or retain a fee for services in preparing, presenting, or prosecuting any claim under this act, or shall wrongfully withhold from the pensioner or claimant the whole or any part of the pension allowed or due to such pensioner or claimant under this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall for each and every such offense be fined not exceeding $500 or be imprisoned not exceeding one year, or both, in the discretion of the court.

SEC. 7. That all acts and parts of acts in conflict with or inconsistent with the provisions of this act are hereby modified and amended only so far and to the extent as herein specifically provided and stated.

The PRESIDENT pro tempore. The time has come when the Senate will receive the Speaker and Members of the House of Representatives, and debate is closed.

GUESTS OF THE SENATE

At 11 o'clock and 45 minutes a. m. the Assistant Doorkeeper of the Senate (C. A. Loeffler) announced the Speaker of the House of Representatives and the Members of the House of Representatives.

The Speaker and the Members of the House occupied the seats reserved for them.

A few minutes later the ambassadors extraordinary, envoys plenipotentiary, and ministers plenipotentiary, and chargés d'affaires ad interim to the United States were announced and escorted to the seats provided for them.

The members of the President's Cabinet were announced and shown to the seats assigned to them.

The Chief of Naval Operations, the Commandant of the Marine Corps, and the Chief of Staff of the Army and their aids were announced, respectively, and shown to the seats provided for them.

The Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States were announced and escorted to the seats provided for them.

Soon thereafter the Sergeant at Arms (David S. Barry) announced Charles G. Dawes, of Illinois, the Vice President elect, accompanied by the chairman and members of the joint committee on arrangements, consisting of Senator CHARLES CURTIS, of Kansas, chairman; Senator FREDERICK HALE, of Maine; Senator LEE S. OVERMAN, of North Carolina; Representative W. W. GRIEST, of Pennsylvania; Representative LINDLEY H. HADLEY, of Washington; and Representative ARTHUR B. ROUSE, of Kentucky.

The Vice President elect was seated on the right of the President pro tempore.

Several minutes before noon the Sergeant at Arms announced Calvin Coolidge, of Massachusetts, President elect of the United States, accompanied by the chairman and members of the joint committee on arrangements. The President elect was seated in the space in front of the Secretary's desk, the chairman and members of the joint committee on arrangements occupying the seats on either side.

ADMINISTRATION OF OATH

The PRESIDENT pro tempore administered the oath of office prescribed by law to the Vice President elect.

The PRESIDENT pro tempore. Senators, it is 12 o'clock meridian of the 4th day of March, 1925, and it is my duty at this moment, under the Constitution and laws of the United States, to declare that the Senate of the Sixty-eighth Congress is adjourned sine die.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *March 4, 1925*

(Legislative day of Tuesday, March 3, 1925)

The House met at 10 o'clock a. m., on the expiration of the recess and was called to order by the Speaker.

THE NAVAL SERVICE

Mr. BRITTEN. Mr. Speaker, I call up from the Speaker's desk the bill H. R. 2688, and move to agree to the Senate amendment.

The SPEAKER. The Clerk will read the title of the bill.

The Clerk read the title, as follows:

A bill (H. R. 2688) providing for sundry matters affecting the naval service, and for other purposes.

Mr. BLANTON. Mr. Speaker, I would like to ask the gentleman from Illinois if this bill embraces more than $7,000,000 authorization?

Mr. BRITTEN. With the exception of those authorizations passed by the House they are all on the calendar unanimously reported. There are authorizations for three cruisers already completed, and one submarine.

Mr. BLANTON. How much do they amount to?

Mr. BRITTEN. I will give the gentleman the exact amount. The three scout cruisers, 4, 5, and 6, are completed and in the hands of the Government. The increase is $8,250,000.

Mr. BLANTON. The Senate has increased the House authorization $1,200,000, is that all?

Mr. VINSON of Georgia. I will state to the gentleman what was put on by the Senate. The increased cost of the three battle cruisers is $1,200,000. The submarine tender $1,400,000; Pearl Harbor, $5,182,000; and $320,000 for the purchase of a lot at Brooklyn Navy Yard, $1,010,000 to build a pier at San Diego, Calif. Those are all.

Mr. BLANTON. Is this within the financial program of the President?

Mr. BRITTEN. Yes.

Mr. BLANTON. Who is authorized to speak for him?

Mr. BRITTEN. The Secretary of the Navy and the Committee on Naval Affairs——

Mr. BLANTON. The Committee on Naval Affairs unfortunately is in favor of a big Navy.

Mr. BRITTEN. These are all on the calendar, and the Members who would have been conferees have agreed with the Senate to perfect the bill accordingly.

The Senate amendments were read.

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

The question was taken; and on a division (demanded by Mr. BLANTON) there were 82 ayes and 3 noes.

So the Senate amendments were agreed to.

TRANSFER OF MATERIAL AND MACHINERY TO THE DEPARTMENT OF AGRICULTURE

Mr. McKENZIE. Mr. Speaker, I call up the bill H. R. 7269, with Senate amendments, and move to agree to the Senate amendments.

The Clerk read the title, as follows:

A bill (H. R. 7269) authorizing and directing the Secretary of War to transfer certain material and machinery and equipment to the Department of Agriculture.

The Senate amendments were read.

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

The Senate amendments were agreed to.

EXTENSION OF REMARKS

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BYRNS] and myself may have permission to extend our remarks in the RECORD on the work of Congress during this session.

The SPEAKER. The gentleman from Illinois asks unanimous consent that he and the ranking member of the minority of the Committee on Appropriations may have leave to extend their remarks in the RECORD. Is there objection?

There was no objection.

APPROPRIATIONS MADE DURING THE SECOND SESSION OF THE SIXTY-EIGHTH CONGRESS

Mr. MADDEN. Mr. Speaker, the close of the second session of the Sixty-eighth Congress marked the completion of the consideration by Congress of the fourth set of estimates submitted by the President under the Budget system. The work of Congress in passing the appropriation bills originating under these estimates was fully up to the businesslike standard which has prevailed in the past few years, both as to expedition of passage of the bills and to retaining the total amount appropriated by Congress within the total of the sum requested by the President in his submissions.

In order that this statement of the appropriations might appear in the final issue of the CONGRESSIONAL RECORD, it is necessary that the figures be prepared upon the basis of totals for the session rather than by fiscal years. A complete classification of the appropriations on a fiscal-year basis will be prepared and be available later, but for the purposes of this statement the totals will be those of the acts passed at this session, irrespective of the fiscal years for which those acts provide.

In order that the work of the short session which began on December 1, 1924, and ended on March 4, 1925, a period of three months, might be expedited so far as the appropriation bills were concerned, the Committee on Appropriations began consideration of a number of the bills as early as November 12 and reported the first bill on the next day after Congress convened. All of the bills with the exception of the final deficiency bills were reported to the House by the 2d of February.

I wish here to record my thanks and appreciation for the splendid cooperation accorded to me as chairman by the members of the committee, through whose industrious and intelligent performance of duty this achievement was made possible. It became necessary in considering and reporting the nine regular annual bills and the two deficiency bills to take approximately 7,000 printed pages of evidence, and I feel sure in stating that at no previous short session have the appropriation measures been given as careful and detailed consideration as the bills just enacted.

The total of estimates submitted during the session by the President aggregated $3,948,047,124.84. The total of appropriations made by Congress in all acts and including the amounts under the permanent and indefinite appropriations is $3,936,921,277.76. The total of appropriations is $11,125,847.08 less than the total of all estimates. A comparison of the estimates submitted for each of the appropriation acts and the amounts appropriated in those acts will be found in Table A attached. The following recapitulation shows the reduction in the estimates for the regular annual bills and the deficiency bills and the net reduction in all estimates:

Estimates submitted in the Budget transmitted in December, 1924, for the fiscal year 1926	$3,729,519,846.48	
Supplemental estimates transmitted during the session and considered in connection with the regular annual bills for the fiscal year 1926	588,438.80	
Total estimates for regular annual bills		3,730,108,285.28
Total appropriations in regular annual bills and under permanent appropriations		3,718,351,432.81
Reduction made by Congress in estimates for regular annual bills		11,756,852.47
Estimates submitted during the session for consideration in connection with deficiency bills primarily for the fiscal year 1925 and prior fiscal years	217,938,839.56	
Total appropriations made in deficiency bills during the session	217,569,844.95	
Reduction made by Congress in estimates for deficiency bills		368,994.61
Total reduction made by Congress in estimates for regular annual and deficiency bills		12,125,847.08
Deduct appropriations made by Congress in special relief acts for payment of claims and other special items for which estimates were not transmitted by the President (estimated)	1,000,000.00	
Net amount by which total appropriations are less than total estimates		11,125,847.08

Congress in effecting this net reduction of $11,125,847.08 in the total of estimates has not made any considerable increases or decreases. The net is arrived at by a large number of small increases and decreases widely distributed over the different services.

It is not inappropriate at this point to call attention to a more or less widespread misapprehension that seems to prevail in the minds of many persons that Congress does not and has not stayed within the limits of the amount requested by the President. The Budget system has been in effect for nearly four years. Four sets of estimates have been transmitted to Congress by the President since the Budget and accounting act was passed and each year Congress has appropriated a total that was less than the total amount requested by the President. The following statement gives the reductions made by Congress in the total of estimates for each of the four Budget years:

First year: Budget estimates consisting of estimates submitted in the first Budget, fiscal year 1923, and of supplemental and deficiency estimates submitted during the period from July 12, 1921, to June 30, 1922, for the fiscal year 1922 and prior fiscal years, were reduced by	$312,361,792.27
Second year: Budget estimates consisting of estimates submitted in the second Budget, fiscal year 1924, and supplemental and deficiency estimates submitted during the period from July 9, 1922, to Mar. 4, 1923, for the fiscal year 1923 and prior fiscal years, were reduced by	10,741,504.15
Third year: Budget estimates consisting of estimates submitted in the third Budget, fiscal year 1925, and supplemental and deficiency estimates submitted during the period from Dec. 3, 1923, to July 7, 1924, for the fiscal year 1924 and prior fiscal years, were reduced by	12,111,246.92
Fourth year: Budget estimates consisting of estimates submitted in the fourth budget, fiscal year 1926, and supplemental and deficiency estimates submitted during the period from Dec. 1, 1924, to Mar. 4, 1925, for the fiscal year 1925, and prior fiscal years, were reduced by	11,125,847.08
Total reduction effected by Congress in the estimates covering the four budget years	346,340,390.42

The total of appropriations made by Congress at this session may be summarized in the following statement. They will be found in more detail in Table B;

Total in regular annual acts	$2,318,294,124.57
Total in deficiency acts	217,569,844.95
Total in miscellaneous acts (est.)	1,000,000.00
Total permanent appropriations	1,400,057,308.24
Total for the session	3,936,921,277.76

The amount appropriated at this session, $3,936,921,277.76, compared with the total of all appropriations made during the first session of the Sixty-eighth Congress, $3,961,843,027.26, shows a decrease of $24,921,749.50. (Table C.)

The total amount appropriated during the two sessions of the Sixty-eighth Congress is $7,898,764,305.02. There has been a steady reduction over a period of four years toward this sum which represents approximately $800,000,000 less than was appropriated by the Sixty-sixth Congress and approximately $375,000,000 less than the Sixty-seventh Congress.

The total of appropriations made during the session amounts to $3,936,921,277.76, of which $3,736,000,000 is for the fiscal year 1926. Deducting from this sum the amount for the Postal Service, which is payable from the postal revenues ($636,000,000), and the amount which is payable from the revenues of the District of Columbia ($27,000,000), it will be seen that the sum which is a charge upon the Treasury is $3,073,000,000.

In my judgment the appropriations have practically reached the post-war low-water mark, and from this year on we are more likely to have increases in them rather than further decreases. The present Congress has placed upon the statute books several new laws which will require increased outlays to carry them into execution. The new postal pay act approved at the close of this session will require additional annual appropriations of $68,000,000. While this increased cost will largely be met through the increased rates provided in the act, the total of the appropriations will necessarily be increased in the process of providing the additional money to pay the salaries. Further appropriations must be made at the next session to supplement existing funds which are being used for the new postal pay. The estimated increase required in postal pay appropriations on account of the new law is $68,000,000 per annum. The new rates were effective on January 1, 1925, so that for the remainder of the fiscal year 1925 and for the fiscal year 1926 approximately $100,000,000 more of appropriations will be necessary. As this sum is practically offset by the additional revenues anticipated under the new postage rates carried in the act, the additional appropriations should not have any appreciable effect on the relationship of general receipts and expenditures of the Government.

Other laws enacted at this session which will require additional appropriations distributed over a series of years in the future are as follows: River and harbor improvement authorization act, $41,000,000; Arlington memorial bridge across the Potomac River, $14,750,000; construction of additional naval cruisers and gunboats and modernization of existing naval vessels, $154,560,000; continuing construction of naval aircraft carriers, $22,000,000; naval omnibus act for public works of the Navy, $10,000,000; Federal aid in the construction of rural post roads and roads in forest reserves, $165,000,000; contract authorization in War and Navy Department appropriation acts for aircraft for the Army and Navy, $6,250,000; and additional hospital facilities for the United States Veterans' Bureau to replace contract hospitals, $10,000,000. Toward carrying out these acts there has been appropriated at this session $500,000 for the Arlington bridge and $27,000,000 toward the naval programs. The remainder of the authorizations will be a charge upon appropriations to be made in the future.

The bill authorizing construction of much-needed public building facilities throughout the country and in Washington did not pass. It carried a total authorization of $150,000,000 with the restriction that not more than $25,000,000 should be expended annually. Provision must be made at the next session to cover the public building situation, in which there is already an acute shortage of space in many localities.

The second deficiency act, fiscal year 1924, and the field services' pay adjustment act, which failed of final enactment during the first session of this Congress, were completed during the first days of the present session. The adoption by the Senate of the conference report on the second deficiency act completed the legislative work on that bill and it was signed by the President on December 5, 1924. The pay adjustment act lacked only the signatures of the presiding officers of the two Houses and the signature of the President and it became a law on December 6, 1924. The totals of these two bills are included in the figures for the first session of this Congress as they were primarily the work of the first session and should properly be charged there. The totals of the estimates for the two bills and the amounts appropriated by them are as follows;

	Estimates	Appropriations	Decrease in estimates
Second deficiency act, fiscal year 1924	$189,920,118.91	$186,833,509.07	$3,086,609.84
Field services pay adjustment act	26,357,767.84	26,357,767.84	
	216,277,886.75	213,191,276.91	3,086,609.84

The net reduction in the estimates under these two bills should be added to the net reduction made at the last session in the total of all estimates ($9,024,637.08) and brings the total reduction in the estimates for that session up to $12,111,246.92.

The manner in which the Senate and the Committee on Appropriations of that body have functioned on the appropriation bills has been most gratifying. The Senate necessarily added to the deficiency bills such sums as were transmitted in budget estimates after the deficiency bills had passed the House. Those sums thus added to the deficiency bills were largely to cover the payment of judgments and audited claims and other pro forma matters and amounted in the aggregate to less than $5,000,000 on both deficiency bills of the session.

The real test of the work of the Senate has come on the regular annual appropriation bills. To these nine measures the Senate added an aggregate of only $4,401,716.67 from which it receded in conference on $372,260.67, leaving a net addition to the totals of the bills as they passed the House of only $4,029,456. I feel quite secure in stating that this is the smallest net amount added by the Senate to the regular annual appropriation bills in 40 years. Contrasted with the former practice of that body in adding at times hundred of millions of dollars, the record of this session is most commendable. The congratulations and gratitude of the country should be given to the faithful and conscientious chairman of the Senate committee, Hon. F. E. WARREN, and his colleagues on the committee, to whose efforts this good record is in large measure due.

The previous record of Congress and the administration in the problems of reduction of the public debt, reduction of expenditures, creation of Treasury surpluses, reduction of taxes, and good financial management of the country's affairs is well known and need not be reiterated here. The estimated surplus for the fiscal year 1925, the year in which we are now operating, has been stated at $68,000,000, and the estimated surplus for the fiscal year 1926, the next fiscal year, has been stated at $373,000,000. Whether these surpluses are larger or smaller than estimated depends in very large measure upon the realization of revenue under the tax returns which are due on the 15th of this month. If these payments hold up to or exceed the estimate, it is very probable that further tax reduction may be realized at the next session. The extent to which that very desirable end may be attained will depend almost entirely upon the realization of revenues from the 1924 returns.

There is much to be considered in connection with tax revision and tax reduction. It should be borne in mind that we have come very close to the bottom in the matter of reduction in Government expenditures, and that from now on in all probability we may look for slight increases instead of further reductions. The country is growing in population and in its interests, the business of the Nation, both foreign and domestic, is expanding, and with a prosperous future it is not unreasonable to expect that the expenditures of the Government will go normally forward. As industry and the individuals in the country prosper, the revenue of the Government should increase and keep pace with the normal increase in expenditures once we have eliminated by tax reduction the surplus which it is now believed will eventuate under present tax laws. When taxes are further reduced it should be the duty of the administration and Congress to see to it that new burdens of expenditure through additional legislation are not laid in such sums as to force the necessity of again revising the tax rates upward. The earnest and thoughtful cooperation of every business organization and individual is needed to keep Government expenditure within sane and reasonable limits. The Government should not be importuned, on the one hand, to lower taxes and relieve taxpayers, and, on the other hand, be urged by those same taxpayers to assume new obligations of expenditure by which they will be largely aided by the entrance of the Government into that field of expenditure.

We are enjoying an era of business stability, and with it ample employment and good wages. The people of the Nation should prosper and be happy. The extent to which the Government keeps within its proper sphere of action and holds down its expenditures will have much to do with national contentment. The Government will be what the people demand it to be, and I hope they will insist that the record which has been made in Government finance shall be continued.

TABLE A.—*Comparison of Budget Estimates and Appropriations, Sixty-eighth Congress, Second Session, Arranged by Appropriation Acts*

Act	Budget estimates, Sixty-eighth Congress, second session	Appropriations, Sixty-eighth Congress, second session	Increase (+) or decrease (−) appropriations compared with Budget estimates
REGULAR ACTS, FISCAL YEAR 1926			
Agriculture	$127,752,000.00	$124,774,441.00	−$2,977,559.00
District of Columbia	30,788,891.00	31,827,797.00	+1,038,906.00
Executive Office and independent offices	450,364,295.00	452,434,334.00	+2,070,039.00
Interior	240,204,138.67	239,702,926.00	−501,212.67
Legislative, etc	15,113,764.60	14,910,971.80	−202,792.80
Navy	287,323,928.00	287,402,328.00	+78,400.00
State, Justice, Commerce, and Labor	71,966,108.77	71,737,293.77	−228,815.00
Treasury and Post Office	775,135,921.00	763,221,362.00	−11,914,559.00
War	331,401,930.00	332,282,671.00	+880,741.00
Total, regular acts	2,330,050,977.04	2,318,294,124.57	−11,756,852.47
DEFICIENCY ACTS			
First deficiency act, fiscal year 1925	159,455,338.19	159,504,838.19	+49,500.00
Second deficiency act, fiscal year 1925	58,483,501.37	58,065,006.76	−418,494.61
Total, deficiency acts	217,938,839.56	217,569,844.95	−368,994.61
Miscellaneous acts		1,000,000.00	+1,000,000.00
Total, regular, deficiency, and miscellaneous acts	2,547,989,816.60	2,536,863,969.52	−11,125,847.08
Permanent appropriations	1,400,057,308.24	1,400,057,308.24	
Grand total	3,948,047,124.84	3,936,921,277.76	−11,125,847.08

TABLE B.—*Recapitulation of Appropriations by Acts, Irrespective of Fiscal Years, Sixty-eighth Congress, Second Session (Dec. 1, 1924, to Mar. 4, 1925)*

Title of act		Amount
REGULAR ANNUAL ACTS, FISCAL YEAR 1926		
Agriculture		$124,774,441.00
District of Columbia		31,827,797.00
Executive Office and independent offices		452,434,334.00
Interior		239,702,926.00
Legislative establishment		14,910,971.80
Navy		287,402,328.00
State, Justice, Commerce, and Labor:		
Commerce	$22,917,334.00	
Justice	24,205,822.00	
Labor	8,602,625.00	
State	16,011,512.77	
		71,737,293.77
Treasury and Post Office:		
Post Office	636,269,415.00	
Treasury	126,951,947.00	
		763,221,362.00
War:		
Military activities	259,491,250.00	
Nonmilitary activities	72,791,421.00	
		332,282,671.00
Total regular annual acts		2,318,294,124.57
DEFICIENCY APPROPRIATION ACTS, FISCAL YEAR 1925 AND PRIOR YEARS		
First deficiency act, fiscal year 1925		159,504,838.19
Second deficiency act, fiscal year 1925		58,065,006.76
Total, deficiency acts		217,569,844.95
MISCELLANEOUS ACTS CARRYING APPROPRIATIONS, FISCAL YEAR 1925		
Miscellaneous relief and other acts (approximated)		1,000,000.00
Total, regular annual, deficiency and miscellaneous acts		2,536,863,969.52
PERMANENT AND INDEFINITES, FISCAL YEAR 1926		
Agriculture		12,340,750.00
Commerce		3,000.00
Independent Offices		7,481,500.00
Interior		28,081,457.50
Labor		25,000.00
Legislative		800.00
Navy		2,460,050.00
State		131,139.74
Treasury:		
Interest on the public debt	830,000,000.00	
Sinking fund and other public debt retirement funds	484,766,130.00	
Ordinary permanent and indefinites	26,087,825.00	
		1,340,853,955.00
War:		
Military activities	900,000.00	
Nonmilitary activities	6,249,300.00	
		7,149,300.00
District of Columbia		1,565,356.00
Total, permanents and indefinites		1,400,057,308.24
Grand total		3,936,921,277.76

TABLE C.—*Comparison of Appropriations Made During the Second Session of the Sixty-eighth Congress with Those of the First Session*

Title of act	Appropriations made, Sixty-eighth Congress, first session	Appropriations made, Sixty-eighth Congress, second session	Increase (+) or decrease (−) second session, compared with first session
REGULAR ANNUAL ACTS			
Agriculture	$58, 575, 274. 00	$124, 774, 441. 00	+$66, 199, 167. 00
District of Columbia	26, 455, 105. 00	31, 827, 797. 00	+5, 372, 692. 00
Executive Office and independent offices	398, 776, 740. 16	452, 434, 334. 00	+53, 657, 593. 84
Interior	263, 250, 455. 00	239, 702, 926. 00	−23, 547, 529. 00
Legislative establishment	14, 229, 016. 00	14, 910, 971. 80	+681, 955. 80
Navy	275, 105, 067. 00	287, 402, 328. 00	+12, 297, 261. 00
State, Justice, Commerce, and Labor	68, 269, 497. 80	71, 737, 293. 77	+3, 467, 795. 97
Treasury and Post Office	734, 413, 600. 25	763, 221, 362. 00	+28, 807, 761. 75
War	327, 970, 465. 13	332, 282, 671. 00	+4, 312, 205. 87
Total, regular annual acts	2, 167, 045, 220. 34	2, 318, 294, 124. 57	+151, 248, 904. 23
DEFICIENCY ACTS			
First, fiscal year 1924	156, 671, 655. 28		
Urgent, fiscal year 1924	2, 333, 000. 00		
Second, fiscal year 1924	[1] 186, 833, 509. 07		
First, fiscal year 1925		159, 504, 838. 19	
Second, fiscal year 1925		58, 065, 006. 76	
Total, deficiency acts	345, 838, 164. 35	217, 569, 844. 95	−128, 268, 319. 40
MISCELLANEOUS ACTS			
Field service pay adjustment, 1925	[2] 26, 357, 767. 84		
Miscellaneous relief and other acts	2, 992, 709. 88	[3] 1, 000, 000. 00	
Total, miscellaneous acts	29, 350, 477. 72	1, 000, 000. 00	−28, 350, 477. 72
Total, regular annual, deficiency, and miscellaneous acts	2, 542, 233, 862. 41	2, 536, 863, 969. 52	−5, 369, 892. 89
PERMANENT AND INDEFINITES			
Agriculture	12, 360, 750. 00	12, 340, 750. 00	−20, 000. 00
Commerce	3, 000. 00	3, 000. 00	
Independent offices	6, 457, 301. 79	7, 446, 500. 00	+989, 198. 21
Interior	27, 243, 269. 06	28, 081, 457. 50	+838, 188. 44
Labor	25, 000. 00	25, 000. 00	
Legislative	800. 00	800. 00	
Navy	2, 103, 260. 00	2, 460, 050. 00	+356, 790. 00
State	26, 000. 00	131, 139. 74	+105, 139. 74
Treasury:			
Interest on the public debt	865, 000, 000. 00	830, 000, 000. 00	−35, 000, 000. 00
Public debt retirment funds	471, 806, 401. 00	484, 766, 130. 00	+12, 959, 729. 00
Other permanent and indefinites	26, 773, 100. 00	26, 087, 825. 00	−685, 275. 00
War	6, 583, 321. 00	7, 149, 300. 00	+565, 979. 00
District of Columbia	1, 226, 962. 00	1, 565, 356. 00	+338, 394. 00
Total, permanents and indefinites	1, 419, 609, 164. 85	1, 400, 057, 308. 24	−19, 551, 856. 61
Grand total	3, 961, 843, 027. 25	3, 936, 921, 277. 76	−24, 921, 248. 50

[1] This bill failed of enactment at the close of the first session. It was completed at the second session by the adoption of the conference report in the Senate, and was approved by the President on December 5, 1924.

[2] Action on this bill was completed at the first session with the exception of the signatures of the presiding officers of both Houses and the approval of the President. It became a law on December 6, 1924.

[3] This sum is approximated.

Mr. BYRNS of Tennessee. Mr. Speaker, there was appropriated during the three months of the second session of the Sixty-eighth Congress the sum of $3,936,921,277.96. This includes the first and second deficiency bills, but does not include the deficiency bill of $186,833,509.07 providing supplemental appropriations for the fiscal year ending June 30, 1925, and which was actually passed during the first days of the second session and approved December 6, 1924. This bill failed in the closing days of the first session in June, 1924, and in all fairness should be added to the 1925 appropriations. The appropriations for the first session of the Sixty-eighth Congress were $3,961,843,027.26, which includes deficiencies and the deficiency bill above referred to and also $29,350,477.72 appropriated by special acts and increase of pay for the field service. This shows on its face a reduction in 1926 of $24,921,749.50. But it will be observed that there is actually a large increase for peace-time governmental operations in 1926 when it is considered that the 1926 appropriations carry $35,000,000 less for interest on the public debt; $25,500,000 less for pensions and many millions of dollars less for other disappearing war agencies which will be discussed in more detail later on.

The regular annual supply bills for the fiscal year 1926, beginning June 30, 1925, including appropriations for the Postal Service, amount to $2,318,294,124.57. This does not include over $86,000,000 carried in deficiency bills as supplemental appropriations for 1926 and which will be referred to later. The total amount carried in the regular supply bills for 1925 was $2,167,045,220.24, but the first deficiency bill passed at this session carried by way of supplemental appropriations for 1925 $185,017,903.68, which, when added to the regular supply bills for 1925, makes a total of $2,352,063,124.02. The estimated permanent and indefinite appropriations for 1926 are $1,400,057,308.24 and for 1925, $1,419,609,164.85. The following table shows the appropriations for these years by departments:

	1925	1926
Department of State	$16,238,756.29	$16,011,512.77
Department of Justice	22,680,956.50	24,205,822.00
Department of Commerce	25,844,565.00	22,917,334.00
Department of Labor	8,651,346.47	8,602,625.00
Treasury Department	137,644,712.50	126,951,947.00
Post Office Department	613,645,195.25	636,269,415.00
Department of Agriculture	65,714,436.00	124,774,441.00
Department of the Interior	268,959,114.80	239,702,926.00
Navy Department	278,175,460.87	287,402,328.00
War Department	337,683,273.67	332,282,671.00
Executive and independent offices	533,424,147.46	452,434,334.00
Legislative	14,229,016.00	14,910,971.80
District of Columbia	29,172,153.21	31,847,797.00
	2,352,063,124.02	2,318,294,124.57
PERMANENT AND INDEFINITE APPROPRIATIONS (ESTIMATED)		
Interest on public debt	865,000,000.00	830,000,000.00
Public debt retirements	471,809,401.00	484,766,130.00
Other	82,802,763.85	85,291,178.24
Total permanent and indefinite appropriations	1,419,609,164.85	1,400,057,308.24
Total of annual appropriation acts including estimated, permanent, and indefinite	3,771,672,288.87	3,718,351,432.81

The reduction in the annual appropriation act for the Treasury Department for 1926 was made possible by the elimination of $12,000,000 which was carried in the 1925 act and prior years for the refund of taxes and which was later on carried for 1926 in the first deficiency bill, approved in January.

It should also be stated that the second deficiency bill, approved March 4, carries $21,818,232.50 for the fiscal year 1926 which should be added to the amount carried in the supply bills for 1926, a fiscal year which begins on July 1. With this added, it will be seen that the amount of the annual supply bills for 1926 is $2,340,112,357.07, as compared with $2,352,063,124.02 for 1925, a difference of less than $12,000,000. It is apparent that if the $12,000,000 for refund of taxes above referred to had been carried in the regular supply bill for 1926, as for 1925 and previous years the amounts for 1926 would have exceeded 1925.

But this is not the whole story. The first deficiency bill, approved in January, carries $150,000,000 for refund of taxes for the period from November 1, 1924, to January 1, 1926, a monthly average of $10,714,285.71. Of this sum, therefore, it may be said that practically $64,285,714.26 will be spent during the first six months of the fiscal year 1926. The balance, $85,714,285.74, will be expended during the last six months of the current fiscal year, 1925, but it must be borne in mind that Congress will be called upon at the next December session to appropriate additional funds for this purpose for a corresponding period in the fiscal year 1926, and the one may, therefore, be quite fairly balanced against the other in a comparison of the appropriations for the respective fiscal years. The second deficiency bill carries $16,760,642.23 for the fiscal year 1925, but it must not be forgotten that every Congress passes two or more deficiency bills, and the next Congress will undoubtedly be called upon to make deficiency appropriations for the fiscal year 1926 in similar or possibly larger amounts.

So the facts may be fairly stated as follows: The total appropriations made at the first session of the Sixty-eighth Congress for the current fiscal year 1925 and before the fiscal year began were $3,801,022,766.59, including over $29,000,000 in special acts, and the total appropriations made by the second session of the Sixty-eighth Congress for the fiscal year 1926, beginning July 1, including the amounts named as carried in the deficiency bills, amount to $3,804,455,379.57. Thus it will appear that this session of Congress has appropriated $3,432,612.98 for the fiscal year beginning next July more than was appropriated by this Congress at its first session for the fiscal year 1925 prior to the beginning of that fiscal year. If, therefore, the deficiencies for 1926 equal those of 1925, and there is every reasonable presumption that they will do so, then the final appropriation for 1926 will exceed the final appropriation for 1925 by several millions of dollars.

It should be remembered that Congress recently passed acts increasing the salaries of Members, which will amount to $1,327,600, and the salaries of postal employees which it is estimated will amount to $68,000,000. There has been no appropriation made to provide for these increases, and this will have to be done in a deficiency bill at the next session of Congress.

It is estimated the increased postal rates will bring into the Treasury $60,000,000 additional postal revenue, and since postal revenue very nearly provides for the Postal Service, it has been the custom to eliminate from the summary of expenditures the amount of receipts and expenditures for the Postal Service and only to consider such deficits as may occur. I have always contended that this is wrong. It does not present a true picture of the total receipts and disbursements of the Government. Postal receipts are paid into the Treasury just as receipts from other sources, and it is necessary to make appropriations for that service as is done for other activities of the Government.

An examination of the figures in the table which I have submitted comparing the amount of appropriations for 1926 and 1925 shows that there has been a considerable reduction in some of the departments, but an analysis will show that these reductions are not the result of economies practiced by the administration. They are what might be termed unavoidable savings or reductions. Activities were created and obligations incurred during the war, some of which have entirely disappeared and others are rapidly diminishing. Were it not for this fact it is clear that the requirements for the administration for 1926 would have greatly exceeded the appropriations for 1925. For instance, we are constantly paying off the public debt, and therefore the amount of interest on the public debt will be $35,000,000 less in 1926 than in 1925. The pension rolls are being reduced at the rate of more than 14,000 pensioners per annum, and therefore the Interior Department appropriation bill for 1926 carries for pensions $25,500,000 less than was carried for this purpose in 1925. The 1926 appropriation for independent offices carries $6,000,000 less for the Shipping Board than was carried in 1925. There is in the same bill a reduction of more than $76,000,000 for the Veterans' Bureau, due to the fact that the large items for vocational rehabilitation and medical and hospital services are rapidly diminishing, the reduction in these two items alone totaling $61,850,000. There is a reduction of over $64,000,000 in the appropriation for the bonus or adjusted compensation for ex-service men, whereas if the actuary's figures had been followed the appropriation for 1926 would have been over $28,000,000 more for this purpose than for 1925.

The so-called bonus or adjusted compensation act made provision for a certificate or sinking fund to which payments should be paid every year in order that the compensation certificates may be paid at their maturity without unduly increasing the appropriation at that time or disturbing the financial operations of the Government. According to the Government actuary the appropriation under this act for 1926 should have been $36,902,544 for the cash quarterly payments, and $118,474,828 for the certificate or sinking fund. The 1926 appropriation carries only $62,000,000 for both of these purposes which enable it to show quite a reduction under 1925. The ex-service men have three years in which to make application,

and it is reasonable to suppose that all, or nearly all, will apply. Sound business and intelligent economy demand that the sinking fund be maintained each year, and the failure to make proper appropriations for this fund year by year in order to make a showing of a reduction will cost the Treasury more money in the long run, for these certificates must be met at maturity. The certificate or sinking fund was devised by the actuary and approved by Congress as the method by which the cost of redeeming them could be reduced through the accumulation of interest.

The Agricultural appropriation carries a considerable increase necessary to enable the Federal Government to cooperate with the States in the building of roads, comparatively little having been appropriated for this purpose in 1925 because of money on hand. In this connection it should be stated that the Director of Public Roads positively stated that the sum appropriated is inadequate and that an additional $14,000,000 will have to be appropriated at the next session as a deficiency in order to enable the Government to meet its obligations to the States.

The naval appropriation bill for 1926 carries $287,402,328. Add to this $21,000,000, provided as a 1926 supplemental appropriation in the second deficiency bill, there is an appropriation in actual cash for the Navy of $318,402,328, as against $278,175,460.87 for 1925 and $150,000,000, the largest amount ever spent in time of peace for the maintenance of the Navy, back in 1914. This huge annual sum, when considered in connection with the fact that there is a balance of authorizations of $152,560,000 for alterations and increases in the Navy made by this Congress and which must be provided for by appropriations in subsequent years, emphasizes the importance of another and more effective conference on the limitation of armaments, and that the former conference, which was held under this administration and which was heralded to the country as such an important step toward the reduction of armaments, failed to accomplish what the people were led to believe.

The appropriations for strictly military activities of the Army for 1926 amount to over $258,000,000, as against $101,000,000 in 1914. These figures show that the time has arrived when such heavy expenditures must stop or else the people of the country will be exhausted by the burden of taxation.

In the deficiency bill which was approved on March 4 the sum of $13,661,500 is made available until June 30, 1926. It is evident that the greater part of this sum will be spent during the fiscal year 1926 and should be charged to the appropriations for that fiscal year, although not included in the figures above given. While continuing appropriations are sometimes unavoidable it is to be hoped that this practice will not become a fixed policy. The intent of the Budget system is that appropriations for fiscal years shall be readily ascertainable, and where appropriations are made for one year and permitted to lap over into another year this is impossible. Equally objectionable is the policy of making supplemental appropriations in a deficiency bill for a fiscal year which is to follow, and the Budget should have the necessities of the various activities of the Government for the fiscal year for which appropriations are to be made sufficiently well in hand at the time the estimates are made so as to avoid this. Deficiency bills should not carry supplemental appropriations for an ensuing fiscal year except in cases where an unavoidable mistake has been made in the original estimates or where an unexpected emergency has arisen, or Congress has passed an act subsequent to the estimates requiring increased appropriations. This is important, because appropriations in deficiency bills are not usually given consideration in a general survey of the amounts appropriated for any one fiscal year. Appropriations and expenditures are nonpartisan in character, and one of the many advantages of a budget system is that it gives to the public a true picture of the appropriations and expenditures that are made from year to year and these appropriations and expenditures should appear on the front page and not be hidden away in the appendix. The same general criticism may be made of the custom of making reappropriations. It is a matter of congratulation that Congress has been getting away from this practice since the establishment of the Budget, although there are reappropriations carried in the appropriations for 1926 amounting to at least $16,000,000.

AUTHORIZATIONS

During this session Congress passed the following acts authorizing new construction and activities:

River and harbor act	$41,000,000
Arlington Memorial Bridge	14,750,000
Naval cruisers and gunboats and modernization	154,560,000
Aircraft carriers	22,000,000
Naval omnibus act	10,000,000
Contract authorization for aircraft, Army and Navy	6,250,000
Roads	165,000,000
Veterans' Bureau hospitals	10,000,000
District of Columbia school buildings	19,000,000
Embassy building (Tokyo)	1,150,000
Miscellaneous acts, amounting to more than	3,000,000
Total	446,710,000

Of the above amounts, $32,000,000 has been appropriated and is carried in the regular appropriation bills. The remainder, $414,710,000, must be appropriated in the next few years. In addition to this the House passed the public buildings bill calling for an expenditure of $150,000,000 in six years. It was not concurred in by the Senate, but will doubtless be passed at the first session of the next Congress.

All of these authorizations were approved and the passage of many of them urged by the administration as a part of its program. For more than 35 years efforts have been made to induce Congress to authorize the construction of the Arlington Memorial Bridge. Its construction will involve many millions of dollars more than the amount of the authorization in the approaches, widening of streets, and so forth, necessary to carry out the proposed plan. During all these years Congress refused to authorize its construction, and it remained for the President to recommend and to urge it upon Congress in his annual message, and at a time when the people are more burdened with taxes than ever before in the history of the country. The President likewise urged an appropriation to pay the French spoliation claims, amounting to more than $3,000,000, and which have been knocking about the doors of Congress for more than 100 years; but this recommendation did not meet with the favor of Congress.

The authorizations made by the first session amounted to more than $3,400,000,000, which included the bonus or adjusted compensation act. This makes a total of nearly $4,000,000,000 in authorizations made by the Sixty-eighth Congress, which must be taken care of in the years following. This is a far greater amount of obligations than has ever been created by any Congress save those functioning in times of war.

BUDGET ESTIMATES

The administration must share with Congress in the responsibility for these appropriations and authorizations. Under the Budget act the President is directly responsible for the estimates submitted for appropriations and Congress has appropriated for the fiscal year 1926 $11,125,847.08 less than was requested in the Budget submitted by the President. In fact, there has been no year since the Budget system was established that the Congress has not reduced the Budget estimates. The Budget became operative for the fiscal year 1923 and since that time Budget estimates submitted by the President have been reduced by Congress in the aggregate sum of more than $340,000,000.

ESTIMATED EXPENDITURES

The figures submitted by the Budget in December show that the actual expenditures of the Government for 1924 (exclusive of those paid out of the postal revenue) were $3,506,677,715.34, and that the estimated expenditures for the current fiscal year 1925 are $3,534,083,808, or an increase of more than $27,000,000. It is estimated that the expenditures for 1926 will be $266,000,000 less than for the current fiscal year. It is pertinent to inquire just how this decrease is brought about.

Thirty-five million dollars comes from a reduction of the public debt and the consequent reduction in the amount of interest to be paid. It is estimated that $35,000,000 less will be required next year for the refund of taxes which have been erroneously collected.

