the new site. He expressed a very deep interest in this plan, promised his help, and assured us that he would follow us to the new location. On December 19, 1913, President Wilson laid the corner stone of this building in which we now worship. In those days there was a little more of the simplicity of life than there is now, not so many automobiles, and not so many moving-picture cameras around, so that an air of delightful simplicity was evident on that occasion. On the north side of this site were two magnificent pine trees, and on the west side of this site were several beautiful maple trees. An old paling fence ran around this lot, and as we gathered under the shade of these trees on that bright December afternoon, with a great crowd on the inside and outside of the fence, President Wilson laid the corner stone of this house of worship and then made a charming address, which address I have included in the memorial of him given on February 10, 1924. This house of worship was completed in May of 1914, and on Sunday, May 31, 1914, the dedication exercises were held, this date being the forty-sixth anniversary of the organization of the church. A very remarkable thing should be noted, and perhaps there is no parallel in this country where a man in the providence of God organized a church and continued with it for so long a period. Doctor Pitzer was the active pastor of this church for 38 years, and has been pastor emeritus since 1906. He is now living in Salem, Va., and thus for a period of over 57 years has been identified with this church. Since its organization in 1868, this church has had only two pastors, who are both living and identified with this church, and you have to support them both.

There have been some wonderfully interesting occasions in our church. On one of these occasions President Wilson came to a meeting of the Presbytery of Potomac, which was in session in this church, and this visit I have described in the memorial address. Another occasion was during the war period when things were tense, and the air was charged with suspicion. It was immediately after we had declared war.

I had received a great many anonymous letters, and among them was a letter expressing a fear for the safety of the President and telling me that great damage might be done to the church. Many wondered if the President would attend the services on the Sunday morning after the declaration of war, but I was confident that he would be present. I did not communicate to him any information regarding these letters, though I kept in touch constantly with the Department of Justice. It was a very anxious day. President Wilson came to church and occupied his usual pew, as calm and unruffled as a summer sea. One would have thought that there was not a cloud in the sky to have seen him sitting so calmly and quietly on that Sunday morning. But I did that morning what I had never done before in all my ministry. I prayed with my eyes partially open, and during that entire service I never took my eyes off that congregation, which I watched with the utmost care. Ample provision had been made for an increased bodyguard for the President on that day.

Another interesting occasion was the jubilee service in our church in 1918. We were celebrating the fiftieth anniversary of the organization of our church. It was during the war period, and we felt that it was necessary to have our ceremonies as simple as possible. We held a reception, which President and Mrs. Wilson attended. Instead of the usual formalities of an occasion of this sort, the reception developed into one of the most delightful and informal occasions that you could possibly imagine. In the most gracious and cordial manner President and Mrs. Wilson, who remained for a large part of the evening, received and talked with nearly all of the guests and made everyone feel so comfortable and at home in their presence. The President had not agreed to make a speech, but on my earnest solicitation he consented to say a few words to the people. In a few remarks, not over three minutes in length, he stated the aims of the war. These few remarks have remained in my mind as the finest brief statement that was ever given on this subject.

In recalling to your minds the history of this church, I want to impress upon you again the fact of the providence of God. I want you to appreciate the fact that "Except the Lord build the house, they labour in vain that build it," and that we have unmistakable evidence of the providence of God in the life of this church.

We shall now proceed to the unveiling of the tablet.

The President of the United States has graciously consented to be with us this morning and to unveil the tablet commemorating the organization of our church 57 years ago and the laying of the corner stone of this edifice by President Wilson.

As soon as President Coolidge had unveiled the tablet Doctor Taylor offered a prayer, after which the following hymn was sung, which was written by the pastor of this church:

Lead on, Thou God of Hosts, lead on
Thy Church through every age,
That 'gainst the powers of sin and wrong,
With valiant heart and echoing song,
May march a mighty, faithful throng,
Christ's precious heritage.
Thou glorious, mighty King of Kings,
Thou God of Hosts, lead on!

Lead on, Thou God of Hosts, lead on;
The fight is fierce and long.
The field is drenched with martyr's blood,
And thousands lie upon the sod,
With dying eyes upturned to God,
Lips quivering with song.
Thou glorious, mighty King of Kings,
Thou God of Hosts, lead on!

Lead on, Thou God of Hosts, lead on;
Thy banner streams afar.
Across the mountains, on the breeze,
Through pleasant valleys, over seas,
Go tidings of the King of Peace,
His cross the guiding star.
Thou glorious, mighty King of Kings,
Thou God of Hosts, lead on!

Lead on, Thou God of Hosts, lead on
The blood-washed, conquering throng,
Till ransomed by the might of grace
This multitude of every race
Stand in that day before Thy face
And sing redemption's song.
Thou glorious, mighty King of Kings,
Thou God of Hosts, lead on!

The address made by Doctor Taylor at the funeral services of President Wilson, to which reference has heretofore been made, is here set out in full:

A GREAT MAN HAS FALLEN

"Know ye not that there is a prince and a great man fallen this day in Israel?" (II Samuel iii, 38.)

These words describe most appropriately the man in whose honor we hold this service to-day. In a very real sense, and in a most significant way, he was a great man. While we often speak of men as being great, yet in reality there are few men in the life of the world that are really and truly great. In every period of history and in every national crisis great outstanding characters have arisen, but in times like these often one man rises higher than his fellows by

virtue of his intellectual powers, his moral purposes, his spiritual idealism, and his love for humanity. These and many other qualities of mind and heart made Woodrow Wilson truly a great man. He is even now to be linked with those men in the history of the world who are permanently great; such greatness as lies not alone in intellectual achievement, but more particularly in disinterested righteousness and in a vision of service for one's country and for humanity. To be able to assess life in terms of disinterested purpose and lofty idealism is a characteristic of a great man. To be able to see ahead far into the distant future, to be able to visualize the needs and happiness of the people in the coming years, exhibit the power of a prophet, and the vision of a seer. The virtue of the seer lies not so much in the fact that he is able to see what others do not see, but that he is able to see clearly what the great multitude sees only dimly. His great value for men lies in the fact that he has been able to formulate a vision of hope, of joy, and of peace, which he strives to pass to those about him in the forward movement of affairs. Such a man is rare in the world. Now and then he appears, and with undimmed vision and indomitable purpose he strives to lead the way, calling to his fellows to follow in the effort to reach the prize. He strives to impress upon the minds of men that such a vision, while apparently lying now in the realm of idealism, can be attained and become for men a profound and lasting reality. Such a man was Woodrow Wilson. Unquestionably he was a seer, and because he looked so far ahead there was between him and the eager multitude a gap, which time will close up as men shall come to see more clearly the vision of this seer, and realize its splendor and its surpassing value.

He was preeminently a prophet of peace. As the prophet of the olden time stood courageously before his people calling upon them to walk in the road of peace, pleading with them to forget their antagonisms and their petty jealousies, so he called upon men to give themselves to constructive lines of endeavor that should make for the peace of the world. His was eminently a constructive spirit. He believed firmly that men should strive hard and suffer much, if somehow they might introduce into the thought and practice of the world those principles that would make for peace and good will among men. To him no sacrifice was too great, no work too hard, no toil too heavy, if this purpose might be achieved. Thus he gave himself with a marvelous spiritual abandon to this cause. No man could contemplate the peace of the world who did not carry on his heart as a great burden the needs and concerns of all humanity. It is difficult for us to realize how a man could embrace in comprehensive interest the needs of all humanity, and it was only by a complete renunciation of self and a great love for men that he could have espoused this noble cause. Now and then great leaders in the world have arisen who have been impelled by a vision like this, but only on rare occasions has a man in authority and power been willing to give himself to such high emprise. Perhaps no man in history who has occupied a position of such authority and power has been willing, while he was exercising that power, to give himself so unreservedly to the great cause of peace. It was a veritable passion of his soul. It took possession of him and burned like an eternal fire upon the altar, and the fire was kept burning brightly by the devotion and loyalty to this great idea. So powerful did this great passion become in his life that he dedicated himself to it with unswerving fidelity. Anything that would tend to obscure this great idea or hinder this high purpose must be either brushed aside or endured, for the end in view was worth in his estimate all that it might cost in sacrifice and toil. When there shall have passed away all the rancor and bitterness of the times in which he lived, men will come to realize more and more that there was in their very midst a great prophet, whose interest and energy, whose great intellectual achievements and moral purposes, were dedicated without reserve to the peace of the world. His monument will be more enduring than brass, for it will be the memory of a great unselfish service, enshrined in the hearts of his countrymen.

Because he gave himself to this great purpose of life, he became the champion of the weak and the oppressed. Among the small nations and little peoples of the world there are inchoate ideas and unexpressed yearnings for freedom and independence and for the attainment of national aspirations. For centuries these beliefs and yearnings had been suppressed by the superior forces of other nations that exercised sovereignty or protectorates over these small nations. No man in the world had appeared who would champion the cause of these little peoples against their masters; but no sooner did the opportunity offer during the Great War than this man of great soul and spirit immediately espoused their cause. He became the champion of little peoples and weak nations. He recognized that to them also belonged the inalienable right to life, liberty, and the pursuit of happiness; and with intellectual power and moral enthusiasm he plunged into this fight. He gave form and voice to the inchoate ideas and yearnings of these little peoples. They recognized at once that a great champion had arisen for their cause. They realized that a man had appeared in the world, the like of whom they had not seen, who was their friend. This service alone, in espousing the cause of oppressed peoples, sets him apart as a great lover of humanity.

Woodrow Wilson possessed an intellect of prodigious power. All will concede the fact that his intellectual powers qualify him to be placed among the great minds of history. His mind was remarkable for its logical precision, for the power of keen and deep analysis, for clarity of thinking, and for ability to express great ideas in simple language. No man of a century has surpassed him, and few have equaled him, in his use of the English tongue. His language was a model to be followed, and wherever the English language is spoken or read he will be recognized as a master of it. He had the power of great concentration and would listen attentively to any matter submitted to him. When the subject matter was fully presented he would then proceed to analyze it and always came to the heart of the proposition at once. I recall during the war period a conference that we had together concerning a matter of importance and interest. He listened most attentively, never taking his eyes from me until I had completed my statement. He seemed to have analyzed the whole matter, and then began to express himself, taking the subject apart with amazing skill and with wonderful clearness. I came away from that conference freshly impressed with the marvel of his intellectual keenness and insight. And yet withal he possessed a rare sense of humor. He had the art of being able to produce on the spot stories that were unusually applicable to the matter under discussion. I recall on another occasion that a brother minister and myself were invited to lunch with him, on a Sunday after the morning service. It was very informal, as we went to the White House with him after the service was over. It was before we had entered into the war, and the proclamation of neutrality had been made. We were, many of us, very careful in our public utterances. I was telling him about a brother minister who offered a prayer in a service, giving the Lord the most recent information about the progress of the war. He then told the following appropriate story that his father had told him. A Scotch Presbyterian minister on one occasion was giving the Lord a great deal of information in a prayer, and realizing that the time was too short to give all the information he desired, he closed the prayer with the comprehensive statement, "as Thou knowest, O Lord, was published last month fully in the Edinburgh Review." He was very sensitive to good humor, and often gave fine illustrations of it. His estimate of humor is well stated in one of his essays, in which he says: "Wit does not make a subject light; it simply beats it into shape to be handled readily * * * For light on a dark subject, commend me to a ray of wit."

He was very human in his relationships and had that wonderful gift of great men, in that he was able to make you feel comfortable in his presence. He would often talk about many matters of great interest and concern with perfect freedom. You felt as if you had been suddenly lifted to a position of importance by being treated with such unusual confidence. It was delightful to sit and hear him talk, especially on some subject of mutual interest. As he would open up the subject he would illuminate it with many appropriate quotations and with fascinating stories. In it all there was the charm of the mastery of language which made listening to him a great delight. An example of this human feeling is illustrated in his deep concern for the soldier boys. When warned about undertaking the tour in behalf of the League of Nations, he replied in effect that if the boys could risk their lives in the trenches or go over the top, so he, too, should not hesitate to risk anything for the great cause. One soldier boy sent him a khaki-bound copy of the New Testament such as the doughboys carried into the trenches with them, asking him to read it every day. He kept this agreement, never failing to read this khaki-bound Testament, and no matter how hard he had worked during the day, or how late the hour at night, he read that Testament and kept faith with the boys. There are numerous instances of this tender appreciation of friendship and examples of sincere regard.

Woodrow Wilson's leadership during the war is known to all. History will give him due praise and assign to him in course of time the high station which he deserves. It was an illustration of his ability to see far ahead that he did not rush this Nation into the war before we were ready. As we look back upon this fact we shall become increasingly aware that he could not have taken this Nation as a whole unitedly into the war before he did. Many thought that he should have rushed into the strife, but he realized fully that war meant the sacrifice of our youth, and it was only when the Nation was ready as a whole and the spirit of the Nation was clear that he courageously led us into the struggle. During this war period he gave to the world a new conception of America. The nations of the Old World could not conceive of another nation coming into the war without the purpose of acquiring territory or additional power. He proclaimed to the world the great altruistic purpose of our country. So well and constantly did he affirm this fact that slowly the nations rubbed their eyes and began to see that this fact was true. It was a new fact in the history of nations. No nation in the history of the world had ever taken such a position honestly and lived up to it. He demonstrated to the world the unusual character of our part in

the Great War and has put international relationships on a higher moral plane. He showed to the world not only the generosity and unselfishness of this land but demonstrated that without the expectation of national gain we could express our invincible spirit and our indomitable will and our abounding generosity in the prosecution of the war. His patriotism was fervent and glowing. He loved his country passionately. He believed in the country and in its destiny. He visualized for himself what this country might mean to the world, and thus his patriotism was a consuming fire in his life.

Woodrow Wilson was great in his moral and spiritual idealism. One of the defects of many great leaders has been the fact that while they have had unusual power and vision and force, they have not had any moral idealism. The world does not often understand a moral and spiritual idealist, because the world is always estimating values in terms of what is tangible and what is mercenary. It lives too constantly in the realm of material interests and selfish purposes and can not understand that any impelling motive could arise outside of these things. It was because he was a prophet and a seer; because he was in the most striking sense a forward-looking man, that his moral idealism became a dominant and impelling force in his life. He craved for his country the moral leadership of the world, for he knew that moral leadership could belong only to that nation that had no designs upon the territory of other peoples. Only that nation that can be trusted by small nations; only that nation that can show a loyal disinterested spirit, can become a moral leader in the life of the world. He realized that spiritual idealism was a constituent element in this great aim, and he visualized this Nation standing as the moral leader among the nations. Such a vision was the vision of the prophet, and such a purpose was the high endeavor of one who counted himself but loss for the accomplishment of this high end. Those ideals which when translated into thought and conduct have always made for the progress of righteousness and peace, he sought to translate into life. In a very real sense he was a great constructive leader. These ideals and purposes were to be the fabric of a structure which when complete would represent particularly the life, the leadership, the spirit and purpose of our country.

He possessed an invincible spirit that did not know the meaning of either retreat or surrender. To him such an idea as surrender was inconceivable when once he believed that he was right. This was because of the intensity of his convictions with regard to what was right. He came to his conclusions through a logical process, weighing things impartially on both sides, so that when the decision was arrived at it seemed to be final. His convictions therefore were very deep rooted, and the thing about the conviction that was characteristic was the idea of right. The question was not, was the matter expedient, but was it right? The factor of expediency could not possibly enter into such a logical process. It was ruled out because it could have no standing in such a method. It was therefore natural that, believing in the right and justice of a decision, he should be loyal to the decision at all costs. Thus he maintained that invincible spirit which recognized no defeat and knew no surrender. This invincible spirit remained regnant to the very end of his life.

His religious convictions were very clear and strong. He believed intensely in the spirituality of religion. I recall that he said to me once in effect: If you deprive Christianity of its spirituality you have taken out its heart. He was deeply reverential in his worship, desiring always that he might occupy his place in this church in a simple, unostentatious manner. He came to the services regularly and enjoyed the fact that he was permitted to worship quietly and without display. He gave the most careful attention to the reading of the Scripture and to the preaching of the sermon. In fact, it was often quite disconcerting to a visiting minister to discover suddenly that the sermon was being listened to with such concentrated attention. He always joined in the singing of the hymns, and would often step out of his pew to give a hymn book to some one who may have come in late. He himself was always punctual. His punctuality was an example to this entire congregation. During the period of the war when our city was crowded and our churches taxed beyond their capacity he insisted that his pew should be divided with the soldier boys, and often soldiers, sailors, and marines were seated next to the Commander in Chief of the Army and Navy. These glimpses of the character of this great man let us in to a better understanding of his deep reverence for religion. He was interested in the work and progress of the church, and on one occasion came to a meeting of our Presbytery, spending the entire evening at the meeting, and making a most interesting and effective address. He took time from the arduous duties that were resting upon him at that time to come to this meeting of the Presbytery in order that he might emphasize by his presence his interest in the welfare of the church.

He was by training and profession a Presbyterian, the son of a noted Presbyterian minister, and loved the history and traditions of our church. He was Presbyterian in spirit, and liked simplicity of worship, believing it was possible for all men to approach God in a very simple way. He was regular in his attendance upon the services of the church. He went to church to worship, not merely to observe a custom, but to find comfort and strength for his spiritual life. He was in every sense of the word a Christian gentleman. He was an elder in the Presbyterian Church, and recognized that office as one of dignity and honor. In the meeting of the presbytery in this church just referred to, in making his address he announced that he came to the service not as the President of the United States, but as a member of the Presbyterian Church. He was very devotional and reverential in his worship, and seemed to enjoy greatly taking part in the singing of the hymns. He was interested in the progress of religion, and whatever tended to promote righteousness and faith secured his loyal support. His spirit was broad and liberal. His deep convictions, his liberal spirit, and his great reverence are signal marks of his religious interest. A fine illustration of this religious interest and devotion is found in the address that he made at the laying of the cornerstone of this church on December 19, 1913. The address is as follows:

> "I can not let this occasion pass without at least expressing, in the first place, my personal pleasure that it has been my privilege to join this congregation and to share with them the satisfaction of seeing their hopes with regard to owning a new place of worship finally realized.
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> "Perhaps I may also express what I am sure is in your minds with regard to the significance of this occasion. We are here doing something more than laying the foundation of a place of worship, because, while a church is intended as a place of worship, and does serve as the rallying place or central home of a congregation of fellow worshippers, it seems to me to stand for something more than that.
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> "In the Old Testament scripture (Psalm 84), which was read to you to-day, there are two beautiful expressions. One speaks of the spirit of man as the place where there is the highway to Zion, along which the spirit itself moves from strength to strength. A place of worship is, in my mind, a place of individual vision and renewal. I do not see how any thoughtful man can be conscious that he sits in the presence of God without becoming aware not only of his relationship to God, as far as he can in this life conceive it, but also of his relationship to his fellow men. How a man can harden his heart in the exclusiveness of selfishness while he sits in a place where God is in any degree revealed to him I can not understand.
>
> "I believe that every place of worship is sanctified by the repeated self-discovery which comes to the human spirit. As congregations sit under the word of God and utter the praise of God there must come to them visions of beauty not elsewhere disclosed. Even the family is too little a circle. The congregation is a sample of the community. There is revealed to the man there what it is his duty to be and to do.
>
> "Therefore I, in looking forward to the privilege of worshiping in this place, shall look forward with the hope that there may be revealed to me, as to you, fresh comprehension of duty and of privilege."

His letters are often indicative of his appreciation of little things as well as big things. He was very thoughtful in many unexpected ways, and his last letter to me, received on January 3 last, just a month prior to his departure, contains a message of appreciation and thanks to the members of this church for a New Year's greeting. He says in this letter: "I am indeed proud to have won their friendship and approval. Please express to them when you have an opportunity my grateful appreciation." Many of the recent letters which I have received are expressive of his appreciation of interest in him during his illness. One can not read these letters to his friends, such as the letters that he has written me, without realizing the fact that a great man is not only concerned with the great ideas of life, but that he is also interested in and appreciative of the small things that happen every day.

It was his devotion to the great ideal of peace to which he had already dedicated his life that had much to do with his final illness and death. He had dedicated himself to a great cause, and was willing to pay the price with his life if only the end might be achieved. There arose a great protest against this purpose on all sides, and from every quarter came the storm of criticism and the tempest of abuse. As a great Britisher has recently said, perhaps no man in history has ever been so maligned and abused. These things cut deep into his soul, but could not force that invincible spirit to surrender the vision. There is something wonderfully triumphant about his departure, for in it all, apart from the tragic illness, he passes out leaving behind the most remarkable contribution to the peace of the world that the world has had since the first century of the Christian era. While he himself is gone, his spirit and his great ideals remain. Violence, criticism, and abuse will not destroy them. They are engraved deeply upon the hearts of men. In the heart of the soldier and the sailor who took part in the great strife; in the hearts of those whose homes were made desolate by the war; in the heart of the oppressed peasant, and in the heart of the toiler; in the hearts of those who cherish the vision of peace and good will to men, as well as in the hearts of many

great leaders in the world to-day, these ideals have been planted, and will never die. They will live even after those who do not accept them now will have passed into obscurity. Through the spirit of Woodrow Wilson, America will continue to make great contributions to the moral and spiritual decisions of the world. America will contribute the great idea of peaceful arbitration for the settlement of disputes instead of the arbitrament of war.

He has paid the price of greatness by his devotion and loyalty to the vision of peace, but this great sacrifice will not be in vain. The generations that are to come will rise up and call him blessed. Even now in his death he looms so great that, looking at him, thinking of his masterful intellect, his impelling idealism, and his sacrificial devotion, we say to ourselves, "We shall not look upon his like again." The coming years will bring this greatness out with finer definition, and the perspective that the later years contribute will only tend to make this greatness more apparent, this devotion more inspiring, and this spiritual idealism more impelling. As the years go by, men shall appraise him higher. They shall see his great work detached from the noise and tumult of partisan strife. They will realize more and more the genuineness and sincerity of the purpose of his life. His vision of peace for the world will become clearer and clearer, and men will catch something of its surpassing splendor. Men everywhere will realize the greatness of his spirit; they will learn more and more of his love for humanity; and more and more in the coming generations these ideals and these purposes, these hopes and these desires, will become realities. Posterity will fix a just and due appraisal of the life and service of this great man.

His splendid resignation and undaunted faith in his last days are inspiring. He realized that the time of his departure was at hand. But even before this time he wrote a letter to me in June, 1923, in which he sounded a lofty note of faith and compelling trust in God. He said: "I sometimes get discouraged at the exceedingly slow progress of my recovery, but I am ashamed of myself when I do, because God has been so manifestly merciful to me, I ought to feel much profound gratitude. I believe that it will all turn out well, and that, whether well or ill, it will turn out right." When the end was very near at hand he said to his faithful friend and physician, "I am a broken piece of machinery. I am ready." He bore his illness with supreme fortitude and glowing faith. He is saying to us as another heroic martyr to a great cause said: "I have fought a good fight, I have finished my course, I have kept the faith."

"Servant of God, well done, well hast thou fought
The better fight, who single hast maintained
Against revolted multitudes the cause
Of truth, in word mightier than they in arms;
And for the testimony of truth hast borne
Universal reproach, far worse to bear
Than violence; for this was all they care
To stand approv'd in sight of God."

—Paradise Lost, VI, 29–36.

We can say of him in all due reverence that God sent a man into the world; a man of great spirit and purpose; a man of great intellectual power, and moral idealism; a man who was a seer and a prophet of peace; to be a leader of his people and a friend to the world, whose name is Woodrow Wilson.

THE HULL AMENDMENT TO THE INDEPENDENT OFFICES APPROPRIATION BILL

Mr. BLACK of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Hull amendment to the independent offices appropriation bill.

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

There was no objection.

Mr. BLACK of New York. Mr. Speaker, it is quite evident from the hearings before the Appropriations Committee and the select committee investigating the Shipping Board that unless Congress compels the board to let the navy yards work on the ships of the merchant marine that private shipyards will get practically all of the work.

This amendment is a working measure of economy, forcing the Shipping Board to apportion the work between the navy yards and the private yards. Both need work and it is only just that both should get it. There is little real naval work going on, and the navy yard should get at least some of the work on commercial vessels owned by the United States.

The Navy can live up to its obligations in this respect. Take, for instance, the recent history of the Brooklyn Navy Yard in this connection. The best evidence of the fitness of the navy yard in this field is to be found in the following letter from Gibbs Bros. (Inc.), to Rear Admiral C. P. Plunkett, United States Navy:

GIBBS BROTHERS, INCORPORATED,
New York, March 27, 1924.

Rear Admiral C. P. PLUNKETT,
United States Navy Commandant,
United States Navy Yard, Brooklyn, N. Y.

Subject: Reconditioning Hog Island Type-B Army Transport, steamship *American Merchant.*

DEAR ADMIRAL PLUNKETT: We desire to express to you, on behalf of our organization and ourselves, our appreciation and thanks for the cooperation and courtesy which you have shown us in connection with the recent reconditioning of the steamship *American Merchant.*

So far as we have heard, since leaving the yard, the vessel has performed most satisfactorily and we believe that the material and workmanship supplied by the yard is excellent and should insure the operation of the equipment installed in a most satisfactory manner.

Our work with the navy yard has been a pleasure on account of the evident desire of everybody to facilitate matters in every possible way, and we feel that it is altogether fitting and proper that we should express our appreciation to you, and request that you convey our thought on this subject to your associates, particularly Captain Butler, Captain Wright, Commander Joyce, Lieutenant Commander Irish, Lieutenant Maynard, Lieutenant Marron, Lieutenant Kell and Messrs. O'Brien and Murphy.

Sincerely yours,

WILLIAM FRANCIS GIBBS, *President.*

An extract from the testimony of Admiral Plunkett before the select committee is enlightening:

Mr. DAVIS. Is your yard capable of doing absolutely first-class work?

Admiral PLUNKETT. So capable, in fact, that when we had to replace the backing turbines in the *Leviathan* we were the only yard on the coast they would let tackle it.

Mr. DAVIS. Are you qualified to do repairing and reconditioning work as economically for the work done as any other yard?

Admiral PLUNKETT. I do not think there is any yard that can do it any cheaper or any better.

Mr. DAVIS. And so, whatever it costs, it represents first-class work and material at just what it costs you. Is that correct?

Admiral PLUNKETT. Absolutely. There is no other charge. The *American Merchant* presents the first direct specific instance known where it is possible to make a complete comparison between the cost of work performed at a commercial yard and at a navy yard on identical ships, covered by identical specifications, and inspected by the same inspectors.

Eleven outside firms submitted bids for the work upon the *American Merchant.* The average time asked by them was 117 days. The average amount of money asked by them was $529,365. The New York Navy Yard actually did this work in 97 days, at a cost of $481,000. This resulted in a saving of 20 days' time and $48,365 over the average of what was bid by the 11 outside companies. The fact that the bid at the New York Navy Yard was $91,000 too low does not alter the above statement of fact. The actual cost of the work at the New York yard represents a saving of time and money over the average bid of the 11 outside companies.

As to the *America*, Admiral Plunkett's testimony before the select committee clearly shows that his yard saved the Government at least $20,000.

The navy yards, as part of our system of national defense, must be maintained. The Disarmament Conference has cut down their opportunities for subsistence. The Government has gone into the shipping business via the Shipping Board and if it is going to compete with foreign merchant marines it must keep down its costs. The navy yards can help in this—by doing some of the repair work and through the competition of the Navy, forcing the private yards to make reasonable bids.

The cost of battleship construction in private ship yards dropped when the New York Yard and the Mare Island Yard started to build naval vessels. The price of powder for the Navy and Army dropped from about 80 cents to 53 cents when the Government powder factories were established. The price of armor plate dropped from about $400 per ton, the last price paid, to a prospective price of $247 per ton when the naval armor plate plant was established at Charleston, W. Va.