The railroads have been returned to private ownership and $18,000,000 less will be required for the railroad administration and loans to railroads. There is a decrease of $18,000,000 expenditures for pensions caused by death among the soldiers of wars preceding the World War. There is a natural inevitable reducing of the number of the soldiers of the World War who need to be vocationally rehabilitated, and $51,000,000 less will be needed for this purpose and also $11,000,000 less for medical and hospital service. It is estimated that $50,000,000 less will be used in the cost of paying the bonus to ex-service men, a reduction which I have heretofore discussed. Fifteen million dollars less will be required for the Emergency Fleet Corporation, an activity which was inherited from the World War. It is proposed to contribute $6,000,000 less to the States for the building of good roads. As the business of the country increases postal revenue increases, and in December it was estimated that the deficit in 1925 would be turned into a surplus in 1926, and there will be a difference of $20,000,000 on this account. It should be said, however, that this estimate

was submitted before the increase in postal salaries and for which the increase in postal rates did not fully provide.

These reductions are clearly illustrated by the following table:

Interest on the public debt	$35,000,000
Tax refunds	35,000,000
Railroad administration and loans	18,000,000
Pensions	18,000,000
Vocational rehabilitation	51,000,000
Hospital and medical service	11,000,000
Adjusted compensation	50,000,000
Emergency Fleet Corporation	15,000,000
Good roads	6,000,000
Postal Service	20,000,000
Total	259,000,000

Thus it will be seen that more than 97 per cent of the estimated reduction in expenditures for 1926 over 1925 are either automatic reductions or a deferred appropriation and can not be claimed or classed as an economy on the part of the administration. An analysis of the Budget estimates of expenditures shows no promise of any important lessening of normal, regular, ordinary governmental expenditures. Such an analysis will show that the expenditures of some of the departments and most of the governmental establishments will be increased. The acid test of economy—one which will give hope to the people of permanent relief—is the reduction of the cost of the ordinary peace-time activities of the Government.

It should be stated that since these Budget estimates were submitted Congress has passed numerous acts and authorizations which will require expenditures in 1926 not then anticipated. The second deficiency bill, which was approved on March 4, carried the sum of $33,693,207.04, due to new laws or treaties passed by Congress.

It is the custom of the Budget to compare the current fiscal year's expenditures with the expenditures made in the fiscal year 1921 rather than a comparison with the expenditures for the fiscal year immediately preceding. President Coolidge in his address on January 26, to Government employees, 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.

With all due respect, this statement is calculated to create a wrong impression as to the actual economy effected under this administration. Everyone realizes that in 1921 a sufficient time had not elapsed to close up many war activities and agencies, including reduction in the Army. These activities and agencies were in the process of liquidation. War expenditures were reduced from $18,514,000,000 in 1919 to $6,403,000,000 in 1920, a total of $12,111,000,000. It would be as consistent to claim this reduction of more than $12,000,000,000 as economy and saving on the part of a Democratic administration as it is for the present administration to take credit for the reduction of the 1921 expenditures in the sum of $1,700,000,000 in 1922.

The true test of real progressive economy is a comparison with the preceding year. The reason for the comparison with 1921 is clear when it is stated that, according to the Budget's own figures, the actual expenditures for 1922, exclusive of the Postal Service, which amounts each year to over $600,000,000, were $3,795,000,000 and for 1923 $3,697,000,000, a reduction of $97,000,000. Expenditures for 1924 were $3,506,000,000, a reduction of $191,000,000 over 1923. The estimated expenditures for 1925 are $3,534,000,000, an increase of $28,000,000 over 1924. The combined reductions for these three years amount to $260,000,000, which is little more than the $225,000,000 reduction of public interest due to debt retirement since June 30, 1922.

INCREASE OF SALARIES

The Sixty-eighth Congress has passed laws increasing annual salaries of Government employees, in addition to the bonus which had been paid for several years, and which amounted to $35,893,110 annually, as follows:

At the first session:	
District and field employees, exclusive of Postal Service	$9,271,000
Consular officials	495,000
Employees in Government Printing Office	500,000
Senate and House employees	362,799
Teachers, firemen, and police of District of Columbia	2,500,000
At the second session:	
Postal employees	68,000,000
Members' salaries	1,327,000
Cabinet members, Speaker, and Vice President	36,000

In addition to this there have been increases for the employees in the Bureau of Printing and Engraving, and many new positions have been created with salaries ranging as high as ten and twelve thousand a year.

The pay of officers and enlisted men in the Army and Navy has been increased in the last two and a half years approximately each year $55,000,000.

CIVIL-SERVICE EMPLOYEES

In an address to the Government employees on January 26, 1925, President Coolidge declared that the Government had "superfluous employees," and that there must be a reduction in the personnel. Mr. Coolidge succeeded to the Presidency in August, 1923. From the close of the war until December 31, 1923, there had been a steady and continuing reduction in the number of Government employees. Since that date there has been a steady and continuing increase, and during the calendar year 1924, 15,307 persons were added to the Government pay rolls. Some may claim that the additional temporary employees needed for the administration of the bonus or adjusted compensation act accounts for this increase, but the facts show that the maximum number of such temporary employees was 3,638, leaving 11,669 who were added to the regular Government pay rolls during the period from December 31, 1923, to December 31, 1924. In view of the oft-repeated declarations of economy during the past year and one-half, it is surprising that the number of civil-service employees should have been increased so greatly during the calendar year 1924, and it is even more surprising that after the address of the President in January only 43 employees were dropped from the permanent rolls in the District of Columbia during the month of February, as shown by the report of the Civil Service Commission. There is no report as to any reduction in the field service.

On March 1, 1925, there were 62,093 civil-service employees in the District of Columbia. The number of such employees on June 30, 1916, the year preceding our entry into the war, was 39,442. At the February rate of reduction it will take a long time to reduce the number of civil-service employees in Washington to anything like the number carried on the rolls prior to the war. The President wisely said that it was "an unpleasant and difficult task to separate people from the Federal service." This difficulty has been greatly increased by the addition of so many persons to the pay rolls during the calendar year 1924. It is unfortunate that some steps looking to a reduction were not taken at least one year earlier. On January 1, 1925, the number of civil-service employees in Washington and in the field was 121,921 more than the total number prior to the declaration of war against Germany. The following table compiled by the Civil Service Commission shows the number of civil-service employees within and outside the District of Columbia since June 30, 1916:

War expansion and reduction since armistice

Date	In District of Columbia	Outside District of Columbia	Total
June 30, 1916	39,442	398,615	438,057
Nov. 11, 1918	117,760	800,000	917,760
July 31, 1920	90,559	600,557	691,116
July 31, 1921	78,865	518,617	597,482
June 30, 1922	69,980	490,883	560,863
June 30, 1923	66,290	482,241	548,531
Dec. 31, 1923	65,025	479,646	544,671
June 30, 1924	64,120	490,866	554,986
Dec. 31, 1924	66,224	493,754	559,978

The administration and not Congress must be held responsible for this increase in employees. True, Congress makes the appropriations necessary to employ them, but it does so on estimates or requests submitted by the Budget, of which the President is the responsible head, and there has never been an instance in the whole history of the Budget that Congress did not materially reduce the estimates. If it be true, as the President says, that there were "superfluous employees" on January 26, 1925, and there is no doubt but that he was correctly advised, then the conclusion is inescapable that administrative officials were not responsive to the demands of economy when they added more than 11,000 employees to the regular pay roll in 1924.

There has been much said within the last year as to the economy being practiced by the administration. Statements have been broadcasted to the country over and over again showing small savings here and there, but there has been nothing said of the larger increases in expenditures which have been made in many of the departments and establishments of the Government, and the increases caused by the appointment of various commissions and new commitments. Declarations even though made by the President avail nothing unless those

acting under him and over whom he has control exercise that economy which the interest of the people demands. No one can analyze the appropriations for the past several years without coming to the inevitable conclusion that there would have been no reductions, but on the contrary large increases, had it not been for the fact that war-time agencies and activities have been disappearing. Such an analysis will show without possibility of question that the cost of the ordinary, daily, peace-time operations of the Government is steadily increasing. I repeat that the reduction of the cost of the ordinary peace-time activities of the Government is essential for the relief of the people from their present burdens of taxation and is the acid test of true economy.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 12261. An act authorizing the appropriation of $5,000 for the erection of tablets or other form of memorials in the city of Quincy, Mass., in memory of John Adams and John Quincy Adams; and

H. R. 4904. An act for the relief of Jesse P. Brown.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 3632) to amend the Federal farm loan act and the agricultural credits act of 1923.

The message also announced that the Senate had concurred in the amendments of the House of Representatives to the bill (H. R. 12308) to amend the World War veterans' act, 1924.

The message also announced that the Senate had passed without amendments joint resolution and bills of the following titles:

H. R. 1579. An act authorizing the disposition of certain lands in Minnesota;

H. R. 8236. An act for the relief of the Government of Canada;

H. R. 7934. An act for the relief of Benjamin F. Youngs;

H. R. 12029. An act for the relief of sufferers from the fire at New Bern, N. C., in December, 1922; and

H. J. Res. 264. Joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.

The message also announced that the Senate had receded from its disagreement to the House amendments to the bill (H. R. 5481) to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.

The message also announced that the Senate had agreed to the conference report on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12392) making appropriations for the fiscal year ending June 30, 1925, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1925, and June 30, 1926, and for other purposes.

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

H. R. 6723. An act to provide for reimbursement of certain civilian employees at the naval torpedo station, Newport, R. I., for the value of personal effects lost, damaged, or destroyed by fire;

H. R. 21. An act to amend the patent and trade-mark laws, and for other purposes;

H. R. 3556. An act for the relief of Herman R. Woltman;

H. R. 12030. An act for the relief of sufferers from cyclone in northwestern Mississippi in March, 1923;

H. R. 8672. An act for the relief of Robert W. Caldwell;

H. R. 7744. An act for the relief of Wesley T. Eastep;

H. R. 2421. An act for the relief of Matthew Thomas;

H. R. 9969. An act for the relief of the New York Shipbuilding Corporation for losses incurred by reason of Government orders in the construction of battleship *No. 42;*

H. R. 12405. An act granting the consent of Congress to the city of Rockford, in the county of Winnebago and State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River; and

H. R. 5143. An act for the relief of First Lieut. John I. Conroy.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Senate be requested to return to the House of Representatives the bill (H. R. 11752) to provide for extension of payment on homestead entries on ceded lands of the Fort Peck Indian Reservation, State of Montana, and for other purposes.

The message also announced that the Senate had passed with amendments the bill (H. R. 4448) authorizing the establishment of rural routes of from 36 to 75 miles in length in which the House of Representatives concurred.

The message also announced that the Senate had passed without amendment the bill (H. R. 11752) to provide for extension of payment on homestead entries on ceded lands of the Fort Peck Indian Reservation, State of Montana, and for other purposes.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bills of the following titles:

S. 1569. An act to compensate Lieut. L. D. Webb, United States Navy, for damages to household effects while being transported by Government conveyance;

S. 1664. An act for the relief of Dr. C. LeRoy Brock;

S. 1897. An act for the relief of Mrs. Benjamin Gauthier; and

S. 4232. An act to amend section 409, Revised Statutes of the United States, relating to fines, penalties, forfeitures, and liabilities in the Postal Service.

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 joint resolution and bills:

H. J. Res. 375. Joint resolution authorizing and directing the Secretary of Agriculture to waive one-half of the grazing fees for the use of the national forests during the calendar year 1925;

H. R. 11505. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1926, and for other purposes;

H. R. 11472. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and

H. R. 10020. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes.

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 12308. An act to amend the World War veterans' act, 1924;

H. R. 2688. An act providing for sundry matters affecting the naval service, and for other purposes;

S. 3549. An act for the relief of Roy A. Darling;

S. 3676. An act for the relief of Harry Newton;

H. R. 4904. An act for the relief of Jesse P. Brown;

H. R. 12261. An act authorizing the appropriation of $5,000 for the erection of tablets or other form of memorials in the city of Quincy, Mass., in memory of John Adams and John Quincy Adams;

S. 3534. An act to correct the military record of Thomas C. Johnson, deceased;

S. 3090. An act for the relief of Palestine Troup;

S. 3050. An act for the relief of the Turner Construction Co., of New York City;

S. 2950. An act to define and determine the character of the service represented by the honorable discharge issued to John McNickle, of Company L, Seventh Regiment New York Volunteer Heavy Artillery, under date of September 27, 1865;

S. 2941. An act for the relief of Philip T. Coffey;

S. 2301. An act for the relief of Thomas G. Patten;

S. 2223. An act for the relief of the estate of Robert M. Bryson, deceased;

S. 4209. An act to authorize the building of a bridge across the Santee River in South Carolina;

S. 2087. An act for the relief of Laura C., Ida E., Lulu P., and Esther P. Peterson;

S. 1809. An act for the relief of Emelus S. Tozier;

S. 1574. An act for the relief of Alice E. O'Neil;

S. 953. An act for the relief of William Kaup;

S. 1232. An act for the relief of Stephen A. Winchell;

S. 245. An act for the relief of Henry P. Collins, alias Patrick Collins;

S. 106. An act for the relief of Robert F. Hamilton;

S. 49. An act for the relief of Elizabeth H. Rice;

S. 1543. An act for the relief of George E. Harpham;

S. 3576. An act for the relief of Margarethe Murphy;

S. 2035. An act for the relief of Albert O. Tucker;
S. 3632. An act to amend the Federal farm loan act and the agricultural credits act of 1923;
S. 4367. An act to provide for extension of payment on homestead entries on ceded lands of the Fort Peck Indian Reservation, State of Montana, and for other purposes;
S. 4254. An act for the relief of Ishmael J. Barnes;
S. 4358. An act for the relief of Rear Admiral Joseph L. Jayne, United States Navy, retired;
S. 3830. An act to authorize and direct the Secretary of the Interior to issue patents upon the small holding claims of Constancio Miera, Juan N. Baca, and Filomeno N. Miera;
S. 3717. An act conferring jurisdiction upon the Court of Claims of the United States or the District Courts of the United States to hear, adjudicate, and enter judgment on the claim of Solomon L. Van Meter, jr., against the United States, for the use or manufacture of an invention of Solomon L. Van Meter, jr., covered by letters patent No. 1192479, issued by the Patent Office of the United States July 25, 1916;
S. J. Res. 46. Joint resolution for the relief of Capt. Ramon B. Harrison;
S. 1569. An act to compensate Lieut. L. D. Webb, United States Navy, for damages to household effects while being transported by Government conveyance;
S. 1897. An act for the relief of Mrs. Benjamin Gauthier;
S. 1664. An act for the relief of Dr. C. LeRoy Brock;
S. 4232. An act to amend section 409, Revised Statutes of the United States, relating to fines, penalties, forfeitures, and liabilities in the Postal Service;
H. R. 5481. An act to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.;
H. R. 12392. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1925, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1925, and June 30, 1926, and for other purposes;
H. R. 8236. An act for the relief of the Government of Canada;
H. R. 7744. An act for the relief of Wesley T. Eastep;
H. R. 12029. An act for the relief of sufferers from the fire at New Bern, N. C., in December, 1922;
H. R. 7934. An act for the relief of Benjamin F. Youngs;
H. R. 8672. An act for the relief of Robert W. Caldwell;
H. R. 12030. An act for the relief of sufferers from cyclone in northwestern Mississippi in March, 1923;
H. R. 9969. An act for the relief of the New York Shipbuilding Corporation for losses incurred by reason of Government orders in the construction of battleship *No. 42;*
H. R. 12405. An act granting the consent of Congress to the city of Rockford, in the county of Winnebago and State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River;
H. R. 6723. An act to provide for reimbursement of certain civilian employees at the naval torpedo station, Newport, R. I., for the value of personal effects lost, damaged, or destroyed by fire;
H. R. 3556. An act for the relief of Herman R. Woltman;
H. R. 2421. An act for the relief of Matthew Thomas;
H. R. 5143. An act for the relief of First Lieut. John I. Conroy;
H. R. 7269. An act to authorize and direct the Secretary of War to transfer certain materials, machinery, and equipment to the Department of Agriculture;
H. J. Res. 264. Joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.;
H. R. 1579. An act authorizing the disposition of certain lands in Minnesota; and
H. R. 21. An act to amend the patent and trade-mark laws, and for other purposes.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

On March 3, 1925:

H. J. Res. 115. Joint resolution approving the action of the Secretary of War in directing the issuance of quartermaster stores for the relief of sufferers from the cyclone at Lagrange and at West Point, Ga., and vicinity, March, 1920;
H. R. 1415. An act for the relief of Josiah Frederick Dose;
H. R. 1539. An act for the relief of Caleb Aber;
H. R. 6095. An act to authorize the Secretary of War to sell real property, to wit, a portion of the Fort Revere Reservation, at Hull, Mass.;
H. R. 6268. An act for the relief of Francis M. Atherton;
H. R. 10472. An act to provide for restoration of the old Fort Vancouver Stockade;
H. R. 11355. An act authorizing the Secretary of War to convey by revocable lease to the city of Springfield, Mass., a certain parcel of land within the Springfield Military Armory Reservation, Mass.;
H. R. 11410. An act to extend the time for the exchange of Government lands for privately owned lands in the Territory of Hawaii;
H. R. 12300. An act to amend section 281 of the revenue act of 1924;
H. R. 11358. An act to authorize the Secretary of the Interior to cancel restricted fee patents covering lands on the Winnebago Indian Reservation and to issue trust patents in lieu thereof;
H. R. 11360. An act to provide for the permanent withdrawal of a certain 40-acre tract of public land in New Mexico for the use and benefit of the Navajo Indians;
H. R. 11361. An act to provide for exchanges of Government and privately owned lands in the additions to the Navajo Indian Reservation, Ariz., by Executive orders of January 8, 1900, and November 14, 1901;
H. R. 2016. An act for the relief of William M. Phillipson;
H. R. 10347. An act for the relief of Robert B. Sanford;
H. R. 5722. An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes;
H. R. 11009. An act for the relief of James T. Conner;
H. R. 3842. An act to provide for terms of the United States district court at Denton, Md.;
H. R. 5236. An act for the relief of Mrs. M. J. Adams;
H. R. 5261. An act to repeal and reenact chapter 100, 1914 [Public, No. 108], to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal Star-Spangled Banner, written by Francis Scott Key; for the appropriation of the necessary funds; and for other purposes;
H. R. 8037. An act for the relief of the Mallory Steamship Co.;
H. R. 9535. An act authorizing suits against the United States in admiralty for damage caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes;
H. R. 12262. An act for the relief of certain enlisted men of the Coast Guard;
H. R. 11633. An act to authorize an appropriation to provide additional hospital and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924;
H. R. 12033. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1926, and for other purposes;
H. R. 1948. An act for the relief of Samuel Friedman, as trustee for the heirs and devisees of B. Friedman, deceased, and Henry Mills, as trustee for the heirs and devisees of Emanuel Loveman, deceased;
H. R. 2905. An act to authorize an exchange of lands with Ed. Johnson, of Eagle, Colo.;
H. R. 4148. An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes;
H. R. 5786. An act for the relief of Roberta H. Leigh and Laura H. Pettit;
H. R. 6044. An act authorizing the Secretary of the Interior to sell and patent certain lands to Lizzie M. Nickey, a resident of De Soto Parish, La.;
H. R. 6045. An act authorizing the Secretary of the Interior to sell and patent certain lands to Flora Horton, a resident of De Soto Parish, La.;
H. R. 6710. An act to authorize the Secretary of the Interior to lease certain lands;
H. R. 7679. An act for the relief of Lars O. Elstad and his assigns and the exchange of certain lands owned by the Northern Pacific Railway Co.;
H. R. 9027. An act authorizing the Secretary of the Interior to sell and patent to William G. Johnson certain lands in Louisiana;

H. R. 9062. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any and all claims, of whatever nature, which the Kansas or Kaw Tribe of Indians may have or claim to have, against the United States, and for other purposes;

H. R. 9687. An act permitting the sale of the northeast quarter, section 5, township 6 north, range 15 west, 160 acres, in Conway County, Ark., to A. R. Bowdre;

H. R. 9825. An act to extend the time for the construction of a bridge across Pearl River at approximately 1½ miles north of Georgetown, in the State of Mississippi;

H. R. 10277. An act to extend the time for the construction of a bridge across Humphreys Creek at or near the city of Sparrows Point, Md.;

H. R. 10592. An act to amend an act entitled "An act authorizing extensions of time for the payment of purchase money due under certain homestead entries and Government-land purchases within the former Cheyenne River and Standing Rock Indian Reservations, N. Dak. and S. Dak.";

H. R. 11077. An act authorizing the issuance of patents to the State of South Dakota for park purposes of certain lands within the Custer State Park, now claimed under the United States general mining laws, and for other purposes;

H. R. 11210. An act to grant certain public lands to the State of Washington for park and other purposes;

H. R. 11644. An act granting certain public lands to the city of Phoenix, Ariz., for municipal park and other purposes;

H. R. 11726. An act to authorize the creation of a national memorial in the Harney National Forest;

H. R. 11818. An act granting the consent of Congress to the construction of a bridge across the Rio Grande;

H. R. 11886. An act to amend section 7 of an act entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," approved March 1, 1911 (36 Stat. L. p. 961);

H. R. 11953. An act granting the consent of Congress for the construction of a bridge across the Grand Calumet River on the north and south center line of section 33, township 37 north, and range 9 west of the second principal meridian in Lake County, Ind., where said river is crossed by what is known as Kennedy Avenue;

H. R. 11954. An act granting the consent of Congress for the construction of a bridge across the Grand Calumet River at Gary, Ind.;

H. R. 11977. An act to extend the time for the commencement and completion of the bridge of the American Niagara Railroad Corporation across the Niagara River in the State of New York;

H. R. 9846. An act for the relief of Francis Kelly;

H. R. 2646. An act for the relief of Ida Fey;

H. R. 3839. An act for the relief of M. Castanola & Son;

H. R. 5939. An act to facilitate and simplify the work of the Forest Service, United States Department of Agriculture, and to promote reforestation;

H. R. 5637. An act for the relief of Edward R. Wilson, lieutenant commander, Supply Corps, United States Navy;

H. J. Res. 347. Joint resolution providing for an investigation of the official conduct of George W. English, district judge for the eastern district of Illinois;

H. J. Res. 382. Joint resolution empowering the Speaker of the House of Representatives to appoint a Member elect of the Sixty-ninth Congress as a member of the commission in control of the House Office Building;

H. R. 9435. An act to provide for commitments to, maintenance in, and discharges from the District Training School, and for other purposes;

H. J. Res. 375. Joint resolution authorizing and directing the Secretary of Agriculture to waive one-half of the grazing fees for the use of the national forests during the calendar year 1925;

H. R. 10020. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1926, and for other purposes;

H. R. 11472. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and

H. R. 11505. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1926, and for other purposes.

On March 4, 1925:

H. R. 6651. An act to add certain lands to the Umatilla, Wallowa, and Whitman National Forests in Oregon;

H. R. 9028. An act to authorize the addition of certain lands to the Whitman National Forest;

H. R. 11701. An act to amend the act entitled "An act to regulate steam engineering in the District of Columbia," approved February 28, 1887;

H. R. 11067. An act to provide for the relinquishment by the United States of certain lands to the county of Kootenai, in the State of Idaho; and

H. R. 10770. An act granting certain lands to the State of Washington for public park and recreational grounds, and for other purposes.

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 joint resolutions and bills:

H. J. Res. 264. A joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.;

H. R. 21. An act to amend the patent and trade-mark laws, and for other purposes;

H. R. 1579. An act authorizing the disposition of certain lands in Minnesota;

H. R. 3556. An act for the relief of Herman R. Woltman;

H. R. 2421. An act for the relief of Matthew Thomas;

H. R. 5143. An act for the relief of First Lieut. John I. Conroy;

H. R. 7269. An act to authorize and direct the Secretary of War to transfer certain materials, machinery, and equipment to the Department of Agriculture;

H. R. 12392. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1925, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1925, and June 30, 1926, and for other purposes;

H. R. 5481. An act to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.;

H. R. 12029. An act for the relief of the sufferers from the fire at New Bern, N. C., in December, 1922;

H. R. 7934. An act for the relief of Benjamin F. Youngs;

H. R. 8672. An act for the relief of Robert W. Caldwell;

H. R. 12030. An act for the relief of sufferers from cyclones in northwestern Mississippi in March, 1923;

H. R. 9969. An act for the relief of the New York Shipbuilding Corporation for losses incurred by reason of Government orders in the construction of battleship *No. 42;*

H. R. 12405. An act granting the consent of Congress to the city of Rockford, in the county of Winnebago and State of Illinois, to construct, maintain, and operate a bridge;

H. R. 7744. An act for the relief of Wesley T. Eastep;

H. R. 8236. An act for the relief of the Government of Canada;

H. R. 6723. An act to provide for reimbursement of certain civilian employees at the naval torpedo station, Newport, R. I., for the value of personal effects lost, damaged, or destroyed by fire;

H. R. 12261. An act authorizing the appropriation of $5,000 for the erection of tablets or other form of memorials in the city of Quincy, Mass., in memory of John Adams and John Quincy Adams;

H. R. 4904. An act for the relief of Jesse P. Brown;

H. R. 12308. An act to amend the World War veterans' act, 1924;

H. R. 2688. An act providing for sundry matters affecting the naval service, and for other purposes;

H. R. 1446. An act for the relief of Charles W. Gibson, alias Charles J. McGibb;

H. R. 9131. An act for the relief of Martha Janowitz;

H. R. 12156. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians;

H. J. Res. 226. Joint resolution for the relief of special disbursing agents of the Alaskan Engineering Commission, authorizing the payment of certain claims, and for other purposes, affecting the management of the Alaska Railroad;

H. J. Res. 294. Joint resolution extending the sovereignty of the United States over Swains Island and making the island a part of American Samoa;

H. R. 12376. An act to extend the times for the commencement and completion of the bridge of the county of Norman

and the town and village of Halstad in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States;

H. R. 12344. An act to extend the time for the commencement and completion of the bridge of the Valley Transfer Railway Co., a corporation, across the Mississippi River in the State of Minnesota;

H. R. 12264. An act granting the consent of Congress to the State of Minnesota and the counties of Sherburne and Wright to construct a bridge across the Mississippi River;

H. R. 11702. An act granting the consent of Congress to the village of Spooner, Minn., to construct a bridge across the Rainy River; and

H. R. 6001. An act for the relief of John E. Walker.

ABRAHAM LINCOLN

Mr. TAYLOR or Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered in Philadelphia on February 12, 1925, by the gentleman from Kentucky, Mr. ROBSION, on the anniversary of the birth of Lincoln.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker and gentlemen of the House, under the leave granted to me I have the honor to submit for publication in the RECORD a masterly address delivered by my brilliant and distinguished colleague from Kentucky, the Hon. JOHN M. ROBSION. This address, which is one of the best I have ever read on the subject, was delivered in the city of Philadelphia, a city rich in historical reminiscence, on the 12th of February last—the one hundred and sixteenth anniversary of the birth of the immortal Abraham Lincoln—at memorial exercises held under the auspices of the Sons of Veterans of America. It was particularly appropriate that Judge ROBSION was invited by this patriotic organization to deliver the principal address on this occasion, because Judge ROBSION embodies in his character and personality many of the features and qualities of the great emancipator. Tall, gaunt, and ungainly like Lincoln, he possesses the Lincoln homely philosophy, the Lincoln common sense, and the Lincoln good humor.

This eloquent address of my colleague, for whom I entertain the greatest respect and admiration, is a valuable contribution to the literature on the life, character, and career of this outstanding American, and it is both a pleasure and a privilege to me to extend my remarks by inserting it in the permanent records of the House of Representatives:

Mr. ROBSION of Kentucky. Mr. Toastmaster, veterans, sons of veterans, and friends, it is with very keen appreciation that I appear to-night to address this distinguished assemblage of Pennsylvanians and veterans from all parts of the Nation in your great metropolis, and join with you in renewing our devotion to God's choicest gift to our country, Kentucky's most distinguished son, America's first and greatest commoner, the world's mightiest champion of freedom, the masterful man of the ages—Abraham Lincoln. I appreciate this honor the more because of the very intimate relation that existed between the people of your State and the great emancipator. You and he had a common ideal and purpose; you struggled shoulder to shoulder with him; you shared with him the bitterness of reverses; you rejoiced with him in victory; the blood of your sons was mingled with his blood; and the fruits of your united sacrifices are now the rich heritage of the Republic.

The record of Pennsylvania from the very first day of its settlement has been an inspiration to me. Your State was founded on the human principles of freedom, justice, and brotherly love. When you were a colony you wrought gloriously on the field of battle and brought wisdom to the councils of state. Was it not in your own beautiful city that the immortal Declaration of Independence was first published to the world; the Liberty Bell sounded the death knell of despotism on the western continent and called the hosts of freedom to arms? Our sacred emblem, the Stars and Stripes, was born here. It was on your soil at Valley Forge where American patriots walked with almost bare feet on the frozen ground and snow and left their bloody footprints; Robert Morris, one of your own patriots, piled high his personal fortune as a sacrifice on the altar of our country; while the brilliant Franklin brought to us the support of the French Nation. The world can not forget that Gettysburg is a part of your soil. Our country can never pay the debt of gratitude to the sons of Pennsylvania whose blood was poured out so generously there. The life of the Nation hung in the balance. It was there the rebellion reached its high-water mark; it was there the Pennsylvanians in greatest numbers and the veterans from other States forced General Lee's seasoned troops back over the stone wall on Culps Hill and turned their faces to the southward; the Confederacy was lost and the Union was saved. It was in your city that President-elect Lincoln, on his journey from Springfield to the Nation's Capital 64 years ago, declared to you and to the world his idealism and devotion to the Constitution and the Union. It was here his body lay in state on its journey from the Nation's Capital to his old home in Springfield, Ill.; and it seems to me entirely fitting and proper that Kentucky and Pennsylvania should join in doing him honor on this his one hundred and sixteenth anniversary.

ROMANCE, PATHOS, TRAGEDY, GREATNESS

I do not flatter myself that I can bring anything new to you in relation to this great man. Thousands of books and pamphlets have been written; eloquent eulogies have been delivered in every forum and pulpit and on every platform; the genius of poet, painter, and sculptor has been exhausted. The genealogist has delved deep into his ancestry; the psychologist and moralist have searched his innermost mind and penetrated his very soul in an effort to find the secret of his power and greatness. I think the centuries to come will be necessary to make a complete appraisal of his life and character. But the fact remains no human story surpasses in fascination and inspiration that of Abraham Lincoln. It is the story of the great outdoors, of humility, poverty, struggles, disappointments and defeats; a story of romance, of pathos, of tragedy, of greatness, crowned with masterful success. Washington has a place of his own in the minds and hearts of our people, as the Father of our Country. Grant, Lee, Sumner, Staunton, Seward, Douglas, and others of Lincoln's time, Jefferson, Hamilton, Jackson, Roosevelt, and others of other times, tower like mighty peaks across the years of our history. But Lincoln, the log-cabin boy of the Kentucky hills and the Illinois frontier, in my humble opinion rises in majestic grandeur above them all, and like the snow-covered and storm-swept crest of Mount Everest of the Himilayas, defies all human agencies to explore his heights. He is the most colossal figure in American life and most influential upon its history.

THE MAN OF DESTINY

Can we not think of Lincoln as a coworker with God? God looking out upon the world in the early morning of the new century, heard the baying of the bloodhound as he pursued through forest and swamp the fugitive slave; He heard the cries from the pain of the lash; He heard the prayers from thousands of humble cabins that ascended to the great white throne; He heard the wail of the black mother when the golden chord of mother and child was rudely broken by the slave trader; He saw the suffering of the oppressed millions of bondmen; He saw the most beautiful flower of his handiwork among the nations—your country and mine—in peril. He needed a man to free a race and to save this Nation. He went to the hills of old Kentucky and found a mother who was noble, pure, and true, and brought forth a son from that log-cabin home, in which there was no floor except the earth. He rocked him in the cradle of want; trained him in the school of adversity; He taught him the lesson of humanity, tenderness, and love when He touched his heart with sorrow and chastened his mind and soul with defeat and disappointment; He brought him in direct contact with the common people; He kept him close to nature; He placed on his brow the mark of destiny and guided his footsteps in the ways of the infinite. Was he not like our Saviour in the surroundings of his birth; like Him in contact with the humble and poor; like Him in disappointment, pain, and suffering; like Him in being a blood sacrifice; like Him in winning his sublime victory in death?

THE MAN OF SORROW

When Lincoln was 7 years of age his father and mother removed with him to the State of Indiana, and when he was a mere lad his mother died. His grief was overwhelming. This scar never healed. Lincoln and his father, with their own hands, made a rude coffin for her. After the death of Lincoln's mother, his father married Miss Ann Bush. She was a splendid woman and had considerable training and culture. She loved this big, awkward boy and helped to train him. When Lincoln was 17 years of age his only sister died. This broke the last tie of earthly affection. The roving spirit of Lincoln's father carried the family to the westward, to the free soil of Illinois, but they left the graves of the mother and sister in the wilderness. In Illinois Lincoln met a beautiful country girl by the name of Ann Rutledge. But before the marriage could take place she died. Lincoln's bereavement was so great that some of his friends were fearful he would lose his reason. Lincoln said at her grave in after years that the epitaph on her tombstone should read:

"Here lies buried the body of Ann Rutledge
And the heart of Abraham Lincoln."

Lincoln could and did love intensely and madly. We who have been bereft of a good mother and have loved deeply a gentle, pure, beautiful woman, and this love has been returned, can not we feel that we are comrades of the Great Emancipator? The withdrawal of the South from the Union, the bloodshed and carnage filled the cup of sorrow of Lincoln to overflowing. But he never wavered in his great purpose. His tragic death was the culmination of 50 years of disappointment and heartaches.

FAILURES AND SUCCESSES

The life of Lincoln is noteworthy as well for its failures as for its success. He was a farmer, rail splitter, flatboatman, surveyor, postmaster, merchant, and Indian fighter. It is said he failed in all of his business ventures. He knew the sting of defeat. He lost in his first race for the State Legislature in Illinois, but subsequently served his district for three terms in that body. He was defeated in his first attempt to be elected to Congress, but served one term in the National House of Representatives. He was an applicant for judge, for governor of a Territory, for secretary of a Territory, and for a position in the Land Office at Washington, but was turned down for all these. He was defeated for the Republican nomination for Vice President in 1856, and lost in a most memorable fight for United States Senator from Illinois in 1858 to that brilliant orator and statesman, Stephen A. Douglas. But the great principles he expounded and the masterful presentation of these principles made him the logical candidate for President on the Republican ticket in 1860 and assured his election. For 20 years he was oppressed by debt. While it only amounted to $1,100, he called it "The national debt," and was not entirely relieved of it until he was elected to Congress. All of his creditors were willing to renew his obligations but one; this man brought suit, secured judgment, and had an execution levied on Lincoln's surveying instruments. They were sold at public sale. They were bought in by a farmer friend, who took the instruments and laid them at Lincoln's feet, and said, "Here; start again." This same farmer in after years removed to the State of Nebraska. After Lincoln became President he learned that his old farmer friend and benefactor was in need. President Lincoln lost no time in sending needed help to his old friend. Ingratitude never found any abiding place in the soul of Abraham Lincoln.

TWO SHIPS AND TWO MEN

In the year of 1619 there landed on the Virginia coast a ship loaded with black men to become slaves, and thus there was planted on our soil the institution of slavery.

In the year 1620 another ship, the *Mayflower*, landed on the coast of Massachusetts. It was loaded with people coming to our shores to seek and establish freedom.

These two mighty opposing forces spread to other sections and grew from year to year.

About the same time that Abraham Lincoln was born in the hills of Kentucky in a log cabin another son was born to a well-to-do family in a more favored section of Kentucky, but not far from the place of Lincoln's birth. History teaches us that the highlanders throughout the ages have always been the champions of freedom and the foes of oppression. Lincoln was of the highlands. He despised slavery. The free soil of the North, his new home, strengthened him in his opposition to that institution. The father of Jefferson Davis carried him to the cotton fields and cane plantations of the South. He early became the champion of slavery and secession and was the logical leader of the Southern Confederacy; and thus Kentucky furnished Abraham Lincoln, the champion of freedom and union, and Jefferson Davis, the champion of slavery and secession.

The people of Kentucky were themselves divided. Those in the hills, Lincoln's kind of people, adhered to the Union. The people of the valleys and plains, the slaveholders of Kentucky, supported the Confederacy.

Webster and Clay with their logic and eloquence for many years attempted to pacify the fears of the Nation and to check the rising storm and to compose the conflicting elements. They reasoned, they implored, they compromised, but they could only postpone the day. There came upon the stage Sumner, Seward, Phillips, Davis, Toombs, Douglas, and others; they knew no compromise; there was no neutral ground. The clouds grew thicker and thicker; the lightnings flashed across the political firmament; the roar of the coming storm grew louder and louder; there was discord, distrust, and fears throughout the Nation; mortal combats were seen. Although there were many great minds arrayed on each side, no one seemed to be able to diagnose the disease and point to the remedy. The hour had come for Divine Providence's leader, Abraham Lincoln. This gaunt, giant figure rose on the frontier of Illinois, and amid the clash of conflicting interests and the clouds of doubt and uncertainty and the roar of the passion of angry men diagnosed the Nation's disease and pointed to the remedy when he declared:

"A house divided against itself can not stand. This Nation can not long endure half slave and half free. I do not expect the house to fall. But I do expect it to cease to be divided."

The Nation at that time had many great minds, but the times required a man, some one with both a great mind and a great heart. Lincoln had both, and they worked in unison. Lincoln could not only see the needs of humanity but he could feel the heart throbs and hear the cries of the humble and poor. His great intellect pierced the hypocrisy of our declaration of being a free country when we had millions in bondage. He knew the peril to this country was African slavery. He had sensed the throbbing pulse of the American people and found that the true American ideals revolted against this sinister institution. He knew slavery had been indicted by the civilization of the centuries, and we would have to destroy slavery or it would destroy us. Lincoln declared for an ideal; he voiced the hopes of humanity; he sounded the bugle call of freedom.

The slaveholding groups of the South recoiled from the man of the West. They knew that slavery and Abraham Lincoln could not both dwell on the same soil. While Lincoln desired freedom for the slaves, he was more concerned for the Union. But his fine conception of honesty and justice led him to call a conference with the leaders of the Confederacy when it was tottering on its last legs, without hope of success, prepared to offer to pay the slave owners $400,000,000 for their slaves. But the representatives of the Confederacy spurned his proposition. They demanded recognition of the Confederacy. The bald fact is the Southern States in their effort to save slavery made African slavery the corner stone. Lincoln knew if the Confederacy was ever overthrown, the corner stone must be withdrawn, and hence he issued the emancipation and proclamation. Practically all students of history agree now that if the South had not precipitated the war, the Government would have paid the slave owners for their slaves. What a blessing that would have been to all.

APPEAL FOR UNION AND PEACE

Lincoln had a great passion for peace and the Union. His appeal to the leaders of the South for peace and union is one of the finest expressions of love, tenderness, and magnanimity in the history of the world. At the same time he cast the responsibility of bloodshed and disunion on the South. In his first inaugural address he did not appeal to fear, but to the higher and nobler sentiments, when he said:

> "In your hands, my dissatisfied fellow countrymen, and not in mine is the momentous issue of civil war. The Government will not assail you. You can have no oath registered in heaven to destroy this Government, while I shall have the most solemn one to preserve, protect, and defend it."

Like a father to a prodigal son who was about to leave the old homestead he stretches his hands toward the southern leaders and with sublime tenderness, sweetness, and gentleness declares:

> "We are not enemies but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory stretching from every battle field and patriot grave to every living heart and hearthstone all over this broad land will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

In one wonderful sweep he carries the minds of the southern leaders through eight years of sacrifice and suffering, from Lexington to Yorktown; two and one-half years of struggle in the second war of independence; to the battle fields of Mexico; yes, to the thousand of battle fields and countless thousands of patriot graves, in all of which the South gave unstintedly of her treasure and her blood. Would all of this suffering, heroism, and sacrifice be in vain? Would they destroy that which they had contributed so much to create and maintain?