The Shipping Board is not inclined to call on the navy yards unless Congress forces it—and the Hull amendment to the independent offices appropriation bill is the legislative instrument to force the Shipping Board to give the Navy a chance.

LEGISLATIVE APPROPRIATION BILL

Mr. DICKINSON of Iowa. 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. 12101, the legislative appropriation bill, and pending that motion I would like to ask the gentleman from Colo-

rado [Mr. TAYLOR] if we can agree upon time for general debate.

Mr. TAYLOR of Colorado. I have had very few requests on this side.

Mr. DICKINSON of Iowa. Will two hours, one hour on a side, be agreeable?

Mr. TAYLOR of Colorado. That will be satisfactory.

Mr. DICKINSON of Iowa. Mr. Speaker, I ask unanimous consent that the time for general debate be limited to two hours, one hour to be controlled by the gentleman from Colorado [Mr. TAYLOR] and the other hour myself.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the legislative appropriation bill, and pending that asks unanimous consent that the time for general debate be limited to two hours, one hour to be controlled by himself, and the other by the gentleman from Colorado [Mr. TAYLOR]. Is there objection?

There was no objection.

The motion of Mr. DICKINSON of Iowa was then agreed to.

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

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 12101) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1926, and for other purposes.

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

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

There was no objection.

Mr. DICKINSON of Iowa. Mr. Chairman, as this bill will not be read under the five-minute rule until the middle of next week, I am going to withhold my statement until the next time the bill is taken up. I yield 10 minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Chairman, the Detroit Free Press is one of the great newspapers of the country. It is the only morning daily in the city of Detroit, the fourth city in the Union, the only morning daily in that great industrial center. It was never an advocate of the adoption of prohibition; but, since it became the law of the land, the Free Press has been an outstanding, sensible, practical advocate of law enforcement. I ask unanimous consent that the Clerk may read in my time this editorial from the Detroit Free Press, under date of February 4, 1925, which is a significant utterance on a very timely topic.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

ARE THEIR HANDS CLEAN

These words are attributed to William H. Stayton, head of the Association Against the Prohibition Amendment, "If the Members of Congress were compelled to abstain from intoxicants for one week, the eighteenth amendment would be repealed at the week's end."

It is difficult to believe that Mr. Stayton is quoted with accuracy because he certainly knows as well as the remainder of the public does that the Members of Congress have no power to repeal the eighteenth amendment. Their authority extends no further than control over the permanence of the enforcement act. We assume that the gentleman meant to refer to the Volstead law when he spoke.

Even so, his remark is the reverse of impressive. The context indicates an assumption that the so-called "dry" Members of Congress are practically all hypocrites who take their swigs on the quiet as they are able to get them. This charge has been made frequently. It may have some foundation in fact. But it never has been proven by production of the names of the individual culprits. If Mr. Stayton really knows what he is talking about, he ought to back up his assertion with something definite in the way of detailed evidence. Otherwise he might better keep still.

Also, even assuming that the inferential statement about the dampness of Members of Congress is accurate, the assertion that enforcement of the dry law against them would bring about a repeal in a week is absurd. Mr. Stayton is crediting the average Congressman with much less political caution, and with much more nerve, than most of the breed possess. Whatever may be the extent of the discontent with the Volstead Act, it would be suicide for the majority of the Members of the National Legislature to wipe it off the books in any rough and ready way, and they know it.

Though the report does not indicate that he said so, the tenor of Mr. Stayton's remarks carries an inference that he thinks the Senators and Congressmen are under some special obligation to observe the dry law because they enacted it. There is a general sense in which this is true. A law-making body which does not honor its own enactments is a very poor example to the country. But in putting forth any such argument Mr. Stayton throws a boomerang which flies back at his own organization. If the Volstead Act was passed by Congress, the eighteenth amendment, which made the passing of a dry law mandatory, was passed by the Nation of which the members of the Association Against the Prohibition Amendment are members. They are a part of the body which enacted that provision of the fundamental law, and so they are under especial obligation to honor it as an example to others just as much as the Members of Congress are. Do Mr. Stayton's members obey the dry laws? If they do not, it is his business to preach to them and see that they do, before he turns his attention to other sinners.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman and gentlemen of the House, interest is one of the heaviest loads the American farmer has to carry. Agriculture is therefore vitally interested in low interest rates. The higher the interest rate the more farm commodities required to meet the interest payments. The lower the interest rate the fewer farm commodities required for this purpose.

According to a bulletin issued by the Census Bureau, the total amount of farm mortgages in the United States on January 1, 1920, was $7,857,700,000. Accurate statistics are not available showing the increase in the farm-mortgage indebtedness between January 1, 1920, and January 1, 1925, but it will not be disputed that the mortgage indebtedness of the American farmers increased very rapidly during that period, and on January 1, 1925, the total farm-mortgage indebtedness in the United States was approximately $9,000,000,000. In addition to the farm-mortgage indebtedness the personal obligations of the farmers of the United States on January 1, 1925, was probably not less than $5,000,000,000, making the total indebtedness of the American farmers approximately $14,000,000,000.

The importance of a reduced interest rate on farm loans will be appreciated when we consider the farm-mortgage indebtedness on January 1, 1920, in the 15 leading agricultural States, which was as follows:

Iowa	$1,098,970,000
Illinois	502,860,000
Minnesota	455,540,000
Wisconsin	455,470,000
California	425,460,000
Nebraska	416,860,000
Texas	396,670,000
Missouri	385,790,000
Kansas	295,870,000
South Dakota	278,880,000
North Dakota	267,780,000
New York	224,060,000
Michigan	215,740,000
Ohio	210,760,000
Indiana	206,600,000

Of course, in the last five years there has been a substantial increase in the farm-mortgage indebtedness in all the States. I have heretofore called your attention to the fact that the total indebtedness of the American farms is approximately $14,000,000,000. Now, a reduction of 1 per cent in the average interest rate will mean a saving to the American farmer of $140,000,000 annually. A reduction of 2 per cent would result in a saving of $280,000,000 annually.

According to reliable authorities, the average interest rate on the mortgages and other indebtedness of the American farmers was about 6½ per cent per annum, or approximately $900,000,000. Approximately $942,000,000 of these farm mortgages were held by the 12 Federal land banks and approximately $454,000,000 worth of these mortgages were held by the 66 joint-stock land banks, making an aggregate farm-mortgage indebtedness of $1,396,000,000 due from the American farmers to the Federal land banks and the joint-stock land banks. That is, about one-sixth in amount of the total farm-mortgage indebtedness of the United States is held by these two agencies created by the Government to finance farm loans, namely, the Federal land banks and the joint-stock land banks. But when the personal obligations of the farmers are added to their mortgage indebtedness, the loans carried by the Federal land banks and the joint-stock land banks aggregate less than one-tenth of the total indebtedness of the agricultural classes.

The average interest rate charged by the Federal land banks and the joint-stock land banks is, of course, less than the aver-

age rate charged by private persons and corporate companies, still only a small proportion of the farmers' indebtedness is carried by these two governmental agencies. Moreover, I believe that the rates charged by the Federal land banks and the joint-stock land banks are unreasonably high and should be reduced. The loans made by the Federal land banks and the joint-stock land banks have a preferential status and are tax exempt, and the bonds issued on these loans are not taxable and furnish a desirable and profitable investment for those who desire to place their surplus capital in interest-bearing obligations.

The net return to the purchaser on these Federal land-bank and joint-stock land-bank bonds is more than the income from standard stocks and bonds which are taxable. Obviously, there is too little difference between the interest rates on ordinary farm loans by individuals and corporate companies and the interest rate charged by Federal land banks and joint-stock land banks. I maintain that we are rapidly approaching a time when Federal land-bank bonds can be readily sold on the basis of an income to the purchaser of 3½ or 4 per cent, and when joint-stock land-bank bonds can be marketed at from 4 to 4½ per cent. These rates, I believe, will give the Federal land banks and the joint-stock land banks a fair profit, in view of the fact that these organizations, especially Federal land banks, are created primarily not for profit but to furnish the farmers the lowest possible interest rates consistent with safety. Of course, I understand the element of profit is a factor in the organization and operation of joint-stock land banks.

According to the annual report of the Secretary of the Treasury, during the fiscal year ending June 30, 1924, Federal land banks closed 52,446 loans, amounting to $187,969,194. During that period the earnings amounted to $8,405,949, of which sum $1,877,400 was added to the reserve, leaving the net earnings $6,528,549. This was 4 per cent on the $47,289,522 capital stock of the 12 Federal land banks. When we consider that this was a profit over and above the saving accruing to borrowers, it is evident that the returns were quite satisfactory.

The condition of the bond market for a part of the fiscal year ending June 30, 1924, was unfavorable. This necessitated an increase of the interest rate of Federal land bank bonds to 4¾ per cent in order to market these bonds, but this condition was temporary, and, except in emergencies, we may confidently expect a demand for all Federal land bank bonds at a lower rate than now prevails.

The combined capital of the 12 Federal land banks on June 30, 1924, was $47,289,522. Practically all of the original capital stock was subscribed by the Government, which stock, under the law, had to be retired out of the proceeds of stock subscriptions by national farm-loan associations. On June 30, 1924, the national farm-loan associations owned $44,995,997 worth of the capital stock of the 12 Federal land banks and the amount of the capital stock held by the Government had been reduced to $1,985,500. It may be of interest to add that in 5 of the 12 Federal land banks all Government capital has been retired.

On June 30, 1924, 66 joint-stock land banks were doing business, operating in all the States except the New England States, Delaware, Florida, New Mexico, and Montana. The earnings of these 66 joint-stock land banks for the last fiscal year, after setting aside a reserve as required by law, was $2,730,013. During that year these joint-stock land banks made 13,221 loans, aggregating $85,756,833. Thus it will be seen that these joint-stock land banks earned in excess of 3 per cent net on the amount of money loaned after setting aside the legal reserve. And this was accomplished notwithstanding the unfavorable economic condition in the United States during the fiscal year ending June 30, 1924. The Secretary of the Treasury in his annual report said:

> At present the bond market is very satisfactory and there is no reason to anticipate any handicap in this respect during the coming fiscal year.

In view of the fact that the bond market is exceedingly good, there is no convincing reason why the interest rate on Federal land bank and joint-stock land bank bonds should not be reduced. All issues of Government bonds drawing 3½, 4, and 4½ per cent interest are in demand and now selling above par. With this favorable bond market, the Federal land bank and joint-stock land bank tax exempt 3½ or 4 per cent bonds ought to find a ready market which would make the rate to the borrower 4½ or 5 per cent. If our supply of surplus cash was not being constantly invested in foreign securities, I believe it would be possible for Federal land banks and joint-stock land banks to function efficiently and profitably on a rate of not exceeding 4½ or 5 per cent to the borrower. Nontaxable Federal land bank 3½ per cent or 4 per cent bonds based on conservative farm loans in stable communities in favored territory, of not exceeding 50 per cent of the actual present value of the lands, should furnish a very desirable investment, and it is not unreasonable to expect a sufficient demand to absorb the supply of such securities when money is plentiful and not being diverted overseas and invested in foreign stocks and bonds.

In this connection I desire to call attention to what I consider is very largely responsible for the high interest rates the farmer is compelled to pay on his farm mortgages and other obligations. In 1924, the American banks, trust companies, and capitalists loaned abroad approximately $1,000,000,000, or to be exact, $1,209,000,000. Of this amount $235,988,500 represented refunding operations, leaving the net amount loaned abroad in 1924, $973,011,500.

Last year we made new foreign loans, as follows:

Canada	$180,540,000
Europe	520,650,000
Asia	121,011,500
South America	150,810,000
Total loans abroad	973,011,500

To this sum should be added the short-term loans maturing in less than one year; also loans made to industrial and commercial concerns and which were not offered for sale to the public.

Now, if this money, approximately $1,000,000,000, or the major portion of it, had remained in the United States and been available for productive purposes, and for farm, commercial, and industrial loans, it would have materially reduced domestic interest rates and tremendously stimulated our productive capacities. In the last six years, 1919 to 1924, inclusive, approximately $4,000,000,000 of American money has been loaned abroad, or an average of nearly $700,000,000 annually for the last six years. I am convinced that this is too large an annual investment of American money in foreign securities, until there has been a financial and economic rehabilitation of American agriculture and all other gainful occupations.

In emphasizing the importance to the farmer of low interest rates I do not wish to be understood as contending that better credit facilities and low interest rates will relieve the agricultural classes of the economic handicap under which they have labored so long. Liberal credit facilities and low interest rates will materially improve but not entirely remedy the farmers' economic ills. For years the farmers have not been able to sell their commodities at a price that returned to them the cost of production much less afford a profit. Until this condition can be remedied no permanent relief for the farmer is possible. Until he can sell his commodities at prices that afford a fair profit over and above the cost of production, the farmer can not emerge from the slough of financial despondency. Until there is a radical reduction in the amazing spread between the price the farmer gets for his products and the price he pays for his supplies, agriculture will continue to be an unprofitable occupation.

Inasmuch as practically all other vocations have been reconstructed and rehabilitated and placed on a sound financial and economic basis, is not the rehabilitation of agriculture the outstanding and paramount issue, and should not the solution of this problem command the immediate attention and undivided energies of Congress and the national administration? I think so. [Applause.]

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

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. STENGLE].

Mr. STENGLE. Mr. Chairman, I have no intention of making a speech of any kind, but rather rise to serve a sort of notice upon the committee, a friendly notice, that at the proper time I shall offer an amendment to this bill in an endeavor to give the guards at the Library of Congress a little better chance to live. The guards in the Library of Congress are at present and for some time past have been the recipients of the munificent salary of $95 a month, from which they have had to buy their own uniforms. Last year I made an earnest endeavor to get them paid a living wage. For some reason or other I was not able to accomplish it. In reading the hearings this year I find that in addition to myself and others who are anxious to give a living wage to these men, the librarian himself was anxious to give them an increase of $60 a year at least, but owing to the allocation under the classification system the law of averages prevented the committee from granting an increase of $60.