LINCOLN THE TENDERHEARTED

To record all the stories in which Lincoln's great sympathy was enlisted by the importunities of father, mother, wife, and daughter in granting pardons and saving the life of some father's son, husband, or brother during the four years of bloody war would fill many volumes. Although he just came out of a heated race for the Presidency in 1864 he was not too much absorbed to write that wonderful letter to Mrs. Bixby, who had given five sons to the cause of the Union.

"DEAR MADAM: I have been shown in the files of the War Department a statement of the adjutant general of Massachusetts that you are the mother of five sons who have died gloriously on the field of battle. I feel how weak and fruitless must be any word of mine which should attempt to beguile you from the grief of a loss so overwhelming. But I can not refrain from tendering you the consolation that may be found in the thanks of the Republic they died to save. I pray that our Heavenly Father may assuage the anguish of your bereavement and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom.

"Yours very sincerely and respectfully,

"A. LINCOLN."

In his second inaugural address, although he had been assailed from within and from without, he said:

> "With malice toward none and charity for all. Let us join to bind up the Nation's wounds."

It was the custom of President Lincoln to spend as much time as possible at the hospitals visiting the wounded soldiers. He had spent most of the day at one of the hospitals near the city of Washington. Just as he was ready to get into his carriage and return to the White House the word was brought to him that a Confederate soldier who was dying in the hospital wanted to see the President. Mr. Lincoln

at once returned to the hospital and was taken where the soldier was lying upon his cot, and when he came to the dying soldier he heard him say:

"I knew they were mistaken; I knew they were mistaken."

Doubtless somebody had told this Confederate soldier that Lincoln was a monster. President Lincoln took the soldier's hand and asked him what he could do. He said:

"The surgeon says I can not get well. I do not know anybody here, and I wanted to see you before I died. I want you to send some things home for me."

Then Mr. Lincoln stooped and took his hand in his two and said:

"Now, my boy, is there anything else I can do? I have been here most of the day. I am busy, and I must go."

The boy said in broken tones:

"Oh! I thought if you did not mind you might stay with me and see me through."

And there stood the President bending over the dying soldier with tears dropping upon his coat sleeves. He held the hand of this poor Confederate soldier until his spirit took its flight. There is no more touching or beautiful picture in the history of the world.. Some inspired genius ought to record that scene on living canvas. The President of the mightiest Republic, with his cares, his sorrows, and responsibilities, stooping to soothe a dying soldier who had planned to overthrow the Nation and to destroy Lincoln himself.

In the four years of struggle when shafts of hate and malice were thrust through his very soul he utters no word of abuse against any of his enemies and traducers. From childhood to death, can we not see the spirit of Him who on the cross said:

"Forgive them, Father, for they know not what they do."

LINCOLN THE STRONGHEARTED

There are some who have been led to believe because of Lincoln's tenderness that he might be weak and would permit maudlin sentiment to overthrow sound judgment and reason. When right and justice were involved and great issues were at stake, Lincoln was as bold as a lion and as firm as adamant. When warned that his opposition to the extension of slavery or the abolition of slavery would destroy his career, he said:

"Broken by it I, too, may be; bow to it I never will. The probability that we may fail in a worthy cause is not a sufficient justification for our refusing to support it."

Who ever expressed more faith and courage than Lincoln in his second inaugural address when he declared:

"Fondly do we hope, fervently do we pray that this scourge of war may speedily pass away. Yet, if God will that it continue until all the wealth piled by the bondsman's 250 years of unrequited toil shall be sunk and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said 3,000 years ago, still it must be said that 'the judgments of the Lord are true and righteous altogether.'"

On another occasion he declared that he must stand with him who is right and as long as he is right, and forsake those who are wrong however large the majority might be.

LINCOLN THE CONQUEROR

We are filled with amazement when we compare Lincoln's opportunities with his achievements. Four short months represented his school days, yet he was the greatest master of logic, perhaps, that has appeared on any American platform. Who has surpassed him in eloquence? He may not have been a great scholar, yet he was a man of vast knowledge acquired day by day with determination and lofty purpose. What an inspiration his life is to struggling girls and boys, young men and young women of the Nation when they see him step from the log cabin to the White House, and now the most commanding figure in the history of our country. From whence did he gather this great store of knowledge and this eloquence to enable him to deliver the masterpieces of logic and eloquence in his great debates with Douglas, his speech at Columbus, Ohio, at Cooper Union Institute, New York, at Gettysburg, his first and second inaugural addresses. He kept close to the people. His great soul and mind sought the right. This led him to be a close student of the Bible, Shakespeare, Bunyan's Pilgrim's Progress, and the Life of Washington. Here we find the purest Anglo-Saxon. They are the fountains of eloquence. Here is the choicest and best of science, art, and literature, and above all we may learn the lessons of right and justice, courage, honesty, and nobility, learn something of God's great purposes and learn, as Lincoln did, that he is greatest who serves best; that the only real success is in service to our Maker and mankind. Lincoln was a crusader. He had a mission in the world. Lincoln's heart was right. God intended to unite goodness and greatness in men. We find both of these present in Lincoln. Lincoln loved freedom and justice. Is not justice as eternal as the hills? We might as well try to blot out the sun as to try to kill the spirit of freedom.

FAITH IN GOD AND THE PEOPLE

The agnostic and infidel have tried to claim Lincoln for themselves. It is a matter of fact that Lincoln was a man of the deepest religious convictions. No man has ever occupied the White House who was so profoundly religious in his nature and who had such a great reverence for God and relied more on Him for guidance and help. This characteristic manifested itself in his childhood and continued throughout his life.

You will recall when his mother died there was no minister to preach her funeral and this added to his sorrow. Months thereafter he brought a minister through the forests a hundred miles from Kentucky to Indiana to perform this service. He also had a sublime faith in the people of the Nation. One of the most beautiful and eloquent farewells ever spoken was that spoken by President-elect Lincoln on a cold, bleak, rainy morning on the 11th of February, 1861, to his neighbors who had gathered to bid him farewell. In this neighborly feeling he did not overlook the gratitude due to them. He tells them he is depending upon God and he can not succeed without His help. He urges his old neighbors and friends to pray for him.

When General Jackson threatened Washington, President Lincoln said he feared Jackson more than any other Confederate general because Jackson was a praying general.

Lincoln was not identified with any particular church. On this subject he said:

"Show me the church which writes over its portals, 'Thou shalt love thy God with all thy strength of heart and mind, and thy neighbor as thyself,' and I will walk a hundred miles to join that church."

Did not the Saviour declare that this was the great commandment? It at once declares for the fatherhood of God and the brotherhood of man. While his faith in God was sublime, his trust in the common people never faltered. On one occasion he declared:

"That you could fool a part of the people some of the time, and some of the people all of the time, but you could not fool all of the people all of the time."

The cause of freedom and the Nation's life was hanging in the balance at Gettysburg, General Sickles was wounded in that battle. Later on he asked President Lincoln if he had any fears as to the outcome of the battle, and Lincoln said:

"General Sickles, while the battle was raging I went into a little room in the White House, where nobody goes but me, and just got down on both knees and prayed to the Lord God Almighty as I have never prayed before, and I told Him this was His people and this was His country, and these were His battles we were fighting, and we could not stand any more Fredricksburgs or Chancellorvilles, and I told Him if He would stand by me I would stand by Him, and after that, Sickles, I somehow had no more fear about Gettysburg."

Doctor Brooks, a great preacher, asked Lincoln how much time he devoted on his relations to God, and Lincoln replied:

"I spend more time on my relations to God than any other thing. I would consider myself a veriest blockhead if I thought I could get through with a single day's business without relying on Him who doeth all things well."

On another occasion he declared:

"God must have loved the common people or He would not have made so many of them."

It seems he took hold of the strong arm of God with one hand and took the hands of the people in the other. He was led and inspired by Divine Providence and was sustained and comforted by the people. With this union and this partnership is it surprising that wrong was overthrown and right triumphed and that there is recorded nowhere a mean act in his whole life; is it strange he always tempered justice with mercy and that the cries of the widows and fatherless and oppressed never passed unheeded?

LIGHTS AND SHADOWS

The great Civil War had dragged through its long and weary four years of carnage, bloodshed, and destruction of property and life, with its hate and bitterness. The mystic chords of memory reaching from every patriot grave was beginning to touch that finer and better nature of those of the North and the South. The silver lining through the clouds could be seen; Appomattox had come; General Lee and his men had laid down their arms and were returning to their homes; President Lincoln was happy in his program of conciliation and healing. His uppermost thought was to bring the South back into her former happy relation with the Union at the earliest date possible. He was ready to forgive and forget, but passion, hate, greed, and selfishness had not entirely spent themselves; they demanded another victim; the cause of freedom and union required another sacrifice; the blood sacrifice of the Emancipator. While he was surrounded by friends at the Ford Theater on April 14, 1865, John Wilkes Booth shot him. He was carried to a room across the street and there in a small

bare room amid surroundings not unlike those of his early days of poverty, the soul of the great Emancipator on the morning of the next day returned to its Maker, and forever sealed the fate of slavery and disunion. It took the broken body of Abraham Lincoln to write the thirteenth, fourteenth, and fifteenth amendments into the organic law of the land. His dead body bridged the yawning chasm between the North and the South. Slavery and disunion can never again cast their ominous shadows across his lifeless form. His martyrdom brought concord where there was discord; brought union where there was disunion; brought love where there was hate; and brought affection where there was malice; supplanted darkness with light. The South realized it had lost its best friend; union and freedom their greatest defender; and the world its greatest statesman. When Jefferson Davis heard of the death of Lincoln he exclaimed:

"Next to the fall of the Confederacy the death of Lincoln is the greatest blow that the South has received."

Seward the orator and statesman exclaimed:

"Lincoln was the best man I ever knew."

Secretary of War Stanton who often differed with Lincoln, at his bier said:

"There lies the greatest man that ever ruled any country."

On this the one hundred and sixteenth anniversary of his birth, there is naught but love and admiration. His memory is wreathed with the flowers of love and affection and gratitude from every true American, of every faith, of every creed, of every race and condition of life. He is to-day North, East, South, and West hailed as the deliverer and savior of the Republic. His image is enshrined on the hearts of men and women everywhere who love freedom, justice, and righteousness. It can be said at his grave:

"O Death, where is thy sting.
O Grave, where is thy victory."

The sting of death was healed with the love and affection of mankind. His matchless success snatched victory from the grave.

JOY IN HEAVEN

If it be true, as many of us believe, that the spirits of the departed take note of the affairs of men, can we not vision the martyred President and those noble men and women who were his coworkers in the cause of freedom and the Republic, looking out over the battlements of heaven and their unspeakable joy when they survey our wonderful country? When their spirits took their flight from battle fields and hospitals from sixty-one to sixty-five there were only 33 States, and these were torn with malice, hate, and war; but to-day there are 48 great sovereign States bound together, not merely by the bonds and ties of the Constitution, but by the union of the hearts and souls of 112,000,000 loyal Americans with one flag and one country. They see us the richest and most-favored Nation in the world. They see us happy, prosperous, and content. They see our possessions extend far beyond the seas, so vast that the sun in its course never leaves our borders. They see us with the mightiest man power of any country in the world. They, too, must see our problems of the future. My friends, the world has never seen another country like yours and mine, and the world can never see another like it. There is no place on the globe in which you can carve out such another country. You can not find the climate, the diversity of soil, the wealth of its products, the beauty of its scenery, the richness of its natural resources, and, above all, its prosperous, cultured, loyal people; but we must not feel that there is no service for us. There are wrongs to be righted, oppression to be relieved, the needy to be cared for, the powerful and selfish to be restrained, the poor and humble to be protected and defended, the enemies of our country and our flag to be driven from our shores, our law, our Constitution, and our institutions to be upheld. We must lead the world in the paths of justice, peace, and righteousness, and above all we must provide for those who carried the Stars and Stripes to honor and to victory and for their widows and orphans. Our defenders and their loved ones should ever be the objects of our tenderest care and solicitude. We should all pledge our fullest measure of devotion to the great principles for which Lincoln lived and died, and ever to keep alive the mystic chords of memory that stretch from every patriot's grave and every battle field from Lexington to Flanders Field, and hand down to our posterity a heritage enriched by the sacrifice and blood of all our noble men and women, so that this Government—your country and mine—as a Government of the people, by the people, and for the people shall not perish from the earth.

REPORT OF COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. LUCE. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the report of the Committee on World War Veterans' Legislation on survey and investigation of hospitals for disabled war veterans.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCE. Mr. Speaker, under leave to extend my remarks I herewith insert the following:

REPORT OF THE COMMITTEE ON WORLD WAR VETERANS' LEGISLATION ON SURVEY AND INVESTIGATION OF HOSPITALS FOR DISABLED WAR VETERANS

By House Resolution 351, agreed to June 7, 1924, the Committee on World War Veterans' Legislation or any subcommittee thereof which its chairman might appoint was empowered to make a comprehensive survey and investigation of soldiers' homes, hospitals, and hospital facilities, including any hospital with which the Government had a contract for ex-service men of any war in which the United States was engaged. Under this authority members of the subcommittee on hospitals, and also other members of the committee, in the course of the next six months visited various hospitals, as follows:

UNITED STATES VETERANS' BUREAU HOSPITALS

West Roxbury, Mass.
Rutland, Mass.
Northampton, Mass.
New Haven, Conn.
Bronx, N. Y.
Oteen, N. C.
Chicago, Ill. (Edward Hines, jr.).
Waukesha, Wis.
Excelsior Springs, Mo.
Helena, Mont.
Fort McKenzie, Sheridan, Wyo.
Walla Walla, Wash.
Tacoma, Wash. (Cushman).
Tacoma, Wash. (American Lake).
Portland, Oreg.
Palo Alto, Calif.
San Francisco, Calif. (Livermore Hospital).
Tucson, Ariz.
Whipple Barracks, Prescott, Ariz.

SOLDIERS' HOMES

Augusta, Me.
Central Branch, Dayton, Ohio.
Mountain Branch, Johnson City, Tenn.
Northwestern Branch, Milwaukee, Wis.
Battle Mountain Sanitarium, Hot Springs, S. Dak.
Pacific Branch, Los Angeles, Calif.

CONTRACT HOSPITALS

Maine General Hospital, Augusta, Me.
Maine Insane Hospital, Augusta, Me.
Maine General Hospital, Bangor, Me.
Maine Tuberculosis Hospital, Bangor, Me.
Maplecrest Sanitarium, East Parsonfield, Me.
Western State Hospital, Tacoma, Wash.
Compton Sanitarium, Los Angeles, Calif.

NAVAL HOSPITALS

Portsmouth, N. H.
Chelsea, Mass.
Newport, R. I.
Brooklyn, N. Y.
Great Lakes, Ill.

ARMY HOSPITAL

Fitzsimons General Hospital, Denver, Colo.

The request for the power to make this survey did not contemplate anything like a detailed investigation of all the hospitals and other institutions where disabled veterans are being cared for, but was meant to secure examination of certain hospitals concerning the conduct of which there had been complaint, and was to give members of the Committee on World War Veterans' Legislation a general idea of the nature of the work carried on and the conditions under which it is being performed. The purposes of the inquiry have been accomplished as completely as was possible, taking into account the time that could be devoted to it. As a result the committee feels that it has been able to handle proposed legislation more intelligently and that it has also been able to make to the Veterans' Bureau various useful suggestions as well as to improve the administration of the law in certain directions.

It is felt that the visits of the Members have been particularly helpful in the case of those few hospitals concerning which there have been received complaints that seemed serious. In some instances it was found that the worst of the difficulties had already been remedied. In others the hearings held by the visiting Members served to clear up the atmosphere. As was to have been expected, part of the criticism had been due to the personal element inseparable from the conduct of any large institution for the treatment of invalids. It has always been the case, and probably always will be, that occasionally a nurse, an orderly, a physician, or even a superintendent will be lacking in judgment or even inhumane. Taken as a whole, the personnel of the hospital service was found to be reasonably free from persons unadapted by temperament for the work assigned to them. Inquiry on

the spot showed remarkably little complaint of nurses, but, on the other hand, confidence in and regard for them which was particularly gratifying. The medical personnel also seemed for the most part satisfactory to the patients, though here and there it was apparent that either by reason of the pressure of work or a lack of appreciation of the need there was not so much of that intimate relationship between doctor and patient as might be desired.

Of the orderlies, the men who do the manual labor in the wards, more criticism was heard. This was found to be probably the inevitable result of the defects in the class of men who are willing to do this work at the wages the Government has paid and under the conditions the Government has permitted. The committee strongly urges the importance of a speedy organization of the system under which these men are employed, and recommends to the Veterans' Bureau more adequate pay and better conditions of work in all respects, to the end that the comfort and even in some cases the safety of the patients may be enhanced. It is to be noted that the only institutions visited which as a class furnished no criticism in this particular were the naval hosptals, where enlisted men are employed under conditions of naval discipline. The committee suggests that this significant fact may furnish a starting point for the reorganization of the orderly service.

In the case of the medical and nursing personnel, a most common basis for criticism was a condition which it is sought to remedy by legislation creating a medical service. If this should become law it ought to meet a serious condition brought about through inadequate pay and uncertainty of tenure. At many of the institutions visited there was a shortage of medical officers or nurses, or both, due to the turnover resulting from present conditions in this regard. Until these conditions are remedied the best results can not be expected from the appropriations now being made for the benefit of the disabled soldier.

That class of institutions which in general now furnishes the most occasion for uneasiness is composed of the National Homes for Disabled Volunteers, commonly referred to as the "soldiers' homes." It is not that these homes are improperly administered, from the point of view of the purpose for which they were established, but that this purpose has not been easily harmonized with that for which disabled veterans of the World War are given the help of the Government. A soldiers' home is maintained primarily for domiciliary purposes and is meant to be just what its popular name implies, a home for veterans who, by reason of old age or disability, are unable to meet the stresses of a competitive society and should be cared for in this way during the rest of their lives. On the other hand, the object of the Veterans' Bureau is to cure sick men, and this calls for a quite different regimen. Nearly all the occupants of the soldiers' homes have before their entry been accustomed to simple fare and plain surroundings, so that strict economy in such matters as that of diet has imposed no hardship. For the cure of sick men, however, the best of fare must be provided and every reasonable degree of comfort. It is earnestly to be hoped that before another session of Congress there may be worked out between the Veterans' Bureau and the management of the soldiers' homes a solution of the problem which will end those phases of the situation that now give grave occasion for anxiety.

In the matter of diet it was not found that even the hospitals of the Veterans' Bureau were invariably above criticism. The chief sources of complaint concerned such supplies as eggs, milk, vegetables, and fruits, regarding which there appeared instances where too much economy had been exercised and sometimes not sufficient oversight. It seems to the committee that the complaints in this regard would much diminish if, as far as possible, these things were produced at the institutions themselves by the maintenance of dairies, poultry yards, and gardens. Even though it might be cheaper to buy in the market, yet possibly it would be wise economy in the long run for the hospitals to go further in supplying themselves. At the same time the maintenance of these things could give occupation to some of the convalescents who would be glad to have outdoor exercise and perhaps acquire a knowledge that would serve them usefully after their return to their homes.

In this matter of food, the inquiry showed considerable variation in the efficiency of the dietitians who are responsible for the preparation of the food in all the larger institutions. Although the work of some of these was highly extolled and evidently very efficient, yet in other instances there must have been lack of sufficient training or a natural aptitude. It is a vital point in the care of the sick and deserves the constant attention of the Veterans' Bureau.

In this particular, as well as in not a few others, it appeared that the system of inspection by the bureau was not adequate, but the committee is informed that attention has been given to this defect and that a new system of inspection has been organized which promises to secure better results. The committee suggests the possibility of supplementing this work of the inspectors by help from the patients themselves in the institutions such as those for the treatment of tuberculosis, where may be found convalescent patients capable of exercising judgment in a helpful way. If from these men could be selected committees charged with the duty of receiving complaints and with making suggestions upon their own initiative, and perhaps given some disciplinary authority such as that found to-day in many of our educational institutions, possibly they could cooperate with the management of the hospitals to the general advantage. Here is a problem with which the various veterans' organizations might well concern themselves.

As to what may be called the plant of the service, the buildings, grounds, etc., there is little general criticism to be made. Attention, however, may be called to a characteristic of all public institutions for the care of the sick that is to be deplored, namely, the absence of decoration, ornamentation, and those little comforts which we associate with the idea of home. Of course, the buildings of a great hospital and the aggregation of hundreds of invalids make it out of the question for such places to be homelike, but it would seem that more attention to such things as pictures, plants, flowers, and little conveniences would much more than repay the cost by furnishing even in small degree that atmosphere which is so cheering and helpful to an invalid. Officials of the Veterans' Bureau assure us that the need of this is not being overlooked and steps are already being taken for attention to it. Here is another field to which the organizations of veterans and the generous-hearted people who take an interest in the veterans might direct their energies with most beneficial results.

In another respect the general scheme of hospital construction is at least open to question. It is true that the most economical administration from the dollars and cents point of view is to be achieved with large buildings as near each other as practicable. Also it is true that the demand for fireproof construction is powerful and logical. Yet there are considerations which may be urged in favor of the cantonment or cottage plan, and if the care and cure of sick men is the first thing to be thought of, possibly in future new construction or extension that more thought might well be given to the comfort and contentment of patients this plan permits. One illustration may disclose the spirit of this suggestion. One dining room was found where the patients ate at small tables, each with tablecloth and the table fittings that would be found in a home. The contrast between this and the long mess tables eleswhere common was suggestive.

The visiting Representatives were also struck by the advantage, from the point of view of the patients, where the sleeping quarters were provided in rooms much smaller than is usually the case. Undoubtedly there would be greater expense if the hospitals consisted of cottages, maintained as are the fraternity houses at many colleges; but perhaps this would be offset by the gains if there should result speedier cures and correspondingly shorter hospitalization.

In various minor particulars the committee has given to the administration of the Veterans' Bureau suggestions and advice which it is hoped may prove helpful. This has been received in a gratifying spirit of cooperation, and the committee is convinced that at least some benefit to the disabled veterans will result.

In conclusion, the committee would express its gratification that as a whole these institutions are being so well administered. Perfection is not to be expected in any organization where the human factor plays so large a part. Undoubtedly there has been real ground for some of the complaints that have come to the attention of the committee, yet it is always to be remembered that disease tends to weaken the judgment of its victims and sometimes renders them incapable of appreciating the necessities that their treatment imposes. Unfortunately, too, the right attitude is not always taken by outside organizations, by newspapers, and by the general public. Isolated and exceptional cases of carelessness and maltreatment, and even of brutality, are too often exploited for personal ends or financial profit. This sometimes brings to the administrators of our hospitals unfair and undeserved criticism. Justice to them requires at least reasonable consideration of the difficulties of their task.

THE DUPLICATE BOND SITUATION

Mr. KING. Mr. Speaker, Mr. STRONG of Kansas, in his extension printed in the RECORD of March 3, 1925, charges me with preventing a speech being made by him in the last hours of the closing Congress on the duplication of Liberty bonds, defending the Treasury Department and supplementing his minority report on the subject, and having the "last word." It was unfortunate that time was not given the committee and all its members to discuss the evidence taken in committee before the whole House. No other member of the committee could obtain time to address the House on the subject of their inquiry except one member of the committee who had been a perverse absentee from the hearings of the committee and who was present only 12 days out of 61 sessions and who at all times, in season and out of season, was the champion of Mellon and Wall Street, and who cried loud and long that the discussion of the committee held in executive sessions, whereby ways and means were discussed and adopted for securing evidence willfully withheld by the Treasury Department from the committee be given to the

Treasury, and who insisted in effect that the ordinary rule in civil cases that the plaintiff must make out his case by a preponderance of the evidence was not sufficient, but in the same manner contended that the rule in criminal cases applies and that the proof must establish the Treasury guilty "beyond a reasonable doubt."

TO "ANNOY ANDY" WAS TO HIM LESE MAJESTY

The favoritism shown to Mr. STRONG in giving him recognition for a propaganda speech in favor of the investigated and condemned Treasury in the dying hours of the House was the thing which prompted me to exercise my right to object to the unanimous consent asked, and I did so.

This matter of duplicate bonds arose back in 1919 and 1920. Secretaries of the Treasury came and went. A clique, which had perpetuated itself like the corporation that never dies, hung on through each successive administration. Similarity of action of the Treasury Department under like circumstances has been notable—similarity from the fact that the same clique has remained in charge. When this matter first arose through honest employees reporting these matters to their superiors, demotion and persecution of various sorts was meted out to them. Other employees standing in with the ring kept watch on their actions, and this was extended to the Secret Service, who dogged the steps of these faithful employees and bullied them and even threatened "to blast the moral character" of a former employee who was a cultured, refined woman.

The manner in which the employment of the Secret Service has been prostituted to suppress evidence has scarcely been equaled in Russia. According to their own admissions, as shown on page 137 of the letter of the Secretary to the President of April 26, 1924, employees—

Were admonished to keep their mouths shut about duplicate bonds and destruction operations and not to talk to that man Brewer—

whom they also admit they knew was then the representative of the Attorney General. The evidence shows persecution of employees who dared to tell the truth which can only be characterized as disgraceful. Telegrams from the governor of the Federal Reserve at San Francisco, August 23–24, 1923, to Washington show that Mr. Brewer was followed in that city by the Secret Service, on orders from Detective Moran at the Treasury, to ascertain the extent of the evidence he had—the morning after which his room in the Palace Hotel was ransacked. At this time the whole Treasury knew, and Moran had been personally informed, as had Gilbert, his chief, that Mr. Brewer carried credentials of President Harding, just deceased. At Chicago Federal Reserve Bank, where he had been sent by President Coolidge's directions, all information was refused on orders from Winston, the self-styled "Undersecretary," until they thought he had disclosed exactly what he sought. It was always, "How much does he know?" S. Parker Gilbert, resigned six weeks before, remained—apparently to hear the answer.

So-called "trials" of the Treasury employees who dared to tell the truth were followed by demotions and even discharges. When proof followed proof that this duplication existed and the bonds and coupons continued to appear, counsel was taken by the clique and it was evidently decided that the only thing to do was to destroy the evidence. The destruction force was hastily organized, and under a newly appointed Register of the Treasury the correspondence shows that the destruction was to be pursued with all possible haste. The first delay resulted from the fact that the law required the recording of securities. The ingenuous scheme was then devised to make the record on the back of the coupons and then destroy the coupons.

The coupons were so voluminous that the question came up as to which ones to destroy. Exception was made of the larger coupons at first and then the question arose as to whether coupons of $1,000 and below or $500 and below were to be destroyed.

The actions of the Treasury in the destruction of securities has been like the squirming and writhing of a stung reptile. Millions of dollars were being destroyed in bonds. The first delay, as stated, came when, in destroying coupons, it was necessary to decide whether it would be the $1,000 and below or the $500 and below. Destruction was running apace. The second delay was occasioned by a former employee bringing the matter to the attention of the Department of Justice. Mr. Mellon's personal attention was brought to this matter by Mr. Brewer, the attorney who had been delegated by the Attorney General to investigate it, and was carried to him at his residence at night due to the fact that he had been warned that when the information reached the Treasury clique his efforts would be thwarted. This was as early as June 27, 1921. Mr. Brewer said he understood Mr. Mellon promised to stop the destruction. Mr. Mellon denies this. There can be no question about what his duty was. And an early report of Mr. Brewer in the committee's record relates that Mr. Mellon was asked if it could be accomplished so as not to be pointed and give warning that a secret investigation was in progress; to which Mr. Mellon replied that he had a means of stopping it which would not excite suspicion. But perhaps this was not a promise. And it can not be if the richest man in the world says it is not, for it is said that a rich man holding office "can do no wrong." So pass it. It was thought, however, that Secretary Mellon had stopped the destruction, and the persistent rumors that it was being continued were not believed until it was definitely ascertained on December 19, 1921, that it was being carried on at full force. And it was then that President Harding in his kind but most firm tone, in his wonderful letter of December 19, 1921, in the committee's report, ordered that the destruction be at once stopped. Again it was assumed, of course, that it had stopped when the President of the United States specifically so ordered. Again it was learned in April, 1922, that destruction was being pursued with full vigor. Again the President at once was informed of the matter, and the officer so reporting it to him states that the President "excitedly grabbed a pad and wrote a note."

It was curious to see how the record was built up at various times in order to present a seeming compliance with instructions. Immediately after Mr. Mellon was first notified of the destruction and asked to preserve the bonds in order to detect duplicates, an order, which is now shown to be a "camouflage" order, was issued by the Undersecretary that all bonds of a questionable nature should be preserved. Again, immediately after the order of the President in December, in fact, the very next day, on December 20, 1921, the record was fixed to show another "camouflage" order that questionable bonds were to be preserved. The word "camouflage" is used advisedly in each instance. The Treasury records show that immediately after the first camouflage order in the summer of 1921 and the very day of President Harding's order of December 19, 1921, 1,400 duplicate coupons and $99,000 in especially suspicious duplicate bonds were destroyed, and that hundreds and hundreds of other duplicates likewise followed.

Following the President's final stopping of this destruction frantic efforts were made a half dozen times between his order to stop and the date of his untimely death to renew the destruction and thus make it easy to state that the records were in error, which is now the Treasury's only defense. President Harding firmly resisted these various efforts from various sources. The attempt at renewal of destruction was first made through the recommendation of what was known as a "coupon committee" made up of Treasury employees. Failing here, the recommendations of the new Register of the Treasury, a personal appointee of the President, were sought in vain. The recommendations of an "efficiency" committee, made up of employees paid by the Treasury, was next sought; these efficiency experts in turn sought to enlist the support of the Director of the Budget. Again failing, the Secretary appealed to President Harding personally as late as May, 1923, and was refused.

The thought then seemed to be, "if we can't destroy, we'll mix them up." And so they did. For the appropriation for the next year simply failed to provide for the work. Several hundred employees lost their jobs. What matter? Crocodile tears are shed only when the number is 28 who have been discharged and the discharges made by a stupid President. The benevolent Mr. Mellon can fire several hundred at will. And what the purpose and what the result? The purpose was dastardly, and the result was the same. It was simply this: Millions and millions of coupons, some to the value of over $2,000 each, which had formerly been carefully compared and arranged, are to-day heaped in a junk pile. It was of these millions and millions of coupons now rendered as so much junk that Mr. Mellon, in his letter of August 30, 1923, wrote to the chairman of the Appropriations Committee of the House:

The assortment of coupons by serial numbers and their recordation gives a check, first, against counterfeiting; and second, against duplications and other fraudulent dealings in Government securities—which is of first importance to maintain.

How long is the memory of Andrew W. Mellon? The following January at the hearings of the Appropriations Committee the chairman said, in nearly so many words, that "this is to suit the wishes of the Secretary."

Mr. Mellon need not have stopped where he did when enumerating the necessities for comparing and recording coupons. The special bond committee has in its possession coupons of

1926 so neatly altered in one of the figures that they were made to appear payable in 1920, and were so paid six years ahead of their time. It has others payable in the year 1941 where another figure is so neatly altered that they are made to appear as due in 1921—20 years before they are actually due. By what right does any man take to himself the privilege of so neglecting the people's rights?

The committee of which I am a member passed a resolution calling this matter to Mr. Mellon's attention when we met last fall. I wrote him a special letter on the subject and warned him of the danger. He ignored both. Payment of Mr. Mellon's indifference may fall on those yet unborn.

The value of these coupons amounts to about $1,000,000,000 a year. They run on about an average of 25 years, thus equaling or more than equaling the whole public debt.

In what is headed as "Mellon defends Treasury in face of bonds report," appearing in the Star, March 3, it can be seen that Mr. Mellon devotes nine-tenths of his answer to a statement that charges of the committee of Congress are those of Mr. Brewer, and the only other matter that fills up his remarkable "defense" is a recitation of a letter from the committee which he fails entirely to reflect and also entirely fails to answer. He completely overlooked the answer in his indecent haste to make use of the word "absurd," which was overworked in his "defense" a year ago when it ran throughout the letter he wrote to the President of the United States and which was accompanied by such abusive and vituperative language that the report was discredited at first sight.

The report of the committee states at the beginning of its findings—

From its examination of Treasury reports and records and the testimony of Treasury officials and employees your committee finds that—

The report of the committee was based solely on Treasury records and testimony of the Treasury employees, as stated. It is based on no testimony of Mr. Brewer, unless confirmed as stated. And the purpose in so framing it was to prevent the Treasury hiding behind such an issue as its correspondence has repeatedly shown it was attempting to do.

It has been stated that Treasury witnesses have not been heard. The witnesses of the Treasury who have been heard are as follows:

LIST OF TREASURY WITNESSES APPEARING BEFORE THE SPECIAL COMMITTEE INVESTIGATING THE ISSUANCE, RETIREMENT, ETC., OF GOVERNMENT SECURITIES

April 4, 1924: Hon. A. W. Mellon, Secretary of the Treasury.

April 28, 1924: Hon. Harley V. Speelman, Register of the Treasury; Mr. A. J. Leakin, chief division of interest coupons; Mr. Lloyd Schumac, chief division of canceled securities; Mr. Raymond T. Burke, section chief, coupon file section.

September 17, 1924: Mr. Harley V. Speelman, Register of the Treasury, and Mr. Lloyd Schumac, chief of division of canceled securities.

September 18, 1924: Mr. J. F. McCoughtry, division of loans and currency; Mr. William S. Broughton, Commissioner of Public Debt.

September 22, 1924: Mr. J. Herbert Case, deputy governor Federal Reserve Bank of New York; Mr. H. L. Hendricks, comptroller fiscal agency function, Federal Reserve Bank of New York; Mr. L. R. Mason, counsel, Federal Reserve Bank of New York.

September 25, 1924: Mr. H. L. Hendricks (comptroller fiscal agency function, Federal Reserve Bank of New York; Mr. J. Herbert Case, deputy governor, Federal Reserve Bank of New York.

October 8, 1924: Mr. J. F. McCoughtry, loans and currency division; Mr. Harley V. Speelman, Register of the Treasury; Miss M. E. Edwards, assistant chief, division of numerical records.

October 9, 1924: Miss M. L. Edwards, assistant chief, division of numerical records.

October 15, 1924: Mr. Harley V. Speelman, Register of the Treasury; Mr. C. E. Hearst, chief division of securities, Treasurer's office; Mrs. Myrtle Small, chief division of destruction; Mr. James B. Griffin, chief division of numerical records.

October 20, 1924: Mr. William S. Broughton, Commissioner of Public Debt; Mr. Arthur E. Wilson, section manager, division of loans and currency.

October 25, 1924: Mr. R. R. Burklin, treasurer of War Finance Corporation; Mr. M. R. Loafman, division of loans and currency; Mr. Garrard B. Winston, Undersecretary of the Treasury (not sworn); Mr. Eugene Meyer, jr., Director of War Finance Corporation; Mr. William S. Broughton, Commissioner of Public Debt.

November 11, 1924: Mr. R. R. Burklin, treasurer of War Finance Corporation.

December 8, 1924: Mr. Thomas W. Goss, clerk, register's office; Mr. Joseph H. Jones, head bookkeeper security files division.

December 9, 1924: Mr. A. J. Leakin, chief division of interest coupons; Mr. S. C. Shelton, head Fourth Liberty loans registered account; Mr. Mason L. Howes, Third Liberty loan registered account.

December 10, 1924: Mr. Emmons M. Sanford, chief bookkeeper division, register's office; Mr. Alfred D. Effer, assistant chief, security files division; Mrs. Myrtle W. Small, chief of division of destruction; Mr. Harry L. Selkan, section chief, account and arranging section; Mr. H. N. Waybright, bookkeeper, security files division.

February 4, 1925: Hon A. W. Mellon, Secretary of the Treasury.

February 5, 1925: Hon. A. W. Mellon, Secretary of the Treasury; Mr. Garrard B. Winston, Undersecretary of the Treasury; Mr. F. A. Awalt, office of Secretary of the Treasury; Mr. W. S. Broughton, Commissioner of Public Debt; Mr. Charles R. Schoeneman, office of the Secretary; Miss Florence Mullican, Miscellaneous Section.

February 10, 1925; Mr. William S. Broughton, Commissioner of Public Debt.

Febuary 12, 1925: Mr. William S. Broughton, Commissioner of Public Debt; Mr. Ruth, Bureau of Printing and Engraving; Mr. Deviny, Bureau of Printing and Engraving.

February 13, 1925: Mr. William S. Broughton, Commissioner of Public Debt; Miss Rose Baker, section chief, register's office.

CASE 11–11

What was the loss in this one theft, was it $197,000, or $292,000, or $347,000, or $1,400,000?

Another point that is given prominence in Mr. Mellon's last letter of defense to the President, dated March 3, 1925, inserted in the RECORD by Mr. STRONG the same day, is that the total losses over a number of years is $13,000. There is no mistake as to the figure he intends to use, for the same statement with the same amount occurs twice.

Mr. Mellon does not know and the Treasury does not know what the losses are. But he does know and his secret service, which used the same figure of $13,000 a year ago as a total of the losses, both know that this is not true.

Only last Saturday the Commissioner of Public Debt, in Mr. Mellon's presence, handed to the chairman of the committee a volume of about 200 typewritten pages of tables, an argument in attempt to prove that the loss in this single case was only $197,000, when the record of the Federal reserve bank identified by number bonds now missing from the case to the value of over $1,400,000. It is "supposed" that hundreds of bonds listed as $1,000 should have been listed as $500.

The committee became accustomed to the Treasury's claim of errors in numerals of bonds, destroyed and even existing, which with great readiness the Treasury has relied on rather than acknowledge the duplications which the record showed. The committee even has one case where the Treasury's claim of error extended to the point of "supposing" a $5,000 bond was "intended" for an entirely different issue, when they found all the bonds of the correct issue had been paid. The case at hand, however, is the first instance where a claim of change in denomination has come to my notice.

This loss by theft in case 11–11 of $197,000 came to light by the payment of a bond belonging to the case, which was found on the screens of the sewer in the Potomac River at the city's sewer pumping station. A checking over of the bonds showed 292 bonds of $1,000 each missing, which, according to the list, should have been in the case. But 95 bonds belonging to other cases had been inserted by the thief, who was evidently disturbed before completing his inserting process.

The Commissioner of Public Debt acknowledged that $197,000 bonds had been stolen. He claimed they have not come in. Perhaps they have not yet.

Treasury records once showed $272,000 "missing."

The same records another time showed $292,000 "missing."

The same records to-day show $343,000 "missing."

Records of the Federal reserve bank show over $1,400,000 missing.

The Commissioner of Public Debt testified at length on this case on February 13, 1925. He was asked at the end of his testimony if that was all the information he could give the committee on this case, and answered "Absolutely."

The committee afterwards discovered that there was this huge difference of over $1,400,000, and the chairman went to the Treasury Department on Saturday last, February 28, and when he had told the Commissioner of Public Debt of the discovery in the presence of Mr. Mellon, it developed through the dates on the 200 sheets that these facts were thoroughly known to the Treasury long before his testimony was given and had been under investigation by the Treasury for months before. All information about it had been suppressed by the Treasury. The committee was given no hint of it.

An exactly parallel case of the Treasury's suppression of evidence in October is recited in committee correspondence with Mr. Winston, the Undersecretary of the Treasury. In this case the committee accidentally discovered that certain bonds, which Mr. Mellon claimed had never been printed and on the nonexistence of which he had based his assumption of inno-

cent errors, were coming in and were being paid. Witnesses were called and it was ascertained that such bonds had been so coming in for months and that some of them had been paid years before Mr. Mellon, on April 26, 1924, told the President they did not exist.

Congressman STRONG purported to insert in his extension of remarks on March 3, 1925, the letters of the Treasury bearing on the matter. He failed to insert this October correspondence of Mr. Winston. He likewise failed to insert any of the committee's answers. He was too busy inserting letters written to make the record show a pretended assistance of the Treasury to the committee and those written for the purpose of diverting the attention of Congress and the public from the committee to Mr. Brewer in an attempt to make it appear that the findings of a congressional committee were the "charges" of Mr. Brewer.

It was the finding of many similar instances as the ones just recited which caused the committee to reluctantly state that a report of a Cabinet officer to his President was "evasive."

It is a pleasure to thank the Hon. W. Gwynne Gardiner, of the Washington bar, for rendering service as a public-spirited citizen only, refusing compensation therefor.

The report of the committee follows:

[House Report No. 1635, Sixty-eighth Congress, second session]

PREPARATION AND DESTRUCTION OF GOVERNMENT BONDS

Mr. MCFADDEN, from the Select Committee to Investigate the Destruction of Government Bonds, submitted the following report, pursuant to House Resolution 231:

REPORT OF SPECIAL BOND COMMITTEE UNDER HOUSE RESOLUTION 231

Your special committee appointed under House Resolution 231, Sixty-eighth Congress, first session, "To investigate the preparation, distribution, sale, payment, retirement, surrender, cancellation, and destruction of Government bonds and other securities," having considered the matters placed before it for their determination, respectfully report the following:

Government bonds and other securities, the subject matter of the inquiry, are printed by the Bureau of Engraving and Printing on distinctive silk-fiber paper made at the paper mills, Dalton, Mass. They are issued by the Treasury Department proper, principally through the Federal reserve banks to the other banks and the public. Some of these reach the public directly from the Treasury. After circulation the securities are retired or redeemed from the public and the banks generally through the Federal reserve banks and the Treasurer of the United States, some coming directly to the Treasury. They are surrendered to the Register of the Treasury. Some reach the register through the Treasurer of the United States and through the Loans and Currency Division of the Treasury.

The annual report of the Secretary of the Treasury for 1924, filed with Congress, pages 76 to 81, refers to the subject of duplication of bonds, and in a "letter" to the President of the United States dated April 26, 1924, the Secretary of the Treasury submitted a special report consisting of about 200 pages of printed text and tabulated matter purporting to prove there had been no duplication of the public debt and that charges to this effect were wholly unfounded. Your committee has given most careful consideration to these reports, together with other statements submitted to the committee by the Secretary and the Undersecretary of the Treasury.

Mr. Charles B. Brewer had orders from the President to make an investigation of the matter. When the committee was commissioned by Congress to make its investigation Mr. Brewer had a like commission from an executive department. The benefit of his service as counsel to the committee was extended by Attorney General Stone. The committee had the advantage of the knowledge previously paid for by the Government, without which substantial headway during the time allotted would have been an impossibility. His services have been that of an exceptionally devoted and capable public servant.

From its examination of Treasury reports and records and the testimony of Treasury officials and employees your committee finds that—

DUPLICATE BONDS

1. Duplicate bonds amounting to 2,314 pairs and duplicate coupons amounting to 4,698 pairs, ranging in denominations from $50 to $10,000, have been redeemed to July 1, 1924—that is, two bonds and two coupons bearing identical numbers. The statement as to coupons includes only one for each bond. If the various duplicated coupons of the same bond are included, the number would be greatly increased. Duplications resulting from the slipping of the numbering machines are negligible and inconsequential. Some of the duplications have resulted from error and some from fraud. The proportion has not been determined. The extent of the duplications is also uncertain from the record as far as it has gone, and an important part of the work by which duplication is detected was stopped by the Treasury in July, 1924, referred to later in section 8 and elsewhere.

2. Duplicate payments of identical bonds, stolen from Treasury vaults by employees and again circulated, have been made. The extent of such thefts is rendered uncertain by inexact methods and faulty accounting.

3. The Secretary of the Treasury in his letter of April 26, 1924, admits that duplicate numbers are out, but denies duplication in fact and undertakes to show how it occurs. On pages 96 to 136 of his letter he sets out tables which attempt to explain his conclusion that no duplication in fact occurred and has reiterated the same statements before this committee. An example or two will illustrate the matter:

On page 97 he sets out that while two second 4¼ per cent bonds No. 785052, $50, are now in hand, both paid by the Treasury; that one of them is a "make-up" for bond 822052, $50, which was found defective, and the clerk making the substitute made a mistake and numbered it 785052, when it should have been 822052, thus duplicating the 785052 already out, and no bond 822052 was in fact ever issued. Unfortunately bond 822052 has now come in and been paid, and if make-up 785052 were issued to take its place a duplicate of that number was thus made, and if not, a duplicate of 785052 was issued and sold, in either event the Treasury is charged with three bonds where two were legally issued.

On same page is set out 2333877 original second 4 per cent, $100; 2333877 make-up second 4 per cent, $100. The make-up is said to be for bond 2343877 defective and not issued, and the clerk made a mistake and made the number of make-up 2333877; but, contrary to that statement, bond 2343877, said never to have been issued, had actually come in and been paid four years before, but had not been so entered on the records. Finding it, of course, destroyed the statement that it was not issued and showing three bonds out where only two were supposed to be from the records. This has occurred fifty-eight times up to February 11, 1925, and we are informed is continuing to occur regularly.

The Secretary says in his letter, page 32, that 2,017 cases of duplication had been discovered up to that time and 1,668 of them had been definitely set off against other numbers. In the other 349 cases "definite allocations of set-off numbers have not been established," so the set-off numbers against 1,668 had, we assume, been definitely established and he sets them out, and first we find these numbers set off against a duplicate bond and the assertion made that no bonds of set-off numbers were outstanding, in the face of the fact that the set-off numbered bonds are coming in day after day and nine of them were in the Treasury paid when his letter was issued.

An instance illustrating the danger of this theory is shown in another part of the Secretary's letter to the President. A first Liberty loan 3½ per cent $100 bond numbered 1123797. On page 116 this bond is stated not to be a duplicate, and it is also stated that the irregularity is due to the fact that coupons on the bond are numbered differently from the body of the bond, the coupons being numbered 1122797. However, it will be noticed on page 125 of the Secretary's letter that this bond, numbered 1123797, appears again and is there acknowledged to be a duplicate. Here the Secretary allocates to one of the duplicate bonds the number 1123787, which bond would thus take the place of the duplicate. Since this allocation was made, bond with the allocated number 1123787 has been received and paid. This means that there are not only two bonds numbered 1123797 and a third one numbered 1123787 when there should only be two, but that the coupons on one of the duplicate bonds are misnumbered, which embodies the kind of an error that would stamp it a spoiled bond. All spoiled bonds are supposed to be destroyed, as this bond should have been, instead of its getting into circulation.

Again, when there is a defective bond discovered in the process of issue, a record of it is made and a make-up issued in its place, the record being made in Loans and Currency and the Bureau of Engraving and Printing. These records showed only a few, possibly a half dozen, of the 1,668 set-off numbered bonds to have been defectives and make-ups issued in place of the original. This allocation of set-off numbers is merely a guess, and that it is totally unreliable is rendered patent by the subsequent appearance of the bonds with those very numbers and their payment by the Treasurer. We can not escape the conclusion that there is a considerable duplication in bonds (not merely numbers) and that the whole public debt should be audited. A suggestive circumstance is that duplication of $50 and $100 denominations are much the most numerous, and, being more easly disposed of without arousing suspicion, they arouse our suspicion of their being more the result of design than accident. The fact that many of the bonds are destroyed, making it impossible to tell which were honest and which were spurious when duplicate numbers are presented, emphasizes the importance of the issue as to destruction of the bonds.

The Secretary says in letter of February 4, 1925, that the allocations made in the letter of April 26, 1924, were "tentative selection of numbers presumed to represent the bonds displaced as a result of erroneous numbering, erroneous entering, erroneous posting, or willful alteration by thieves." If the Secretary relies on as many erro-

neous processes in his department as he cites above, to be sure we need an audit. He says, further, "the allocations, therefore, are merely the Treasury's prediction or opinion as to the particular 'serial numbers which were issued.'" What the Congress wants is facts. The department is now reduced to predictions and opinions and both are being daily contradicted by stern facts, to wit, bonds which they said could not be presented, because not issued, turning up and being paid.

While in the main the attention of the committee has been directed principally to the subject of coupon bonds, they have also looked into the subject of duplication of registered bonds and find that during the period covered by the inquiry 12,000,000 pieces of registered bonds were printed, and that while imperfectly printed registered bonds and Victory notes returned to the bureau for replacement aggregated 35,772 pieces, which indicates that imperfects in printing, spoilage, etc., were found perhaps as frequently in registered bonds as in coupon bonds, only five duplicated numbered registered bonds have turned up for payment in comparison with the several thousand duplicated coupon bonds. Naturally the inference drawn by the committee is strengthened by this comparison, due to the fact that collusion was practically impossible so far as registered bonds are concerned as compared with the possibilities of fraudulent issue of coupon bonds.

The committee regrets that the Treasury did not report the appearance of these bonds with allocated numbers to it, but only admitted it when called on by the committee for the facts. This was on a par with its attitude all the way through. It is clear that the accounts of the Treasury pertaining to the public debt do not and can not be properly balanced.

SAFEGUARDS ABANDONED, DUPLICATES NOT INVESTIGATED

4. Whether or not the major duplication resulted therefrom is yet to be determined, but it is clear there was opportunity for fraudulent wholesale duplication of Government bonds at the Bureau of Engraving and Printing, the Division of Loans and Currency, and the register's office, and that the opportunity was so created by the abandonment of regulations formerly designed as safeguards and was encouraged by loose practices in bookkeeping and accounting methods and failure to cancel bonds when paid and that some outstanding frauds have resulted from these practices.

5. Falsification of records has occurred as to stamps, stamp paper, and distinctive silk-fiber paper and as to shortages of securities in the Bureau of Engraving and Printing and as to the destruction of securities in the Division of Loans and Currency.

6. Little or no attention was paid to duplicate bonds when they were received in the Treasury and known to be duplicates. Employees generally seemed to have prejudged the case and decided that duplication resulted from error. The attitude as to duplicate numbered bonds is well illustrated by the questions of Congressman STRONG, of the committee, answered by Mr. Speelman, Register of the Treasury, and they are herewith incorporated:

"Mr. STRONG. It just strikes me, Mr. Speelman, as a very peculiar situation, where a great department is receiving bonds, after payment, for cancellation, and they discover that a duplicate number has been paid, that there is not more investigation and more decision about it than simply to report it; then forget about it. It forces the conclusion that if Mr. Brewer had not dug this matter up there never would have been any investigation. That seems to me to be a situation that I should hate to see established.

"Mr. SPEELMAN. Well, that seems to have been the policy of the department.

"Mr. STRONG. Then the presumption is that when duplicate numbers come in they do not care; they just presume that everything is all right, and the people are not protected, especially the Treasury. * * *

"Mr. SPEELMAN. Well, I suppose that the Treasury Department would be interested, of course.

"Mr. STRONG. Let me make my thought plain. I get my checks back from the bank. I number every check as I issue it. If I discover two checks numbered alike, I would immediately make an investigation to see whether or not I had issued both checks. If that came up month after month and day after day, I would be put on inquiry as to why I or the person that numbered those checks for me was making a mechanical error, and I would immediately start some investigation about it. And it does seem to me strange that in a great department like the Treasury Department of the United States, where they are issuing these bonds running up into the thousands, when they find duplicate numbers when they come to pay them—the number being put upon the bond for its identification—when they find two bonds numbered alike, and that goes on time after time, it seems to me rather remarkable that you should say that you simply write a letter notifying the Secretary's office that they are duplicates, and that they never come to make any inquiry or pay any attention to it until an investigation is started by the Congress of the United States or some one from the Department of Justice. It seems to me the department itself would have immediately started an investigation. I am rather surprised to have you make that admission."

7. While the Government is not liable for the payment of fraudulent bonds or coupons, such have been paid. For example, coupons that have been altered to secure earlier payment of interest; bonds that have been stolen prior to issue, even though regularly printed under Government authority; and bonds which have been paid and stolen after payment and again passed through regular channel for repayment, as has been the case as disclosed by Treasury records.

8. Protection against fraudulent duplication of bonds and coupons, counterfeits, and stolen bonds and coupons, etc., provided by the courts can not be availed of unless examination at Washington is prompt. By a change in last year's appropriation bill, about which the Treasury was consulted, examination, comparing, and recording of coupons was dispensed with. The committee considers that this examination, comparing, and recording is the Government's principal safeguard against duplication, counterfeiting, and other fraud in coupons whose cumulative value is the same or greater than the whole public debt. This should be restored immediately.

TREASURY SINKING AND BOND PURCHASE OPERATIONS CARRIED ON THROUGH THE WAR FINANCE CORPORATION

9. In the repurchasing on the market for the bond purchase fund, the sinking fund, etc., the Treasury employed the War Finance Corporation from May 20, 1918, to June 30, 1920, and a part of 1922, and frequently, instead of promptly turning into the Treasury the bonds so purchased the War Finance Corporation accumulated large quantities of bonds after they had been purchased and held them and collected a sum totaling nearly $28,000,000 in interest from the United States Treasury.

The War Finance Corporation carried on from time to time extensive trading operations, and in doing so a partial examination of the transactions indicate that the War Finance Corporation in their trading in these bonds through stock-exchange houses on the stock exchange made wash sales. These operations also disclose frequent selling of bonds on the market at less than cost, and transactions indicate that on the same day bonds were sold at several dollars less per hundred to others than they were sold the same day to the Treasury for the same class of bonds purchased for sinking and bond-purchase funds. An examination of the details of the transactions indicates also that often these bonds were sold to the Treasury at a higher price than the bonds had cost when purchased by the War Finance Corporation. These transactions took place with the approval or the acquiescence of the Treasury, notwithstanding the fact that there is no law which provides authority for the Treasury to sell bonds below par. It is noted in this connection that just prior to the beginning of these Treasury operations on the part of the War Finance Corporation the Ways and Means Committee, in framing the Third Liberty loan act, changed the bill which was drawn by the Treasury officials and struck out of it the authority which would give the Treasury the right to sell bonds below par. It is quite evident, therefore, that the carrying on of these transactions by the War Finance Corporation, authority for which was refused to the Treasury Department by Congress, did indirectly what Congress had prohibited directly.

These transactions of the Treasury prior to June 30, 1920 (including settlements for purchases and sales), executed by the War Finance Corporation, were largely directed by the managing director of the War Finance Corporation, and settlements with the Treasury were made principally by him with the Assistant Secretaries of the Treasury, and the books show that the basis of the price paid by the Government for over $1,894,000,000 worth of bonds, which the Treasury purchased through the War Finance Corporation, was not the market price and was not the cost of the bond plus interest, and the elements entering into the settlement are not disclosed by the correspondence. The managing director of the War Finance Corporation stated that he and an Assistant Secretary of the Treasury agreed to the price, and it was simply an arbitrary figure set by an Assistant Secretary of the Treasury as to the bonds so purchased from the War Finance Corporation.

During the period of these transactions and up until a quite recent date the managing director of the War Finance Corporation, in his private capacity, maintained an office at No. 14 Wall Street, New York City, and through the War Finance Corporation sold about $70,000,000 in bonds to the Government, and also bought through the War Finance Corporation about $10,000,000 in bonds, and approved the bills for most, if not all, of these bonds in his official capacity as managing director of the War Finance Corporation. When these transactions just referred to were disclosed to the committee in open hearing, the managing director appeared before the committee and stated that while the books of the War Finance Corporation disclosed the fact that commissions were paid on these transactions, they were in turn paid over to the brokers, selected by the managing director, who executed the orders issued by his brokerage house, and immediately after this disclosure to the committee the managing director employed Ernst & Ernst, certified public accountants, to audit the books of the War Finance Corporation, who did, upon the completion of their examination of these books, report to the committee that all moneys received by the brokerage house of the managing director had been accounted for.

While simultaneously with the examination being made by the committee the certified public accountants, heretofore referred to, were nightly carrying on their examination, it was discovered by your committee that alterations and changes were being made in the books of record covering these transactions, and when the same was called to the attention of the treasurer of the War Finance Corporation he admitted to the committee that changes were being made. To what extent these books have been altered during this process the committee have not been able to determine.

Notwithstanding the fact that there was no authority for the purchase of bonds above par, such purchases were made. The dates of purchases of bonds as given by the Secretary of the Treasury, which would have shown that about $24,000,000 had been paid by the Government for bonds in excess of the highest market rate for the various days on which it was alleged that the purchases were made were found to be incorrect. It was also found that the dates given by the War Finance Corporation and the Federal Reserve Bank of New York City, N. Y., did not agree and that the records of the former also vary as to dates of purchase. For example, the dates furnished by the Federal reserve bank statements were sometimes given as the date of delivery of the bonds, sometimes the date of the transaction, and sometimes the date on which the transaction was reported. The dates given by the records of the War Finance Corporation were equally confusing. One transaction in the books of the War Finance Corporation has journal entry as of November 15, 1918, a subentry in the journal as of November 12, the detail sheet is dated November 11, and the dates of purchase given as November 8 and 9. The market prices varied each day. Only a complete audit will disclose how nearly correct is the loss of $24,000,000 which the dates given by the Secretary of the Treasury show.

DESTROYING THE EVIDENCE

10. The bonds and securities of the United States have been destroyed without authority of law. Authority was expressly given to so destroy in section 3695, Revised Statutes, which provided that the bonds purchased for the sinking fund shall "be canceled and destroyed." The act of March 3, 1919 (40 Stats. 1312), dealing with bonds bought for the sinking fund, changed the language to say "shall be canceled and retired and not reissued," and then by a subsequent subdivision on same page expressly repealed the other act, to wit, 3695, which provided that they should "be canceled and destroyed," plainly showing that they intended to substitute inhibition against reissue for destruction. Section 251 of the Revised Statutes, passed to 1820, relied on by the Secretary to sustain his destruction of bonds, allows him to make regulations for those "in any way engaged or employed in the preparation and issue of the same" as he shall deem best calculated to promote the public convenience and "security and to protect the United States as well as individuals from fraud and loss." It will be noted that this deals with "preparation and issue" of securities, not retirement or destruction of them. Congress has so construed it, and whenever destruction was necessary it gave express authority. (See National bank notes, sec. 5184, R. S. 1864; United States notes, sec. 3581, R. S. 1862; section as to bonds (now repealed) 3695, R. S. 1870; Money orders, 35 Stats. 415; Federal reserve notes, 38 Stats. 265; Fractional currency, 19 Stats. 215.)

If section 251 authorized it, why did Congress in each case expressly direct it? In addition to this, Congress has provided for a congressional committee to destroy useless papers, February 16, 1889, subsequently amended by the act of March 2, 1895. (See 25 Stats. 672, 28 Stats. 933, under which the Secretary of the Treasury has been accustomed periodically to ask for the destruction of papers of many kinds which could be destroyed under section 251 if it permitted destruction at all.) (See House Rept. 966, 68th Cong.)

Section 161, Revised Statutes, is also relied on and it is equally against them. It was passed in 1789 and gives the heads of departments the power to make all regulations necessary to the "custody, use, and preservation of the records, papers, and property appertaining to it." Note that this allows the Secretary to make regulations for the "preservation" of records but not for destruction of the same. The two being absolutely antagonistic, one can not be presumed from the other, and Congress has, with that before them, passed every act enumerated above allowing destruction, plainly showing its dissent from that view.

The criminal law also prohibits it, and it is settled by numerous decisions that regulations must be in conformity with, and not contrary to, law. The act of 1874 (18 Stat. 206), providing for maceration machines, provides that only national bank notes, United States notes, and other obligations of the United States authorized to be destroyed may be destroyed, thus emphasizing the fact that there must be authority for destruction.

Sections 5403 and 5408, Revised Statutes (Barnes Federal Code, 9825 and 9826), are as follows:

"Tampering with public records: Whoever shall willfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal, shall take and carry away any record, proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000, or imprisoned not more than three years, or both." (Barnes Federal Code, sec. 9825; R. S. 5403.)

"Destroying records by officer in charge: Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in the preceding section, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing, shall be fined not more than $2,000, or imprisoned not more than three years, or both; and shall, moreover, forfeit his office and be forever afterwards disqualified from holding any office under the Government of the United States." (Barnes Federal Code, sec. 9825; R. S. 5408.)

These very drastic prohibitions show why it has always been necessary to have an act of Congress expressly allowing destruction of securities. There is no controversy as to the facts here; it is purely a question of law.

Great haste has accompanied the destruction of the bonds. This is illustrated by the conduct of Treasury officials in connection with the destruction of a certain large lot of duplicates which was the subject of special investigation for other reasons. The duplication amounted in money value to $133,000, face amount of the bonds, and about the same amount in the value of the coupons. The bonds were for $1,000 each and all of the 133 had come from one package (each package contained a thousand bonds) and most of them had been purchased by the Treasury from the War Finance Corporation. When information was sought from Treasury officials as to the duplicates concerned, there resulted an explicit refusal of these officials to obey the direct orders of the President of the United States contained in a signed letter which his representative presented. This information did not come to the committee from the representative, but was admitted in the testimony of one of the officials who so refused. The incident happened in August, 1922, when the bonds concerned had been destroyed and the information sought was from records only. Concerning most of these duplicates which have not been destroyed, the committee has affidavits of experts at the Bureau of Engraving and Printing who state they believe them spurious. While this has been disputed, Treasury records show that $99,000 face amount of these same duplicates purchased from the War Finance Corporation were destroyed, and destroyed out of the regular order, on December 19, 1921, the same day that President Harding wrote the following letter:

DECEMBER 19, 1921.

MY DEAR MR. SECRETARY: I talked with you this morning over the telephone about suspending the destruction of bonds which have been exchanged for new ones, etc., and was greatly pleased to have your assurance that this destruction would be permanently suspended. I think this administration ought to take that course, as the surest manner of self-defense.

These bonds will not require any very extended storage space, and we will have a very valuable refutation of neglect on the part of this administration if these exchanged securities and other questionable cancellations are preserved for future reference and inspection.

I trust you will make the order a very explicit one and allow no variation therefrom.

Very sincerely,

WARREN G. HARDING.

The SECRETARY OF THE TREASURY,
Washington, D. C.

Notwithstanding this letter, destruction was continued until the President again, in April, 1922, demanded that it be stopped, when destruction was finally stopped. The letter of the Secretary of the Treasury of April 26, 1924, states:

"It is true that during the latter part of June, 1921, Mr. Brewer personally called on the Secretary of the Treasury and urgently suggested, among other things, that destruction be suspended. There were not at that time, however, any orders or instructions of any kind from the President on the subject of destruction, and the Secretary of the Treasury did not agree with Mr. Brewer that destruction should be stopped, nor did he issue any such instructions himself."

After June, 1921, there were about $10,000,000,000 worth of securities destroyed.

The statement of the Treasury Department in its letter of April 26, 1924, was that the 133 $1,000 duplicate bonds referred to above were erroneously listed. The bonds, however, had been destroyed, as have also most of those about which the Treasury makes a similar statement. This well illustrates how seriously the destruction of bonds may affect the question as to what is really outstanding.

The methods followed when the bonds were being destroyed show that, rather than a duplication of the public debt requiring a multitude of people, a premise to the conclusion of the Secretary of the

Treasury that duplication resulted from innocent error, destruction, as practiced, offered opportunity for one or two men, and sometimes one man only, to recirculate the Government securities with little chance of detection by removing them from the packages destroyed. One man only certified to the account of $1,468,449,000 in securities (in violation of the regulations) which the destruction committee accepted in package form and said were destroyed. (See Treasury letter of April 26, 1924.) The committee also has originals of evidence of about $600,000,000 worth of additional securities similarly destroyed which were also likewise certified by one man only. The committee also hold in safe-deposit boxes about $500,000 worth of securities which the same destruction committee certified were destroyed in May of 1918.

The accounts covering the payment, retiring, recording, and destroying of securities must be thoroughly audited and the whole system of recording all securities be most carefully considered and revised.

11. Based upon the study during the consideration of this inquiry, the committee believes that the printing of securities should be completely divorced from the Bureau of Loans and Currency of the Treasury Department, which bureau issues and circulates Government securities, and likewise the bureau of audit of final recordation of payments should be completely divorced from the printing, engraving, and issuing departments. In order to effectively accomplish this and thus provide an additional safeguard, the committee recommends that the division of paper custody and the Bureau of Engraving and Printing be separated from the Treasury and function in a manner similar to that provided for the Government Printing Office, reporting direct to a joint committee of the House and Senate, and under the supervision of the director; and that the office of the Register of the Treasury, which audits and records the retirement of paid and canceled securities, should be also separated from the Treasury and likewise function directly under a joint committee of the House and Senate and under supervision of the Register of the Treasury.

Under this plan of operation the business of each of these offices will be carried on practically as at present, except that the Director of the Bureau of Engraving and Printing and the Register of the Treasury shall be responsible to Congress, in whom is vested the authority to make money and to whom accounting for same should be made. The Secretary of the Treasury would place all orders for printing and engraving of money and securities with the Bureau of Engraving and Printing; the Bureau of Loans and Currency of the Treasury Department would supervise the issue thereof under the direction of the Secretary of the Treasury; and the Register of the Treasury would receive and record paid and canceled securities. This would prevent any possibility of collusion in the printing and engraving, issue, or recordation and payment of securities.

12. In its relations with the committee the attitude of the Treasury has been constantly a defensive one rather than one of willingness.

SUMMARY

13. The evidence discloses:

1. That there has been duplication of bonds, some fraudulent, the proportion not yet determined;

2. That the report of the Treasury relative thereto is incomplete, contradictory, and evasive, and the testimony it offered to show innocent error was refuted;

3. That records have been falsified, the extent of which is unknown to the committee;

4. That indifference to duplications has been prevalent;

5. That legal remedies have been neglected in the payment of duplicates;

6. That destruction of bonds was conducted in haste and that destruction records are not dependable;

7. That the bonds were destroyed in violation of law, of regulations, and of presidential order, and evidence of duplication thus removed;

8. That under a theory of economy evidence not destroyed has been rendered useless and the Government also thus deprived of its main safeguard against future fraud;

9. That the will of Congress has been overridden in the repurchase and sale of millions of dollars' worth of bonds;

10. That questionable methods were employed in handling these funds;

11. That substantial, actual losses to the Government have resulted; and

12. That the extent of these losses has been rendered uncertain by failure of records to agree.

Because of the ending of the life of this committee with the termination of the present Congress on March 4, 1925, the committee are turning over to the Congress, duly inventoried, all of the evidence in their possession, together with copies of the hearings and a copy of this special report. The committee desire to state in this connection that there is much evidence in the files of the Treasury Department, including the office of the Register of the Treasury, the Divisions of Loans and Currency, the Bureau of Engraving and Printing, and the Commissioner of the Public Debt, that should be maintained and made available at any time to the Congress or any designates on the part of Congress. The committee also desire to call special attention to the preservation of paid securities, both coupon and registered bonds and war-savings stamps and the coupons thereto attached and unattached, until Congress finally disposes of the subject of this inquiry.

The committee consider it absolutely essential that there be immediate restoration of the examination, comparing, and recording of coupons, a comprehensive audit of the public debt and all other matters covered by House Resolution 231, and that proper legislation be enacted extending the powers of the committee beyond the 4th of March in order that there may be an ascertainment through such audit of the amount of losses sustained by the Government, that necessary steps be taken to recover these losses and to prevent in future the abuses herein outlined. This report is based upon the report of a subcommittee consisting of Mr. MCFADDEN, Mr. KING, and Mr. STEAGALL (except as to where it was modified by subsequent evidence), said report being submitted and approved January 7, 1925, and is hereto attached and marked "Exhibit A."

EDWARD J. KING,
HENRY B. STEAGALL,
W. F. STEVENSON.

MARCH 2, 1925.

EXHIBIT A

REPORT OF SUBCOMMITTEE OF SPECIAL BOND COMMITTEE

Your special committee appointed under House Resolution 231, Sixty-eighth Congress, first session, "To investigate the preparation, distribution, sale, payment, retirement, surrender, cancellation, and destruction of Government bonds and other securities," has had these various questions under its consideration since the adoption of the resolution, March 24, 1924, and is now in the midst of its inquiry.

It has been necessary to go into practically all the phases of the public debt, a stupendous question, and a great deal of time during vacation has been devoted to the work. Practically the continuous presence of the committee has been necessary since September 16 last. Hearings so far have been conducted in Washington and New York. Many witnesses, including Treasury officials, have been heard. Many others, including other officials of the Treasury, are to be heard.

Government bonds and other securities, the subject matter of the inquiry, are printed by the Bureau of Engraving and Printing on distinctive silk-fiber paper made at the paper mills, Dalton, Mass. They are issued by the Treasury proper principally through the Federal reserve banks to the other banks and the public. Some reach the public directly from the Treasury. After circulation the securities are retired or redeemed from the public and the banks generally through the Federal reserve banks and the Treasury, some coming directly to the Treasury. They are surrendered to the Register of the Treasury. Some reach the register through the Treasurer of the United States and through Loans and Currency Division of the Treasury.

The annual report of the Secretary of the Treasury for 1924, filed with Congress, pages 76 to 81, refers to the subject of duplication of bonds, and in a "letter" to the President of the United States dated April 26, 1924, the Secretary of the Treasury submitted a special report consisting of about 200 pages of printed text and tabulated matter purporting to prove there had been no duplication of the public debt and that charges to this effect were wholly unfounded.

The committee, of course, gave most careful consideration to these reports. From its examination of Treasury reports and records and the testimony of Treasury officials and employees, your committee finds that:

1. Duplicate bonds amounting to 2,314 pairs and duplicate coupons amounting to 4,698 pairs, ranging in denomination from $50 to $10,000, have been redeemed to July 1, 1924; that is, two bonds and two coupons bearing the same identical number. The statement as to coupons includes only one for each bond. If the various duplicated coupons of the same bond are included, the number would be greatly increased. Duplications resulting from the slipping of the numbering machines are negligible and inconsequential. Some of the duplications have resulted from error and some from fraud. The proportion has not been determined. The extent of the duplications is also uncertain from the record as far as it has gone and an important part of the work by which duplication is detected was stopped by the Treasurer in July, 1924, referred to later.

2. Duplicate payments of the same identical bonds, stolen from Treasury vaults by employees and again circulated, have been made in frequent cases. The extent of the thefts is rendered uncertain by inexact methods and faulty accounting.

3. The report of the Treasury embodied in the letter from the Secretary to the President dated April 26, 1924, on the subject of duplication of bonds, is incomplete, contradictory, and evasive, and the main part of the proof offered to show the duplication resulted from error was demolished by the committee discovering within the Treasury Department many of the very bonds which the Secretary's report claimed had never been printed, and on the alleged nonexistence of which he justified the payment of the duplicate bonds, his theory being

that, because the numerical register for recording surrendered bonds showed open spaces beside certain numbers, it could be presumed those numbers had never been printed but that two bonds bearing the same number had been erroneously printed in their stead and could thus be "allocated." The committee discovered that some of these "allocated" bonds which had been paid had been in the Treasury for four years at the time the Secretary's report of April 26, 1924, told the President they did not exist. The committee also discovered that other such bonds are continuing to appear and are being paid.

4. The possibility of a proper balance of the books is precluded by matters shown by the Treasury records.

5. Whether the major duplication so resulted therefrom or not is yet to be determined, but it is clear there was opportunity for fraudulent wholesale duplication of Government bonds at the Bureau of Engraving and Printing, the Division of Loans and Currency, and the register's office and that the opportunity was so created by the abandonment of regulations formerly designed as safeguard and was encouraged by loose practices in bookkeeping and accounting methods and that some important frauds have resulted from these practices.

6. Falsification of record has occurred as to distinctive silk-fiber paper in the Division of Loans and Currency, in the handling of securities in the Bureau of Engraving and Printing, and in the destruction records.

7. Little or no attention was paid to duplicate bonds when they were received in the Treasury and known to be duplicates. Employees generally seemed to have prejudged the case and decided that duplication resulted from error. This attitude is so well illustrated by the questions of Congressman STRONG, of the committee, answered by Mr. Speelman, Register of the Treasury, that they are herewith incorporated:

"Mr. STRONG. It just strikes me, Mr. Speelman, as a very peculiar situation, where a great department is receiving bonds after payment, for cancellation, and they discover that a duplicate number has been paid, that there is not more investigation and more decision about it than simply to report it and then forget about it. It forces the conclusion that if Mr. Brewer had not dug this matter up there never would have been any investigation. That seems to me to be a situation that I should hate to see established.

"Mr. SPEELMAN. Well, that seems to have been the policy of the department.

"Mr. STRONG. Then the presumption is that when duplicate numbers come in they do not care; they just presume that everything is all right, and the people are not protected, especially the Treasury. * * *

"Mr. SPEELMAN. Well, I suppose that the Treasury Department would be interested, of course.

"Mr. STRONG. Let me make my thought plain. I get my checks back from the bank. I number every check as I issue it. If I discover two checks numbered alike, I would immediately make an investigation to see whether or not I had issued both checks. If that came up month after month and day after day, I would be put on inquiry as to why I or the person that numbered those checks for me was making a mechanical error, and I would immediately start some investigation about it. And it does seem to me strange that in a great department like the Treasury Department of the United States, where they are issuing these bonds running up into the thousands, when they find duplicate numbers when they come to pay them—the number being put upon the bond for its identification—when they find two bonds numbered alike, and that goes on time after time, it seems to me rather remarkable that you should say that you simply write a letter notifying the Secretary's office that they are duplicates, and that they never come to make any inquiry or pay any attention to it until an investigation is started by the Congress of the United States or some one from the Department of Justice. It seems to me the department itself would have immediately started an investigation. I am rather surprised to have you make that admission."

8. The Government is not liable for the payment of fraudulent bonds or coupons, for example, coupons that have been altered to secure earlier payment of interest, or for bonds that have been stolen prior to issue, even though regularly printed under Government authority or which have been paid and stolen after payment and again passed through regular channels for repayment as has been the case as disclosed by Treasury records.

9. Protection against fraudulent duplication of bonds and coupons, counterfeits, and stolen bonds and coupons, etc., provided by the courts can not be availed of unless examination at Washington is prompt. By a change in last year's appropriation bill, about which the Treasury was consulted, examination, comparing, and recording of coupons was dispensed with. The committee considers this examination, comparing, and recording is the Government's principal safeguard against duplication, counterfeiting, and other fraud in coupons whose cumulative value is the same or greater than the whole public debt. This should be restored immediately.

10. In the repurchasing on the market through the bond-purchase fund, the sinking fund, etc., various practices have been followed which must be corrected. For example:

(a) A preference in purchasing hundreds of millions of dollars' worth of certain issues as high as $98 when other issues were selling as low as $86 has made its bonds cost the Government about $60,000,000 more than they otherwise would.

(b) Instead of buying the bonds directly the Treasury employed the War Finance Corporation for such purpose. And instead of promptly turning into the Treasury the bonds purchased the War Finance Corporation accumulated great quantities of bonds, held them, and collected altogether nearly $28,000,000 in interest on them from the Treasury. And though the Ways and Means Committee in framing the Third Liberty loan act changed the Treasury's bill in order to prevent the Treasury from selling bonds below par the War Finance Corporation carried on an extensive trading in these bonds on the stock exchange in "wash" sales, frequently selling bonds on the market at less than cost, and selling the same issue of bonds on the same day at several dollars less per hundred to others than they sold them to the Treasury; and, furthermore, often sold to the Treasury at a higher price than what the bonds had cost. Mr. Eugene Meyer, jr., managing director of the War Finance Corporation, and Messrs. R. C. Leffingwell and S. Parker Gilbert, Assistant Secretaries of the Treasury, settled on the price which the Government paid for over $1,894,000,000 worth of bonds bought from the War Finance Corporation, the basis of which price was not the market price, was not the cost of the bond, and was not disclosed by the correspondence. Mr. Meyer stated that he and Mr. Leffingwell agreed to the price and it was simply an arbitrary figure set by Mr. Leffingwell (as to the bonds bought from the War Finance Corporation prior to June 30, 1920, 99 per cent). The managing director of the War Finance Corporation in his private capacity maintained an office at No. 14 Wall Street, New York City, and, through the War Finance Corporation, sold about $70,000,000 in bonds to the Government and also bought through the War Finance Corporation about $10,000,000 in bonds and approved the bills for same in his official capacity.

All transactions of the War Finance Corporation must be thoroughly audited to ascertain the manner by which and the parties through whom and to whom the Government lost the money which the record proves was lost. It was to prevent just such questions being raised that Congress in its wisdom long ago prohibited Government officers from having any interest, direct or indirect, in transactions which they were called upon to approve and for the same purpose was written into the War Finance Corporation act the following. Section 3 states:

"* * * No director, officer, attorney, agent, or employee of the corporation shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interests of any corporation, partnership, or association, in which he is directly or indirectly interested."

And section 300 states:

"* * * That whoever willfully violates any of the provisions of this act, except where a different penalty is provided in this act, shall, under conviction in any court of the United States of competent jurisdiction, be fined not more than $10,000 or imprisoned for not more than one year, or both."

11. Since discontinuance of the War Finance Corporation in buying and selling bonds, the practice of selling bonds on the market has continued, although Congress in the Third Liberty loan act, as passed, refused permission to the Treasury for the same. This and also purchasing bonds above par with the command of funds amounting to hundreds of millions of dollars annually should be condemned and the whole general scheme thoroughly revised. The dates of purchase as given by the Secretary of the Treasury which would have shown that about $24,000,000 had been paid by the Government for bonds in excess of the highest market rate for the various days on which it was alleged that the purchases were made were found to be incorrect. It was also found that the dates given by the War Finance Corporation and the Federal reserve bank did not agree and that the records of the same party also vary as to dates of purchase. For example, the dates furnished by the Federal reserve bank statements were sometimes given as the date of delivery of the bonds, sometimes the date of the tranaction, and sometimes the date on which the transaction was reported. The dates given by the records of the War Finance Corporation were equally confusing. One transaction in the books of the War Finance Corporation has journal entry as of November 15, 1918, a subentry in the journal as of November 12, the detail sheet is dated November 11, and the dates of purchase given as November 8 and 9. The market prices varied each day. Only a complete audit will disclose how nearly correct is the loss of $24,000,000, which the dates given by the Secretary of the Treasury show.

12. Destruction of bonds was in violation of law, in violation of presidential order, and in violation of the Treasury regulations (made when authority to destroy existed). Authority to destroy bonds was repealed in 1919. Since then any such destruction was in violation of the United States Criminal Code. The committee has evidence that the destruction was pushed with determination and haste.

The methods followed in destruction show that rather than duplication of the public debt, requiring a multitude of people—a premise to

the conclusion of the Secretary of the Treasury that duplication resulted from innocent error—destruction, as practiced, offered opportunity for one or two men, and sometimes one man only, to recirculate the Government securities with little chance of detection. One man only was permitted to certify to the count of $1,468,449,000 in securities (in violation of the regulations) which the destruction committee accepted in package form and said was destroyed. (See Treasury "letter" of April 26, 1924.) The committee also has originals of evidence of about $600,000,000 worth of additional securities similarly destroyed which were also counted by one man only. The committee also holds in safe-deposit boxes about $500,000 worth of securities which the same destruction committee certified were destroyed in May of 1918.

The accounts covering the payment, retiring, recording, and destroying of securities must be thoroughly audited and the whole system of destroying all securities be most carefully considered and revised. Destruction of any securities and any records pertaining thereto should, of course, be prohibited until the audit is completed and the committee completes its investigation and makes its recommendations relative to this subject.

13. From its consideration of the subject the committee is thoroughly convinced that the printing of securities should be thoroughly divorced from the issue of same and the issue and circulation likewise thoroughly divorced from final retirement. In order to effectively accomplish this and place the handling of securities on an efficient basis and one that is above reproach, the division of paper custody and Bureau of Engraving and Printing, the latter of which prints the securities, and the office of the Register of the Treasury, which retires them, should be taken over and placed under a joint committee of the Senate and House after the order of the present provisions for the Public Printer.

15. In its relations with the committee the Treasury Department has been constantly on the defensive, and, while its letters have professed a readiness to assist the committee in the inquiry, its unwillingness to really cooperate has been manifest.