There is nothing that I can see in the classification law, however, that will prevent this House from helping those men buy their uniforms, at least, and thus relieve them of paying out

$60 annually from their meager salary of $95 a month. I believe it is a disgrace to Congress—it is a disgrace especially to this House, where revenues originate—that we should expect any man to live in this expensive city for $95 a month, especially in this case when we think of the care and the responsibility and demands for courtesy that are required of them—demands for loyalty in the Library of Congress, where they are meeting annually hundreds of thousands of citizens, and doing the greater work of protecting millions of dollars worth of valuable property. I want at this time merely to say to the committee that I hope they will grant a friendly ear when I offer the amendment. I do not want to take any snap judgment, because the matter is just, the matter is right, the matter is fair, and we should meet it as we ought to and help these poor fellows. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Chairman and gentlemen of the committee, next Tuesday I understand that the bill H. R. 11796 will be before the House on a motion to suspend the rules. It is known as the deportation bill. The report made by the committee, joined in by all except two members, is illuminating and bears the name of the chairman, but he was assisted in it by the expert on the committee and the members of the committee, and to the end that this matter might be before the Members of the House I ask that I may revise and extend my remarks by inserting the bill, together with the report, in order that it may be fully presented Tuesday when it comes before the House.

The CHAIRMAN. Does the gentleman from California make that unanimous-consent request now?

Mr. RAKER. I make it now.

The CHAIRMAN. The gentleman from California makes the unanimous-consent request that he may have printed in the RECORD the deportation bill and the report on the same. Is there objection?

Mr. LONGWORTH. Mr. Chairman, reserving the right to object, what is the object?

Mr. RAKER. The object is to get the views of the committee, in which all Members on both sides except two have unanimously joined, before the House, as we have been advised that this bill will come up on Tuesday under a motion to suspend the rules, and we want the Members of the House advised in regard to the bill.

Mr. LONGWORTH. The gentleman for the present is further advised in that matter than I am, and for the present I object.

The CHAIRMAN. The Gentleman from Ohio objects.

Mr. RAKER. Of course, some people—this doesn't apply to anybody present in the House—do not desire all the light on subjects that they might get, but I am not going to blame them. This bill provides for amendments to sections 18, 19, and 20 of the immigration act of February 5, 1917, providing a method of procedure and deportation which is so that it can be handled and carried out, and then provides in section 19 those who shall be deported in clear and concise language. Subdivision 1:

> Any alien who at the time of entry was a member of one or more of the classes excluded by law from admission to the United States.

That covers those included in section 3 of the immigration act of 1917, with the amendments which were passed during the war.

Mr. LAGUARDIA. What is the period of limitation?

Mr. RAKER. There is no period of limitation in the present bill. In other words, where a man does not belong in this country and is violating the law there is no statute of repose or statute of limitation. It has been demonstrated that so far as these cases are concerned there ought not to be any limitation. They ought to be deported as long as they are aliens, because they can become naturalized in five years and become American citizens, and in the case of a man who simply stays here without any desire to assume the burdens and accept the responsibilities and get the benefits of this Government and is not of such a character that he should be here, there should be no statute of limitation in his favor.

> (2) An alien who enters the United States at any time or place other than as designated by immigration officials, or who eluded examination or inspection, or who obtained entry by a false or misleading representation, or the failure to disclose material facts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. How far will I be permitted to revise and extend my remarks?

Mr. LONGWORTH. Not to the extent of printing bills.

Mr. RAKER. I will ask unanimous consent to revise and extend, keeping in mind the idea of the gentleman from Ohio.

Mr. LONGWORTH. I have no doubt of the good faith of the gentleman, I am sure.

The CHAIRMAN. The gentleman from California asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. I am presenting herewith an analysis of H. R. 11796 as it passed the House of Representatives on February 10, 1925; received in the Senate on February 11, 1925. The Senate did not act on this bill.

This analysis from the Committee on Immigration and Naturalization of the House on the bill H. R. 11796, which will give a better understanding thereof, reads as follows:

> The immigration acts of 1917 and 1924, which now appear to represent the settled policy of this Government, have made it possible, to a great extent at least, to limit the entry into this country of undesirable and dangerous aliens. This bill will materially assist the immigration authorities in further preventing the entry of such aliens, and provides methods whereby those already unlawfully in the United States and those who may hereafter unlawfully enter or seek to enter the country may be deported.
>
> While there is a wide difference of opinion as to the policy of restrictive immigration, the committee is glad to report that there is no substantial objection to the deportation of aliens who constitute a menace to or an unjust burden on our Government.
>
> The principal reason for deporting undesirable aliens is to promote the maintenance of law and order in our country and to afford protection and opportunities for development to all the people residing in our country, aliens and citizens alike. No class of people suffer more from the actions of undesirable and law-breaking aliens than does that great body of worthy and deserving aliens residing in our midst, who in good faith are contributing to the welfare of the country, and are in large numbers attempting to become citizens of the United States. Unworthy conduct and flagrant disregard of the laws of our country on the part of a very small percentage of the aliens residing in the United States unfortunately, but certainly, tends to create a prejudice in the public mind against all aliens. Therefore the deportation of that small percentage of undesirable aliens will redound to the benefit of the worthy and deserving aliens in the country to an equal, if not greater, degree than to that of our own citizens.
>
> Part I. General scope of the bill.
> Part II. Exclusion and deportation.
> Part III. Grounds for arrest and deportation.
> Part IV. Procedure in arrest and deportation cases.
> Part V. Provisions common to exclusion and arrest.
> Part VI. Miscellaneous provisions.
> Appendix A. The bill as reported.
> Appendix B. Sections 18, 19, and 20 of the immigration act of 1917.
> Appendix C. The act of December 26, 1920, entitled "An act to provide for the treatment in hospitals of diseased alien seamen," which is repealed by the bill, but the subject matter of which is provided for in the bill.
>
> PART I.—GENERAL SCOPE OF BILL
>
> The proposed deportation act of 1925 is chiefly an extension and revision of the provisions relating to the deportation of aliens contained in sections 18, 19, and 20 of the immigration act of February 5, 1917 (39 Stat. 874), set forth in Appendix B of this report, together with certain added provisions for the better enforcement of the law. These provisions have been rearranged into a more orderly classification, so that section 18 governs the exclusion and deportation of arriving aliens who are not found to be entitled to enter the United States, section 19 governs the arrest and deportation of aliens who have entered the United States either legally or illegally, while section 20 contains general provisions applicable to the deportation of both classes of aliens.
>
> IN ADDITION TO OTHER LAWS
>
> The provisions of the bill are in addition to other acts and provisions of law relating to deportation. The following laws have not been repealed:
>
> (1) The act entitled "An act to exclude and expel from the United States aliens who are members of the anarchistic and similar classes," approved October 16, 1918, as amended by an act to amend such act, approved June 5, 1920;
>
> (2) The act entitled "An act to deport certain undesirable aliens and to deny readmission to those deported," approved May 10, 1920 (relating to war-time offenses, etc.);
>
> (3) Section 2 of the act entitled "An act to prohibit the importation and the use of opium for other than medicinal purposes," approved February 9, 1909, as amended; and

(4) Laws relating to the immigration, exclusion, and deportation of Chinese persons or persons of Chinese descent.

Section 6 of the bill, however, provides that whenever in any law heretofore enacted it is provided that any alien shall be deported, the arrest and deportation of such alien shall (regardless of the manner provided in such law) be made in the same manner as provided in sections 19 and 20 of the act of 1917 as amended. In reference to the Chinese exclusion acts it should be noted that subdivision (d) of section 19 of the 1917 act, as amended by the bill, puts upon Chinese persons when arrested under the provisions of such section the burden of proving their right to remain in the United States.

In order to have complete uniformity in deportation procedure, section 6 of the bill further provides that whenever in any law hereafter enacted it is provided that any alien shall be deported, the arrest and deportation shall, unles expressly provided to the contrary, be made in the same manner as provided in such sections 19 and 20.

PART II.—EXCLUSION AND DEPORTATION

TIME AND MEANS OF DEPORTATION

Section 18 of the existing law provides that aliens brought in in violation of law shall be immediatey sent back unless, in the opinion of the Secretary of Labor, immediate deportation is not practicable or proper. The proposed amendment provides for immediate deportation with discretion vested in no person to suspend the deportation except: (1) Where a diseased alien seaman is placed in a hospital; (2) where it would cause unusual hardship or suffering to deport an excluded alien before hospital treatment; (3) where the testimony of an excluded alien is necessary in the interests of the United States. If it is not practicable or proper to deport the alien on the vessel bringing him (as, for example, where the vessel has departed before the determination of the alien's inadmissibility, or where the vessel which brought the alien from one country is destined on the return trip to other places), he is to be deported on a vessel owned or operated by the same interests, unless that is not practicable or proper (as where there is no other such vessel or too long a time will elapse before its arrival, or for other reasons satisfactory to the immigration official in charge at the port of arrival), in which case he is to be otherwise deported. Under subdivision (d) of section 18, the expense of deportation in all cases is put upon the owner, agent, or consignee of the vessel bringing such alien.

EXCLUSION AND DEPORTATION OF SEAMEN

Under the present law only two classes of alien seamen can be excluded and deported at the time of arrival. Seamen generally are subject to the same grounds for deportation after arrival in the country, upon warrant of arrest and order of the Secretary of Labor, as other aliens. But in order to be able to exclude and deport a seaman at the time of arrival, under the present law it must be shown either (1) that he is not a bona fide seaman, or (2) that he is afflicted with certain dangerous mental or physical diseases or disorders which can not be cured within a reasonable time. If he is subject to exclusion for any other reason, he nevertheless must be permitted to land temporarily for the purpose of reshipping foreign. In order to secure proper conditions for seamen deported on one of the two above grounds and also as a means of preventing the bringing to the United States of such aliens by vessels as members of their crews, it is provided in the bill (as a part of subdivision (a) of section 18 of the 1917 act as amended by the bill) that in no case shall an alien employed on board a vessel be deported on that vessel, or on any vessel owned or operated by the same interests, unless it appears to the immigration officials that deportation in any other manner would be impracticable. The insertion of this provision makes necessary the rewriting of section 20 of the immigration act of 1924, which section is amended by section 4 of the bill, so as to remove from that section the provision of existing law which makes it the duty of the vessel to detain on board and deport an alien seaman if so ordered by immigration officials. Section 20 of the act of 1924, as rewritten, also omits the provision found in the existing law authorizing the Secretary of Labor to cause a seaman to be deported on a vessel other than the one which brought him if he finds it will cause undue hardship. There is omitted also the existing subdivision (b) of section 20 of the 1924 act providing that proof that an alien seaman did not appear upon the outgoing manifest of the vessel, or that he was reported by the master as a deserter, shall be prima facie evidence of failure to deport after requirement by immigration officials. Since the penalty which the section imposes upon the owner and master of the vessel is an administrative fine, liability to which is determined by the Secretary of Labor, and which is enforced by denial of clearance (see Oceanic Steam Navigation Co. *v.* Stranahan (214 U. S. 320), is it not apparent why there should be any necessity for a rule of prima facie evidence. If the Secretary is satisfied that the vessel has not performed its duty, liability to the fine is imposed by the law.

In rewriting section 20 of the 1924 act there is inserted a new subdivision providing that an alien employed on a vessel may be removed to an immigration station or other appropriate place for examination under the same conditions in respect of such removal as in the case of any other alien. Probably the present law imposes such a duty upon the vessel, but the immigration officials have encountered opposition in certain cases, and it is desirable to have the law made definite beyond a doubt.

ACCOMPANYING ALIENS

Subdivision (b) of section 18 is a revision of the last proviso of the same section in the existing law. It provides that if an alien who is excluded is accompanied by another alien whose protection or guardianship is required the accompanying alien may also be excluded and deported. The existing law adds a provision that the vessel shall he required to return him in the same manner as in the case of other rejected aliens. This language is omitted as surplusage since the bill provides in another place for placing the expense of deportation upon the vessel upon which any excluded alien has come. Since the accompanying alien is by law made an excluded alien, no particular imposition of liability is necessary at this point.

HOSPITALIZATION OF DISEASED ALIEN SEAMEN

The act of December 26, 1920, entitled "An act to provide for the treatment in hospital of diseased alien seamen" (printed in full in Appendix C) provides that "alien seamen" found on arrival in ports of the United States to be afflicted with certain disabilities or diseases shall be placed in a hospital and treated at the expense of the vessel. If it appears to the satisfaction of the immigration official in charge that it will not be possible to effect a cure within a reasonable time, the act provides that "the return of the alien seamen shall be enforced on or at the expense of the vessel on which they came." The Circuit Court of Appeals for the Second Circuit decided a year ago in the case of New York & Cuba Mail Steamship Co. *v.* United States (297 Fed. 158) that the act does not apply to aliens employed upon vessels of American registry. This is contrary to the intention of the act. The present bill repeals this act and rewrites it (subdivision (c) of section 18 of the immigration act of 1917 as amended by the bill) so as to remove any possible doubt on the question. It is provided that aliens employed on board any vessel who are certified by a Public Health Service officer to be afflicted with certain dangerous mental and physical disorders and diseases are to be placed in a hospital for treatment at the expense of the vessel. Upon cure the alien is to be permitted to enter the United States temporarily under the same conditions and limitations as if the vessel had arrived on the date of his discharge from the hospital, but if it appears that he can not be cured within a reasonable time he is to be deported at the expense of the vessel.

COST OF MAINTENANCE OF EXCLUDED ALIEN

Subdivision (d) of section 18 affirmatively imposes upon the owner, agent, or consignee of the vessel bringing an alien not found to be entitled to enter the United States the cost of his maintenance while temporarily removed from such vessel, while pending examination for admission or pending deportation after having been found to be inadmissible, or while deportation is suspended to permit hospital treatment for sickness or mental or physical disability where immediate deportation would cause unusual hardship or suffering (including medical and hospital treatment, and burial expenses not to exceed $125 in case of death), and the cost of his deportation. This subdivision also places upon the owner, agent, or consignee of a vessel bringing a diseased alien seaman all such costs incurred in respect of such seaman.