16. The committee has stated herein that the evidence discloses:

"1. That there has been duplication of bonds, some fraudulent, the proportion not yet determined;

"2. That the report of the Treasury relative thereto is incomplete, contradictory, and evasive; and proof of it offered to show innocent error was demolished;

"3. That records have been falsified; extent of same unknown;

"4. That indifference to duplications has been prevalent;

"5. That legal remedies have been neglected in the payment of duplicates;

"6. That destruction of bonds was prosecuted in haste and that destruction records are not dependable;

"7. That the bonds were destroyed in violation of law, of regulations, and of presidential order, and the best evidence of duplication thus removed;

"8. That, under a theory of economy, evidence, not destroyed, has been rendered useless and the Government also thus deprived of its main safeguard against future fraud;

"9. That the will of Congress has been overridden by connivance in the repurchase and sale of millions of dollars of bonds;

"10. That questionable methods were employed in handling these funds;

"11. That substantial actual losses to the Government has resulted; and

"12. That the extent of these losses has been rendered uncertain by failure of records to agree."

Because of these facts, the immediate restoration of the examination, comparing, and recording of coupons, a comprehensive audit of the public debt and all other matters covered by the resolution (231), and an extension of the powers of the committee by legislation beyond the 4th of March are considered absolutely essential in order that the committee complete its investigation and make recommendations for correcting the abuses to the Sixty-ninth Congress or as soon thereafter as possible, ascertaining through the audit the extent of the losses suffered by the Government and take steps to recover same.

17. The committee will submit bills to cover the necessary legislation to carry out the various purposes referred to herein and recommends favorable consideration of same by Congress.

Upon the filing of the foregoing report and the wide publicity given it by the press on account of its gripping importance, an effort has been made by the Treasury to minimize the action of the committee, and to charge it with prejudice and unfairness. This is the usual and customary practice of bureaucrats. Frequently they have been able to inveigle and stampede committees of inquiry into writing for them favorable reports and in this case the Treasury is to-day reeking with fury because their demand for a "whitewash" has not been complied with. That is the real trouble. Since the filing of the report, the sinister attempt quietly carried on during the committee's inquiry to drag it into politics has plainly shown its hideous head. And now Mr. Mellon says:

It was not me that committed the crime. It was Mr. McAdoo.

On many occasions during the inquiry this insinuation was made for the purpose of steering the minds of the two Democratic members of the committee, Messrs. STEAGALL and STEVENSON away from the truth and into an effort of directing any involvement of McAdoo into concealment and thereby taking Mellon along with him, these two patriots, Messrs. STEAGALL and STEVENSON, in spite of all political pressure, refused to vary one jot from the duty to their country. They deserve to rank with Paulding and Van Wert, honest, poor, and ragged, having captured the spy, Major André, refused the proffered gold for his release. The truth is, there was no political slant to this inquiry, and personally I resent the insinuation hinted at in the morning papers of March 3, that Republican leaders were disappointed at the action of Mr. KING, of Illinois, because he had reached such conclusions. Is it a part of the "Republican principles" to compound felonies and secrete crimes involving the robbery of the people of their tax money? Not at least in the great free Midwest. Such charges are indicative of a course frequently indulged in by party leaders in both parties when that which is really next to their hearts is to make clear their loving service to the seekers of special privileges and the ultimate overlordship of the common people. Many people believe that the house of Morgan is in Wall Street. I have seen enough in the last few months in the service of the House of Representatives on this committee to deny that statement and to assert that the house of Morgan is at the other end of Pennsylvania Avenue, and erroneously dubbed the United States Treasury.

The passing Secretaries of the Treasury are mere marionettes apparently, performing automatically, but everyone of which is under the complete control of the master mind. What moots it—the party in power. To them an incidental matter as long as they may by their agents hold the key positions in the Treasury and dictate its policies. They have been in absolute control of this department long before the days of Grover Cleveland. The sinister chord has run through all administrations. Some one has said in substance that if he could write the songs of a country, he cared not who wrote the laws. So this coterie who think in gold and conceive in silver, and who are all members in good standing in the American house of overlords, will always remain contented and will not care to make the laws of the country as long as they can control the policies of its Treasury. The members of this committee are the first individuals who have ever been able to enter the ancient financial city of Lassa. We have been there and remained there until interfered with by Mr. Mellon, who lobbied personally to induce the Republican leaders of the House to refuse further access to financial secrets lest we discover the complete personnel, who, as thanes of the big ones in the confusion and throes of a great war, when men were occupied in fighting and dying, planned and carried out the duplicate bond fraud and at the same time taking into consideration the practical certainty that the duplication would not be discovered until the present active generation was long since in its eternal grave.

The action of the leaders of the House under the spell of Mr. Mellon in refusing time to this committee is most reprehensible, but such refusal furnishes us a single and perfect illustration of the lackeyism of the times in serflike yielding to the money nobility of the Nation.

In conclusion, the Treasury has had a fair and impartial hearing on every finding made by the committee, such findings in the matter being exclusively upon the books, records, and writings of the Treasury, together with the testimony of Treasury officials and employees themselves. The committee has been wholly unprejudiced and open minded throughout months of painstaking work. It has conducted a broad-minded, impartial judicial inquiry which I am sure will receive the commendation of the country for its fearlessness and its adherence to a steady, unswerving search for the truth.

HISTORY OF POSTAL PAY

Mr. KELLY. Mr. Speaker, the nation-wide interest in the postal pay and rate bill leads me to believe that the recital of the steps necessary to enact it into law would make a valuable record. No measure in congressional history has had a more complicated and puzzling pathway than this bill from the day of its introduction on December 20, 1923, to its approval by President Coolidge on February 28, 1925.

The steps in that long journey may be followed in the chronicle of events given herewith:

FIRST SESSION

December 20, 1923: Mr. KELLY, of Pennsylvania, introduced a bill (H. R. 4123) to readjust the compensation of postmasters and reclassify and readjust the salaries and compensation of employees in the Postal Service. The bill was referred to the House Committee on the Post Office and Post Roads.

January 10, 1924: Mr. EDGE, of New Jersey, introduced an identical bill (S. 1898), which was referred to the Senate Committee on Post Offices and Post Roads.

February 15, 1924: Mr. PAIGE, of Massachusetts, introduced a bill (H. R. 7016) reclassifying the salaries of postmasters and employees of the Postal Service, etc., which was referred to the House Committee on the Post Office and Post Roads.

March 3–8 and 10, 1924: Joint hearings were held before the subcommittees of the Senate and the House Committees on Post Offices and Post Roads on the Edge-Kelly bill (S. 1898; H. R. 4123) and the Paige bill (H. R. 7016). The subcommittees were as follows: Senate subcommittee—Mr. EDGE, of New Jersey, chairman; Mr. MOSES, of New Hampshire; Mr. PHIPPS, of Colorado; Mr. GEORGE, of Georgia; and Mr. FERRIS, of Michigan. House subcommittee—Mr. PAIGE, of Massachusetts, chairman; Mr. RAMSEYER, of Iowa; Mr. SPROUL, of Illinois; Mr. BELL, of Georgia; and Mr. MEAD, of New York.

May 2, 1924: Mr. GRIEST, of Pennsylvania, chairman of the House Committee on the Post Office and Post Roads, introduced a new bill (H. R. 9035), which was reported to the House by the committee on May 3 without amendment (H. Rept. 655). This measure was the committee bill carrying the committee's amendments to the Kelly bill (H. R. 4123).

May 5, 1924: Mr. EDGE, from the Senate Committee on Post Offices and Post Roads, reported to the Senate favorably with an amendment in the nature of a substitute the Edge bill (S. 1898; S. Rept. 500).

May 21, 1924: Senate began consideration of the Edge bill (S. 1898) as the unfinished business. The debate was continued on May 22, 23, 26, and 27.

May 27, 1924: The Senate amended and passed the Edge bill (S. 1898) by a vote of 73 to 3.

June 2, 1924: The provisions of the Griest bill (H. R. 9035) were substituted in place of the Edge bill and the measure was passed by the House carrying the Senate bill number (S. 1898).

June 2, 1924: The Senate disagreed to the amendment of the House to the Edge bill (S. 1898) and requested a conference. The following conferees were appointed: Senators EDGE, MOSES, and MCKELLAR.

June 3, 1924: The House insisted upon its amendments and agreed to a conference. The following conferees were appointed: Mr. GRIEST, of Pennsylvania; Mr. PAIGE, of Massachusetts; and Mr. BELL, of Georgia.

June 5, 1924: The Senate agreed to the conference report on the Edge bill (S. 1898).

June 6, 1924: The House agreed to the conference report on the Edge bill (S. 1898) by a vote of 361 to 6. Based on the figures of the department, the bill provides for an expenditure of about $64,000,000 for salary increases. The bill was sent to the President.

June 7, 1924: President Coolidge returned the Edge bill (S. 1898) with his veto.

The first session of the Sixty-eighth Congress adjourned without taking action on the President's veto message.

SECOND SESSION

December 3, 1924: The cost ascertainment report showing the cost of handling the several classes of mail matter and of conducting the special services for the fiscal year 1923, was transmitted to Congress by the Postmaster General, and referred to the Senate Committee on Post Offices and Post Roads. (S. Doc. 162.)

December 16, 1924: Mr. STERLING, of South Dakota, introduced a new bill (S. 3674) to reclassify and readjust salaries of postmasters and employees of the Postal Service, and to increase postal rates, to provide for such adjustment, etc. This bill carried the same salary provisions as the Edge bill, but provided for increased postal rates to provide revenue as asked by the President. The total rate increases provided by the bill were estimated to yield approximately $66,000,000.

The bill was read by title the first time, whereupon Mr. ASHURST, of Arizona, objected to the second reading of the bill. A privileged motion by Mr. ASHURST to proceed to the reconsideration of the vetoed postal bill (S. 1898) and the President's veto message was agreed to by a vote of 51 to 30.

Mr. STERLING, of South Dakota, moved that the bill (S. 1898), together with the veto message, be referred to the Committee on Post Offices and Post Roads.

December 17, 1924: Mr. PAIGE, of Massachusetts, introduced in the House H. R. 10881, the companion bill to S. 3674. The bill was referred to the Committee on the Post Office and Post Roads.

December 17, 1924: The Senate adopted a unanimous-consent agreement to reconsider the vetoed postal bill (S. 1898) on January 5, 1925.

The Sterling bill (S. 3674) was read the second time and referred to the Committee on Post Offices and Post Roads.

December 23–31, 1924: Hearings were held on the Sterling bill (S. 3674) before a joint subcommittee of the Senate and House Committees on Post Offices and Post Roads. The Senate subcommittee consisted of: Senators MOSES, of New Hampshire, chairman; HARRELD, of Oklahoma; ODDIE, of Nevada; GEORGE, of Georgia; and FERRIS, of Michigan. The members of the House committee were: Mr. KELLY, of Pennsylvania; Mr. RAMSEYER, of Iowa; and Mr. SPROUL, of Illinois.

January 2, 1925: Mr. MOSES, from the Committee on Post Offices and Post Roads, reported the Sterling bill (S. 3674) with amendments. The amended bill was thereafter referred to as the Moses bill.

January 6, 1925: The Edge bill (S. 1898) failed to pass over the President's veto. The vote was 55 to 29 in favor of passage, which was one vote less than the required two-thirds majority necessary for passage.

January 6, 1925: Mr. PAIGE, of Massachusetts, introduced in the House H. R. 11370, the companion bill to S. 3674 as amended (the Moses bill). The bill was referred to the Committee on the Post Office and Post Roads.

January 8, 1925: Mr. KELLY, of Pennsylvania, introduced in the House H. R. 11444, which carried the same salary provisions, but increased the rate provisions. The bill was referred to the House Committee on the Post Office and Post Roads.

January 16, 1925: The Senate agreed by a vote of 57 to 9 to a motion by Mr. MOSES, of New Hampshire, to make S. 3674 the special order of business on January 22.

January 22, 1925: In pursuance of the special order of January 15, the Senate in Committee of the Whole began consideration of S. 3674. A point of order was raised by Mr. SWANSON, of Virginia, against Title II of the bill as being contrary to the provision of the Constitution that "All bills for raising revenue shall originate in the House of Representatives." After considerable debate the point of order was rejected by a vote of 50 to 29 on the following day.

January 26–29, 1925: Debate continued in the Senate on S. 3674.

January 30, 1925: By a vote of 70 to 8 the Senate passed S. 3674 with amendments. The bill as passed carried the same salary increases, effective as of July 1, 1924, as the measure (S. 1898) of last session, vetoed by the President. The rate increases would become effective April 15, 1925, and expire February 15, 1926, with provision for a congressional investigation with a view to enactment next session of permanent rate legislation. It was estimated that the expenditure of $68,000,000 would be required for the salary increases provided by the bill, and the rate increases would yield about $31,000,000 additional revenue.

January 31, 1925: The House Ways and Means Committee voted unanimously to return to the Senate the postal bill (S. 3674) on the ground that the bill constituted revenue legislation and must therefore originate in the House in accord with the Constitution.

February 3, 1925: The House agreed by a vote of 225 to 153 to the resolution offered by Mr. GREEN, of Iowa, chairman of the Committee on Ways and Means, to return the postal bill to the Senate. The resolution read as follows: "That the bill S. 3674, in the opinion of the House, contravenes the first clause of the seventh section of the first article of the Constitution, and is an infringement of the privileges of this House, and that the said bill be taken from the Speaker's table and be respectfully returned to the Senate with a message communicating this resolution."

February 3, 1925: In the Senate the returned bill S. 3674 was referred to the Senate Committee on Post Offices and Post Roads.

February 4, 1925: Mr. MOORE of Ohio, from the Committee on the Post Office and Post Roads, reported the Kelly bill (H. R. 11444) (see January 8, above). The committee report (Rept. No. 1384) estimated the increases as $61,500,000.

February 7, 1925: Mr. RAMSEYER, of Iowa, from the Committee on the Post Office and Post Roads, filed a minority report on the Kelly bill (H. R. 11444) (Rept. No. 1384, pt. 2).

February 7, 1925: Mr. SNELL, of New York, chairman of the Committee on Rules, reported a resolution (H. Res. 433) to provide for the suspension of the rules on Tuesday, February 10, 1925, in order that the bill (H. R. 11444) might be brought up for a vote.

February 10, 1925: The House agreed to the resolution (H. Res. 433) to suspend the rules to consider the bill (H. R. 11444). Under suspension of the rules debate on the measure was limited and no amendments could be offered. The Kelly bill (H. R. 11444) was passed without a record vote and in the identical form as reported by the committee. It is estimated that the increase in rates would yield $61,000,000. Salary increases which are the same as in the bill vetoed by the President would become effective on and after January 1, 1925.

February 11, 1925: The Kelly bill (H. R. 11444) was sent to the Senate and referred to the Committee on Post Offices and Post Roads. Mr. MOSES, from that committee, reported the bill (H. R. 11444) favorably with an amendment. The amendment struck out all of the bill after the enacting clause and inserted the provisions of the Moses bill (S. 3674) as passed by the Senate. The bill was placed on the Senate Calendar.

February 16, 1925: The Senate passed the postal pay and rate increase bill (H. R. 11444) carrying the provisions of S. 3674 (Moses bill), and asked for a conference. The chairman appointed the following conferees on the part of the Senate: Senators MOSES, of New Hampshire; PHIPPS, of Colorado; and MCKELLAR, of Tennessee.

February 18, 1925: By a vote of 234 to 120 the House refused to accept the Senate amendments to the bill (H. R. 11444). Mr. PAIGE, of Massachusetts; Mr. KELLY, of Pennsylvania; and Mr. BELL, of Georgia, were appointed conferees on the part of the House by Speaker GILLETT.

February 19, 1925: Conferees met in executive session and finally agreed upon the provisions of the Kelly bill (H. R. 11444) with the exception of one rate on second-class mail matter.

February 25, 1925: Conference report adopted by House by vote of 368 to 8. Motion by Mr. BELL, of Georgia, to recommit and lower rate on parcel post defeated by vote of 286 to 85.

February 26, 1925: Conference report adopted by Senate by vote of 68 to 12.

February 28, 1925: Kelly bill (H. R. 11444) signed by President Coolidge.

Mr. Speaker, the text of the postal pay and rate bill, as enacted by Congress and approved by the President, is as follows:

PUBLIC LAW 506

TITLE I.—RECLASSIFICATION OF SALARIES OF POSTAL EMPLOYEES

SECTION 1. That on and after January 1, 1925, postmasters and employees of the Postal Service shall be reclassified and their salaries and compensation readjusted, except as otherwise provided, as follows:

CLASSIFICATION OF POSTMASTERS

That postmasters shall be divided into four classes, as follows:

The first class shall embrace all those whose annual salaries are $3,200 or more.

The second class shall embrace all those whose annual salaries are less than $3,200, but not less than $2,400.

The third class shall embrace all those whose annual salaries are less than $2,400, but not less than $1,100.

The fourth class shall embrace all postmasters whose annual compensation amounts to less than $1,100, exclusive of commissions on money orders issued.

RECLASSIFICATION OF POSTAL SALARIES

The respective compensation of postmasters of the first, second, and third classes shall be annual salaries, graded in even hundreds of dollars, and payable in semimonthly payments to be ascertained and fixed by the Postmaster General from their respective quarterly returns to the General Accounting Office, or copies of duplicates thereof to the First Assistant Postmaster General, for the calendar year immediately preceding the adjustment, based on gross postal receipts at the following rates, namely:

First class: $40,000, but less than $50,000, $3,200; $50,000, but less than $60,000, $3,300; $60,000, but less than $75,000, $3,400; $75,000, but less than $90,000, $3,500; $90,000, but less than $120,000, $3,600; $120,000, but less than $150,000, $3,700; $150,000, but less than $200,000, $3,800; $200,000, but less than $250,000, $3,900; $250,000, but less than $300,000, $4,000; $300,000, but less than $400,000, $4,200; $400,000, but less than $500,000, $4,500; $500,000, but less than $600,000, $5,000; $600,000, but less than $7,000,000, $6,000; $7,000,000 and upward, $8,000.

Second class: $8,000, but less than $12,000, $2,400; $12,000, but less than $15,000, $2,500; $15,000, but less than $18,000, $2,600; $18,000, but less than $22,000, $2,700; $22,000, but less than $27,000, $2,800; $27,000, but less than $33,000, $2,900; $33,000, but less than $40,000, $3,000.

Third class: $1,500, but less than $1,600, $1,100; $1,600, but less than $1,700, $1,200; $1,700, but less than $1,900, $1,300; $1,900, but less than $2,100, $1,400; $2,100, but less than $2,400, $1,500; $2,400, but less than $2,700, $1,600; $2,700, but less than $3,000, $1,700; $3,000, but less than $3,500, $1,800; $3,500, but less than $4,200, $1,900; $4,200, but less than $5,000, $2,000; $5,000, but less than $6,000, $2,100; $6,000, but less than $7,000, $2,200; $7,000, but less than $8,000, $2,300: *Provided*, That when the gross postal receipts of a post office of the third class for each of two consecutive calendar years are less than $1,500, or when in any calendar year the gross postal receipts are less than $1,400, it shall be relegated to the fourth class: *Provided*, That postmasters at offices of the third class shall be granted for clerk hire an allowance of $240 per annum where the salary of the postmaster is $1,100 per annum; an allowance of $330 per annum where the salary of the postmaster is $1,200 per annum; an allowance of $420 per annum where the salary of the postmaster is $1,300 per annum; an allowance of $510 per annum where the salary of the postmaster is $1,400 per annum; an allowance of $600 per annum where the salary of the postmaster is $1,500 per annum; an allowance of $690 per annum where the salary of the postmaster is $1,600 per annum; an allowance of $780 per annum where the salary of the postmaster is $1,700 per annum; an allowance of $870 per annum where the salary of the postmaster is $1,800 per annum; an allowance of $960 per annum where the salary of the postmaster is $1,900 per annum; an allowance of $1,050 per annum where the salary of the postmaster is $2,000 per annum; an allowance of $1,140 per annum where the salary of the postmaster is $2,100 per annum; an allowance of $1,400 per annum where the salary of the postmaster is $2,200 per annum; an allowance of $1,600 per annum where the salary of the postmaster is $2,300 per annum: *Provided further*, That the Postmaster General may modify these allowances for clerk hire to meet varying needs, but in no case shall they be reduced by such modification more than 25 per cent: *Provided, however*, That the aggregate of such allowances, as modified, shall not exceed in any fiscal year the aggregate of allowances herein prescribed for postmasters of the third class.

The allowances for clerk hire made to postmasters of the first, second, and third class post offices by the Postmaster General out of the annual appropriations therefor shall cover the cost of clerical service of all kinds in such post offices, including the cost of clerical labor in the money-order business, and excepting allowances for separating mails at third-class post offices, as provided by law.

Fourth class: The compensation of postmasters of the fourth class shall be fixed upon the basis of the whole of the box rents collected at their offices and commissions upon the amount of canceled postage-due stamps and on postage stamps, stamped envelopes, and postal cards canceled, on matter actually mailed at their offices, and on the amount of newspaper and periodical postage collected in money, and on the postage collected in money on identical pieces of third and fourth class matter mailed under the provisions of the act of April 28, 1904, without postage stamps affixed, and on postage collected in money on matter of the first class mailed under provisions of the act of April 24, 1920, without postage stamps affixed, and on amounts received from waste paper, dead newspapers, printed matter, and twine sold, at the following rates, namely:

On the first $75 or less per quarter, the postmaster shall be allowed 160 per cent on the amount; on the next $100 or less per quarter, 85 per cent; and on all the balance, 75 per cent, the same to be ascertained and allowed by the General Accounting Office in the settlement of the accounts of such postmasters upon their sworn quarterly returns: *Provided*, That when the total compensation of any postmaster at a post office of the fourth class for the calendar year shall amount to $1,100, exclusive of commissions on money orders issued, and the receipts of such post office for the same period shall aggregate as much as $1,500, the office shall be assigned to its proper class on July 1, following, and the salary of the postmaster fixed according to the receipts: *Provided further*, That in no case shall there be allowed any postmaster of this class a compensation greater than $300 in any one of the first three quarters of the fiscal year, exclusive of money-order commissions, and in the last quarter of each fiscal year there shall be allowed such further sums as he may be entitled to under the provisions of this act, not exceeding for the whole fiscal year the sum of $1,100, exclusive of money-order commissions: *And provided further*, That whenever unusual conditions prevail the Postmaster General, in his discretion, may advance any post office from the fourth class to the appropriate class indicated by the receipts of the preceding quarter, notwithstanding the proviso which requires the compensation of fourth-class postmasters to reach $1,100 for the calendar year, exclusive of commissions on money-order business, and that the receipts of such post office for the same period shall aggregate as much as $1,500 before such advancement is made: *And provided further*, That when the Postmaster General has exercised the authority herein granted, he shall, whenever the receipts are no longer sufficient to justify retaining such post office in the class to which it has been advanced, reduce the grade of such office to the appropriate class indicated by its receipts for the last preceding quarter.

SEC. 2. That post-office inspectors shall be divided into six grades, as follows: Grade 1—salary, $2,800; grade 2—salary, $3,000; grade 3—salary, $3,200; grade 4—salary, $3,500; grade 5—salary $3,800; grade 6—salary, $4,000, and there shall be 15 inspectors in charge at $4,500: *Provided*, That in the readjustment of grades for inspectors to conform to the grades herein provided, inspectors who are now in present grades 1 and 2 shall be included in grade 1; inspectors who are now in present grade 3 shall be included in grade 2; inspectors who are now in present grade 4 shall be included in grade 3; inspectors who are now in present grade 5 shall be included in grade 4; inspectors who are now in present grade 6 shall be included in grade 5; and inspectors who are now in present grade 7 shall be included in grade 6: *Provided further*, That inspectors shall be promoted successively to grade 5 at the beginning of the quarter following a year's satisfactory service in the next lower grade, and not to exceed 35 per cent of the force to grade 6 for meritorious service after not less than one year's service in grade 5; and the time served by inspectors in their present grade shall be included in the year's service required for promotion in the grades provided herein, except as to inspectors in present grade 1.

Inspectors and supervisory employees of the Railway Mail Service and post offices shall be paid their actual expenses as fixed by law.

That clerks at division headquarters of post-office inspectors shall be divided into six grades, as follows:

Grade 1—salary, $1,900; grade 2—salary, $2,000; grade 3—salary, $2,150; grade 4—salary, $2,300; grade 5—salary, $2,450; grade 6—salary, $2,600; and there shall be one chief clerk at each division headquarters at a salary of $3,000: *Provided,* That in the readjustment of grades for clerks at division headquarters to conform to the grades herein provided, clerks who are now in present grade 1 shall be included in grade 1; clerks who are now in present grade 2 shall be included in grade 2; clerks who are now in present grade 3 shall be included in grade 3; clerks who are now in present grade 4 shall be included in grade 4; clerks who are now in present grade 5 shall be included in grade 5; and clerks who are now in present grade 6 shall be included in grade 6: *Provided further,* That clerks at division headquarters shall be promoted successively to grade 5 at the beginning of the quarter following a year's satisfactory service in the next lower grade and not to exceed 35 per cent of the force to grade 6 for meritorious service after not less than one year's service in grade 5, and the time served by clerks in their present grades shall be included in the year's service required for promotion in the grades provided herein: *And provided further,* That whenever in the discretion of the Postmaster General the needs of the service require such action, he is authorized to transfer clerks or carriers in the City Delivery Service from post offices at which division headquarters of post-office inspectors are located to the position of clerk at such division headquarters after passing a noncompetitive examination at a salary not to exceed $2,300. After such transfer is made effective clerks so transferred shall be eligible for promotion to the grades of salary provided for clerks at division headquarters of post-office inspectors. Hereafter when any clerk in the office of division headquarters in the post-office inspection service is absent from duty for any cause other than leave with pay allowed by law, the Postmaster General, under such regulations as he may prescribe, may authorize the employment of a substitute for such work, and payment therefor from the lapsed salary of such absent clerk at a rate not to exceed the grade of pay of the clerk absent without pay.

SEC. 3. That at offices of the second class the annual salaries of assistant postmasters shall be in even hundreds of dollars, based on the gross postal receipts for the preceding calendar year, as follows: $8,000, but less than $10,000, $2,200; $10,000, but less than $12,000, $2,200; $12,000, but less than $15,000, $2,200; $15,000, but less than $18,000, $2,300; $18,000, but less than $22,000, $2,300; $22,000, but less than $27,000, $2,400; $27,000, but less than $33,000, $2,400; $33,000, but less than $40,000, $2,500.

That at offices of the first class the annual salaries of the employees, other than those in the automatic grades, shall be in even hundreds of dollars, based on the gross postal receipts for the preceding calendar year, as follows:

Receipts $40,000, but less than $50,000—assistant postmaster, $2,600; superintendent of mails, $2,400. Receipts $50,000, but less than $60,000—assistant postmaster, $2,600; superintendent of mails, $2,400. Receipts $60,000, but less than $75,000—assistant postmaster, $2,600; superintendent of mails, $2,400. Receipts $75,000, but less than $90,000—assistant postmaster, $2,700; superintendent of mails, $2,500. Receipts, $90,000, but less than $120,000—assistant postmaster, $2,700; superintendent of mails, $2,600; foremen, $2,500. Receipts $120,000, but less than $150,000—assistant postmaster, $2,800; superintendent of mails, $2,700; foremen, $2,500. Receipts $150,000, but less than $200,000—assistant postmaster, $2,900; superintendent of mails, $2,800; foremen, $2,500. Receipts $200,000, but less than $250,000—assistant postmaster, $3,000; superintendent of mails, $2,900; foremen, $2,500. Receipts $250,000, but less than $300,000—assistant postmaster, $3,100; superintendent of mails, $3,000; assistant superintendent of mails, $2,600; foremen, $2,500. Receipts $300,000, but less than $400,000—assistant postmaster, $3,200; superintendent of mails, $3,100; assistant superintendent of mails, $2,600; foremen, $2,500. Receipts $400,000, but less than $500,000—assistant postmaster, $3,300; superintendent of mails, $3,200; assistant superintendent of mails, $2,600; foremen, $2,500. Receipts $500,000, but less than $600,000—assistant postmaster, $3,500; superintendent of mails, $3,300; assistant superintendent of mails, $2,600; foremen, $2,500; postal cashier, $2,900; money-order cashier, $2,600. Receipts $600,000, but less than $1,000,000—assistant postmaster, $3,700; superintendent of mails, $3,500; assistant superintendent of mails, $2,800; foremen, $2,500; postal cashier, $3,100; money-order cashier, $2,800. Receipts $1,000,000, but less than $2,000,000—assistant postmaster, $3,900; superintendent of mails, $3,700; assistant superintendents of mails, $2,700, $2,800, and $3,100; foremen, $2,500 and $2,600; postal cashier, $3,300; assistant cashiers, $2,600; money-order cashier, $3,000; bookkeepers, $2,400; station examiners, $2,400. Receipts $2,000,000, but less than $3,000,000—assistant postmaster, $4,000; superintendent of mails, $3,800; assistant superintendents of mails, $2,700, $2,800, $3,000, and $3,300; foremen, $2,500 and $2,600; postal cashier, $3,400; assistant cashiers, $2,600 and $2,900; money-order cashier, $3,100; bookkeepers, $2,400 and $2,500; station examiners, $2,600. Receipts $3,000,000, but less than $5,000,000—assistant postmaster, $4,100; superintendent of mails, $3,900; assistant superintendents of mails, $2,700, $2,800, $3,100, and $3,500; foremen, $2,500 and $2,600; postal cashier, $3,600; assistant cashiers, $2,600, $2,800, and $3,100; money-order cashier, $3,300; bookkeepers, $2,400 and $2,500; station examiners, $2,600 and $2,800. Receipts $5,000,000, but less than $7,000,000—assistant postmaster, $4,300; superintendent of mails, $4,100; assistant superintendents of mails, $2,700, $2,800, $3,100 $3,300, and $3,700; foremen, $2,500 and $2,600; postal cashier, $3,800; assistant cashiers, $2,600, $2,900, and $3,100; money-order cashier, $3,500; bookkeepers, $2,400, $2,500, and $2,600; station examiners, $2,600 and $2,800. Receipts $7,000,000, but less than $9,000,000—assistant postmaster, $4,600; superintendent of mails, $4,300; assistant superintendents of mails, $2,700, $2,800, $3,100, $3,500, and $3,900; foremen, $2,500 and $2,600; postal cashier, $4,000; assistant cashiers, $2,600, $2,800, $3,100, and $3,400; money-order cashier, $3,600; bookkeepers, $2,400, $2,500, and $2,600; station examiners, $2,600 and $2,800. Receipts $9,000,000, but less than $20,000,000—assistant postmasters, $4,700 and $4,800; superintendent of mails, $4,500; assistant superintendents of mails, $2,800, $2,900, $3,100, $3,500, $3,700, and $4,100; foremen, $2,500, $2,600 and $2,700; postal cashier, $4,100; assistant cashiers, $2,600, $2,800, $3,200, and $3,600; money-order cashier, $3,700; bookkeepers, $2,400, $2,500, $2,600, and $2,800; station examiners, $2,600 and $2,800. Receipts $20,000,000 and upward—assistant postmasters, $4,800 and $4,900; superintendent of mails, $4,700; assistant superintendents of mails, $2,800, $2,900, $3,100, $3,500, $3,900, and $4,100; superintendent of delivery, $4,700; assistant superintendents of delivery, $2,800, $2,900, $3,100, $3,500, $3,900, and $4,100; foremen, $2,500, $2,600, and $2,700; superintendent of registry, $4,300; assistant superintendents of registry, $2,800, $2,900, $3,100, $3,500, and $4,100; superintendent of money order, $4,300; assistant superintendent of money order, $4,100; auditor, $4,000; postal cashier, $4,300; assistant cashiers, $2,600, $2,800, $3,100, $3,300, and $3,800; money-order cashier, $3,900; bookkeepers, $2,400, $2,600, $2,800, and $3,300; station examiners, $2,600, $2,800, and $3,000.

The salary of superintendents of classified stations shall be based on the number of employees assigned thereto and the annual postal receipts. No allowance shall be made for sales of stamps to patrons residing outside of the territory of the stations. At classified stations each $25,000 of postal receipts shall be considered equal to one additional employee.

At classified stations the salary of the superintendent shall be as follows: One and not exceeding 5 employees, $2,400; 6 and not exceeding 18 employees, $2,500; 19 and not exceeding 32 employees, $2,600; 33 and not exceeding 44 employees, $2,700; 45 and not exceeding 64 employees, $2,800; 65 and not exceeding 90 employees, $2,900; 91 and not exceeding 120 employees, $3,000; 121 and not exceeding 150 employees, $3,100; 151 and not exceeding 350 employees, $3,300; 351 and not exceeding 500 employees, $3,500; 501 or more employees, $3,800.

At classified stations having 45 or more employees there shall be assistant superintendents of stations with salaries as follows: Forty-five and not exceeding 64 employees, $2,400; 65 and not exceeding 90 employees, $2,500; 91 and not exceeding 120 employees, $2,600; 121 and not exceeding 150 employees, $2,700; 151 and not exceeding 350 employees, $2,900; 351 and not exceeding 500 employees, $3,100; 501 employees and upward, $3,400: *Provided,* That not more than two assistant postmasters shall be employed at offices where the receipts are $9,000,000 and upward: *Provided further,* That at post offices where the receipts are $14,000,000 but less than $20,000,000, there shall be a superintendent of delivery whose salary shall be the same as that provided for the superintendent of mails, and assistant superintendents of delivery at the salaries provided for assistant superintendents of mails: *Provided further,* That in fixing the salaries of the postmaster and supervisory employees in the post office at Washington, D. C., the Postmaster General may, in his discretion, add not to exceed 75 per cent to the gross receipts of that office: *Provided further,* That not more than one assistant superintendent of mails, one assistant superintendent of delivery, one assistant superintendent of registry, and one assistant cashier shall be paid the maximum salary provided for these positions, except where receipts are $9,000,000 and less than $14,000,000 to which offices two assistant superintendents of mails shall be assigned at the maximum salary, one to be in charge of city delivery: *And provided further,* That State depositories for surplus postal funds and central accounting offices, where the gross receipts are less than $500,000, and no postal cashier is provided, the employee in charge of such records and adjustments of the accounts shall be allowed an increase of $200 per annum; if receipts are $500,000 and less than $5,000,000, the postal cashier shall be allowed an increase of $200 per annum: *And provided further,* That at all central accounting offices where the bookkeeper in charge performs the duties of auditor, he shall be designated chief bookkeeper, at a salary equal to that of the assistant cashier of the highest grade at that office: *And provided further,* That when an office advances to a higher

grade because of increased gross postal receipts for a calendar year, promotion of all supervisory employees shall be made to the corresponding grade at the higher salary provided for the same titles or designations under the higher classification of the office based on its postal receipts: *And provided further,* That no employee in the supervisory grades shall receive a salary less than $100 more than that paid to the highest grade of clerk or special clerk: *Provided further,* That in the readjustment of salaries of all employees above the highest grade for special clerks, those at present designated by titles for which more than one grade of salary is provided shall be placed in the same relative grade and designation and receive the increased salary provided in this title.

SEC. 4. That clerks in first and second class post offices and letter carriers in the City Delivery Service shall be divided into five grades, as follows: First grade—salary, $1,700; second grade—salary, $1,800; third grade—salary, $1,900; fourth grade—salary, $2,000; fifth grade—salary, $2,100: *Provided,* That in the readjustment of grades for clerks at first and second class post offices and letter carriers in the City Delivery Service to conform to the grades herein provided, grade 1 shall include present grade 1, grade 2 shall include present grade 2, grade 3 shall include present grade 3, grade 4 shall include present grade 4, and grade 5 shall include present grade 5: *Provided further,* That hereafter substitute clerks in first and second class post offices and substitute letter carriers in the City Delivery Service when appointed regular clerks or carriers shall have credit for actual time served on a basis of 1 year for each 306 days of 8 hours served as substitute, and appointed to the grade to which such clerk or carrier would have progressed had his original appointment as substitute been to grade 1: *And provided further,* That clerks in first and second class post offices and letter carriers in the City Delivery Service shall be promoted successively after one year's satisfactory service in each grade to the next higher grade until they reach the fifth grade. All promotions shall be made at the beginning of the quarter following one year's satisfactory service in the grade: *And provided further,* That there shall be two grades of special clerks, as follows: First grade—salary, $2,200; second grade—salary, $2,300: *Provided,* That in the adjustment of grades for special clerks to conform to the grades herein provided, special clerk grade 1 shall include present grade 1, and special clerk grade 2 shall include present grade 2: *Provided further,* That in all special clerk promotions the senior competent employee shall have preference: *Provided further,* That printers, mechanics, and skilled laborers, employees of the United States Stamped Envelope Agency at Dayton, Ohio, shall for the purpose of promotion and compensation be deemed a part of the clerical force.

That the pay of substitute, temporary, or auxiliary clerks at first and second class post offices and substitute letter carriers in the City Delivery Service shall be at the rate of 65 cents per hour: *Provided,* That marine carriers assigned to the Detroit River Marine Service shall be paid annual salary of $300 in excess of the highest salary paid carriers in the City Delivery Service: *Provided further,* That hereafter special clerks, clerks, and laborers in the first and second class post offices and carriers in the City Delivery Service shall be required to work not more than eight hours a day: *Provided further,* That the eight hours of service shall not extend over a longer period than 10 consecutive hours, and the schedules of duty of the employees shall be regulated accordingly: *Provided further,* That in cases of emergency, or if the needs of the service require, and it is not practicable to employ substitutes, special clerks, clerks, and laborers in first and second class post offices and carriers in the City Delivery Service can be required to work in excess of eight hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees: *And provided further,* That in computing the compensation for such overtime the annual salary or compensation for such employees shall be divided by 306, the number of working days in the year less all Sundays and legal holidays enumerated in the act of July 28, 1916; the quotient thus obtained will be the daily compensation which divided by eight will give the hourly compensation for such over time service: *And provided further,* That when the needs of the service require the employment on Sundays and holidays of foremen, special clerks, clerks, carriers, watchmen, messengers, or laborers, at first and second class post offices, they shall be allowed compensatory time on one day within six days next succeeding the Sunday, except the last three Sundays in the calendar year, and on one day within 30 days next succeeding the holiday and the last three Sundays in the year on which service is performed: *Provided, however,* That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime for service on the last three Sundays in the calendar year or on Christmas Day in lieu of compensatory time.

SEC. 5. That messengers, watchmen, and laborers in first and second class post offices shall be divided into two grades, as follows: First grade, salary, $1,500; second grade, salary, $1,600: *Provided,* That watchmen, messengers, and laborers shall be promoted to the second grade after one year's satisfactory service in grade 1: *Provided further,* That the pay of substitute watchmen, messengers, and laborers shall be at the rate of 55 cents per hour.

SEC. 6. That employees in the motor-vehicle service shall be classified as follows: Superintendents, $2,400, $2,600, $2,800, $3,000, $3,400, $3,600, $3,800, $4,000, and $5,000 per annum; assistant superintendents, $2,500, $2,600, and $2,800 per annum; chiefs of records, $2,200, $2,300, $2,400, $2,500, $2,600, $2,800, and $3,000; chiefs of supplies, $2,200, $2,300, and $2,400; chief dispatchers, $2,300 and $2,500; route supervisors, $2,400, $2,500, and $2,600; dispatchers, $2,100, $2,200, and $2,300; chief mechanics, $2,400, $2,500, $2,600, $2,800, and $3,000; mechanics in charge, $2,200; $2,300, and $2,400; and special mechanics, $2,100, $2,200, and $2,300: *Provided,* That assistant superintendents shall not be authorized at offices where the salary of the superintendent is less than $3,000 per annum.