This subdivision also authorizes (but does not require) the immigration official in charge at the port of arrival, under regulations, to require the owner, agent, or consignee of any vessel bringing aliens to the United States to give bond that all costs accruing on account of such aliens shall be paid, and where bond is required clearance shall not be granted until it is given, unless a sum equal to the estimated amount of costs is deposited with the collector of customs. Additional bond or sums may be required from time to time and enforced against such vessel or any other vessel owned or operated by the same interests. With no such protective provision in the existing law, the Government has in some cases been forced to bear the expense of the maintenance of aliens, due to a failure of the steamship companies to pay their bills, followed by the bankruptcy of such companies. If found necessary, the giving of a blanket bond covering all aliens brought in by a company during any specified period might be permitted in lieu of separate bonds for each trip.

PART III.—GROUNDS FOR ARREST AND DEPORTATION

The proposed amendment of section 19 of the immigration act of 1917 eliminates various time limitations imposed by the immigration act of 1917, and provides that the following aliens shall, at any time after entering the United States (whether the entry was before or after the enactment of the deportation act of 1925), be taken into custody and deported:

ALIENS EXCLUDABLE AT TIME OF ENTRY

(1) An alien who at the time of entry was a member of one or more of the classes excluded by law from admission to the United States. (Under existing law, at any time within five years after entry.)

SURREPTITIOUS OR UNLAWFUL ENTRY

(2) An alien who entered the United States at any time or place other than as designated by immigration officials, or who eluded examination or inspection, or who obtained entry by false or misleading representation, or the failure to disclose material facts. The existing law reads: "At any time within three years after entry any alien who shall have entered the United States by water at any time or place other than as designated by immigration officials, or by land at any place other than one designated as a port of entry for aliens by the Commissioner General of Immigration, or at any time not designated by immigration officials, or who enters without inspection." No good reason is seen for perpetuating the distinction made in existing law between entering by water or by land. The suggested amendment is broad enough to cover entry in any manner. Immigration officials, of course, will designate times and places only as authorized by their superior officers. It is deemed desirable to state affirmatively the additional grounds set forth in this paragraph, which can now be covered only by resorting to the phrase "who enters without inspection."

UNLAWFUL REMAINING IN UNITED STATES

"(3) An alien who remains in the United States for a longer time than authorized by law or regulations made under authority of law." This is a new provision which supplements a similar one in section 14 of the immigration act of 1924. The act of 1917 in section 19 contains the following language: "Any alien who shall have entered or who shall be found in the United States in violation of this act or in violation of any other law of the United States." This clause is omitted, as being covered by paragraphs (1), (2), and (3).

PUBLIC CHARGES

"(4) An alien who is a public charge from causes not affirmatively shown to have arisen subsequent to entry into the United States." Existing law reads: "Any alien who within five years after entry becomes a public charge from causes not affirmatively shown to have arisen subsequent to landing." The change eliminates the five-year time limitation and enables the Government to deport an alien public charge at any time unless it can be affirmatively shown that the cause has arisen subsequent to entry into the United States. The practice is prevalent on the part of many persons to care for such of their friends or relatives as come within these classes until the expiration of the five-year period, and thereupon turn them out to be cared for by public institutions when they can no longer be deported under existing law on the ground of being a public charge.

INSANE ALIENS

"(5) An alien who, from causes not affirmatively shown to have arisen subsequent to entry into the United States, is an idiot, imbecile, feeble-minded person, epileptic, insane person, person of constitutional psychopathic inferiority, or person with chronic alcoholism." This is a new provision to make deportable aliens of the enumerated classes who at the time of their entry were affected by one or more of such conditions in such a manner as not to make them appear subject to exclusion. This would make it possible to deport the enumerated classes regardless of the fact that they are not public charges, the primary purpose being to rid the country of this dangerous and undesirable type of aliens. It seems to the committee that wealth or poverty in this class of cases is immaterial and that the country should rid itself of the rich idiot as well as one who is a public charge.

CONVICTION OF CRIME

"(6) An alien who is convicted of any offense (committed after the enactment of the deportation act of 1925) for which he is sentenced to imprisonment for a term of one year or more." The existing law provides: "Any alien who is hereafter sentenced to imprisonment for a term of one year or more because of conviction in this country of a crime involving moral turpitude committed within five years after the entry of the alien to the United States, or who is hereafter sentenced more than once to such a term of imprisonment because of conviction in this country of any crime involving moral turpitude, committed at any time after entry," except that deportation shall not be made or directed in such case "if the court, or judge thereof, sentencing such alien for such crime shall, at the time of imposing judgment or passing sentence or within 30 days thereafter, due notice having first been given to representatives of the State, makes a recommendation to the Secretary of Labor that such alien shall not be deported." The three important changes effected by this paragraph are: (1) The elimination of the five-year time limitation for a single offense; (2) the substitution for the vague and uncertain test of "moral turpitude" the test of a sentence to imprisonment for a term of one year or more; and (3) the elimination of the provision for a recommendation of nondeportation by the court or judge sentencing such alien.

"(7) An alien who is convicted of any offense (committed after the enactment of the deportation act of 1925) for which he is sentenced to imprisonment for a term which, when added to the terms to which sentenced under one or more previous convictions of the same or any other offense (committed after the enactment of the deportation act of 1925), amounts to 18 months or more." This is a new provision to make deportable the alien who is an habitual criminal but who has escaped with sentence of less than one year. Under this paragraph, when an alien who has been convicted more than once of minor infractions of law, has received terms of imprisonment aggregating 18 months or more, he is to be deported.

"(8) An alien who is convicted of a violation of or conspiracy to violate (committed or entered into after the enactment of the deportation act of 1925) any statute of the United States or a State or Territory prohibiting or regulating the manufacture, possession, sale, exchange, dispensing, giving away, transportation, importation, or exportation of intoxicating liquors for beverage purposes, for which he is sentenced to imprisonment for a term which, when added to the terms to which sentenced under one or more previous convictions of a violation of or conspiracy to violate any of such statutes (such previous violations or conspiracies having been committed or entered into after the enactment of the deportation act of 1925), amounts to one year or more." This is a new provision to make deportable aliens who have been convicted of violations or conspiracies to violate the liquor laws of the United States or of a State or Territory and for which they are sentenced to imprisonment for terms aggregating one year or more. This paragraph is designed to effect the deportation of an alien where he has violated either a Federal or State or Territorial liquor law twice, or has violated the Federal law in one instance and a State or Territorial law in another, or has violated a State or Territorial law in one instance and another State or Territorial law in another instance.

Subdivision (b) of section 19 gives the alien convicted of crime two safeguards not affirmatively specified in existing law, although, as a matter of practice, it is quite likely that both are being afforded without specific provision. They are that no conviction can be used as a ground of deportation unless, first, it is a conviction in a court of record, and, second, that the judgment on such conviction has become final. This provision is applicable to every conviction alluded to in paragraphs (6), (7), and (8) above quoted and explained. Where an alien has appealed, or while he has the right to appeal, from the judgment on a conviction rendering him liable to deportation, he may not be deported. These safeguards are deemed desirable, especially since the court or judge is no longer given the right to recommend that the alien be not deported.

This subdivision also provides that in the case of a sentence for an indeterminate term in which the minimum term under the sentence is less than one year, the term actually served shall be considered the term for which sentenced where deportation is based upon the length of the term of imprisonment.

An alien who has been pardoned after conviction of an offense specified in paragraphs (6), (7), or (8) above, shall not be deported. Thus a pardon would not relieve from deportation an alien who has violated or conspired to violate the white slave traffic act or the Federal antinarcotic laws, nor would it save persons engaged in or connected with prostitution, nor others who are deported under some provision of law other than the paragraphs enumerated. This provision of the bill continues the principle embodied in a provision of the existing law which exempts from deportation an alien who has been pardoned after conviction of a crime involving moral turpitude.

Subdivision (c) of section 19 provides that an alien sentenced to imprisonment shall not be deported under any provision of law until after the termination of the imprisonment, which is similar in principle to the provision in section 19 of the existing law. Particular attention is directed to the fact that an alien violating the provisions of section 8 or 9 of the bill is not to be deported until after the termination of the imprisonment to which he may be sentenced under such sections.

"(9) An alien who was convicted, or who admits the commission, prior to entry, of an offense involving moral turpitude." There is no change of substance in this paragraph. It would be inadvisable to substitute for the "moral turpitude" test the length of sentence test as to aliens convicted of offenses in foreign countries where standards of punishment are so variant. It should be observed that the provision of existing law relieving the alien from deportation if he has been pardoned has been removed in this class of deportable aliens, while retained for the purposes of paragraphs (6), (7), and (8) above quoted.

VIOLATION OF NARCOTIC LAWS AND WHITE SLAVE TRAFFIC ACT

"(10) An alien who has, after the enactment of the deportation act of 1925, violated or conspired to violate, whether or not convicted of such violation or conspiracy, (A) the white slave traffic act, or any law amendatory of, supplementary to, or in substitution for, such act; or (B) any statute of the United States prohibiting or regulating the manufacture, possession, sale, exchange, dispensing, giving away, transportation, importation, or exportation of opium, coca leaves, or any salt, derivative, or preparation of opium or coca leaves." This is a new provision and puts this class of aliens into the same category as alien prostitutes, so far as deportation is concerned, are placed by the existing law and paragraph (11) following.

Where it can be established in any manner, by immigration officials or otherwise, that an alien has violated or conspired to violate these particular laws he may be immediately taken into custody and deported without awaiting his conviction for such offense, just as under existing law the immigration authorities may summarily arrest and deport aliens found practicing prostitution or connected with the business of prostitution. An alien may still be deported under the provisions of section 2 of the act of February 9, 1909, as amended, relating to the importation of narcotics, although this paragraph furnishes a supplementary basis for deportation and permits deportation for a violation of that act, irrespective of a conviction of a violation. The primary purpose of the paragraph, however, is to catch the large number of alien violators of the so-called Harrison Antinarcotic Act of December 17, 1914, as amended. At the present time no alien violators of the antinarcotic laws are being deported except those who have been convicted under section 2 of the act of February 9, 1909, as amended by the act of May 26, 1922, which requires knowledge or fraudulent intent. In many cases violators of the Harrison Act are given nominal or short sentences, and in the case of such violators who are given sentences of one year or more, the Solicitor of the Labor Department has held that such offenses do not involve moral turpitude. The question has not been settled by the courts for the reason that, in view of the solicitor's holding, the department has not attempted to deport in such cases.

PROSTITUTES

"(11) An alien who is found practicing prostitution or is an inmate of, or connected with the management of, a house of prostitution, or who receives, shares in, or derives benefit from any part of the earnings of any prostitute, or who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes or where prostitutes gather, or who in any way assists any prostitute, or protects or promises to protect from arrest any prostitute, or who imports or attempts to import any person for the purpose of prostitution, or for any other immoral purpose, or who enters for any such purpose, or who has been convicted and imprisoned for a violation of any of the provisions of section 4 hereof." The provisions of section 19 of the 1917 act relating to prostitution as a ground for deportation have been changed in but two respects:

First, there is added as an additional class of deportable persons any alien entering the United States for the purpose of prostitution or for any other immoral purpose; and

Second, there is omitted the provision of the present law which makes deportable any alien who, after being excluded and deported or arrested and deported under the provisions relating to the deportation of prostitutes and other immoral persons, returns to and enters the United States. This language is omitted as being surplusage. Section 8 of the bill provides for the exclusion from admission of any person deported from the United States on any ground whatsoever, and paragraph (1) of subdivision (a) of section 19 as rewritten makes deportable any person who, at the time of entry, belongs to any of the classes excluded by law. It becomes unnecessary, therefore, to repeat the language of the present law specifically as to these classes of undesirable aliens.

AIDING ALIENS TO EVADE IMMIGRATION LAWS

"(12) An alien who conceals or harbors, attempts to conceal or harbor, or aids, assists, or abets any other person to conceal or harbor, any alien liable to deportation." This is a new provision, which needs no comment.

"(13) An alien who aids or assists in any way any alien to unlawfully enter the United States." This is also a new provision and is in addition to the penalties prescribed by section 8 of the act of 1917. Aliens in this country who seek to aid others to enter in violation of our laws should not be permitted to remain in the United States.

ALIENS IN COASTWISE TRADE

"(14) An alien who is found employed on a vessel engaged in the coastwise trade of the United States without having been admitted to the United States for permanent residence." A fair construction of existing law would seem to prohibit aliens from serving on such vessels, since alien seamen not regularly admitted to the United States as immigrants are allowed to land only temporarily for medical treatment or for the purpose of reshipping, within a limited period specified by regulation, on board another vessel bound to a foreign port or place. Notwithstanding this, large numbers of these alien seamen are now employed on vessels in the coastwise trade to the detriment of American seamen. This provision would materially strengthen the enforcement of the laws applicable to seamen and state affirmatively what the law now implies, and in addition would make the alien deportable even if his service on the coastwise vessel was within the period during which the regulations permit him to remain in the United States for the purpose of reshipping foreign.

ALIEN BELONGING TO MORE THAN ONE DEPORTABLE CLASS

Subdivision (h) of the proposed new section 19 of the act of 1917 is put in out of an abundance of caution to make it clear that it is the intention of Congress that an alien who is liable to deportation upon any ground specified in any paragraph of such section 19 shall be deported whether or not he is liable to deportation upon a ground specified in any other paragraph of the bill or in any other law. For instance, if an alien violates the narcotic drugs import and export act, he is to be deported (under paragraph (10) of subdivision (a) of section 19), even though he has not been convicted of the violation and, consequently, is not deportable under section 2 of such act. So, also, if he is one of the anarchistic classes made deportable by the act of October 16, 1918, as amended, he is to be deported regardless of whether he is or is not subject to deportation upon some other ground specified in the bill.

ANARCHISTIC CLASSES

The bill, in rewriting section 19 of the 1917 act and in enumerating the grounds for deportation, omits that part of section 19 which places among the deportable classes aliens advocating or teaching anarchy or the overthrow by force or violence of the United States Government, etc. This is omitted because it has been superseded by the act of October 16, 1918, as amended by the act of June 5, 1920, which contains full and detailed provisions for the deportation of the anarchistic classes. These laws are not repealed by the bill.

ALIENS FROM INSULAR POSSESSIONS

The bill also omits another provision found in section 19 of the 1917 act, to the effect that the section (relating to the arrest and deportation of aliens) shall also apply "to the case of aliens who come to the mainland of the United States from the insular possessions thereof." This provision is omitted as surplusage. The provisions of section 19 as rewritten clearly make deportable any alien who falls within any of the classes there enumerated, regardless of where he came from. If the alien is in the continental United States he may be deported, even though he may have come from a possession; and if he is in one of the possessions he may be deported, even though he came from the United States.

MARRIAGE AS RELIEF FROM DEPORTATION

Section 19 of the 1917 act provides that the marriage to an American citizen of a woman of the sexually immoral classes deportable by law shall not confer citizenship if the marriage is solemnized after the arrest or after the commission of the acts making her liable to deportation. This provision was necessary at the time of the passage of the 1917 act, because at that time marriage of a woman to an American citizen made her an American citizen. Since the passage of the act of September 22, 1922, marriage no longer confers citizenship, and this provision of the 1917 act is omitted as surplusage. It is not necessary to provide that this class of women can not be naturalized, for the naturalization laws already require good moral character as a condition precedent to naturalization.

PART IV.—PROCEDURE IN ARREST AND DEPORTATION CASES

ARREST, HEARING, AND ORDER OF DEPORTATION

The existing law contains no rule as to carrying on the proceedings for the arrest and deportation of undesirable aliens. It merely provides that the deportable alien shall, "upon the warrant of the Secretary of Labor, be taken into custody and deported." Under the system put into effect by regulations various immigration officials in the field, having reason to believe that an alien is deportable, apply to the Secretary of Labor at Washington for a warrant of arrest. Inasmuch as it is impossible for the Secretary to know whether or not the facts presented are sufficient to justify an arrest, it has become the practice in nearly every case to issue a warrant of arrest whenever applied for from the officer in the field. All this takes time and seems to the committee useless waste of time and money. The bill, therefore, provides (in subdivision (d) of section 19 of the 1917 act as amended by the bill) for the issuance of warrants of arrest either by the Commissioner General of Immigration or by any official authorized by the Commissioner General of Immigration to issue warrants of arrest.

Inasmuch as the Constitution affords aliens as well as citizens due process of law, it seems to the committee that the statute itself should give the right to notice and hearing. On the other hand, the committee felt that the procedure should be as simple and nontechnical as possible. The bill, therefore, provides that the alien shall be given a hearing before an immigrant inspector, who shall transmit the evidence to the Secretary of Labor. The Secretary is to make an order either releasing the alien or ordering his deportation, but the Secretary's decision is to be based solely on the evidence taken at the hearing, except that he may send the case back for the taking of additional evidence or order the case reheard by another immigrant inspector.

In order to avoid technical objections based upon the insufficiency of grounds stated in the warrant of arrest, and at the same time to

show clearly the legislative intent that the alien is not to be deported until he has had notice and hearing upon the grounds upon which he is deported, the bill provides that the order of deportation shall refer to the particular provisions of law under which the alien is ordered deported, and shall briefly state the grounds upon which such provisions are applicable to the alien. It is then provided that the alien shall not be deported unless he was afforded, at the hearing before the immigrant inspector, an opportunity after notice to be heard upon the grounds stated in the order of deportation. This means, for example, that if in the warrant of arrest or in the course of the proceedings six charges are brought against the alien and he is given an opportunity to be heard after notice on only two of the six charges, the order of deportation will be valid if it states that he is deported upon either or both of the grounds as to which he was given notice and hearing, but will be void if it states that he is deported on any of the four grounds as to which he has not been given notice or hearing.

The bill provides, as does the existing law, that the decision of the Secretary of Labor in every case of deportation shall be final. This provision has been considered by the Supreme Court as meaning that the decision of the Secretary is final only if the alien has in fact had due process of law, but the court has refused to overturn the decision of the Secretary unless it appears, (1) that his action has been arbitrary, or (2) that there is no evidence on which to support the finding, or (3) that the alien has not had proper notice and opportunity to be heard, or (4) that the Secretary has misconstrued the law. In no case does the court have the right to review the evidence for the purpose of determining whether or not the weight of evidence supports the finding of the Secretary. If there is evidence in support of his finding, the court will sustain it even though, were the matter before the court originally, the court would have reached a conclusion opposite to that which the Secretary has reached. The arrested person has the right to a judicial determination of his claim of citizenship, unless such claim is plainly frivolous.

The system as outlined adequately protects the rights of the alien to the fullest extent possible under any system which is administratively practicable, it being remembered that, from the nature of the case, the proceedings must be expeditious and free from the burdensome requirements necessary to a judicial proceeding. The careful examination of the record and of the law in the department, which will be necessary before the order of deportation is issued, will relieve the courts in habeas corpus proceedings of any necessity of a detailed examination of the proceedings at the hearing to determine whether or not the alien has been afforded due notice and opportunity to be heard on numerous charges which, as a matter of fact, have never entered into the decision of the Secretary.

RELEASE UNDER BOND

Subdivision (e) of the proposed new section 19 is a revision of the last sentence of section 20 of the existing law. Under this provision an alien taken into custody for deportation may be released under a bond in the penalty of not less than $1,000, whereas under the existing law the amount of the penalty is $500. The existing law provides that there shall also be furnished "surety approved by the Secretary of Labor." The provision in the bill is that "such bond shall have surety approved, under regulations prescribed by the Commissioner General of Immigration with the approval of the Secretary of Labor, (1) by the Commissioner General of Immigration, or (2) by any official authorized by the Commissioner General of Immigration to approve such bonds." This administrative change in the handling of bonds and sureties will eliminate the present practice of requiring the approval of the Secretary of Labor in the thousands of individual cases and will also expedite the release of the arrested alien by authorizing the approval of such bonds and sureties by officers in the field. The Secretary of Labor, it is believed, retains just as effectively, through the power to approve regulations, the same control over the kind of bond or surety as he now exercises by approving the bond in each instance. The subdivision contemplates, of course, that an alien may not be released at all without giving a bond, which in no case shall be in an amount less than $1,000, and presupposes that the surety shall in each case be of a character which will assure the appearance of the alien when required.

PROCEDURE IN CASE OF ALIEN SEAMEN

Section 34 of the immigration act of 1917 reads as follows:

"SEC. 34. That any alien seaman who shall land in a port of the United States contrary to the provisions of this act shall be deemed to be unlawfully in the United States, and shall, at any time within three years thereafter, upon the warrant of the Secretary of Labor, be taken into custody and brought before a board of special inquiry for examination as to his qualifications for admission to the United States, and if not admitted said alien seaman shall be deported at the expense of the appropriation for this act as provided in section 20 of this act."

It will be noticed that this section (1) places a statute of limitation of three years from the time of landing upon the deportation of alien seamen, (2) affords a seaman a right to be heard before a board of special inquiry, and (3) apparently allows his admission unless he is at the time of such hearing a member of one of the excluded classes. No reason was apparent to your committee why a seaman should be granted any of these privileges, which are not granted to any other class of aliens, and it is therefore provided in the bill (subdivision (b) of section 5) that this section be repealed. The effect of this repeal will be to place the seaman upon the same plane as any other alien so far as the procedure in deportation cases is concerned.

PAYMENT OF EXPENSES

Subdivisions (f) and (g) of the proposed new section 19 constitute a revision, with certain changes, of that part of section 20 of the existing law relating to the expenses of the deportation of aliens who are arrested and deported. Under the bill if the alien was unlawfully induced to enter the United States, his deportation, including the entire cost of removal to the port of deportation, shall be at the expense of the contractor, procurer, or other person by whom he was unlawfully induced to enter the United States, whereas under the existing law his deportation, including only one-half of the entire cost of removal to the port of deportation, is at the expense of such person. Under the provisions of the bill the owner, agent, or consignee of the vessel or transportation line by which an alien came to the United States must bear the expense of the deportation of such alien from the port of deportation to the place designated under subdivision (a) of section 20 unless (1) the deportation is made by reason of causes arising subsequent to entry (such as the commission of crime after entry) or (2) deportation proceedings are begun later than five years after the entry of the alien and it can not be shown that the owner, agent, or consignee of the vessel bringing such alien knew or could have known by the exercise of reasonable diligence that the alien would be subject to deportation, or (3) there is a contractor, procurer, or other person who unlawfully induced such alien to enter the United States and from whom the Government has collected the expenses of deportation, including the cost of removal to the port. The bill provides that where liability for the expense of deportation can not be ascertained or enforced, or where no liability for such expense is imposed by law, such expense shall be payable by the Government.

PART V.—PROVISIONS COMMON TO EXCLUSION AND ARREST

PLACE TO WHICH DEPORTED

Section 20 of the existing law states "that the deportation of aliens provided for in this act shall, at the option of the Secretary of Labor, be to the country whence they came or to the foreign port at which such aliens embarked for the United States; or, if such embarkation was for foreign contiguous territory, to the foreign port at which they embarked for such territory; or if such aliens entered foreign contiguous territory from the United States and later entered the United States, or if such aliens are held by the country from which they entered the United States not to be subjects or citizens of such country, and such country refuses to permit their reentry, or imposes any condition upon permitting reentry, then to the country of which such aliens are subjects or citizens, or to the country in which they resided prior to entering the country from which they entered the United States." The proposed new section 20 attempts to restate these provisions in a more orderly manner and enlarges the number of places to which the alien may be deported. Instead of leaving the destination of a deported alien in the option of the Secretary of Labor, the bill provides that the destination shall be specified under regulations prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor.

The bill provides that in the case of an alien entering from foreign contiguous territory, he may be deported to such territory, or to the country of which he is a citizen or subject, or to the foreign port at which he embarked for such territory (irrespective of whether he has acquired a domicile in such territory), whereas under the existing law the only place specified in such a case is to the foreign port at which he embarked for such territory. In any case, an alien may be deported to the country (if any) in which he resided prior to entering the country from which he embarked for the United States or for foreign contiguous territory in lieu of deportation to the country of which he is a citizen or subject, or the foreign port at which he embarked for the United States or for foreign contiguous territory, or to such territory if he has entered therefrom. Under existing law deportation into such a country is conditioned upon the refusal of the country from which such alien entered the United States to receive back the alien, either absolutely or conditionally, whereas the proposed bill removes such condition.

EMPLOYMENT OF ATTENDANTS

Subdivision (b) of the proposed new section 20 is a revision of the last proviso in section 20 of the existing law, but is expanded to provide that when, in the opinion of the Secretary of Labor, the mental or physical condition of an excluded alien is such as to require personal care and attention, he shall in such case, when necessary, as also in the case of an alien arrested and ordered deported, employ a

suitable person for that purpose, who shall accompany such alien to his final destination, and the expense incident to such service shall be defrayed in the same manner as the expense of deporting the accompanying alien is defrayed. This would, of course, mean that a steamship company bringing an inadmissible alien who would require personal care and attention upon the return voyage would be obliged to defray the expenses of the accompanying person.

SUSPENSION OF DEPORTATION FOR DISABILITY

Subdivision (c) of the proposed new section 20 is intended to replace the following provisions in section 18 of the existing law: "No alien certified, as provided in section 16 of this act, to be suffering from tuberculosis in any form, or from a loathsome or dangerous contagious disease other than one of quarantinable nature, shall be permitted to land for medical treatment thereof in any hospital in the United States, unless the Secretary of Labor is satisfied that to refuse treatment would be inhumane or cause unusual hardship or suffering, in which case the alien shall be treated in the hospital under the supervision of the immigration officials at the expense of the vessel transporting him: *Provided further,* That upon the certificate of an examining medical officer to the effect that the health or safety of an insane alien would be unduly imperiled by immediate deportation, such alien may, at the expense of the appropriation for the enforcement of this act, be held for treatment until such time as such alien may, in the opinion of such medical officer, be safely deported."

The bill provides that if it appears to the satisfaction of the Secretary of Labor that immediate deportation in the case of an alien who is arrested and ordered deported, as well as in the case of an alien excluded, before hospital treatment for sickness or mental or physical disability, would cause unusual hardship or suffering, he may suspend temporarily the deportation of such alien solely for the purpose of placing him in a hospital. As the existing law is worded, an alien "suffering from tuberculosis in any form or from a loathsome or dangerous contagious disease other than one of quarantinable nature" shall not be permitted to land for medical treatment unless the Secretary of Labor is satisfied that it would be inhumane to refuse treatment or cause unusual hardship or suffering. Nothing is said as to other cases of illness where the element of contagion is absent. Since many cases of sickness and disability other than from causes specified in the existing law arise where it would be equally inhumane to deport before hospital treatment, it is thought that the provision should be broad enough to cover all such cases and also that the benefit of this provision should be affirmatively afforded to persons who are arrested and deported as well as to excluded aliens. The term "sickness, mental or physical disability" is the same as used in the case of an excluded alien under subdivision (b) of section 18. The term "inhumane" is omitted as surplusage, since if it would cause unusual hardship or suffering to deport immediately, naturally it would be inhumane to deport.