That general mechanics employed in the motor-vehicle service shall be divided into three grades: First grade, salary $1,900; second grade, salary $2,000; third grade, salary $2,100; and clerks employed in the motor-vehicle service shall be divided into five grades as follows: First grade, salary $1,700; second grade, salary $1,800; third grade, salary $1,900; fourth grade, salary $2,000; fifth grade, salary $2,100: *Provided,* That in the readjustment of grades for clerks in the motor-vehicle service to conform to the grades above provided, grade 1 shall include present grade 1, grade 2 shall include present grade 2, grade 3 shall include present grade 3, grade 4 shall include present grade 4, and grade 5 shall include present grade 5: *Provided,* That general mechanics employed in the motor-vehicle service shall be promoted successively after one year's satisfactory service in each grade to the next higher grade until they reach the third grade, and clerks employed in the motor-vehicle service shall be promoted successively after one year's satisfactory service in each grade to the next higher grade until they reach the fifth grade, at the respective offices where employed, and promotion shall be made at the beginning of the quarter following one year's satisfactory service in the grade: *Provided further,* That at first-class post offices there shall be two grades of special clerks in the motor-vehicle service—grade 1, salary $2,200; grade 2, salary $2,300: *Provided further,* That in the readjustment of grades for special clerks to conform to the grades herein provided, special clerk, grade 1, shall include present special clerk, grade 1, and special clerk, grade 2, shall include present special clerk, grade 2.

Mechanics' helpers employed in the motor-vehicle service shall receive a salary of $1,600 per annum: *Provided,* That on satisfactory evidence of their qualifications after one year's service mechanics' helpers shall be promoted to the first grade of general mechanics as vacancies may occur.

That driver-mechanics employed in the motor-vehicle service shall be divided into five grades: First grade, salary $1,600; second grade, salary $1,700; third grade, salary $1,800; fourth grade, salary $1,900; fifth grade, salary $2,000; and garagemen-drivers employed in the motor-vehicle service shall be divided into two grades: First grade, salary $1,550; second grade, salary $1,650: *Provided,* That in the readjustment of salaries provided for in this title all driver-mechanics shall be classified in the respective grades as follows: Those with less than one year's service shall be placed in grade 1; those with more than one year's service and less than two years' service shall be placed in grade 2; those with more than two years' service and less than three years' service shall be placed in grade 3; those with more than three years' service and less than four years' service shall be placed in grade 4; those with more than four years' service shall be placed in grade 5: *Provided further,* That driver-mechanics employed in the motor-vehicle service shall be promoted successively after one year's satisfactory service in each grade to the next higher grade until they reach the fifth grade at the respective offices where employed: *Provided further,* That garagemen-drivers in the motor-vehicle service shall be promoted after one year's satisfactory service in the first grade to the second grade at the respective offices where employed, and promotions of driver-mechanics and garagemen-drivers shall be made at the beginning of the quarter following one year's satisfactory service in the grade.

That the pay of substitute, temporary, or auxiliary employees in the motor-vehicle service shall be as follows: Special mechanics at the rate of 75 cents per hour; general mechanics at the rate of 70 cents per hour; clerks and driver-mechanics at the rate of 65 cents per hour; and garagemen-drivers at the rate of 55 cents per hour.

That special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service shall be required to work not more than eight hours a day: *Provided,* That the eight hours of service shall not extend over a longer period than 10 consecutive hours, and the schedules of duties of the employees shall be regulated accordingly: *Provided further,* That in cases of emergency, or if the needs of the service require, special clerks, clerks, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service can be required to work in excess of eight hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees: *Provided further,* That in computing the compensation for such overtime the annual salary or compensation for such employees shall be divided by 306, the number of working days in the year less all Sundays and legal holidays enumerated in the act of July 28, 1916;

the quotient thus obtained will be the daily compensation which divided by 8 will give the hourly compensation for such overtime service: *Provided further*, That when the needs of the service require the employment on Sundays and holidays of route supervisors, special clerks, clerks, dispatchers, mechanics in charge, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the motor-vehicle service, they shall be allowed compensatory time on one day within six days next succeeding the Sunday, except the last three Sundays in the calendar year, and on one day within 30 days next succeeding the holiday and the last three Sundays in the year on which service is performed: *Provided, however*, That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime in lieu of compensatory time for service on Sundays and holidays.

SEC. 7. That the annual salaries of employees of the Railway Mail Service shall be as follows: Division superintendents, $4,500; assistant division superintendents and assistant superintendents at large, $3,600; assistant superintendent in charge of car construction, $3,300; chief clerks, $3,300; assistant chief clerks, $2,800: *Provided*, That the clerks in charge of sections in the offices of the division superintendents shall be rated as assistant chief clerks at $2,800 salary.

That railway postal clerks shall be divided into two classes, class A and class B, and into seven grades with annual salaries as follows: Grade 1, salary $1,900; grade 2, salary $2,000; grade 3, salary $2,150; grade 4, salary $2,300; grade 5, salary $2,450; grade 6, salary $2,600; grade 7, salary 2,700.

Laborers in the Railway Mail Service shall be divided into two grades with annual salaries as follows: Grade 1, salary $1,500; grade 2, $1,600.

Laborers shall be promoted to grade 2 after one year's satisfactory service in grade 1: *Provided*, That in the readjustment of the service to conform to the grades herein provided for laborers, grade 1 shall include laborers in present grade 1, and grade 2 shall include laborers in present grade 2.

Substitute railway postal clerks shall be paid for services actually performed at the rate of $1,850 per annum, the first year of service to constitute a probationary period, and when appointed regular clerks shall receive credit on the basis of one year of actual service performed as a substitute and be appointed to the grade to which such clerk would have progressed had his original appointment as a substitute been to grade 1. Any fractional part of a year's substitute service will be included with his service as a regular clerk in determining eligibility for promotion to the next higher grade following appointment to a regular position.

All original appointments shall be made to the rank of substitute railway postal clerk, and promotions shall be made successively at the beginning of the quarter following a total satisfactory service of 306 days in the next lower grade.

In the readjustment of the service to conform to the grades herein provided, grade 1 shall include clerks in present grade 1, grade 2 shall include clerks in present grade 2, grade 3 shall include clerks in present grade 3, grade 4 shall include clerks in present grade 4, grade 5 shall include clerks in present grade 5, and grade 6 shall include clerks in present grade 6.

That hereafter, in addition to the salaries provided by law, the Postmaster General is hereby authorized to make travel allowances in lieu of actual expenses, at fixed rates per annum, not exceeding in the aggregate the sum annually appropriated, to railway postal clerks, acting railway postal clerks, and substitute railway postal clerks, including substitute railway postal clerks for railway postal clerks granted leave with pay on account of sickness, assigned to duty in railway post-office cars, while on duty, after 10 hours from the time of beginning their initial run, under such regulations as he may prescribe, and in no case shall such an allowance exceed $3 per day.

Substitute railway postal clerks shall be credited with full time while traveling under orders of the department to and from their designated headquarters to take up an assignment, together with actual and necessary travel expenses, not to exceed $3 per day, while on duty away from such headquarters. When a substitute clerk performs service in a railway post office starting from his official headquarters he shall be allowed travel expenses under the law applying to clerks regularly assigned to the run.

Railway post-office lines shall be divided into two classes, class A and class B, and clerks assigned to class A lines shall be promoted successively to grade 4 and clerks in charge to grade 5. Clerks assigned to class B lines shall be promoted successively to grade 5 and clerks in charge to grade 6: *Provided*, That lines in present class A shall be continued in class A, and lines in present class B shall be continued in class B.

Terminal railway post offices shall be divided into two classes, class A and class B; those having less than 20 employees shall be assigned to class A, and those having 20 or more employees shall be assigned to class B. Clerks in class A terminals shall be promoted successively to grade 4, and clerks in charge of tours to grade 5. Clerks in class B terminals shall be promoted successively to grade 5, and clerks in charge of tours to grade 6.

Transfer offices shall be divided into two classes, class A and class B; those having less than five employees shall be assigned to class A, and those having five or more employees to class B. Clerks in class A shall be promoted successively to grade 4, and clerks in charge of tours to grade 5. Clerks in class B shall be promoted successively to grade 5, and clerks in charge of tours to grade 6.

Clerks assigned to the office of division superintendent or chief clerk shall be promoted successively to grade 4, and in the office of division superintendent four clerks may be promoted to grade 5 and eight clerks to grade 6, and in the office of chief clerk one clerk may be promoted to grade 5 and two clerks to grade 6.

Examiners shall be promoted successively to grade 6 and assistant examiners to grade 5, whether assigned to the office of division superintendent or chief clerk: *Provided*, That service of clerks shall be based on an average of not exceeding eight hours daily for 306 days per annum, including proper allowances for all service required on lay-off periods. Clerks required to perform service in excess of eight hours daily, as herein provided, shall be paid in cash at the annual rate of pay or granted compensatory time at their option for such overtime. Railway postal clerks assigned to terminal railway post offices and transfer offices and laborers in the Railway Mail Service shall be required to work not more than eight hours a day, and that the eight hours of service shall not extend over a longer period than 10 consecutive hours, and that in cases of emergency, or if the needs of the service require, they may be required to work in excess of eight hours a day, and for such additional service they shall be paid in proportion to their salaries as fixed by law.

That clerks assigned to road duty shall be credited with full time for delay to trains equal to the period of time between the scheduled arrival and actual arrival of the train at destination of run.

That section 3 of the act approved June 19, 1922 (41 Stat. p. 600), providing for leaves of absence of employees in the Postal Service, be amended by adding the following proviso: "*Provided*, That hereafter not exceeding 5 days of the 15 days' annual leave with pay, exclusive of Sundays and holidays, granted to railway postal clerks assigned to road duty each fiscal year may be carried over to the succeeding fiscal year."

RURAL MAIL DELIVERY SERVICE

SEC. 8. That the salary of carriers in the Rural Mail Delivery Service for serving a rural route of 24 miles 6 days in the week shall be $1,800; on routes 22 miles and less than 24 miles, $1,728; on routes 20 miles and less than 22 miles, $1,620; on routes 18 miles and less than 20 miles, $1,440; on routes 16 miles and less than 18 miles, $1,260; on routes 14 miles and less than 16 miles, $1,080; on routes 12 miles and less than 14 miles, $1,008; on routes 10 miles and less than 12 miles, $936; on routes 8 miles and less than 10 miles, $864; on routes 6 miles and less than 8 miles, $792; on routes 4 miles and less than 6 miles, $720. Each rural carrier assigned to a route on which daily service is performed shall receive $30 per mile per annum for each mile said route is in excess of 24 miles or major fraction thereof, based on actual mileage, and each rural carrier assigned to a route on which triweekly service is performed shall receive $15 per mile for each mile said route is in excess of 24 miles or major fraction thereof, based on actual mileage.

Deductions for failure to perform service on a standard rural delivery route for 24 miles and less shall not exceed the rate of pay per mile for service for 24 miles and less; and deductions for failure to perform service on mileage in excess of 24 miles shall not exceed the rate of compensation allowed for such excess mileage.

In addition to the salary herein provided, each carrier in Rural Mail Delivery Service shall be paid for equipment maintenance a sum equal to 4 cents per mile per day for each mile or major fraction of a mile scheduled. Payments for equipment maintenance as provided herein shall be at the same periods and in the same manner as payments for regular compensation to rural carriers.

A rural carrier serving one triweekly route shall be paid a salary and equipment allowance on the basis of a route one-half the length of the route served by him. A rural carrier serving two triweekly routes shall be paid a salary and equipment allowance on the basis of a route one-half of the combined length of the two routes.

SEC. 9. That the salary of requisition fillers and packers in the division of equipment and supplies shall be as follows: One foreman, $2,100 per annum; 10 requisition fillers and 9 packers, at $1,800 each per annum.

SEC. 10. That the pay of carriers in the village delivery service, under such rules and regulations as the Postmaster General may prescribe, shall be from $1,150 to $1,350 per annum. The pay of substitute letter carriers in the village delivery service shall be at the rate of 50 cents per hour.

SEC. 11. Employees in the Postal Service shall be granted 15 days' leave of absence with pay, exclusive of Sundays and holidays, each fiscal year, and sick leave with pay at the rate of 10 days a year, exclusive of Sundays and holidays, to be cumulative, but not sick leave with pay in excess of 30 days shall be granted during any one fiscal

year. Sick leave shall be granted only upon satisfactory evidence of illness in accordance with regulations to be prescribed by the Postmaster General.

The 15 days' leave shall be credited at the rate of one and one-quarter days for each month of actual service.

Whenever an employee herein provided for shall have been reduced in salary for any cause, he may be restored to his former grade or advanced to an intermediate grade at the beginning of any quarter following the reduction, and a restoration to a former grade or advancement to an intermediate grade shall not be construed as a promotion within the meaning of the law prohibiting advancement of more than one grade within one year.

Whenever the promotion of an employee herein provided for is withheld because of unsatisfactory service, such employee may be promoted at the beginning of the second quarter thereafter, or of any subsequent quarter, on evidence that his record has been satisfactory during the intervening period.

Hereafter when the needs of the service require the employment on Sundays or holidays of laborers or railway postal clerks at terminal railway post offices and transfer offices, they shall be allowed compensatory time on 1 day within 6 days next succeeding the Sunday, except the last 3 Sundays in the calendar year, and on 1 day within 30 days next succeeding the holiday and the last 3 Sundays in the year on which service is performed: *Provided, however,* That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime for service on the last 3 Sundays in the calendar year or on Christmas Day in lieu of compensatory time.

All employees herein provided for in automatic grades who have not reached the maximum grades to which they are entitled to progress automatically, shall be promoted at the beginning of the quarter following the completion of one year's satisfactory service since their last promotion, regardless of any increases in salaries granted them by the provisions of this title.

The Postmaster General may, when the interest of the service requires, transfer any clerk to the position of carrier or any carrier to the position of clerk and interchange the clerical force between the post office and the motor-vehicle service, such transfer or interchange to be made to the corresponding grade and salary of the clerk or carrier transferred or interchanged.

Substitute clerks in first and second class post offices and the Railway Mail Service and substitute letter carriers in the City Delivery Service when appointed regular clerks, railway postal clerks, or carriers shall have credit for actual time served on a basis of 1 year for each 306 days of 8 hours served as substitute, and appointed to the grade to which such clerk or carrier would have progressed had his original appointment as substitute been to grade 1.

Postal employees and substitute postal employees who served in the military, marine, or naval service of the United States during the World War and have not reached the maximum grade of salary shall receive credit for all time served in the military, marine, or naval service on the basis of one day's credit of eight hours in the Postal Service for each day served in the military, marine, or naval service, and be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment as substitute been to grade 1. This provision shall apply to such postal employees and substitute postal employees who were in the Postal Service on October 1, 1920.

No employee in the Postal Service shall be reduced in rank or salary as a result of the provisions of this title.

SEC. 12. That the sums appropriated for salaries and compensation of postmasters and employees of the Postal Service in the act making appropriations for the fiscal year ending June 30, 1925, approved April 4, 1924, shall be available for the payment of salaries and compensation of postmasters and postal employees at the rates of pay herein provided; and such additional sums as may be necessary are hereby authorized to be appropriated to carry out the provisions of this title.

INCONSISTENT ACTS REPEALED

SEC. 13. All acts and parts of acts inconsistent or in conflict with this title are hereby amended or repealed.

TITLE II.—POSTAL RATES

FIRST-CLASS MATTER

Private mailing cards

SEC. 201. The rate of postage on private mailing cards described in the act entitled "An act to amend the postal laws relating to use of postal cards," approved May 19, 1898, shall be 2 cents each.

SECOND-CLASS MATTER

SEC. 202. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 per cent of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by news agents to actual subscribers thereto, or to other news agents for the purpose of sale—

(1) The rate of postage on that portion of any such publication devoted to matter other than advertisements shall be 1½ cents per pound, or fraction thereof;

(2) On that portion of any such publication devoted to advertisements the rates per pound or fraction thereof for delivery within the eight postal zones established for fourth-class matter shall be as follows:

For the first and second zones, 2 cents, and third zone, 3 cents.

For the fourth, fifth, and sixth zones, 6 cents.

For the seventh and eighth zones, and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 9 cents:

(3) The rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the publisher of any such newspaper or periodical, before being entitled to such rate, shall furnish to the Postmaster General, at such times and under such conditions as the Postmaster General may prescribe, satisfactory evidence that none of the net income of such organization or association inures to the benefit of any private stockholder or individual.

(b) Where the space devoted to advertisements does not exceed 5 per cent of the total space, the rate of postage shall be the same as if the whole of such publication was devoted to matter other than advertisements.

(c) The rate of postage on daily newspapers and on the periodicals and newspapers provided for in this section when deposited in a letter-carrier office for delivery by its carriers shall be the same as now provided by law, and nothing in this act shall affect existing law as to free circulation and existing rates on second-class mail matter within the county of publication. The Postmaster General may hereafter require publishers to separate or make up to zones, in such a manner as he may direct, all mail matter of the second class when offered for mailing.

(d) With the first mailing of each issue of each such publication the publisher shall file with the postmaster a copy of such issue, together with a statement containing such information as the Postmaster General may prescribe for determining the postage chargeable thereon.

SEC. 203. The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 2 cents for each 2 ounces or fraction thereof for weights not exceeding 8 ounces, and for weights of such matter exceeding 8 ounces the rates of postage prescribed for fourth-class matter shall be applicable thereto.

SEC. 204. Where the total weight of any one edition or issue of any such publication mailed to any one zone does not exceed 1 pound the rate of postage shall be 1 cent.

SEC. 205. The zone rates provided in section 202 of this title shall relate to the entire bulk mailed to any one zone and not to individually addressed packages.

THIRD-CLASS MATTER

SEC. 206. (a) Mail matter of the third class shall include books, circulars, and other matter wholly in print (except newspapers and other periodicals entered as second-class matter), proof sheets, corrected proof sheets, and manuscript copy accompanying same, merchandise (including farm and factory products), and all other mailable matter not included in the first or second class, or in the fourth class as defined in section 207.

(b) The rate of postage thereon shall be 1½ cents for each 2 ounces or fraction thereof, up to and including 8 ounces in weight, except that the rate of postage on books, catalogues, seeds, cuttings, bulbs, roots, scions, and plants, not exceeding 8 ounces in weight, shall be 1 cent for each 2 ounces or fraction thereof.

(c) The written additions permissible under existing law on mail matter of either the third or fourth class shall be permissible on either of these classes as herein defined without discrimination on account of classification.

FOURTH-CLASS MATTER

SEC. 207. (a) Mail matter of the fourth class shall weigh in excess of 8 ounces, and shall include books, circulars, and other matter wholly in print (except newspapers and other periodicals entered as second-class matter), proof sheets, corrected proof sheets and manuscript copy accompanying same, merchandise (including farm and factory products), and all other mailable matter not included in the first or second class, or in the third class as defined in section 206.

(b) That on fourth-class matter the rate of postage shall be by the pound as established by, and in conformity with, the act of August 24, 1912, and in addition thereto there shall be a service charge of 2 cents for each parcel, except upon parcels or packages collected on rural delivery routes, to be prepaid by postage stamps affixed thereto, or as otherwise prescribed by the regulations of the Postmaster General.

Whenever, in addition to the postage as hereinbefore provided, there shall be affixed to any parcel of mail matter of the fourth-class postage of the value of 25 cents with the words "Special handling" written

or printed upon the wrapper, such parcel shall receive the same expeditious handling, transportation, and delivery accorded to mail matter of the first class.

The classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones and other conditions of mailability under this section if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby directed, subject to the consent of the Interstate Commerce Commission after investigation, to reform from time to time such classifications, weight limit, rates, zone or zones or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

(c) That during the 12 months next succeeding the approval of this act, the Postmaster General be, and he is hereby, authorized to conduct experiments in the operation of not more than 50 rural routes, in localities to be selected by him; said experiments shall be designed primarily to develop and to encourage the transportation of food products directly from producers to consumers or vendors, and, if the Postmaster General shall deem it necessary or advisable during the progress of said experiments, he is hereby authorized, in his discretion, on such number or all of said routes as he may desire, to reduce to such an extent as he may deem advisable the rate of postage on food products mailed directly on such routes for delivery at the post offices from which such routes start, and to allow the rural carriers thereon a commission on the postage so received at such rate as the Postmaster General may prescribe, which commission shall be in addition to the carriers' regular salaries. The amounts due the carriers for commissions shall be determined under rules and regulations to be prescribed by the Postmaster General directly from the postal revenues: *Provided*, That the amount so paid shall in no case exceed the actual amount of revenue derived from this experimental service.

A report on the progress of this experiment shall be made to Congress at the next regular session.

MONEY ORDERS

SEC. 208. Section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended, is amended to read as follows:

"SEC. 3. A money order shall not be issued for more than $100, and the fees for domestic orders shall be as follows—

"For orders not exceeding $2.50, 5 cents.
"For orders exceeding $2.50 and not exceeding $5, 7 cents.
"For orders exceeding $5 and not exceeding $10, 10 cents.
"For orders exceeding $10 and not exceeding $20, 12 cents.
"For orders exceeding $20 and not exceeding $40, 15 cents.
"For orders exceeding $40 and not exceeding $60, 18 cents.
"For orders exceeding $60 and not exceeding $80, 20 cents.
"For orders exceeding $80 and not exceeding $100, 22 cents."

REGISTERED MAIL

SEC. 209. (a) The first sentence of section 3927 of the Revised Statutes is amended to read as follows:

"SEC. 3927. Mail matter shall be registered only on the application of the party posting the same, and the fees therefor shall not be less than 15 nor more than 20 cents in addition to the regular postage, to be, in all cases, prepaid; and all such fees shall be accounted for in such manner as the Postmaster General shall direct."

(b) Notwithstanding the provisions of such section as amended, the Postmaster General may fix the fee for registered mail matter at any amount less than 20 cents.

SEC. 210. Section 3928 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 3928. Whenever the sender shall so request, and upon payment of a fee of 3 cents, a receipt shall be taken on the delivery of any registered mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery."

INSURANCE AND COLLECT-ON-DELIVERY SERVICES

SEC. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed $5; 8 cents for indemnification not to exceed $25; 10 cents for indemnification not to exceed $50; and 25 cents for indemnification not to exceed $100. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents, a receipt shall be taken on the delivery of such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery.

(b) The fee for collect-on-delivery service shall be 12 cents for collections not to exceed $10; 15 cents for collections not to exceed $50; and 25 cents for collections not to exceed $100.

(c) The provisions of the act entitled "An act to extend the insurance and collect-on-delivery service to third-class mail, and for other purposes," approved June 7, 1924, and of section 8 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912, with respect to the insurance and collect-on-delivery services, are hereby continued in force.

SPECIAL DELIVERY

SEC. 212. (a) To procure the immediate delivery of mail matter weighing more than 2 pounds and not more than 10 pounds, stamps of the value of 15 cents shall be affixed (in addition to the regular postage), and for the special delivery thereof 11 cents may be paid to the messenger or other person making such delivery.

(b) To procure the immediate delivery of mail matter weighing more than 10 pounds, stamps of the value of 20 cents shall be affixed (in addition to the regular postage), and for the special delivery thereof 15 cents may be paid to the messenger or other person making such delivery.

(c) For the purposes of this section the Postmaster General is authorized to provide and issue special-delivery stamps of the denominations of 15 and 20 cents.

SEC. 213. The act entitled "An act making certain changes in the postal laws," approved March 2, 1907, is amended to read as follows:

"That when in addition to the stamps required to transmit any letter or package of mail matter through the mails, there shall be attached to the envelope or covering ordinary postage stamps of any denomination equivalent to the value fixed by law to procure the immediate delivery of any mail matter, with the words 'special-delivery' or their equivalent written or printed on the envelope or covering, under such regulations as the Postmaster General may prescribe, said letter or package shall be handled, transmitted, and delivered in all respects as though it bore a regulation special-delivery stamp."

SEC. 214. The Postmaster General is hereby authorized to continue the work of ascertaining the revenues derived from and the cost of carrying and handling the several classes of mail matter and of performing the special services, and to state the results annually as far as practical, and pay the cost thereof out of the appropriation for inland transportation by railroad routes.

REPEALS

SEC. 215. The following acts and parts of acts are hereby repealed:

(a) Sections 1101 to 1106, inclusive, of the revenue act of 1917;

(b) The act entitled "An act fixing the rate of postage to be paid upon mail matter of the second class when sent by persons other than the publisher or news agent," approved June 9, 1884; and

(c) The act entitled "An act to amend an act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes,' approved March 9, 1914," approved April 24, 1914.

EFFECTIVE DATE

SEC. 216. This title, except section 217, shall become effective on April 15, 1925.

SEC. 217. A special joint subcommittee is hereby created to consist of three members of the Committee on Post Offices and Post Roads of the Senate and three members of the Committee on the Post Office and Post Roads of the House, to be appointed by the respective chairmen of said committees. The said special joint subcommittee is authorized and directed to hold hearings prior to the beginning of the first regular session of the Sixty-ninth Congress, to sit in Washington or at any other convenient place and to report during the first week of the first regular session of the Sixty-ninth Congress, by bill, its recommendations for a permanent schedule of postal rates. Said special joint subcommittee is hereby authorized to administer oaths, to send for persons or papers, to employ necessary clerks, accountants, experts, and stenographers, the latter to be paid at a cost not exceeding 25 cents per 100 words; and the expense attendant upon the work of said special joint subcommittee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon voucher of its chairman. This section shall become effective upon the enactment of this act.

THE NEEDS OF THE FARMER

Mr. MORROW. Mr. Speaker, Congress attempted to pass a bill during the present session of Congress declaring agriculture the basic industry.

I never could figure out the real purpose of this legislation. It may have had for its purpose the more specific purpose of calling the attention of Congress and the people of the Nation to agriculture and its intentional neglect by Congress in the way of more beneficial legislation and the removal of the restrictions that hamper the people who are engaged in the occupation of farming. The intelligent people of this Nation know that the American farmer is the real backbone of the Nation.

The farmer knows that he is handicapped and discriminated against by all other classes in the handling of his farm products, in the cost of labor, machinery, transportation, and in the orderly and successful marketing of the product of the farm.

Agriculture, being the basic industry of the Nation, ought to be an industry that should always be a desirable, pleasant, and successful occupation; an occupation in this day and age when all who desire to engage in it could look with a feeling of anticipated pleasure in going into this industry. But is that the situation in this United States, and has that been the situation since the close of the World War, when the deflation in prices and the forced liquidation put the agricultural and livestock growers of the Nation into bankruptcy by forcing the liquidation of bank loans to such an extent that in the period from January, 1920, to March, 1923, out of 94,000 farmers in 15 Western States, 4 per cent lost their farms through foreclosure; 4.5 per cent turned their farms over to creditors to avoid legal foreclosure, showing 8½ per cent of this number lost their farms; in addition, 15 per cent more were in fact bankrupt. The percentage of farm owners who lost their farms varied from 6 per cent in the north central group of States to 20 per cent in the Rocky Mountain division; the per cent of tenants who lost their property was very much higher.

One of the great injustices done by the Government in the deflation of prices, and especially farm and livestock values, is the enormous indebtedness that must be paid to meet the obligations of the Government; the farmer must pay the many billions of debts contracted when prices were double the pre-war prices; as it is now, the burden falls directly upon the taxpayer, and in a Nation where one-sixth of all our national wealth is exempt. In the census report it showed 41.3 per cent of farms operated by owners were mortgaged; the average debt per farm was $3,356, and the average rate of interest 6.1 per cent; the average farm, 148.2 acres, requiring an interest payment of $205 per year. The taxes at the average rate per farm would be $105 per farm. The total average value of all crops raised per farm in 1922 was $1,075 per farm. Deduct the interest and taxes and you have $765, without improvement and ordinary wear and tear on the farm.

Then if the owner of these farms had a Ford and the incidental expense connected therewith, he must be a bankrupt and is a bankrupt, and he has quit the farm and gone elsewhere to seek a livelihood, since the total number of owners whose farms were mortgaged was nearly a million and a half, and most of whom were unable to meet their interest payments. You know what has happened and where they have gone. They have gone from the farm into industrial work elsewhere. In the year 1922 the great agricultural State of Iowa, the real agricultural State of our country, had 489 cases of farm bankruptcy, or 52.3 per cent of all bankruptcy in the State, and 368 in 1921. The great agricultural State of Texas had 253 farmers who went bankrupt or 20.9 per cent of all bankruptcy in the State. North Dakota led the list with 615. These farmers lost their all, due not to any real fault of theirs, as they are largely men of ambition and they and their families worked hard for years, not at 7 or 8 hours per day, but 10 or 12 hours, yet they find themselves after years of struggle, owing to the unequal opportunities of government, in a condition that they can not meet and they must drop by the wayside. This is due not to their extravagance, but to a wrong method of handling and marketing their products and in the unjust return in the division of profit to the producer. Many farmers who lost their property during the past five years have reached that period in life when they will not strive to come back.

Previous to the World War the farmers who failed in the United States represented about 5 per cent of the bankruptcy matters; in 1922 farm failures represented 22 per cent, and in the Corn Belt in 1922 it was 21 per cent; western winter wheat belt, 27 per cent; in the spring wheat belt in 1921 it was 22 per cent of the total, and in 1922 it had risen to 54 per cent.

In the failure of banks in the agricultural districts during the period from 1902 to 1923, inclusive, 44 per cent failed during the four years of the agricultural depression, a period from 1902 to 1919, a total of 183. The general report circulated is that the bank failures were due to bad banking; this report can be charged only in some cases. In the majority of cases it was due to the terrible crime of first inflation and then deflation placed upon the agricultural communities of the Nation.

Of the entire bank failures, look closely at the industrial centers of the Nation and then look at the agricultural centers. You will see where our country was sorely afflicted and distressed by the great crime of deflation of the 430 banks that failed between June 30, 1923, and January 1, 1924. There were no failures in the New England and Middle Atlantic States and only three in the East North Central. Not only has deflation done so much to destroy and lessen the value of property and the products produced in the agricultural portion of our country but the increase in freight rates, which absorb some of the farmer's waning profits, has also helped him down the financial ladder. In 1914 the Interstate Commerce Commission granted an increase of 5 per cent on practically all rates north of the Ohio and Potomac Rivers and east of the Mississippi; in 1915 an additional increase of 15 per cent was granted the railroads in the same regions. On June 25, 1918, the Federal Railroad Administration advanced rates 25 per cent over the United States. On August 20, 1920, the most radical increase in history was made in the Northeastern States. Rates were increased 40 per cent in the West, 35 per cent in the South, 25 per cent between the various sections.

While all organized capital has received the protective hand of the Government in practically every way possible—the sugar industry by increased protection, the cotton and wool factories by increased protection, the steel industry, the railroads by increased freight and passenger rates—yet the farmer, the man engaged in the basic industry of the Nation, has been left with a decreased price for his products and with increased taxes, increased freight rates, increased cost of all that he is compelled to purchase. His farm land has been left deflated in value at least one-half; his livestock deflated in value; his rate of interest upon money borrowed maintained or increased.

The farmer is the one class in Government who has shared worst of all since the war period; and while there has been a world's shortage of wheat during 1924 and the farmer has received a slight advance for this product, yet a very small part of the additional cost of this food product has gone into the hands of the tiller of the soil; but instead, under the present system of marketing it has gone into the hands of the stock broker and wheat speculator, again emphasizing the necessity of farm organization in the orderly marketing of farm products.

Whether the McNary-Haugen farm relief bill was a step in the right direction or not, I believed it was, and I supported it. I supported the Dickinson amendment to the Haugen farm relief bill at this session of Congress, and I believe the one thing for our American farmers is to organize on proper cooperative plans under real organization, to the end that all products of the farm shall be marketed orderly; that the American farmer can not be played into the marketing of his products indiscriminately, as is the present method.

There should be a cooperative marketing of the livestock so that cattle and hogs and their products may not be carelessly sent to market so as to permit the speculator to fix the price at which the same may be sold. Local communities should be taught to organize and utilize the marketing and preserving of food products at home, as the utilizing of pork, lard, mutton, and beef by local community packing plants, to cut out the cost of transportation upon railroads, the shrinkage, commission, and feed charges of the livestock product.

There are very few communities in the United States to-day but that can furnish this livestock product at home, and in nearly every community, and especially the mining centers, where this product can be utilized. The cost of marketing is one of the real expenses of the livestock man to-day. Nearer home markets, less transportation are the problems for the stock grower, and then, too, our western people must realize that industrial centers, where the manufacturing is carried on and where our congested population lives that consume the farm products must be shifted closer to the producer.

The western farmer and stockman buys his clothing and his wearing apparel from New England; his farm machinery largely east of the Mississippi River. Yet the raw product to supply all the country west of the Mississippi River is produced in the West and Southwest. Texas leads in the production of cotton and wool of all States; all Western States produce wool and many of the Southwest States produce the highest grade of cotton, thus the wool, cotton, hides, timber, to supply all the needs of the farmers west of the Mississippi, is produced there. Who prevents the manufacture of it?

The power to generate electrical power equal to Muscle Shoals exists in the rivers of the mountain regions of the western part of the United States. One great water-power project built at Government expense stands idle other than for irrigation. I refer to the Elephant Butte Dam in the Rio Grande River, N. Mex., built and ready for to generate 40,000 or 50,000 horsepower right in the cotton, wool, and hide producing country of the Nation. Can not the West formulate some plan of interesting capital where the farm needs of the West can be manufactured in the West and supplied to the western country, thus cutting out the expensive freight traffic, the immense commission, and middlemen tariff, and hold our produced product at home and build a market for our western manufactured product across the border with our sister Republic, Mexico, by real reciprocity laws? We need Mexico's tropical products, hardwood, and other timber from there. Mexico

needs our cotton, woolen, and leather goods. Cooperation in the marketing of farm products by careful and systematic organization upon a legal and equitable basis by the electing to the head of the farm organizations men of ability and honesty of purpose.

Legislation is not what the farmer needs; but a market for his products as near direct between the consumer and producer as it is possible to organize; warehouses under cooperative organization at terminal markets where his products can be stored and properly vouched for; warehouse receipts for his stored products that can be used as collateral for money advancement either from the Government banks or other money institutions at a low rate of interest, say, 4 per cent; the livestock restriction of production in each line to as near food consumption as is possible; more diversified farming in all parts of our agricultural country.

If these suggestions could be carried forward with a general idea that the farmer so market his product as to receive a proper interest return from his labor and investment, the same as all other investments figure, then no longer would the farmer be compelled to accept a return of only one-third of what his product finally is sold to the consumer for. Closer-home marketing, less purchase away from home, home manufacturing, economy in farm labor and machinery, a direct market between producer and consumer—when our farmers are educated to the direct marketing of their products with the consumer he will not need legislation.

RIGHT TO SEARCH AUTOMOBILE, ETC., IN ENFORCEMENT OF NATIONAL PROHIBITION ACT

Mr. MICHENER. Mr. Speaker, the determination of the law relating to search and seizure is a matter of great importance in the enforcement of the national prohibition act enacted for the enforcement of the eighteenth amendment. This is especially true in States like Michigan, which border along the international boundary. Persons seeking to smuggle liquors into the United States in violation of the Constitution have persistently attempted to accomplish this by means of high-powered automobiles, which pass over the highways at a high rate of speed, endangering the safety of law-abiding citizens.

Whether or not the officers charged with the enforcement of the national prohibition act have a right to search these automobiles without a warrant is a question that has given rise to much discussion.

The relation of the fourth amendment to the eighteenth amendment to the Federal Constitution has repeatedly engaged the attention of the courts. Many conflicting views have been expressed in different jurisdictions of the United States. This has embarrassed enforcement officials, owing to the uncertainty which existed, as to the exact scope of their authority under the law. The fourth amendment declares:

> The right of the people to be secure in their person, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized.

The national prohibition act, Title II, section 26, declares that—

> When any officer of the law shall discover any person in the act of transporting in violation of the law intoxicating liquors in any automobile * * * it shall be his duty to seize any and all intoxicating liquors found therein being transported contrary to law.

At the time this act was passed it was recognized by Congress that if the warrant was required to be obtained in advance for the search of rum-running automobiles, it would make difficult the suppression of this form of violation of the Constitution. It has been contended by some of the opponents of the national prohibition act and supplemental act that the fourth amendment to the Constitution prohibited search without a warrant except in instances where the search was made as an incident to a lawful arrest under the common law. In a case arising in my own State of Michigan, that of Carroll against United States, decided March 2, 1925, the Supreme Court of the United States has apparently settled the law upon this question.

The majority of the court in a very able opinion written by Chief Justice Taft declared:

> This is a writ of error to the district court under section 238 of the Judicial Code. The plaintiffs in error, hereafter to be called the defendants, George Carroll and John Kiro, were indicted and convicted for transporting in an automobile intoxicating spirituous liquor, to wit: 68 quarts of so-called bonded whisky and gin, in violation of the national prohibition act. The ground on which they assail the conviction is that the trial court admitted in evidence 2 of the 68 bottles, 1 of whisky and 1 of gin, found by searching the automobile. It is contended that the search and seizure were in violation of the fourth amendment, and therefore that use of the liquor as evidence was not proper. Before the trial a motion was made by the defendants that all the liquor seized be returned to the defendant, Carroll, who owned the automobile. This motion was denied.
>
> The search and seizure were made by Cronenwett, Scully, and Thayer, Federal prohibition agents, and one Peterson, a State officer, in December, 1921, as the car was going westward on the highway between Detroit and Grand Rapids at a point 16 miles outside of Grand Rapids. The facts leading to the search and seizure were as follows: On September 29, Cronenwett and Scully were in an apartment in Grand Rapids. Three men came to that apartment, a man named Kruska, and the two defendants, Carroll and Kiro. Cronenwett was introduced to them as one Stafford working in the Michigan Chair Co. in Grand Rapids, who wished to buy three cases of whisky. The price was fixed at $130 a case. The three men said they had to go to the east end of Grand Rapids to get the liquor and that they would be back in half or three-quarters of an hour. They went away and in a short time Kruska came back and said they could not get it that night, that the man who had it was not in, but that they would deliver it the next day. They had come to the apartment in an automobile known as an Oldsmobile roadster, the number of which Cronenwett then identified, as did Scully. The proposed vendors did not return the next day and the evidence disclosed no explanation of their failure to do so. One may surmise that it was suspicion of the real character of the proposed purchaser whom Carroll subsequently called by his first name when arrested in December following. Cronenwett and his subordinates were engaged in patrolling the road leading from Detroit to Grand Rapids looking for violations of the prohibition act. This seems to have been their regular tour of duty. On the 6th of October, Carroll and Kiro going eastward from Grand Rapids in the same Oldsmobile roadster, passed Cronenwett and Scully some distance out from Grand Rapids. Cronenwett called to Scully who was taking lunch, that the Carroll boys had passed them going toward Detroit and sought with Scully to catch up with them to see where they were going. The officers followed as far as East Lansing, half way to Detroit, but there lost trace of them. On the 15th of December, some two months later, Scully and Cronenwett on their regular tour of duty with Peterson, the State officer, were going from Grand Rapids to Ionia, on the road to Detroit, when Kiro and Carroll met and passed them in the same automobile coming from the direction of Detroit to Grand Rapids. The Government agents turned their car and followed the defendants to a point some 16 miles east of Grand Rapids, where they stopped them and searched the car. They found behind the upholstering of the seats, the filling of which had been removed, 68 bottles. These had labels on them, part purporting to be certificates of English chemists that the contents were blended Scotch whiskies, and the rest that the contents were Gordon gin made in London. When an expert witness was called to prove the contents, defendants admitted the nature of them to be whisky and gin. When the defendants were arrested, Carroll said to Cronenwett, "Take the liquor and give us one more chance and I will make it right with you," and he pulled out a roll of bills, of which one was for $10. Peterson and another took the two defendants and the liquor and the car to Grand Rapids, while Cronenwett, Thayer, and Scully remained on the road looking for other cars, of whose coming they had information. The officers were not anticipating that the defendants would be coming through on the highway at that particular time, but when they met them there they believed they were carrying liquor; and hence the search, seizure, and arrest.