The provision in existing law "that no alien * * * shall be permitted to land for medical treatment * * * in any hospital in the United States," unless the Secretary finds that it would be inhumane to refuse treatment, in which case the alien shall be treated in the hospital under the supervision of immigration officials, gives rise to the inference that an excluded alien, when permitted by the Secretary to land temporarily for treatment, might choose "any hospital in the United States." The provision in the bill omits such a broad, general reference and provides that deportation may be suspended temporarily solely for the purpose of placing such alien "in a hospital under the supervision of immigration or United States Public Health Service officials." There are some places where it is not practicable for the immigration officials to have direct supervision over the treatment of such aliens in hospitals, and the provision adding the term "United States Public Health Service officials" is added to take care of this situation. Specific reference to the case of an insane alien is omitted and the term "mental disability" is intended to cover such case. No good reason is seen for a different standard to be set up in the case of the insane alien as distinguished from other cases of sickness or disability which would cause unusual hardship or suffering, nor does there seem to be any foundation for holding the insane alien for treatment at the expense of the Government while the diseased alien is held at the expense of the vessel bringing him. The provision in the bill therefore puts the expense of maintenance and treatment of all excluded aliens, whether diseased or insane, at the expense of the owner, agent, or consignee of the vessel bringing him, and the expense of the treatment of the alien arrested and ordered deported is to be defrayed in the same manner as the cost of removal to the port of deportation, which means at Government expense in most cases, the exception being where there is a procurer or other such person. Deportation is to be suspended only until such time as in the opinion of the Secretary of Labor the sickness or disability has been relieved to the extent that the deportation of such alien would not cause unusual hardship or suffering.

TESTIMONY OF DEPORTEE NECESSARY TO UNITED STATES

Subdivision (d) of the proposed new section 20 is a revision of the provision in section 18 of the existing law which permits the Commissioner General of Immigration, with the approval of the Secretary of Labor, to suspend deportation where the testimony of such alien is necessary on behalf of the United States in the prosecution of offenders against the immigration act of 1917 or other laws of the United States. The provision in the bill expands the provision so that it will be applicable also to the alien who is arrested and ordered deported, and provision is made for the suspension of the deportation where the testimony of the alien is "necessary in the interests of the United States in any judicial or other proceeding." The provision is thus extended to permit the detention of a deportable alien where he is needed in the interests of the United States in any kind of a proceeding. Where the alien is held in the custody of the Government officials, the provision in the bill makes it clear that the United States is to pay all the costs of maintenance and pay to the alien the witness fee now provided by law. These expenses are paid from the appropriation for the enforcement of the immigration laws, except that the Department of Justice appropriation is chargeable where deportation is suspended at the request of that department. Where it is feasible to release the alien under bond when he is held as a witness, it is provided that the cost of his maintenance shall not be borne by the United States.

PENAL PROVISIONS

Subdivisions (e) and (f) of the proposed new section 20 constitute a combination and revision of, and additions to, the penal provisions contained in sections 18 and 20 of the 1917 act.

Changes are made in the penalties to conform to the proposed changes made in other parts of the law. For instance, subdivision (a) of section 20 specifies various places to which excluded aliens may be deported. The penal provision in the bill, therefore, makes it unlawful for the person in charge, etc., of any vessel to fail or refuse to transport such aliens "to the place designated" (under regulations prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor) instead of simply "to the foreign port from which they came," as the existing law provides. The penalty for failure "to pay the costs imposed in pursuance of law in respect of any alien" is intended to cover all costs of maintenance, hospitalization, deportation, and all other expenses which are imposed by law upon the owner, agent, or consignee, etc., of any vessel. Section 15 of the act of 1917 provides that "the immigration officials may order a temporary removal" of arriving aliens for examination at a designated time and place. The provision of the bill includes a penalty for failure by the person in charge, etc., of any vessel to remove such aliens, or to detain them on board, as the immigration officials may order.

The existing law provides a penalty for any person in charge, etc., of a vessel "knowingly to bring to the United States at any time within one year from the date of deportation any alien rejected or arrested and deported under any provision of this act [of 1917] unless prior to reembarkation the Secretary of Labor has consented that such alien shall reapply for admission." The provision in the bill provides a penalty for the person in charge, etc., of a vessel "knowingly to bring to the United States any alien excluded or arrested and deported under any provision of law until such time as such alien may be lawfully entitled to enter the United States." There appears to be no reason why the person in charge, etc., of a vessel should not be penalized for knowingly bringing an alien who has been deported so long as it is unlawful for him to reenter the United States. This means that in the case of an alien arrested and deported it is unlawful for him to return at all, and in the case of an alien excluded and deported it is unlawful for him to return within one year from the date of such deportation unless the Secretary of Labor has, prior to the expiration of the year, consented to his reapplying for admission.

The amount of the penalty for each violation is increased from $300 to $1,000. The duties imposed are of an imperative nature and are such as could and should be uniformly complied with. Instances have arisen where the owner of the vessel has found it cheaper to pay the fine than to comply with the law and has, therefore, simply refused to comply. There seems to be good ground for making the amount of the penalty sufficient to insure compliance with these provisions of law. An additional provision for securing the amount of the fines imposed is proposed by the bill. It would authorize the Government to forfeit any vessel by a proceeding by libel in rem in admiralty where the responsible person has failed to pay the fines imposed within 10 days after their imposition in respect of violations by the person in charge, etc., of such vessel or of any other vessel owned or operated by the same interests, and after clearance has been denied to such vessel for failure to pay the fines. Where there is any question as to liability to such fine the present provision of law is retained whereby a sum sufficient to cover the fine may be deposited

with the collector of customs pending the determination of the liability. A further provision is added that permits the Secretary of Labor to deny to any vessel or company persistently violating the provisions of subdivision (e) of the proposed section 20 the privilege of landing alien immigrant passengers at United States ports for such period as he deems necessary to secure a compliance with the law by such offenders.

PART VI.—MISCELLANEOUS PROVISIONS

READMISSION OF DEPORTED ALIENS

Under section 3 of the immigration act of 1917 one of the classes excluded from admission consists of persons who have been deported under any of the provisions of that act and who may again seek admission within one year unless they have obtained permission from the Secretary of Labor to reapply for admission. A serious situation has arisen, particularly on our land borders, whereby people deported to contiguous countries turn around and come back again without further penalty than exclusion or another deportation. No matter how serious the offense for which deported, an alien can under existing law, except in a few limited cases (as prostitutes, anarchists, and war-time offenders), if otherwise admissible, reenter the United States after one year from the date of his deportation and can apply to the Secretary for readmission at any time within that period. Subdivision (d) of section 8 of the bill retains so much of the provision of the present law referred to as applies to aliens who have been excluded on arrival and sent back. They, as heretofore, are prohibited from coming back within one year unless they have obtained the consent of the Secretary of Labor. Subdivision (a) of section 8, however, provides that if any alien has been arrested and deported he shall be excluded from admission to the United States, and imposes fine or imprisonment or both upon him if he enters or attempts to enter the United States. At the termination of the imprisonment he will be deported under paragraph (1) of subdivision (a) of section 19 of the 1917 act as rewritten by the bill.

Owing to the inadequacy of the appropriations now made for enforcement of deportation provisions under existing law the Department of Labor has, in many cases, after a warrant of deportation has been issued, refrained from executing the warrant and deporting the alien, at the expense of the appropriation, to the country to which he might be deported, upon the condition that the alien voluntarily, at his own expense, leave the United States. Some doubt exists whether an alien so departing has been "deported." Subdivision (b) of section 8 of the bill therefore removes any possible doubt on this question by providing that in such cases the alien shall be considered to have been deported in pursuance of law.

Under the present law an alien seaman upon arrival in the United States, even though he belongs to one of the excluded classes (except in cases of certain dangerous mental and physical diseases and disorders and except in the case of aliens who are not bona fide seamen), is nevertheless not excludable as in the case of any other class of aliens, but is permitted to land temporarily for the purpose of reshipping foreign. If such a seaman stays beyond the time permitted by regulations made in pursuance of the law and is at a later date arrested and deported in pursuance of law he may turn around and immediately return to the United States and upon arrival must again be permitted to land temporarily for the purpose of reshipping foreign. Thus he is afforded an opportunity of quitting his calling and again remaining in the United States beyond the time fixed by the law and regulations. To prevent this result it is provided in subdivision (c) of section 8 of the bill that an alien subject to exclusion from admission on the ground that he had once been deported shall, although employed as a seaman, be excluded and deported in the same manner as if he were an immigrant passenger and be entitled to none of the landing privileges allowed by law to seamen.

PENALTY FOR UNLAWFUL ENTRY

Section 9 of the bill attempts to cure one of the defects of the present law by imposing a criminal penalty upon any alien who enters the United States at any time or place other than as designated by immigration officials, or eludes examination or inspection or obtains entry by a false or misleading representation, or a willful concealment of a material fact. Under the present law all that can be done to such an alien is to deport him. It is believed that if the class of aliens who are endeavoring to enter the United States surreptitiously become aware that when detected they will be fined and imprisoned, as well as deported, the number who attempt to smuggle themselves or have themselves smuggled into the United States will be materially lessened. It should be noted that the punishment of fine or imprisonment is not in substitution for deportation. After the sentence has been served the alien will be deported, under paragraph (2) of subdivision (a) of section 19 of the act of 1917, as rewritten by the bill.

SECTION 33 OF THE IMMIGRATION ACT OF 1917

Section 32 of the immigration act of 1917 imposed a penalty upon the owner or master of a vessel for failure to detain alien seamen on board in certain cases. This section was repealed by the immigration act of 1924, the substance of it being incorporated in sections 19 and 20 thereof. Section 33 of the immigration act of 1917 provided that it should be unlawful and be deemed "a violation of the preceding section" to pay off or discharge any alien employed aboard any vessel arriving in the United States unless "duly admitted" pursuant to the immigration laws. It will be noted that, since section 32 of the act of 1917 has been repealed, there is no longer any "preceding section" to which section 33 can refer. Section 5 of the bill amends section 33 of the immigration act of 1917 by striking out the words "preceding section" and inserting in lieu thereof "section 20 of the immigration act of 1924," thus making the unlawful paying off or discharge of alien seamen a violation of section 20 of the immigration act of 1924, which provides appropriate penalties. Section 5 of the bill also amends section 33 of the 1917 act by inserting the words "for permanent residence" after the words "duly admitted," in order to make it clear that it is unlawful to pay off or discharge an alien seaman unless he has been duly admitted for permanent residence, but the bill does not—except as provided in section 8 of the bill, which is above explained in this report—disturb the provisions of section 33 of the 1917 act permitting alien seamen to land for the purpose of reshipping foreign, and permitting his discharge for such purpose.

PENDING CASES

Section 7 of the bill provides that the act is not to affect any deportation proceeding in which the warrant of arrest has been issued before the enactment of the act. As pointed out previously, the provisions of existing law relating to deportation after conviction of crime have been greatly enlarged. The crimes to which the new provisions relate, however, are confined to crimes committed after the enactment of this act. Inasmuch as the old law is repealed, there might arise a case where a crime involving moral turpitude has been committed before the enactment of this act and hence conviction for this crime, no matter for what length of time the alien might be sentenced, could not constitute a ground for deportation. Section 7 of the bill therefore provides that the provisions of existing law regarding deportation after conviction for crime involving moral turpitude shall remain in force in cases where the crime was committed before the enactment of this act.

NATURALIZATION

The Senate passed an amendment to the naturalization laws, the bill being known as Senate bill 4382, which was referred to the House Committee on Immigration and Naturalization. The Committee on Immigration and Naturalization of the House amended Senate bill 4382 by adding Title II, on deportation, which is in practically the same language as House bill 11796. The House committee made some amendments to the Senate bill, to be known as Title I, on naturalization.

A general analysis of Title I of Senate bill 4382, as reported to the House on March 2, 1925, will be of interest, and is as follows:

The bill supplements the naturalization act of June 29, 1906, by requiring all aliens who have arrived in the United States after June 29, 1906, to secure certificates of arrival before declaring their intention. The present law requires all such aliens to obtain a certificate of arrival at the time of petitioning for naturalization. The bill does not disturb the requirement of the present law, but requires a certificate also at the time of the declaration of intention. No additional hardship is imposed upon the alien by this change, as the same certificate obtained at the time of making the declaration of intention will again be used at the time of filing the petition.

The bill also provides that no certificate of arrival may be issued to an alien arriving on or after June 3, 1921, unless he was lawfully admitted to the United States for permanent residence. In other words, an alien who has illegally entered the United States since the taking effect of the first quota act shall not be permitted to begin the process of becoming a citizen.

There are many aliens who lawfully entered the United States prior to the quota period of restriction where no entry was made at the American port of arrival. Under the present practice no certificate of arrival can be issued to such aliens, and they are unable to petition for naturalization or obtain a judicial ruling upon their citizenship status. There is no specific provision of law to remedy this situation. This bill provides the remedy and authorizes the Commissioner General of Immigration to issue a certificate to such an alien upon proof of his continuous residence in the United States from the time of his arrival, and that he did not belong to any of the excluded classes at the time of entry. No alien can obtain a certificate of arrival who is subject to deportation under the proposed amendment.

The same fee is required for certificates of arrival as that now required of aliens who obtain a permit to return to the United States after temporary absence. That fee is $3. Payment of a fee for the certificate at the time of declaring his intention relieves from the fee for a certificate at the time of petition for naturalization.

Subdivision (a) of section 5 will enable honorably discharged veterans of the World War (not ineligible to citizenship) to be natural-

ized under the war-time preference which expired March 3, 1924, by limitation of statute. That is to say, during the World War those serving in the naval or military forces of the United States were privileged to petition for citizenship without previously filing a declaration of intention, without payment of any fee, and without the delay imposed upon other aliens. They were allowed to petition in the most convenient court, and to have an immediate hearing under the supervision of the Bureau of Naturalization. This subdivision reenacts the war-time measure as to those veterans only who served between April 5, 1917, and November 11, 1918, and were discharged under honorable circumstances. Enactment of the subdivision is deemed advisable as a measure of relief to those soldiers who, by reason of a misapprehension of their status, did not take advantage of the privilege when it was available and for the relief also of those who could not take advantage of the war-time statute because of illness in hospital.

Subdivisions (b) and (c) of section 5 will permit an alien who has lived in several parts of the same State to prove his residence and good moral character by depositions relating to residence in all places outside of the county in which the petition for naturalization is filed. The present law only admits of depositions for residence outside of the State in which the petitioner resides. These subdivisions substitute a period of six months' residence within the county in place of the one year of residence within the State.

During the Sixty-ninth Congress I am in hopes that the provisions of H. R. 9816, introduced by me on December 1, 1924, which can be found in the CONGRESSIONAL RECORD of date December 4, 1924, at pages 142 et seq., will be enacted into law.