Mr. Chief Justice Taft, after stating the case as above, delivered the opinion of the court.

The constitutional and statutory provisions involved in this case include the fourth amendment and the national prohibition act.

The fourth amendment is, in part, as follows:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized."

Section 25, Title II, of the national prohibition act (c. 85, 41 Stat. 305, 315), passed to enforce the eighteenth amendment, makes it unlawful to have or possess any liquor intended for use in violating the act, or which has been so used, and provides that no property rights shall exist in such liquor. A search warrant may issue, and such liquor, with the containers thereof, may be seized under the warrant and be ultimately destroyed. The section further provides:

"No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor or unless it is in part used for some business purpose such as a store, shop, saloon, restaurant, hotel, or boarding house.

The term 'private dwelling' shall be construed to include the room or rooms used and occupied not transiently but solely as a residence in an apartment house, hotel, or boarding house."

Section 26, Title II, under which the seizure herein was made, provides, in part, as follows:

"When the commissioner, his assistants, inspectors, or any officer of the law shall discover any person in the act of transporting in violation of the law intoxicating liquors in any wagon, buggy, automobile, water or air craft, or other vehicle, it shall be his duty to seize any and all intoxicating liquors found therein being transported contrary to law. Whenever intoxicating liquors transported or possessed illegally shall be seized by an officer he shall take possession of the vehicle and team or automobile, boat, air or water craft, or any other conveyance, and shall arrest any person in charge thereof."

The section then provides that the court, upon conviction of the person so arrested, shall order the liquor destroyed, and except for good cause shown shall order a sale by public auction of the other property seized, and that the proceeds shall be paid into the Treasury of the United States.

By section 6 of an act supplemental to the national prohibition act (c. 134, 42 Stat. 222, 223) it is provided that if any officer or agent or employee of the United States engaged in the enforcement of the prohibition act or this amendment "shall search any private dwelling," as defined in that act, "without a warrant directing such search," or "shall without a search warrant maliciously and without reasonable cause search any other building or property," he shall be guilty of a misdemeanor and subject to fine or imprisonment, or both.

In the passage of the supplemental act through the Senate, amendment No. 32, known as the Stanley amendment, was adopted, the relevant part of which was as follows:

"SEC. 6. That any officer, agent, or employee of the United States engaged in the enforcement of this act or the national prohibition act, or any other law of the United States, who shall search or attempt to search the property or premises of any person without previously securing a search warrant, as provided by law, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not to exceed $1,000 or imprisoned not to exceed one year, or both so fined and imprisoned, in the discretion of the court."

This amendment was objected to in the House, and the Judiciary Committee, to whom it was referred, reported to the House of Representatives the following as a substitute:

"SEC. 6. That no officer, agent, or employee of the United States, while engaged in the enforcement of this act, the national prohibition act, or any law in reference to the manufacture or taxation of, or traffic in, intoxicating liquor, shall search any private dwelling without a warrant directing such search, and no such warrant shall issue unless there is reason to believe such dwelling is used as a place in which liquor is manufactured for sale or sold. The term 'private dwelling' shall be construed to include the room or rooms occupied not transiently, but solely as a residence in an apartment house, hotel, or boarding house. Any violation of any provision of this paragraph shall be punished by a fine of not to exceed $1,000 or imprisonment not to exceed one year, or both such fine and imprisonment, in the discretion of the court."

In its report the committee spoke, in part, as follows:

"It appeared to the committee that the effect of the Senate amendment No. 32, if agreed to by the House, would greatly cripple the enforcement of the national prohibition act and would otherwise seriously interfere with the Government in the enforcement of many other laws, as its scope is not limited to the prohibition law but applies equally to all laws where prompt action is necessary. There are on the statute books of the United States a number of laws authorizing search without a search warrant. Under the common law, and agreeable to the Constitution, search may in many cases be legally made without a warrant. The Constitution does not forbid search, as some parties contend, but it does forbid unreasonable search. This provision in regard to search is as a rule contained in the various State constitutions, but notwithstanding that fact search without a warrant is permitted in many cases, and especially is that true in the enforcement of liquor legislation.

"The Senate amendment prohibits all search or attempt to search any property or premises without a search warrant. The effect of that would necessarily be to prohibit all search, as no search can take place if it is not on some property or premises.

"Not only does this amendment prohibit search of any lands but it prohibits the search of all property. It will prevent the search of the common bootlegger and his stock in trade, though caught and arrested in the act of violating the law. But what is perhaps more serious, it will make it impossible to stop the rum-running automobiles engaged in like illegal traffic. It would take from the officers the power that they absolutely must have to be of any service, for if they can not search for liquor without a warrant they might as well be discharged. It is impossible to get a warrant to stop an automobile. Before a warrant could be secured the automobile would be beyond the reach of the officer with its load of illegal liquor disposed of."

The conference report resulted, so far as the difference between the two Houses was concerned, in providing for the punishment of any officer, agent, or employee of the Government who searches a "private dwelling" without a warrant, and for the punishment of any such officer, etc., who searches any "other building or property" where, and only where, he makes the search without a warrant "maliciously and without probable cause." In other words, it left the way open for searching an automobile or vehicle of transportation without a warrant if the search was not malicious or without probable cause.

The intent of Congress to make a distinction between the necessity for a search warrant in the searching of private dwellings and in that of automobiles and other road vehicles in the enforcement of the prohibition act is thus clearly established by the legislative history of the Stanley amendment. Is such a distinction consistent with the fourth amendment? We think that it is. The fourth amendment does not denounce all searches or seizures but only such as are unreasonable.

The leading case on the subject of search and seizure is Boyd *v.* United States (116 U. S. 616). An act of Congress of June 22, 1874, authorized a court of the United States in revenue cases, on motion of the Government attorney, to require the defendant to produce in court his private books, invoices, and papers on pain in case of refusal of having the allegations of the attorney in his motion taken as confessed. This was held to be unconstitutional and void as applied to suits for penalties or to establish a forfeiture of goods, on the ground that under the fourth amendment the compulsory production of invoices to furnish evidence for forfeiture of goods constituted an unreasonable search even where made upon a search warrant, and was also a violation of the fifth amendment, in that it compelled the defendant in a criminal case to produce evidence against himself or be in the attitude of confessing his guilt.

In Weeks *v.* United States (232 U. S. 383) it was held that a court in a criminal prosecution could not retain letters of the accused seized in his house in his absence and without his authority by a United States marshal holding no warrant for his arrest and none for the search of his premises, to be used as evidence against him, the accused having made timely application to the court for an order for the return of the letters.

In Silverthorne Lumber Co. *v.* United States (251 U. S. 385) a writ of error was brought to reverse a judgment of contempt of the district court fining the company and imprisoning one Silverthorne, its president, until he should purge himself of contempt in not producing books and documents of the company before the grand jury to prove violation of the statutes of the United States by the company and Silverthorne. Silverthorne had been arrested, and while under arrest the marshal had gone to the office of the company without a warrant and made a clean sweep of all books, papers, and documents found there and had taken copies and photographs of the papers. The district court ordered the return of the originals but impounded the photographs and copies. This was held to be an unreasonable search of the property and possessions of the corporation and a violation of the fourth amendment, and the judgment for contempt was reversed.

In Gouled *v.* United States (255 U. S. 298) the obtaining through stealth by a representative of the Government from the house of one suspected of defrauding the Government of a paper which had no pecuniary value in itself, but was only to be used as evidence against its owner, was held to be a violation of the fourth amendment. It was further held that when the paper was offered in evidence and duly objected to it must be ruled inadmissible because obtained through an unreasonable search and seizure and also in violation of the fifth amendment because working compulsory incrimination.

In Amos *v.* United States (255 U. S. 313) it was held that where concealed liquor was found by Government officers without a search warrant in the home of the defendant, in his absence, and after a demand made upon his wife, it was inadmissible as evidence against the defendant, because acquired by an unreasonable seizure.

In none of the cases cited is there any ruling as to the validity under the fourth amendment of a seizure without a warrant of contraband goods in the course of transportation and subject to forfeiture or destruction.

On reason and authority the true rule is that if the search and seizure without a warrant are made upon probable cause, that is, upon a belief, reasonably arising out of circumstances known to the seizing officer, that an automobile or other vehicle contains that which by law is subject to seizure and destruction, the search and seizure are valid. The fourth amendment is to be construed in the light of what was deemed an unreasonable search and seizure when it was adopted, and in a manner which will conserve public interests as well as the interests and rights of individual citizens.

In Boyd *v.* United States (116 U. S. 616), as already said, the decision did not turn on whether a reasonable search might be made without a warrant; but for the purpose of showing the principle on which the fourth amendment proceeds, and to avoid any misapprehension of what was decided, the court, speaking through Mr. Justice Bradley, used language which is of particular significance and applicability here. It was there said (p. 623):

"The search for and seizure of stolen or forfeited goods, or goods liable to duties and concealed to avoid the payment thereof, are totally different things from a search for and seizure of a man's private books and papers for the purpose of obtaining information therein contained, or of using them as evidence against him. The two things differ *toto coelo*. In the one case, the Government is entitled to the possession of the property; in the other it is not. The seizure of stolen goods is authorized by the common law; and the seizure of goods forfeited for a breach of the revenue laws, or concealed to avoid the duties payable on them, has been authorized by English statutes for at least two centuries past; and the like seizures have been authorized by our own revenue acts from the commencement of the Government. The first statute passed by Congress to regulate the collection of duties, the act of July 31, 1789 (1 Stat. 29, 43), contains provisions to this effect. As this act was passed by the same Congress which proposed for adoption the original amendments to the Constitution, it is clear that the Members of that body did not regard searches and seizures of this kind as 'unreasonable,' and they are not embraced within the prohibition of the amendment. So, also, the supervision authorized to be exercised by officers of the revenue over the manufacture or custody of excisable articles, and the entries thereof in books required by law to be kept for their inspection, are necessarily excepted out of the category of unreasonable searches and seizures. So, also, the laws which provide for the search and seizure of articles and things which it is unlawful for a person to have in his possession for the purpose of issue or disposition, such as counterfeit coin, lottery tickets, implements of gambling, etc., are not within this category. Commonwealth *v.* Dana (2 Met. (Mass.) 329). Many other things of this character might be enumerated."

It is noteworthy that the twenty-fourth section of the act of 1789 to which the court there refers provides—

"That every collector, naval officer, and surveyor, or other person specially appointed by either of them for that purpose, shall have full power and authority to enter any ship or vessel in which they shall have reason to suspect any goods, wares, or merchandise subject to duty shall be concealed; and therein to search for, seize, and secure any such goods, wares, or merchandise; and if they have cause to suspect a concealment thereof in any particular dwelling house, store, building, or other place, they or either of them shall, upon application on oath or affirmation to any justice of the peace, be entitled to a warrant to enter such house, store, or other place (in the daytime only) and there to search for such goods, and if any shall be found, to seize and secure the same for trial; and all such goods, wares, and merchandise, on which the duties shall not have been paid or secured, shall be forfeited."

Like provisions were contained in the act of August 4, 1790 (ch. 35, secs. 48–51, 1 Stat. 145, 170); in section 27 of the act of February 18, 1793 (ch. 8, 1 Stat. 305, 315); and in sections 68–71 of the act of March 2, 1799 (ch. 22, 1 Stat. 627, 677, 678).

Thus contemporaneously with the adoption of the fourth amendment we find in the First Congress, and in the following Second and Fourth Congresses, a difference made as to the necessity for a search warrant between goods subject to forfeiture, when concealed in a dwelling house or similar place, and like goods in course of transportation and concealed in a movable vessel where they readily could be put out of reach of a search warrant. Compare Hester *v.* United States (265 U. S. 57).

Again, by the second section of the act of March 3, 1815 (3 Stat. 231, 232), it was made lawful for customs officers not only to board and search vessels within their own and adjoining districts, but also to stop, search, and examine any vehicle, beast, or person on which or whom they should suspect there was merchandise which was subject to duty or had been introduced into the United States in any manner contrary to law, whether by the person in charge of the vehicle or beast or otherwise, and if they should find any goods, wares, or merchandise thereon which they had probable cause to believe had been so unlawfully brought into the country, to seize and secure the same, and the vehicle or beast as well, for trial and forfeiture. This act was renewed April 27, 1816 (3 Stat. 315), for a year and expired. The act of February 28, 1865, revived section 2 of the act of 1815, above described (ch. 67, 13 Stat. 441). The substance of this section was reenacted in the third section of the act of July 18, 1866 (ch. 201, 14 Stat. 178), and was thereafter embodied in the Revised Statutes as section 3061. Neither section 3061 nor any of its earlier counterparts has ever been attacked as unconstitutional. Indeed, that section was referred to and treated as operative by this court in Cotzhausen *v.* Nazro (107 U. S. 215, 219). See also United States *v.* One Black Horse (129 Fed. 167).

Again, by section 2140 of the Revised Statutes any Indian agent, subagent, or commander of a military post in the Indian country, having reason to suspect or being informed that any white person or Indian is about to introduce or has introduced any spirituous liquor or wine into the Indian country, in violation of law, may cause the boats, stores, packages, wagons, sleds, and places of deposit of such person to be searched, and if any liquor is found therein, then it, together with the vehicles, shall be seized and proceeded against by libel in the proper court and forfeited. Section 2140 was the outgrowth of the act of May 6, 1822 (ch. 58, 3 Stat. 682), authorizing Indian agents to cause the goods of traders in the Indian country to be searched upon suspicion or information that ardent spirits were being introduced into the Indian country to be seized and forfeited if found; and of the act of June 30, 1834 (sec. 20, ch. 161, 4 Stat. 729, 732), enabling an Indian agent having reason to suspect any person of having introduced or being about to introduce liquors into the Indian country to cause the boats, stores, or places of deposit of such person to be searched and the liquor found forfeited. This court recognized the statute of 1822 as justifying such a search and seizure in American Fur Co. *v.* United States (2 Pet. 358). By the Indian appropriation act of March 2, 1917 (ch. 146, 39 Stat. 969, 970), automobiles used in introducing or attempting to introduce intoxicants into the Indian Territory may be seized, libeled, and forfeited as provided in the Revised Statutes 2140.

And again, in Alaska, by section 174 of the act of March 3, 1899 (ch. 429, 30 Stat. 1253, 1280), it is provided that collectors and deputy collectors or any person authorized by them in writing shall be given power to arrest persons and seize vessels and merchandise in Alaska liable to fine, penalties, or forfeiture under the act and to keep and deliver the same, and the Attorney General, in construing the act, advised the Government: "If your agents reasonably suspect that a violation of law has occurred, in my opinion they have power to search any vessel within the 3-mile limit according to the practice of customs officers when acting under section 3059 of the Revised Statutes, and to seize such vessels." (26 Op. Atty. Gen. 243.)

We have made a somewhat extended reference to these statutes to show that the guaranty of freedom from unreasonable searches and seizures by the fourth amendment has been construed, practically since the beginning of the Government, as recognizing a necessary difference between a search of a store, dwelling house, or other structure in respect of which a proper official warrant readily may be obtained and a search of a ship, motor boat, wagon, or automobile for contraband goods where it is not practicable to secure a warrant because the vehicle can be quickly moved out of the locality or jurisdiction in which the warrant must be sought.

Having thus established that contraband goods concealed and illegally transported in an automobile or other vehicle may be searched for without a warrant, we come now to consider under what circumstances such search may be made. It would be intolerable and unreasonable if a prohibition agent were authorized to stop every automobile on the chance of finding liquor and thus subject all persons lawfully using the highways to the inconvenience and indignity of such a search. Travelers may be so stopped in crossing an international boundary because of national self protection reasonably requiring one entering the country to identify himself as entitled to come in, and his belongings as effects which may be lawfully brought in. But those lawfully within the country entitled to use the public highways have a right to free passage without interruption or search unless there is known to a competent official authorized to search probable cause for believing that their vehicles are carrying contraband or illegal merchandise. Section 26, Title II, of the national prohibition act, like the second section of the act of 1789, for the searching of vessels, like the provisions of the act of 1815, and section 3601, Revised Statutes, for searching vehicles for smuggled goods, and like the act of 1822, and that of 1834 and section 2140, Revised Statutes, and the act of 1917 for the search of vehicles and automobiles for liquor smuggled into the Indian country, was enacted primarily to accomplish the seizure and destruction of contraband goods; secondly, the automobile was to be forfeited; and thirdly, the driver was to be arrested. Under section 29, Title II, of the act the latter might be punished by not more than $500 fine for the first offense, not more than $1,000 fine and 90 days' imprisonment for the second offense, and by a fine of $500 or more and by not more than two years' imprisonment for the third offense. Thus he is to be arrested for a misdemeanor for his first and second offenses and for a felony if he offends the third time. The main purpose of the act obviously was to deal with the liquor and its transportation and to destroy it. The mere manufacture of liquor can do little to defeat the policy of the eighteenth amendment and the prohibition act unless the forbidden product can be distributed for illegal sale and use. Section 26 was intended to reach and destroy the forbidden liquor in transportation and the provisions for forfeiture of the vehicle and the arrest of the transporter were incidental. The rule for determining what may be required before a seizure may be made by a competent seizing official is not to be determined by the character of the penalty to which the transporter may be subjected. Under section 28, Title II, of the prohibition act the Commissioner of Internal Revenue, his assistants, agents, and inspectors are to have the power and protection in the enforcement of the act conferred by the existing laws relating to the manufacture or sale of intoxicating liquors. Officers who seize under

section 26 of the prohibition act are therefore protected by section 970 of the Revised Statutes, providing that:

"When, in any prosecution commenced on account of the seizure of any vessel, goods, wares, or merchandise, made by any collector or other officer, under any act of Congress authorizing such seizures, judgment is rendered for the claimant, but it appears to the court that there was reasonable cause of seizure, the court shall cause a proper certificate thereof to be entered, and the claimant shall not, in such case, be entitled to costs, nor shall the person who made the seizure, nor the prosecutor, be liable to suit or judgment on account of such suit or prosecution: *Provided*, That the vessel, goods, wares, or merchandise be, after judgment, forthwith returned to such claimant or his agent."

It follows from this that if an officer seizes an automobile or the liquor in it without a warrant and the facts as subsequently developed do not justify a judgment of condemnation and forfeiture, the officer may escape costs or a suit for damages by a showing that he had reasonable or probable cause for the seizure. Stacey *v.* Emery (97 U. S. 642). The measure of legality of such a seizure is, therefore, that the seizing officer shall have reasonable or probable cause for believing that the automobile which he stops and seizes has contraband liquor therein which is being illegally transported.

We here find the line of distinction between legal and illegal seizures of liquor in transport in vehicles. It is certainly a reasonable distinction. It gives the owner of an automobile or other vehicle seized under section 26, in absence of probable cause, a right to have restored to him the automobile, it protects him under the Weeks and Amos cases from use of the liquor as evidence against him, and it subjects the officer making the seizure to damages. On the other hand, in a case showing probable cause, the Government and its officials are given the opportunity, which they should have, to make the investigation necessary to trace reasonably suspected contraband goods and to seize them.

Such a rule fulfills the guaranty of the fourth amendment. In cases where the securing of a warrant is reasonably practicable it must be used and when properly supported by affidavit and issued after judicial approval protects the seizing officer against a suit for damages. In cases where seizure is impossible except without warrant, the seizing officer acts unlawfully and at his peril unless he can show the court probable cause. United States *v.* Kaplan (286 Fed. 963, 972).

But we are pressed with the argument that if the search of the automobile discloses the presence of liquor and leads under the statute to the arrest of the person in charge of the automobile, the right of seizure should be limited by the common-law rule as to the circumstances justifying an arrest without warrant for a misdemeanor. The usual rule is that a police officer may arrest without warrant one believed by the officer upon reasonable cause to have been guilty of a felony, and that he may only arrest without a warrant one guilty of a misdemeanor if committed in his presence. Kurtz *v.* Moffitt (115 U. S. 487); Elk *v.* United States (177 U. S. 529). The rule is sometimes expressed as follows:

"In cases of misdemeanor a peace officer, like a private person, has at common law no power of arresting without a warrant except when a breach of the peace has been committed in his presence or there is reasonable ground for supposing that a breach of peace is about to be committed or renewed in his presence." (Halsbury's Laws of England, vol. 9, Pt. III, 612.)

The reason for arrest for misdemeanors without warrant at common law was promptly to suppress breaches of the peace (1 Stephen, History of Criminal Law, 193), while the reason for arrest without warrant on a reliable report of a felony was because the public safety and the due apprehension of criminals charged with heinous offenses required that such arrests should be made at once without warrant. Rohan *v.* Sawin (5 Cush. 281). The argument for defendants is that as the misdemeanor to justify arrest without warrant must be committed in the presence of the police officer, the offense is not committed in his presence unless he can by his senses detect that the liquor is being transported, no matter how reliable his previous information by which he can identify the automobile as loaded with it. Elrod *v.* Moss (278 Fed. 123); Hughes *v.* State (145 Tenn. 544).

So it is that under the rule contended for by defendants the liquor, if carried by one who has been already twice convicted of the same offense, may be seized on information other than the senses; while if he has been only once convicted, it may not be seized unless the presence of the liquor is detected by the senses as the automobile concealing it rushes by. This is certainly a very unsatisfactory line of difference when the main object of the section is to forfeit and suppress the liquor, the arrest of the individual being only incidental, as shown by the lightness of the penalty. See Commonwealth *v.* Street (3 Pa. Dist. & Co. Repts. 783). In England at the common law the difference in punishment between felonies and misdemeanors was very great. Under our present Federal statutes it is much less important, and Congress may exercise a relatively wide discretion in classing particular offenses as felonies or misdemeanors. As the main purpose of section 26 was seizure and forfeiture, it is not so much the owner as the property that offends. Agnew *v.* Haymes (141 Fed. 631, 641). The language of the section provides for seizure when the officer of the law "discovers" anyone in the act of transporting the liquor by automobile or other vehicle. Certainly it is a very narrow and technical construction of this word which would limit it to that mental process to what the officer sees, hears, or smells as the automobile rolls by and excludes therefrom when he identifies the car the convincing information that he may have previously received as to the use being made of it.

We do not think such a nice distinction is applicable in the present case. When a man is legally arrested for an offense whatever is found upon his person or in his control which it is unlawful for him to have and which may be used to prove the offense may be seized and held as evidence in the prosecution. Weeks *v.* United States (232 U. S. 383, 392); Dillon *v.* O'Brien and Davis (16 Cox, C. C. 245); Getchell *v.* Page (103 Me. 387); Kneeland *v.* Connally (70 Ga. 424); 1 Bishop, Criminal Procedure, section 211; 1 Wharton, Criminal Procedure (10th edition), section 97.

The argument of defendants is based on the theory that the seizure in this case can only be thus justified. If their theory were sound, their conclusion would be. The validity of the seizure then would turn wholly on the validity of the arrest without a seizure. But the theory is unsound. The right to search and the validity of the seizure are not dependent on the right to arrest. They are dependent on the reasonable cause the seizing officer has for belief that the contents of the automobile offend against the law. The seizure in such a proceeding comes before the arrest, as section 26 indicates. It is true that section 26, Title II, provides for immediate proceedings against the person arrested and that upon conviction the liquor is to be destroyed and the automobile or other vehicle is to be sold, with the saving of the interest of a lienor who does not know of its unlawful use; but it is evident that if the person arrested is ignorant of the contents of the vehicle, or if he escapes, proceedings can be had against the liquor for destruction or other disposition under section 25 of the same title. The character of the offense with which, after the contraband liquor is found and seized, the driver can be prosecuted does not affect the validity of the seizure.

This conclusion is in keeping with the requirements of the fourth amendment and the principles of search and seizure of contraband forfeitable property; and it is a wise one because it leaves the rule one which is easily applied and understood and is uniform. Houck *v.* State (106 Ohio Stat. 195) accords with this conclusion. Ash *v.* United States (299 Fed. Rep. 277) and Milam *v.* United States (296 U. S. 629), decisions by the Circuit Court of Appeals for the Fourth Circuit, take the same view. The Ash case is very similar in its facts to the case at bar and both were by the same court which decided Snyder *v.* United States (285 Fed. 1), cited for the defendants. See also Park *v.* United States (1st C. C. A. 776, 783) and Lambert *v.* United States (9th C. C. A., 282 Fed. 413).

Finally, was there probable cause? In The Apollon (9 Wheat. 362) the question was whether the seizure of a French vessel at a particular place was upon probable cause that she was there for the purpose of smuggling. In this discussion Mr. Justice Story, who delivered the judgment of the court, said (p. 374):

"It has been very justly observed at the bar that the court is bound to take notice of public facts and geographical positions; and that this remote part of the country has been infested at different periods by smugglers is a matter of general notoriety, and may be gathered from the public documents of the Government."

We know in this way that Grand Rapids is about 152 miles from Detroit and that Detroit and its neighborhood along the Detroit River, which is the international boundary, is one of the most active centers for introducing illegally into this country spirituous liquors for distribution into the interior. It is obvious from the evidence that the prohibition agents were engaged in a regular patrol along the important highways from Detroit to Grand Rapids to stop and seize liquor carried in automobiles. They knew or had convincing evidence to make them believe that the Carroll boys, as they called them, were so-called "bootleggers" in Grand Rapids; that is, that they were engaged in plying the unlawful trade of selling such liquor in that city. The officers had soon after noted their going from Grand Rapids half way to Detroit and attempted to follow them to that city to see where they went, but they escaped observation. Two months later these officers suddenly met the same men on their way westward presumably from Detroit. The partners in the original combination to sell liquor in Grand Rapids were together in the same automobile they had been in the night when they tried to furnish the whisky to the officers, which was thus identified as part of the firm equipment. They were coming from the direction of the great source of supply for their stock to Grand Rapids, where they plied their trade. That the officers when they saw the defendants believed that they were carrying liquor we can have no doubt, and we think it is equally clear that they had reasonable cause for thinking so. Emphasis is put by defendants' counsel on the statement made by one of the officers that they were not looking for defendants at the particular time when they appeared. We do not perceive that it has any weight. As soon as they did ap-

pear the officers were entitled to use their reasoning faculties upon all the facts of which they had previous knowledge in respect to the defendants.

The necessity for probable cause in justifying seizures on land or sea, in making arrests without warrant for past felonies, and in malicious prosecution and false imprisonment cases has led to frequent definition of the phrase. In Stacey *v.* Emery (97 U. S. 642, 645), a suit for damages for seizure by a collector, this court defined probable cause as follows:

"If the facts and circumstances before the officer are such as to warrant a man of prudence and caution in believing that the offense has been committed, it is sufficient."

Locke *v.* United States (7 Cranch, 339); The George (1 Mason, 24); The Thompson (3 Wall. 155). It was laid down by Chief Justice Shaw, in Commonwealth *v.* Carey (12 Cush. 246, 251), that "if a constable or other peace officer arrest a person without a warrant, he is not bound to show in his justification a felony actually committed to render the arrest lawful; but if he suspects one on his own knowledge of facts, or on facts communicated to him by others, and thereupon he has reasonable ground to believe that the accused has been guilty of felony, the arrest is not unlawful." Commonwealth *v.* Phelps (209 Mass. 396); Rohan *v.* Sawin (5 Cush. 281, 285). In McCarthy *v.* De Armit (99 Pa. St. 63), the Supreme Court of Pennsylvania sums up the definition of probable cause in this way (p. 69):

"The substance of all the definitions is a reasonable ground for belief in guilt."

In the case of the Director General *v.* Kastenbaum (263 U. S. 25), which was a suit for false imprisonment, it was said by this court (p. 28):

"But, as we have seen, good faith is not enough to constitute probable cause. That faith must be grounded on facts within knowledge of the director general's agent, which in the judgment of the court would make his faith reasonable."

See also Munn *v.* De Nemours (3 Wash. C. C. 37).

In the light of these authorities and what is shown by this record it is clear the officers here had justification for the search and seizure. This is to say that the facts and circumstances within their knowledge, and of which they had reasonably trustworthy information, were sufficient in themselves to warrant a man of reasonable caution in the belief that intoxicating liquor was being transported in the automobile which they stopped and searched.

Counsel finally argue that the defendants should be permitted to escape the effect of the conviction because the court refused on motion to deliver them the liquor, when, as they say, the evidence adduced on the motion was much less than that shown on the trial, and did not show probable cause. The record does not make it clear what evidence was produced in support of or against the motion. But, apart from this, we think the point is without substance here. If the evidence given on the trial was sufficient, as we think it was, to sustain the introduction of the liquor as evidence, it is immaterial that there was an inadequacy of evidence when application was made for its return. A conviction on adequate and admissible evidence should not be set aside on such a ground. The whole matter was gone into at the trial, so no right of the defendants was infringed.

Counsel for the Government contend that Kiro, the defendant, who did not own the automobile, could not complain of the violation of the fourth amendment in the use of the liquor as evidence against him, whatever the view taken as to Carroll's rights. Our conclusion as to the whole case makes it unnecessary for us to discuss this aspect of it.

The judgment is affirmed.

Mr. Justice McKenna, before his retirement, concurred in this opinion.

ADDRESS OF HON. HENRY T. RAINEY BEFORE THE NATIONAL DEMOCRATIC CLUB

Mr. RAINEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I insert the following speech made by me at a meeting of the National Democratic Club:

ADDRESS OF HON. HENRY T. RAINEY, MEMBER OF CONGRESS FROM ILLINOIS, AT A MEETING OF THE NATIONAL DEMOCRATIC CLUB IN THE GOLD ROOM OF THE SHOREHAM HOTEL, TUESDAY NIGHT, FEBRUARY 17, 1925.

I am glad to meet the members of the National Democratic Club. You gentlemen seem to have forgotten that we had an election last November which resulted in the apparently overwhelming defeat of the national ticket of the Democratic Party. As a matter of fact, we no longer measure defeats in terms of majorities. I have never received as many invitations to address Democratic organizations as I am now receiving. The Democratic Party can not be defeated. It stands for certain basic principles of government and the basic principles for which we stand can not be defeated as long as this Government stands.

From the ashes of last November the great party to which we belong rises again, proclaiming anew the principles for which we stand. The need for a conservative party of progress in this country was never so apparent as now, and the Republican Party is not now and never can be that kind of a party.

But the time has come for us to break away from the platform utterances of recent years and to break away from the leadership which proved so disastrous to us in the last national campaign. I know of no better place to commence to proclaim anew the old Democratic doctrines than here under the dome of the Capital before this National Democratic Club.

THE DEMOCRATIC PARTY STANDS FOR REAL PROTECTION

In this new world upon which we are entering it becomes necessary now to deny that the Democratic Party is or ever has been a free-trade party. The Democratic Party is the only party which to-day stands for a sane, logical tariff policy, and first of all we must break away from the theory so often proclaimed that we stand for a "competitive tariff." This phrase means absolutely nothing. No man has ever been able to say what a "competitive tariff" is, and "a tariff for revenue only" does not now mean what it meant a few years ago; it no longer correctly states the Democratic position. Such a tariff as that is impossible in the new era upon which we are entering as a Nation. On these great questions in the immediate past we have been wandering far afield.

The time has come to take our bearings and to steer the ship back to its proper course again. There never was a free-trade nation in all the history of the world, and there never will be a free-trade nation. During all the period of time when England has been designated as a free-trade nation, she has been collecting tariffs at her ports, always more than we have ever collected. We know now that 2,000 years before the birth of Christ, in ancient Egypt they had a tax they called the tax at the frontier. This was a tariff tax, and nothing else, and during all the centuries that have passed since then, no nation has ever existed within natural boundaries for any considerable period of time without imposing this tax at the frontier, and we have it in this country. No matter by what name parties may call it, it is the old Egyptian "tax at the frontier."

The Democratic Party stands, first of all, for protection to American labor. We realize that there are now and perhaps will be in the near future differences in production costs due in most part to the cheaper labor cost of other commercial nations. There is no place to adjust these differences except at the ports. We believe in preserving the highest standard of living of American workingmen and we can only keep them from dropping to the level of the pauper labor of other countries by imposing taxes at our ports, and this we must always do, and we must always grant that measure of protection which insures to American labor wherever it is, the wages which must always come with our own high standards of living.

And we believe in protecting invested capital. The capitalistic state must be preserved. We realize that capital must move in great blocs to perform the industrial marvels which go with the American State. We are not afraid of a correct use of the word "protection."

We realize that after over a hundred years of protection our great industries have adjusted themselves to that kind of a system and the new Democratic Party realizes that this adjustment must not be disturbed, but we believe in protecting the great mass of the people against the avarice and the greed of great wealth. We will not permit the creation in this country of an aristocracy of wealth. We recognize the fact that great fortunes are ever growing bigger and bigger. There is no place in the industrial program of the future for the idle rich, and the way to meet this menace does not consist in adopting the measures of Soviet Russia, but this menace must be met by the exercise of the taxing power of the Nation.

The Ways and Means Committee of the House of Representatives have been notified that they will be expected to meet early in the approaching fall for the purpose of preparing a new revenue bill in order to have it ready for the convening of Congress in December. This means, of course, the determination on the part of the present administration to again attempt to enact into law the system of revenue taxes which has been denominated the Mellon plan, and which so far they have failed to crystallize into law. This is the plan, of course, which seeks to lessen the burden of taxation upon the very rich and to place heavier and ever heavier taxes upon moderate incomes, and against this attempt the Democratic Party is able to rally and present again a united front.

WHY HAVE WE BEEN WINNING IN "OFF" YEARS AND LOSING IN PRESIDENTIAL YEARS?

In the election of last November we did not suffer any great loss in either House of the Congress. We will be able to more than recoup these slight losses next year. Throughout the country, in spite of a majority of 7,000,000 given the Republican candidate for the Presidency, we elected about as many State and county officers as we ought to have elected, and, after all, it is these smaller victories which contribute most toward preserving a party organization. We have been winning in "off" years and losing in presidential years for

the reason, first of all, that there are more Democrats than Republicans in the United States. We are an emotional people. We are just beginning to realize it. We swing rapidly from one extreme to the other. In presidential years, through its control of the metropolitan press, the Republican Party is able to embark upon a stupendous advertising program, insisting that the Democratic Party is an enemy to successful business, is opposed to the doctrine of protection, and they indulge in the widest use of the term. They appeal to labor upon the theory that the wage of labor is in danger if tariffs are recklessly lowered, and they appeal to the business men of the country, insisting that the protection policies of the Republican Party are the policies which make for successful business, and then they always conclude a campaign with the astounding and false statement that panics occur under Democratic control. As a matter of fact, there never has been a Democratic panic. Our panics have always occurred under Republican administrations. As a result of all this kind of advertising the votes of business men and labor swing in presidential elections toward the Republican Party, and the result has been the tremendous majorities, unprecedented in the history of the country, given the Republican ticket in the last two national campaigns.

BREAKING AWAY FROM THE OLD LEADERSHIP

We must, of course, first of all break away from the leadership to which can be attributed the disastrous results of the last campaign. We must break away from the candidates who deliberately precipitated the religious issue into the last Democratic National Convention. We must break away from the leadership and the candidates who were responsible for the tedious, disgusting, long-drawn-out Madison Square Garden convention last summer. We must break away from the platform utterances of that convention. We do not stand for any policy of religious intolerance and bigotry, but we stand firmly upon the constitutional guaranty which gives to every American citizen the right to worship God according to the dictates of his own conscience. We have no apologies to make for our candidate. Hon. John W. Davis measured up to the very highest standards.

WHAT THE NEW DEMOCRATIC PARTY STANDS FOR

The new Democratic Party which springs now into existence is simply a resurrection of the old Democratic Party, which proceeded under sane leadership and safe platform declarations through a hundred years of time; and may I quote now from our tariff declaration in the platform of 1888:

"Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations."

This platform declaration immediately followed the great tariff message of Grover Cleveland of 1887, from which I shall have occasion soon to quote. From this sane declaration under inferior leadership—and I shall not tell now who is responsible for it—we swung four years later in our national platform to the absurd declaration that the "Federal Government has no constitutional power to impose and collect tariff duties except for the purposes of revenue only."

And then there followed the free-silver campaign of 1896, when the tariff was no longer an issue, and the campaigns of 1900 and 1904, when imperialism was the issue, and our tariff declarations rapidly grew worse and worse until in 1916 we declared in favor of levying a tariff "for the purpose of providing sufficient revenue for the operation of the Government." I would like to know what kind of a tariff that would be at the pesent time. It costs $3,000,000,000 now to conduct this Government, and the time will never come again when we can collect enough tariff at our ports to conduct this great Government of ours.

GROVER CLEVELAND

The message of December 6, 1887, of Grover Cleveland contains this significant declaration: "In a readjustment of our tariff the interests of American labor engaged in manufacture should be carefully considered, as well as the preservation of our manufacturers. It may be called protection or by any other name, but relief from the hardships and dangers of our present tariff laws should be devised with especial precaution against imperiling the existence of our manufacturing interests." I quote again from the same message: "Our progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade. * * * It is a condition which confronts us, not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated."

In his second annual message Thomas Jefferson, the founder of the Democratic Party, said: "To protect manufactures adapted to our circumstances is one of the landmarks by which we shall guide ourselves." James Monroe declared: "Our manufacturers require the systematic and fostering care of the Government."

I could continue indefinitely these extracts from the utterances of great Democrats to show what the policy of the Democratic Party has always been.

A NEW WORLD IN A NEW ERA

In its swing through the centuries this world has entered a new era, and there are new conditions which confront us on every hand, and in the new era upon which we have suddenly plunged the Republican Party, on account of its traditions, its principles, its practices, and its tendencies can not be intrusted with leadership. We have suddenly become the biggest creditor Nation the world has ever known. Every day some new national loan is floated through Wall Street bankers. We have stored in our vaults over half the world's supply of gold. Within the last week Great Britain has apparently abandoned her tariff doctrines and has swung from tariffs on noncompetitive products to the American system of tariffs. In other words, Great Britain, heretofore the world's greatest creditor nation, now a debtor nation, has found it necessary to adopt our protective policy of levying tariffs, and by a tremendous majority the Parliament of Great Britain yesterday approved the Baldwin policy of protection for the industries of England. Canada has entered upon a policy of higher protection. The Argentine export duties last week were revised upward. The Balkan nations are arranging a tariff blockade against the United States. All these are conditions which make necessary an immediate revision of our tariff to meet these new and changed world conditions.

HOW THE REPUBLICAN PARTY PROPOSES TO MEET TARIFF CHANGES

An astounding declaration came from the President's Agricultural Commission a few days ago. After weeks of investigation this commission has declared itself in favor of a restricted production of agricultural products and an adjustment of production in order to meet home consumption and high tariffs to prevent the entry into the United States of foodstuffs produced by other nations. This policy is simply protection run mad. It would destroy the cotton farmer of the South and the wheat farmer of the Middle West and the West and the hog producers of the corn-belt country. These farmers produce the major part of our exportable food products. Farm bureaus and farm advisers are planning for an increased farm production. Our cultivated acreage has been producing more and more. Is this policy to be abandoned?

Forty million people in the United States depend upon agriculture, not a restricted agriculture, but the kind of agriculture that produces for all the world. During the recent World War agriculturists were called upon to produce foodstuffs for a hundred million people who live here and food stuffs for half the world besides, and responded splendidly to this demand. The policy which made possible this response is to be abandoned entirely. If this kind of a policy can be carried out hundreds of thousands of farm acres now in the highest state of cultivation will only be fit for game preserves for the very rich. The corn laws of England led to these conditions. The incompetency of the Republican Party to meet changed world conditions and preserve their theories of protection was never more clearly proclaimed than in these utterances. And just about the time these utterances were made there came to us from every hand the information that wage scales in our great factories are being rapidly reduced, and on the 5th day of this month there came the announcement that the American Woolen Co., while reducing its wage scale, had announced an increase of 6½ per cent in the price of its worsteds and from 10 to 12 per cent in the price of its woolens over the very high levels of a year ago. The effect of a Republican majority of 7,000,000 for the Republican national ticket is already being felt.