Mr. TAYLOR of Colorado. Mr. Chairman, I have two more requests, but the gentlemen have gone to their offices to get their material and have not returned, so I will ask the chairman to consume some time or move that the committee rise.

Mr. DICKINSON of Iowa. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I listened with a great deal of attention to the editorial which the gentleman from Michigan [Mr. CRAMTON] had read and which now becomes part of the official record of the deliberations of this House. Personally I never take offense when people say that Congressmen violate the law or the Volstead Act because I do not think they are referring to me, and I just could not see the point or purpose of inserting the editorial in the RECORD. I read a statement the other day by some one in authority, and supposed to know, who said that New York was one of the wet spots in the United States. Well, if you stop to consider how many transients we have in New York every day coming from the real dry districts, I can readily understand how there is a great demand for liquor in that city. I do not think that criticism of the enforcement or the advisability of the law can be tested by the personal habits of Members of Congress. I do not think that has anything to do with it. I believe that a modification of the law is necessary, but I am willing to give Brother UPSHAW, who is sitting right in front of me, and the rest of the advocates of the drys all the law and all the appropriations they want to enforce the law and I will vote with them. Then, why not enforce the law?

Mr. UPSHAW. Will the gentleman yield?

Mr. LAGUARDIA. I will yield to the gentleman from Georgia.

Mr. UPSHAW. The gentleman says he believes that the Volstead law ought to be modified. Does not the gentleman realize that the Volstead law is simply the eighteenth amendment in action? It was made mandatory by the eighteenth amendment, and since the eighteenth amendment outlaws the manufacture, sale, and transportation of anything that is intoxicating, it follows inevitably that any kind of a modification that lets in anything intoxicating is unconstitutional?

Mr. LAGUARDIA. The only action I have seen under the Volstead law is the activity of the bootleggers. Of course, if it is true that a modification of that law violates the purpose and intent of the eighteenth amendment, then we have to do the next thing, and that is to amend the Constitution. But I will go with the gentleman as long as he is asking for opportunity to enforce that law. I will vote for every appropriation and every measure that the gentleman will bring before the House for that purpose. [Applause.]

Mr. UPSHAW. That is fine; that is patriotic.

Mr. LAGUARDIA. But at the end of a 10-year period from the time of the enactment of the Volstead Act I am going to ask for a hearing on the floor of this House, and then we ought to take an inventory and see whether or not this law is capable of enforcement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. May I have a little more time than this? Give me five minutes more.

Mr. TAYLOR of Colorado. I will give the gentleman three minutes more.

The CHAIRMAN. The gentleman from New York is recognized for three minutes more.

Mr. LAGUARDIA. Thanks. Gentlemen, what is the use of closing our eyes to the existing conditions? The importation of liquor into this country is of such magnitude, it comes in in such enormous quantities, involving use of a fleet of steamers, involving enormous banking operations, involving hundreds of millions of dollars, that it could not carry on without the knowledge if not the connivance of the authorities intrusted with the enforcement of the law. You can not get away from that. England is sending enough liquor to this country to produce a tax from which she can derive sufficient income to pay the debt she owes this country. If France had the bootlegging trade to send wine to this country to the extent of the liquor that England is exporting, perhaps France could pay her debt to us.

Mr. UPSHAW. The gentleman can not go any further than the gentleman from Georgia goes in believing that if this Government or this administration had conscience enough—I mean a militant conscience—it could stop the importation of the devilish stuff. We would not allow enemy vessels in time of war to land contraband here. When we get a Government that actually means business, we can practically stop it now. We should sink liquor ships that continue to defy our sober Constitution and our stainless flag.

Mr. LAGUARDIA. Would the gentleman sink British ships in neutral waters? That involves the very question of whether this amendment is capable of being enforced.

Mr. UPSHAW. It also involves the question of whether this Government is capable of enacting a great moral law for the safety of its own citizens and then enforcing that law against enemies at home and abroad. The waters are no longer neutral when foreign ships defy our laws by landing outlawed liquor on our friendly shores.

Mr. LAGUARDIA. And if it can not be enforced, then we will have to do the next thing and modify it.

Mr. UPSHAW. If we can not successfully enforce a great humanitarian law enacted for the preservation of our homes and our citizens, then the Government should consider the matter of going out of business.

Mr. DICKINSON of Iowa. 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. SNELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 12101) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1926, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. KENT, by unanimous consent, was granted leave of absence for an indefinite period, on account of illness.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

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

H. R. 8206. An act to amend the Judicial Code, and to further define the jurisdiction of the circuit courts of appeals and of the Supreme Court, and for other purposes;

H. R. 646. An act to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions, or commerce among the States or Territories or with foreign nations;

H. R. 4294. An act for the relief of the heirs of Casimira Mendoza;

H. R. 5420. An act to provide fees to be charged by clerks of the district courts of the United States;

H. R. 6860. An act to authorize each of the judges of the United States District Court for the District of Hawaii to hold sessions of the said court separately at the same time;

H. R. 8369. An act to extend the period in which relief may be granted accountable officers of the War and Navy Departments, and for other purposes;

H. R. 9461. An act for the relief of Lieut. Richard Evelyn Byrd, jr., United States Navy;

H. R. 10413. An act to revive and reenact the act entitled "An act granting the consent of Congress to the county of Allegheny, Pa., to construct, maintain, and operate a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, in the Commonwealth of Pennsylvania," approved February 27, 1919;

H. R. 10724. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes;

H. R. 10887. An act granting the consent of Congress to the State of Alabama to construct a bridge across the Coosa River at Gadsden, Etowah County, Ala.;

H. R. 2694. An act authorizing certain Indian tribes, or any of them, residing in the State of Washington to submit to the Court of Claims certain claims growing out of treaties or otherwise;

H. R. 3669. An act to provide for the inspection of the battle fields of the siege of Petersburg, Va.;

H. R. 8263. An act to authorize the General Accounting Office to pay to certain supply officers of the regular Navy and Naval Reserve Force the pay and allowances of their ranks for services performed prior to the approval of their bonds; and

H. R. 11035. An act granting the consent of Congress to the county of Allegheny and the county of Westmoreland, two of the counties of the State of Pennsylvania, jointly to construct, maintain, and operate a bridge across the Allegheny River at a point approximately 19.1 miles above the mouth of the river, in the counties of Allegheny and Westmoreland, in the State of Pennsylvania.

ADJOURNMENT

Mr. DICKINSON of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 3 minutes p. m.) the House adjourned until Monday, February 9, 1925, 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:

855. A letter from the Secretary of the Navy, transmitting copy of a letter of the Paymaster General of the Navy, dated January 21, 1925, together with a copy of the list accompanying it, in which he requests authority for the disposition of approximately 35 tons of valueless records of the Bureau of Supplies and Accounts, Navy Department, which are no longer needed in the transaction of public business; to the Committee on Disposition of Useless Executive Papers.

856. A communication from the President of the United States, transmitting estimate of appropriation submitted by the Attorney General for the payment of interest on judgments rendered against the Government by the United States District Court for the District of New Jersey (H. Doc. No. 608); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 433. A resolution to provide for suspension of the rules on Tuesday, February 10, 1925; without amendment (Rept. No. 1409). Referred to the House Calendar.

Mr. LUCE: Committee on the Library. H. J. Res. 342. A joint resolution to authorize the appointment of an additional commissioner on the United States Lexington-Concord Sesquicentennial Commission; without amendment (Rept. No. 1417). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BOX: Committee on Claims. H. R. 5307. A bill for the relief of J. A. Galloway; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 1574. An act for the relief of Alice E. O'Neil; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. S. 2223. An act for the relief of the estate of Robert M. Bryson, deceased; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 3310. An act for the relief of owners of the barkentine *Monterey;* with an amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. S. J. Res. 46. A joint resolution for the relief of Capt. Ramon B. Harrison; without amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. SWING: Committee on Naval Affairs. S. 3676. An act for the relief of Harry Newton; without amendment (Rept. No. 1416). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. REED of West Virginia: A bill (H. R. 12212) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended by an act of Congress approved December 30, 1910; to the Committee on the District of Columbia.

Also, a bill (H. R. 12213) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of land required for a connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park; to the Committee on the District of Columbia.

Also, a bill (H. R. 12214) to authorize the closing of a part of Thirty-fourth Place NW. and to change the permanent system of highways plan of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WARD of North Carolina: A bill (H. R. 12215) providing for the appointment of an additional district judge for the western judicial district of North Carolina; to the Committee on the Judiciary.

By Mr. DICKINSON of Iowa: A bill (H. R. 12216) to encourage, promote, and aid in the formation of cooperative marketing associations of producers of agricultural products; to aid in the efficient and economical operation of such associations; to provide for a cooperative marketing board, and also an advisory council, and for other purposes; to the Committee on Agriculture.

By Mr. LaGUARDIA: Resolution (H. Res. 434) directing the Secretary of the Navy to inform the House of Representatives, if not incompatible with the public interest, of the number or designation of United States vessels that have run aground since January 1, 1923, and for other purposes; to the Committee on Naval Affairs.

By the SPEAKER (by request): Memorial of the Legislature of the State of New York, opposing the passage of the McCormick bill, authorizing the withdrawal of 10,000 cubic feet of water per second from Lake Michigan by the Sanitary District of Chicago; to the Committee on Interstate and Foreign Commerce.

By Mr. KVALE: Memorial of the Legislature of the State of Minnesota, protesting to the Congress of the United States and to the Secretary of War against the continuation of the illegal taking of water from the Great Lakes through the Chicago Drainage Canal for any purpose other than the protection and improvement of navigation; to the Committee on Rivers and Harbors.

By Mr. DAVIS of Minnesota: Memorial of the Legislature of the State of Minnesota, petitioning the President of the United States to allocate to the State of Minnesota a 500-bed tubercular hospital for the care of tubercular persons who served in the World War; to the Committee on World War Veterans' Legislation.

By the SPEAKER (by request): Memorial of the Legislature of the State of Nevada, petitioning Congress to act upon the Pittman bill now before Congress relative to purchase of silver by the United States; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 12217) granting a pension to H. C. Gibson; to the Committee on the Civil Service.

By Mr. EDMONDS: A bill (H. R. 12218) for the relief of certain disbursing officers, office of the superintendent, State, War, and Navy Department Building; to the Committee on Claims.

By Mr. HADLEY: A bill (H. R. 12219) for the relief of John Cain; to the Committee on Claims.

By Mr. KEARNS: A bill (H. R. 12220) granting an increase of pension to Janet Hiett; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

3679. By the SPEAKER (by request): Petition of Board of Supervisors of San Francisco, Calif., requesting Congress to

appoint a committee to attend diamond jubilee of the State September 9, 1925; to the Committee on Rules.

3680. Also (by request), petition of Harry S. Hayward and other citizens of Honolulu, Hawaii, favoring resolution extending authority of naval radio system to carry press communications; to the Committee on the Merchant Marine and Fisheries.

3681. By Mr. GALLIVAN: Petition of Whitcomb & Co., Boston, Mass., protesting against Senate bill 3764 and House bill 11078, providing for the establishment of a permanent rent commission for the District of Columbia; to the Committee on the District of Columbia.

3682. By Mr. GARBER: Petition of lessees and citizens of the State of Oklahoma, urging that Congress investigate to determine the rights of the school-land lessees; to the Committee on the Public Lands.

3683. Also, letter from Charles F. Barrett, president of the National Guard Association, urging support of bill to have Maj. Gen. George C. Rickards, Chief of Militia Bureau, retired with the pay and allowances of the rank of colonel in the Regular Army; to the Committee on Military Affairs.

3684. By Mr. KELLY: Petition of McKeesport (Pa.) Real Estate Board, protesting against rent legislation for District of Columbia; to the Committee on the District of Columbia.

3685. By Mr. MACGREGOR: Petition of citizens of Buffalo, N. Y., opposing the enactment of Senate bill 3218, or any similar legislation; to the Committee on the District of Columbia.

3686. By Mr. O'CONNELL of New York: Petition of Mr. Frederick K. Vreeland, of New York City, favoring the passage of House bill 745, the game refuge public shooting ground bill; to the Committee on Agriculture.

3687. By Mr. SEGER: Memorial of the Passaic County Bankers' Association of New Jersey, lauding the services of Andrew W. Mellon as Secretary of the Treasury, commending the Mellon tax plan, and opposing Government publicity of tax returns; to the Committee on Ways and Means.

3688. By Mr. SINCLAIR: Petition of the following-named officials of North Dakota in favor of House bill 633: Minnie J. Nielson, State superintendent of public instruction; Joseph A. Kitchen, commissioner of agriculture and labor; J. M. Devine, commissioner of immigration; R. B. Murphy, chairman board of administration; Lewis F. Crawford, superintendent State Historical Society; A. G. Sorlie, governor; Lillian E. Cook, secretary and director library commission; to the Committee on Education.

3689. Also, petition of 17 residents of Belfield, N. Dak., protesting against Senate bill 3218, or other religious legislation; to the Committee on the District of Columbia.

3690. By Mr. SWING: Petition of citizens of Fullerton, Calif., protesting against Sunday observance law; to the Committee on the District of Columbia.

3691. By Mr. WARD of North Carolina: Petition of Joseph C. Spence, Elizabeth City, N. C., favoring a bill in the interest of veterans, widows, and orphan children of the Indian wars, introduced by Hon. ADDISON T. SMITH; to the Committee on Pensions.

3692. Also, petition of Charles Carmine, Elizabeth City, N. C., favoring House bill 11798; to the Committee on Pensions.

3693. Also, petition of Lars F. Wadsten and J. A. Hooper, Elizabeth City, N. C., urging that Congress enact House bill 11798; to the Committee on Pensions.

3694. By Mr. WILLIAMS of Michigan: Petition of Henry G. Vlier and 23 residents of Battle Creek, Mich., protesting against the passage of Senate bill 3218, the Sunday observance bill, so called; to the Committee on the District of Columbia.