LOWER WAGES, HIGHER PRICES FOR TEXTILES AND REDUCED QUALITY OF THE FABRIC

Not long ago Thomas F. McMahon, president of the Textile Workers' Union in Lawrence, Mass., announced that he had in his possession evidence to show that at a secret meeting of worsted and woolen manufacturers of Lawrence and vicinity it was determined not only to cut wages and assign additional machinery to each worker, but at the same time to reduce the quality of the fabric produced without notice to the public, but the reduction of quality was to be accompanied by an increase in the price to consumers of the clothing they wear.

NECESSITY FOR RETURN TO DEMOCRATIC CONTROL

The above are some of the policies now being brazenly announced and made possible by the Republican majority in the national elections of last fall of 7,000,000. The necessity for a return to Democratic control was never so apparent as now, and the first thing we must do to qualify the party for the new responsibilities which will now devolve upon it is to declare anew the principles for which we stand. We are in favor and have always been in favor of the kind of sane protection to industries and labor announced by Jefferson, Monroe, Jackson, Grover Cleveland, and Woodrow Wilson. We are opposed to the "graft" made possible by protection as applied under Republican policies. In great emergencies it is the Democratic Party which can respond. When we were irresistibly drawn into the vortex of the World War it was fortunate, indeed, that four years of Demo-

cratic control had preceded that event. When we were compelled to finance the greatest war in the history of the world, we were able to do it because we had the Federal reserve system and the income tax, and the Federal reserve system and the income tax were Democratic in their conception and in their creation and development. And so to-day when we are confronted with tariff blockades and with the closing of the ports of Great Britain to our factories, it is fortunate, indeed, that the Democratic Party is able again to rally and to stand where it has always stood at its post of duty. We are face to face with necessary revenue adjustments, not the adjustments which come with the Mellon plan but the adjustments which mean that each man shall bear his share of the burden of income taxes, and that the cardinal principle of levying taxes must be observed, and the cardinal principle is that taxes shall bear heaviest on those best able to pay. This kind of an internal revenue policy can not be announced or carried into effect by the Republican Party. We are face to face with the necessity for a new tariff revision, not the kind of a revision that makes possible lower wages and higher prices for textiles and a depreciated textile production but an honest wage adjustment and honest fabrics based upon Democratic tariff theories.

And we are face to face with the necessity of protecting small business against big business, and this can only be done by the Democratic Party. The Democratic Party stands again on its old safe foundations and reiterates again its old safe tariff and revenue declarations. We are not deterred or discouraged by adverse majorities. The propositions for which we stand have not sustained defeat, and whenever we are defeated in the correct economic propositions for which we stand, danger will, indeed, have come to American institutions and to the American Government.

THE CIVIL SERVICE RETIREMENT BILL

Mr. LEHLBACH. Mr. Speaker, it is evident that the bill to liberalize the retirement system of the Federal civil service will not receive opportunity for consideration in the House at the present session of Congress. It will serve no useful purpose to speculate concerning the various circumstances that have resulted in this situation. The Committee on the Civil Service sincerely regret that their labors have been fruitless and fully appreciate the disappointment of the prospective beneficiaries of the bill.

To some degree, however, many who have been zealous in the support of this measure, and who would have enjoyed the increased benefits of the system thereunder, have themselves contributed to the defeat of the measure. Members of Congress and others responsible for the conduct of public business do not differ from the rest of humanity in that they resent being deceived and misled and tend to react unfavorably to a cause when they discover that their support has been enlisted by such means. From certain sources including annuitants, Government employees, and newspapers stories have emanated that the system of retirement does not cost the Government anything; that the contributions more than paid the annuities; that a large surplus was being piled up in the retirement fund; and that their own money was wantonly being withheld from the beneficiaries.

None of these statements is true. The Committee on the Civil Service has repeatedly called attention to these misapprehensions of the facts, only to find them reiterated as arguments for the bill. It has been my repeated experience that persons at first enlisted in support of the measure by reason of these misstatements have turned against it when they learned the truth about the cost to the Government of the system and its proposed expansion. These same persons, if originally approached in behalf of the bill with valid and sound arguments, would have become its friends and remained so.

The money in the retirement fund does not belong to the present annuitants, nor to the employees generally. Each contribution belongs to the specific individual who has made it, and to whom in every instance it is returnable with compound interest in some form or other. The money contributed by John Doe, letter carrier in St. Louis, Mo., may not be paid to Richard Roe, a retired clerk of the Treasury Department in Washington. If the Government uses John Doe's money for this purpose it must replace it with compound interest out of the Treasury.

When the existing retirement system has been in effect long enough so that all employees will have contributed throughout their entire period of service, the cost will be 3.82 per cent of the pay roll. Of this the employees will have paid 2.50 per cent and the Government will have to pay 1.32 per cent. But it must be remembered that those now retired or who will retire for some years to come have not contributed throughout their entire periods of service, but only from August, 1920. Therefore, the Government must not only pay its normal proportion of the annuities, but must pay what each annuitant failed to pay from the date of his entrance into the service to August, 1920. This is called the deficiency cost and spread over a term of 30 years will amount to 2.55 per cent of the pay roll. Therefore, for 30 years the Government's proportion of the total cost of the annuities is 3.82 per cent of the pay roll, as against the employees' 2.50 per cent. In money this means that for 30 years the Government's liability annually is $16,734,207 and the employees pay $10,788,075. In practice this sum is not distributed evenly over the 30 years, but is smaller in the first years and increases materially in the last 10 or 15 years of the 30-year period.

The Government has actually not as yet appropriated money out of the Treasury to be paid into the retirement fund because it has been able to borrow from the contributions accumulated in order to pay the annuitants. But in so doing it has to June, 1924, run up an indebtedness of about $12,000,000 which it must replace with compound interest. This indebtedness will largely increase in the course of years. It is estimated that the bill passed by the Senate and for which consideration was sought in the House will increase the Government's liability annually three million and a half and will increase the cash contributions from the employees by about four million and a half.

It is only fair to state that the above estimates are based on 1921 conditions and that the proportion of contributions by the employees is probably larger and the liability of the Government is probably less in present conditions than the estimates show, but the principle is the same and completely refutes the statements that the retirement system does not cost the Government anything, that the contributions more than pay the annuities, and that a large surplus is being piled up in the retirement fund. This so-called surplus is simply a cash balance, being the sum of the contributions of the employees less the amount borrowed by the Government to pay annuities to others than those who contributed the money. This is no more of a surplus in the hands of the Government than the cash in a bank belonging to depositors is a surplus of the bank to be disposed of for its own uses.

The arguments in favor of liberalizing the retirement fund along the lines proposed in the bill under discussion are thoroughly sound. A retirement system is a necessary complement to a civil service system contemplating permanency of tenure. The maintenance of such system by large employers is the general practice in industry. It is of substantial advantage to the employer, in this case the Government. The benefits in increased efficiency and morale are obvious. Aside from this, the cash cost is practically counterbalanced by cash savings in the pay roll.

The difference between the former salaries of those retired and the annuities paid them is a substantial gain to the Government which is not absorbed by such replacements as may be necessary. These replacements are usually at a lower rate of salary than paid to those retired, and under careful administration these replacements would involve a lesser number than the number retired. Under the estimates the employees even with the deficiency cost will contribute more to the increased benefits than the Government. Finally, it is fairly certain that notwithstanding the increased benefits, the retirement system will actually cost the Government less than the original system was estimated to cost. It is admitted that the present annuities are inadequate, and the system consequently fails to produce fully the desired improvement in the administrative service. The humanitarian grounds for liberalizing the system are unanswerable.

For these reasons it is my purpose to reintroduce the bill and press for its passage in the next Congress. I welcome support for the measure from all quarters so long as such support is based upon valid and sound reasons. I request all true friends of the bill to abstain from fallacious arguments and misrepresentations of facts. Such practices have hurt the bill in the past and will render difficult its fair consideration in the future.

DEMOCRAT OR REPUBLICAN?

Mr. OLDFIELD. Mr. Speaker, I desire to discuss briefly, and, if I may, point out some of the fundamental differences between the two great political parties; and, in order to do this, I must begin at the foundation of our Government.

TWO THEORIES OF GOVERNMENT

When it had been determined that there should be a union of the Colonies for the common good, the serious question of the hour became: What sort of union shall it be? The line of demarcation soon became distinct between two well-definied theories; and the advocates of each soon formed separate and

distinct political parties. Alexander Hamilton became the chief exponent of the one and Thomas Jefferson the chief exponent of the other.

THE HAMILTONIAN THEORY

Hamilton and his followers were insistent upon a strong central government with order by virtue of strength and force. The late Senator Lodge, in writing of him says:

> Hamilton's scheme went further, seeking to create a strong and in so far as was possible and judicious, a permanent class all over the country, without regard to existing political affiliations, but bound to the Government as a Government by the strongest of all ties, immediate and personal pecuniary interests.

And, further, Mr. Lodge observed:

> That the full intent of the policy was to array property on the side of the Government.

Again, it seemed to be a part of his plan to impose a property qualification upon the right of suffrage, at least for President and Vice President; but this seems to have been defeated by Washington, Jefferson, Madison, and others; but substantially the same idea with respect to State matters was made to obtain in the State of New York, the home State of Hamilton, for a period of years, but it was eliminated long ago.

Mr. Hamilton had come to the colonies shortly before the Revolution. With respect to his mental make-up, his idea of wealth, his idea of class, his idea of a government of, by, and for class and wealth, his idea of a strong central government with autocratic power, he never lost the early impressions made upon him by the power and grandeur of the then European governments. A biographer of one of his contemporaries records of him:

> In American politics it was impossible that he ever should have been at home, because he never could believe the truths nor share the hopes upon which the American system is based.

THE JEFFERSONIAN THEORY

Thomas Jefferson's theory was in direct contrast with that of Hamilton. It primarily opposed a strong central government, but advocated a general government of delegated power only, and only for the common good; and, in form, a representative democracy. The advocates and chief exponents of this theory were of American birth; their lives in the colonies, their experiences, and their observations had revealed to them the necessity, the humanitarian right, if you please, of a government so aptly described many years later as a "government of the people, by the people, and for the people." A general government of delegated power for the common good; State governments strong and supreme in their own right in all things consistent with the authority delegated to the General Government.

It would seem that the greatest practical difference between the two theories was with respect to the great body of the citizenship and its rights and privileges; and I have no doubt that the Hamilton theory served a very useful purpose in operating as a powerful influence upon Jefferson and his associates, not only to bring about the establishment of a representative democracy, but to define and preserve personal rights and personal liberties; and it must have produced profound thought and consideration on the part of Jefferson and Madison, because we observe them, not only defining inalienable rights, and so forth, but, weaving them into the fundamental law of the land and to the end of forever preserving them to American citizenship. When you hear of "inalienable rights," "equal rights and privileges before the law," "freedom of religion," of "speech," "of the press," "of assembly," "of petition," "from arrest and search without proper warrant," "due process of law," and so on, the name of one great American flits across your mind; and that is the name Thomas Jefferson; and the principles of government and of human rights delineated and defined by him are the specific ones to the preservation of which the great Democratic Party stands forever committed. The men and women of America who believe in a sound liberalism and who subscribe to the doctrine of equal rights to all and special privileges to none should begin now to organize Jefferson clubs throughout the country. Jefferson's birthday should be celebrated on the 13th of April and his doctrines instilled in the minds of the people.

These were the two theories of government in the days of Hamilton and Jefferson; and these are the two theories of government in this country to-day; and the line of demarcation between them is just as clear and distinct to-day as it was in the days of Alexander Hamilton and Thomas Jefferson. The Republican Party of to-day is the faithful disciple of the Hamiltonian idea; while the Democratic Party is the disciple of the Jeffersonian idea; and, in their last analysis, the great contests of to-day between the Republican Party and the Democratic Party are predicated upon causes not dissimilar in the least to those that divided Hamilton and Jefferson.

It was the spirit of democracy—of an aroused democracy—that extorted from King John, of England, the Magna Charta; that led Benjamin Franklin to present in a written constitution at Albany the principles of which have been carried into every State constitution as well as the Federal Constitution; that brought about the famous Virginia Bill of Rights that went so far in the establishment of the fundamental rights and privileges of each and every citizen; that was the characterizing spirit of the Declaration of Independence; that made the issue with England that precipitated the American Revolution; that was guarded and protected by Jefferson and Madison and by them woven into our Constitution; that waged the fight against the alien and sedition laws and drove them out of our statutes; that defeated the obnoxious United States bank proposition under the leadership of Andrew Jackson; that characterized the very warp and woof of the many enactments brought about under the administration of that great scholar, statesman, and patriot, Woodrow Wilson; enactments that were bitterly contested by those of to-day who would establish a government of class and wealth with autocratic power, and who in 1920 openly denounced and condemned virtually every act of that administration, and who, when clothed with the power to do it, were too cowardly to attempt the repeal or serious modification of a single one of these many enactments.

From the very hour that King John yielded the Magna Charta to this good hour the way of democracy has been a hard one. It was the realization of this truth, no doubt, that caused that great Irish statesman, Curran, to exclaim, "Eternal vigilance is the price of liberty," and that exclamation is just as timely to-day as it was on the day it was uttered in 1808; and the way of democracy holds no promise of a future easier than the past. It is one eternal fight, and an eternal fight only, that will preserve to the great body of the American people the precious heritages that have been gained for them by Franklin, Washington, Jefferson, and Madison; by Jackson and Lincoln—for Lincoln was extremely democratic—and by Cleveland and Wilson; heritages now intrusted to our keeping and of which we must make account to the future.

From 1903 to 1909—during the Fifty-ninth, Sixtieth, and Sixty-first Congresses—it did seem that American government by class and wealth and autocratic power had reached its zenith and had expended its force; and the results of the general election of 1910 seemed to justify such an assumption. The general elections of 1910, 1912, 1914, and 1916 seemed to give verity to that assumption; but the elections of 1918 disclosed a desertion from the cause of democracy so great as to imbue the Republican Party with unusual inspiration to recapture the Government in 1920 for the precise forces from which it had completely freed itself only eight years before. As its hope grew, just in that proportion its sense of decency diminished; its determination knew no restraint; the more infamous the defamation of democracy the more famous became the defamer; every slander that envy could invent and every hatred that malice could inspire were hurled against us. Utterly false charges of graft and corruption, of high crimes and misdemeanors were wafted throughout the land on every breeze, and the general elections of 1920 fully and completely restored to power the precise forces against which democracy has fought since the days of King John.

With the differences of the two theories of government clearly in mind, who could not take the roll calls and the title of the bills voted on in the Congresses for the past 60 years and without further information identify and classify the respective advocates of these theories—as Republicans or Democrats, if you please—and scarcely make an error? It is true that some votes are recorded on the great institutional reforms in purely domestic affairs in the early part of the Wilson administration that might confuse, but that results only from the fact that many Republicans realized that if they did not vote for the Democratic program in numerous particulars they would be granted an unrequested leave of absence from the next Congress by an outraged constituency. And while there is as much difference to-day between the policies of the Democrats and the Republicans as there was between the policies of Jefferson and Hamilton, yet sometimes I feel that we should take ourselves to judgment and each determine for himself whether or not he is doing his utmost in the cause of democracy and to the end that present and future generations of American citizens may be made secure in the liberty and the even-handed justice that is theirs of right. This it is our duty to do, that the great principles of human rights and privileges so well delineated

and defined by Jefferson and vouchsafed us by constitutional embodiment shall pass to the next and succeeding generations without impairment; and we, as Democrats, should be filled with and actuated by the spirit of the democracy that characterized the devotion of Jefferson and Madison to the great cause of humanity.

HARDING-COOLIDGE ADMINISTRATION

What happened when the Government fell into the hands of the Republican Party on March 4, 1921? I venture the assertion that every American citizen entertained a sincere hope of the new administration's worthwhileness; that it would fully measure up to the hopes and expectations that they so generally and generously entertained of it; that it would meet the then great questions of government with comprehension and strict fidelity; that it would take the great American people into its confidence, hear their pleas, and do them the even-handed justice of a chancellor; that it would set right all wrong and never wrong any right. And why should such a hope not have been entertained, when the country had observed the great preparation that was made for it, when the so-called "best minds" of America were conferring day after day, when the glowing newspaper accounts of the meetings of the "best minds" made the tremendous undertakings ahead of the new administration look small, insignificant, and inconsequential in comparison with the superb statesmanship and intellectual power that was about to seize upon them? Indeed, there was hope, and there was faith, and there was charity in the hearts of the world for it; but hope soon fled, and faith soon failed, and charity lingered along on a false diet until after November 4, 1924. The overwhelming majority of the American people are hopeful, faithful, and thoroughly democratic in their customs; not only that but they are at heart Jeffersonian Democrats, and true to the faith that is in them; and I apprehend that the time is not remote when they will awaken and again assert their right to freedom from a class-owned and wealth-maintained government of autocratic power that knows not how to resist the avarice of greed nor the lust of blood-sucking privilege and monopoly; nor punish the felons that prey upon the Government.

But what happened? With the advent of the Harding-Coolidge administration the Hamiltonian theories of government were brought into full force and effect; wealth and class and the politically potent ruled with a high hand; taxes were shifted accordingly; plunderers and their representatives came and virtually constructed of their own hands a defense of their own against any and all foreign commercial competition, and which secured them in their power to continually pick the pockets of the American people of billions of dollars annually; not only this, but its accomplishment virtually destroyed a foreign market for the surplus products of our agricultural interests, and in truth and in fact the American farmer should be thankful to-day that he is in no worse condition than he is. The mystery is that he has survived at all. Oil men, potent with the administration, got theirs; the sugar men got theirs and are still getting it; and so with the steel people and the textile people, and numerous other highly organized and politically powerful industries, and all at the expense of the great body of our citizenship; boards and commissions created and established for the protection of the interests of all the people were crippled and rendered impotent and now are being further crippled and rendered impotent for the functions for which they were intended and which they had been performing. Many things were done in high-handed manner. Whatsoever else the Harding-Coolidge administrations have been, not in the least have they been typical of the sort of government for which Jefferson, Madison, Jackson, Lincoln, Cleveland, and Wilson gave the best that was in them.

Democracy's defeat at the polls in a general election may or may not be serious. That depends largely upon what follows within the ranks of democracy itself and upon the degree of severity with which antidemocratic policies are applied by the victors. They may be of direct application or they may be of indirect application, and when the direct application is unjudicious and dangerous the indirect are the more likely to be invoked, and especially so when virtually the same end can be accomplished; and I am clearly of the opinion that this is precisely what is taking place to-day in relation to some of the boards and commissions which were established in the interest of all our people under the late Democratic administration. While the Harding-Coolidge administrations have not dared to repeal or seriously modify the important and progressive enactments of the Wilson administration which they condemned so viciously in 1920, they have resorted to the unfair and unworthy process of rendering them impotent and ineffectual by the exercise of administrative power and administrative influence.

Why does this administration not be frank with the American people and say to them, "We do not want an honest and fair-dealing Interstate Commerce Commission; we do not want an honest and fearless Federal Trade Commission; we do not want an honest and conscientious Tariff Commission, and we do not propose to have them; we are going to have these commissions so manned and controlled that they will function in accordance with our dictation, and not otherwise." Why make the pretense of favoring the ends of their existence and at the same time seek to thwart the accomplishment of the purposes for which they were created? Why appropriate public money for their maintenance when it is determined that they shall not function in the public interest. And, yet, my friends, is this not in strict keeping with the Hamiltonian theory and Republican principles and policies; and is it not the very antithesis of the Jeffersonian theory and of Democratic principles and policies?

Commenting upon the Hamiltonian theory, as it was defined by the late Senator Lodge, some writer observes that it is "a veritable school for graft. It should not be a matter of surprise if spoilsmen gather in high places in a party guided by a policy such as this. Such a policy is a cordial invitation to all the unprincipled. The direct appeal to the very lowest motive for serving one's country—for profits—not patriotism nor principles of justice and fair dealing with their countrymen." If this observation is well founded, may I not inquire if it does not apply with equal force to the happenings in our Federal affairs since March 4, 1921?

Mr. Speaker, it is not my purpose to criticize; rather the events of the Harding-Coolidge administrations do not provoke criticism so much as they do condemnation; but it is my purpose to point out the great fundamental difference between two theories of government—between the Democratic and Republican parties of to-day—that we may the better understand our own obligations to the cause of liberty and justice. The Democratic Party, with renewed courage and fixed determination, will rally again to the great cause to which it is committed.

COTTONSEED SITUATION

Mr. RANKIN. Mr. Speaker, several days ago I introduced a resolution asking for an investigation of the cottonseed industry. It was referred to the Committee on Agriculture; but, after a consultation, the members of that committee suggested that the resolution be changed to provide for a special committee composed of members of the Agricultural Committees of the House and Senate to make this investigation. An attempt was made to have this done, but we were informed by those in charge of the legislative program in the House that such a resolution would not be brought out of the Rules Committee at this session of Congress. The same resolution was introduced in the Senate, and the same earnest effort made by Senators representing cotton-growing States to get it considered and passed at this session of Congress, but the same forces that opposed such legislation in the House seemed to block consideration at the other end of the Capitol.

Certain publications which seem to be dominated by the same interests opposing this legislation immediately took up the fight to prevent this investigation. A copy of one of them has been sent to every Member of the House and of the Senate, carrying certain inspired denunciatory propaganda as well as misstatements of facts. For instance, they attempt to prove that my statement that 445,000,000 bushels of cottonseed were produced last year is exaggerated. Their calculation would show that only two-thirds of that amount was produced, but they are only making allowance for the amount put on the market. Surely no man with intelligence enough to edit a magazine could fail to understand that the farmers must keep some seed to plant and to feed their cattle on—especially since they receive less for their cottonseed, according to their statements, than they would have to pay for the same weight in meal and hulls. Last year we produced, in round numbers, about 13,500,000 bales of cotton. On an average, there are 33 bushels of seed in every bale. Multiply the 13,500,000 by 33 and the result will show that I was correct when I stated that the cottonseed crop last year amounted to 445,000,000 bushels, or half as much as the wheat crop of the United States.

It may be rather a shock to some of those interested in the cottonseed-oil industry to know that they did not get all of the seed grown by the farmers last year, but in the interest of accuracy we must admit that every farmer does not sell all the cottonseed grown by him every year. The oily editor referred to must have thought they planted cottonseed hulls.

The Federal Trade Commission has a right to make this investigation without the passage of this resolution, and I sincerely trust that those Members of the House and Senate from the various Southern States who have expressed their earnest desire to have this proposition thoroughly investigated, and who are convinced beyond question of its necessity, and who even assert that it is worse than I pictured—I sincerely trust that they will exert every possible effort to have the Federal Trade Commission investigate this question during vacation, in order that they may have before them the facts on which to report when Congress again convenes.

Let me also suggest to the membership of both Houses and to others interested in the welfare of the cotton growers that great benefit can be derived through cooperative marketing of cottonseed. In 1923 a cooperative marketing association went into the market in one locality in Mississippi and purchased a carload of cottonseed, shipped them to an independent oil mill, and sold them. I am reliably informed that they received $20 a ton more than was being offered in the open market in the town where they were purchased on that day. I merely cite this instance to show that the arbitrary rules of Congress, or the attitude of a few of its Members, can not deprive the cotton growers of all relief in this matter.

Through cooperative marketing they can secure a reasonable price for their cottonseed. I hope the Members of both Houses from the cotton States will render every possible assistance to have the cooperative marketing associations throughout the country take up this question and help to save our farmers of the South the many, many millions of dollars which they are losing yearly in the sale of cottonseed.

INTERSTATE TOLL BRIDGE ACROSS THE COLORADO RIVER

Mr. HAYDEN. Mr. Speaker, the President yesterday approved a bill, S. 2489, introduced by Senator SHORTRIDGE, of California, which, as amended by the House, establishes a precedent for legislation granting the consent of Congress to the construction of highway bridges across navigable streams. The bridge in question will cross the Colorado River between Ehrenberg, Ariz., and Blythe, Calif. In the beginning the bill appeared to be nothing more than the usual measure granting permission to build it. Subsequent developments, however, raised an issue which required the adoption of amendments such as have not been heretofore proposed.

I would not take advantage of the privilege granted me in this instance but for the fact that the hearings before a subcommittee of the Committee on Interstate and Foreign Commerce will not be printed. I shall, therefore, insert in the CONGRESSIONAL RECORD the following extracts from the reporters' transcript of the testimony taken on Monday, February 23, 1925, before the subcommittee composed of Hon. EDWARD E. DENISON, Hon. OLGER B. BURTNESS, and Hon. TILMAN B. PARKS:

STATEMENT OF HON. CARL HAYDEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. HAYDEN. Mr. Chairman and gentlemen of the subcommittee, the bill before you is H. R. 12265, introduced by Mr. SWING. Since the introduction of that measure the Senate has passed a bill, S. 2489, introduced by Senator SHORTRIDGE, which is practically identical in its terms; and I take it that the Committee on Interstate and Foreign Commerce will consider and report upon the Senate bill.

Mr. SWING. I will ask to have the Senate bill reported.

Mr. HAYDEN. I have here the only map that I could find handy this morning. It happens to be a map of another route, but it will indicate the location of this bridge.

You will see on the map the city of Phoenix and the city of Los Angeles. The present 7 per cent Federal highway route between Phoenix and San Diego and other points in California is by way of Yuma, crossing the Colorado River there.

There is another 7 per cent Federal-aid highway across northern Arizona, which crosses the river at Topock near Needles. This proposed bridge will be approximately half way between Needles and Yuma, at Blythe, Calif., or Ehrenberg, Ariz.

Mr. BURTNESS. It is almost 200 miles from Needles to Yuma?

Mr. HAYDEN. About 150 miles.

The most direct line between Phoenix and Los Angeles is by the Ehrenberg or Blythe route, being about 70 miles shorter than via Yuma, and much shorter than to go around by way of Needles. So there is no question but that this road will be improved in course of time and there will be need for a bridge at Blythe.

The attitude of the authorities in Arizona is this: We have a State of tremendous area, larger than all of New York and New England combined, inhabited by about 335,000 people, and it is a tremendous burden upon our taxpayers to maintain an extensive road system. We have established, in cooperation with the Bureau of Public Roads, a 7 per cent system of State highways. I have referred this matter to the governor of my State, and his advice is that the existing 7 per cent system be completed before any new highways are constructed.

Mr. PARKS. What do you mean by the 7 per cent system?

Mr. HAYDEN. I am speaking about the system of transcontinental highways approved by the Office of Public Roads and the State Highway Department, upon which all Federal-aid funds must be expended.

At the last general election in Arizona a proposal to issue bonds to the extent of $25,000,000 to pave the road from Phoenix to Ehrenberg was placed upon the ballot by an initiative petition. The people of the State voted on that proposal, and it was defeated by about 40,000 votes against to about 13,000 in its favor. The result shows that the citizens of Arizona are determined to finish the existing highway system before they obligate themselves to any additional road construction.

Mr. PARKS. Is your opposition, Mr. HAYDEN, based upon the fact that if this bridge is built you will not get Federal aid on that road?

Mr. HAYDEN. There is danger that such a complication may occur.

To come to the concrete proposition before us, Mr. John Lyle Harrington, of a very eminent engineering firm, visited Blythe, saw the ferry there, and thought there might be an opportunity for his company to build a bridge. When he first asked me to introduce his bill I referred the matter to the Governor of Arizona and received a reply saying that from the point of view of the State of Arizona it is not necessary to have another bridge across the Colorado River at this time.

My personal opinion about the matter is this: Mr. Harrington represents a well-known bridge-building company. He discovered an opportunity at Blythe, and he is entitled to credit for seeing that a bridge could be built there. He correctly surmised that it would be on a road which ultimately will be the shortest route between the cities of Phoenix and Los Angeles. He realized that some time this road is going to be improved, and therefore a bridge across the Colorado will be necessary. He asks Congress, in the present Senate and House bills, to grant him, as against all other bridge builders in the United States, permission to construct this bridge.

Mr. SWING. There being no other application that we ever knew or ever heard of.

Mr. HAYDEN. Mr. Harrington is entitled to credit, and I give him credit for seeing this opportunity. He should profit by his foresight. I am not objecting to that.

Mr. SWING. The point I make is that there is no competing application from anybody.

Mr. HAYDEN. That is correct. In support of his proposal I have received a number of resolutions and letters from the State of Arizona. I shall read extracts from them which indicate that the purpose of Mr. Harrington—because undoubtedly he furnished the information upon which these resolutions were based—was to build this bridge and then sell it to the States of Arizona and California. Of course, if he builds it, he will use his own material, follow his own designs, make his own profit, and get his own engineering fees out of it. Ultimately he expects to dispose of the bridge to the States of California and Arizona, because he knows that this is the way one of the highways from Phoenix to Los Angeles must go in course of time.

Mr. PARKS. He has to build it under the plans and specifications approved by the War Department?

Mr. HAYDEN. Yes, sir.

Mr. PARKS. Then, if he gets this bill through he will have to sell it to the States of Arizona and California under the terms of this bill?

Mr. HAYDEN. That is it exactly. That is why I think the bill needs amendment.

Here is a resolution passed by the Arizona Good Roads Association at its recent convention in Phoenix:

"Whereas there is an urgent necessity for a bridge across the Colorado River at or in the vicinity of Ehrenberg, Ariz., whereby the States of California and Arizona may be connected by one continuous highway; and

"Whereas the Harrington, Howard & Ash Construction Co., of Kansas City, Mo., has tendered a proposition to the respective States whereby a bridge shall be constructed at a point designated on the Colorado River and the construction thereof to be approved by the United States War Department, *with the respective States or counties adjoining possessing the privilege of taking the bridge over at any time they see fit to do so at a price to be fixed by the War Department;* and

"Whereas the bridge company does covenant that it will charge a toll of not more than $1 per car for each car crossing the bridge; such revenue derived therefrom to go to maintenance, interest charges, overhead in the construction and operation of said bridge, and *that they shall be entitled to the whole revenue thereof until such time as the bridge is purchased by the respective States or counties as aforesaid;* and

"Whereas there is now a ferry in the vicinity of Ehrenberg, Ariz., which charges a toll of $2.50 per car for the transportation across the Colorado River; and

"Whereas the said bridge would be of inestimable value to tourists and commercial intercourse between the aforementioned States and counties and afford a safe, convenient, and rapid means of transportation across the Colorado River; and

"Whereas an act of Congress is necessary to secure the right of buildings the said bridge: Now, therefore, be it

"*Resolved*, That we, the Arizona Good Roads Association, in convention assembled, realizing the benefits which will accrue to the whole State as a result of the construction of the said bridge, give our entire support toward the consummation of the proposed bridge, and to that end instruct our Representatives in Congress to aid in every way the passage of the proposed act granting the right to the proposed construction."

Here is another, adopted by the Junior Chamber of Commerce of Phoenix, Ariz., from which I shall quote in part:

* * * * * * *

"Whereas the Harrington, Howard & Ash Construction Co., of Kansas City, Mo., has tendered a proposition to the respective States whereby a bridge shall be constructed at a point designated on the Colorado River, and the construction thereof to be approved by the United States War Department, *with the respective States or counties adjoining possessing the privilege of taking the bridge over at any time they see fit to do so at a price to be fixed by the War Department;* and

"Whereas the bridge company does covenant that it will charge a toll of not more than $1 per car for each car crossing said bridge, such revenue derived therefrom to go to maintenance, interest charges, overhead in the construction and operation of said bridge, and that *they shall be entitled to the whole revenue thereof until such time as the bridge is purchased by the respective States or counties as aforesaid.*"

* * * * * * *

Then I have a resolution from the Yavapai County Chamber of Commerce, of Prescott, Ariz., the preamble of which contains the following:

* * * * * * *

"Whereas engineers of the War Department have given their approval to this project, it being considered by them as a strategic military route, because of the saving of mileage between the military supply stations at El Paso, Tex., and those at Los Angeles, Calif.; and it is agreed that the design and construction will be under the supervision of the War Department, *with the further understanding that the States or counties joined may take over this bridge, under present laws, at any time they desire to do so, at a price to be fixed by the War Department.*"

* * * * * * *

I also desire to read the following extract from a letter written by Mr. F. S. Viele, president of the Arizona Power Co. and one of the leading business men of Arizona:

"It is our understanding that Mr. Harrington asks permission on his own finances to build a steel bridge across the river at Blythe; tolls at this bridge to be fixed by the War Department and to be about $1 per car; the design and construction to be under the supervision of the War Department; *the States joined to take over the project under present laws at any time they desire to do so, at a price to be fixed by the War Department, which price I assume would be decided upon in advance of permission to build this bridge.*"

The Kiwanis Club of Prescott adopted a resolution which contains this statement:

"Whereas the construction of said bridge is to be without cost to either the States of California or Arizona, or any of the counties thereof, *and subject to purchase by the States upon an arbitrated price at such time as they may desire.*"

It is evidently the intention of Mr. Harrington's company, after it builds this bridge, to sell it to the two States. Therefore, in my opinion, the bill ought to be amended so as to safeguard the States as to the price that is to be paid.

There is the usual form of an amendment which has been added to a number of bills. Here is one granting the consent of Congress to W. D. Comer and Wesley Vandercook to construct a bridge across the Columbia River between Longview, Wash., and Rainier, Oreg., which reads:

"The State of Washington or Oergon, or any political subdivision or subdivisions thereof, may at any time acquire all right, title, and interest in said bridge and the approaches thereto constructed under the authority of this act, for the purpose of maintaining and operating such bridge as a free bridge, by the payment to the owners of the reasonable value thereof, not to exceed in any event the original construction cost thereof: *Provided*, That the said State or political subdivision or subdivisions may operate such bridge as a toll bridge not to exceed five years from date of acquisition thereof, for the purpose of retiring any bonds that may be issued for the purchase of said bridge."

In examining a bill introduced by Mr. DENISON, H. R. 10468, which is a proposed general law covering the construction of bridges across navigable streams, I find that not only does it provide for payment to the owners of the reasonable value of such a bridge, but it further provides that—

"In determining the measure of damages or compensation to be paid for the same, there shall not be included any credit or allowance for good will, going value, or prospective revenues or profits, but the same shall be limited to an amount not exceeding the original construction costs thereof, together with any actual and necessary betterments and improvements, less a reasonable deduction for actual depreciation."

A provision of that kind, it seems to me, ought to be included in this bill for the protection of the States of Arizona and California. I can not see how anyone engaged in the bridge-building business who is seeking an exclusive franchise should object to such an amendment——

Mr. PARKS (interposing). Let me ask you this question: Is there any chance of you and Mr. SWING agreeing about this matter? I mean, have you undertaken to do so? Is there a possibility of your getting together on the matter?

Mr. HAYDEN. Mr. SWING seems to feel that this bill should not be amended in any other than the usual form.

Mr. PARKS. This is not a Federal-aid highway, as I understand?

Mr. SWING. No; it is not.

Mr. HAYDEN. I am convinced that when the present 7 per cent highway system is completed in Arizona, this will be one of the roads that will be taken up and seriously considered with respect to its adoption as a Federal-aid route.

Mr. DENISON. Then, as I understand your position, Mr. HAYDEN, and the position of those whom you represent, it is that you have no objection to the bridge, but you feel that there ought to be a provision in the bill permitting the States to take it over, and in some manner limiting the amount that will have to be paid in case they do take it over?

Mr. HAYDEN. I think that at least such a provision should be included in this bill. I want to state that the governor of my State—and I shall be glad to include in the record letters that I have from him in regard to this matter—feels that the construction of this bridge will immediately start an agitation in Arizona for the improvement of a road to the bridge, because the bridge would be useless without the road. The governor says that our State is now so overburdened with taxes that he does not want to start any new project until the present 7 per cent system is completed.

I am not certain as to just how Mr. Harrington will get the right to collect the toll on the bridge, so far as any action on the part of the State of Arizona is concerned. I have here an opinion from the attorney general of the State, in which he says that there is no law which authorizes any State official to act; and that if toll is collected in a county, the right to do so must be secured from the county authorities. This being a bridge across a navigable stream, it may not be necessary to obtain permission of the county at all.

Mr. SWING. Arizona could pass a law covering that matter, could she not? California has.

Mr. HAYDEN. The governor states that, in the absence of any law, he has referred the entire matter to the State legislature, which is now in session.

Mr. PARKS. Do you mean that your State has no law regulating tolls?

Mr. HAYDEN. None except by the county authorities.

Mr. PARKS. That was the old system.

Mr. HAYDEN. The State has never acted upon that question. We have a county toll road and toll bridge law.

Mr. BURTNESS. I doubt very much whether the State would have any authority to act upon this situation, either by legislation or otherwise. The Federal law gives the Secretary of War the power to control tolls in cases of this sort.

Mr. PARKS. It does not give him the right, though, to fix tolls for crossing a river within a State.

Mr. BURTNESS. This is an interstate bridge. That is the point I am making.

Mr. HAYDEN. I am not informed as to the law and I do not know just what legal difficulties there may be in the way.

I should be glad to have the permission of the committee to insert in the record some letters that I have received from the Governor of Arizona.

Mr. DENISON. You may put them in the record.

PHOENIX, ARIZ., *December 15, 1924.*

Hon. CARL HAYDEN,

House of Representatives, Washington, D. C.

MY DEAR CARL: I have yours of December 10 with reference to application of John Lyle Harrington, of Kansas City, to construct a toll bridge over the Colorado River at Blythe, Calif. I do not favor the proposition. The construction of a bridge would tend to revive the proposition of building the Blythe highway. This I am opposed to until the State can better afford it. Eventually, I suppose, it will be built. I think with what funds we are able to raise we should pave the Yuma highway and complete the construction of our 7 per cent system. We can not afford a Blythe highway bill at the present time, I am, therefore, opposed to the proposition made by Mr. Harrington.

Thanking you for calling the matter to my attention, and with the compliments of the season, I am,

Very sincerely yours, GEO. W. P. HUNT, *Governor.*

PHOENIX, ARIZ., *February 17, 1925.*

Hon. CARL HAYDEN,
House of Representatives, Washington, D. C.

MY DEAR CARL: Confirming my wire to you to-day, I am inclosing copy of a letter from the attorney general's office concerning the Harrington toll bridge proposal.

I have submitted the entire matter to the legislature for consideration.

With kind regards, I am,
Very sincerely yours,

GEO. W. P. HUNT, *Governor.*

DEPARTMENT OF THE ATTORNEY GENERAL,
STATE OF ARIZONA,
Phoenix, February 17, 1925.

Hon. GEORGE W. P. HUNT,
Governor of Arizona, Statehouse, Phoenix.

DEAR SIR: With respect to the request of the Harrington Bridge Co., of Kansas City, for a permit from your office to construct a toll bridge over the Colorado River at a point near Enrenberg, Ariz., we beg to state that we have been unable to discover any authorization in our statutes which will allow your department or any other State agency other than the legislature of the State to grant any such permit or franchise.

Under the provisions of chapter 3, title 50, of the Revised Statutes, 1913, the applicant may apply to the board of supervisors of the county wherein such bridge is to be located for such toll-bridge franchise. Such a franchise granted by the county authorities would, we believe, be sufficient for the purposes of the bridge company without the necessity of legislative enactment.

Yours very truly,

A. R. LYNCH,
Assistant Attorney General.

Mr. HAYDEN. In a subsequent letter to me Governor Hunt said:

"I am definitely opposed to the Blythe highway until our 7 per cent system is constructed, as the State can not extend the burden of taxation in maintaining three roads to the coast. The present cost of maintaining the highways is eating us up, and we must get certain portions of them paid up in order to reduce the burden. My own judgment is that the construction of a bridge at Blythe would give added impetus to the movement of building and paving the road."

I also took up this matter with the California Highway Commission, and received a telegram from its secretary in which he says:

"California Highway Commission has not recommended passage of bill granting consent of Congress to construction of bridge crossing Colorado River at Blythe by John Lyle Harrington. No present intention of paving Mecca-Blythe Road. Intention, however, to give maintenance.

W. F. DIXON,
Secretary California Highway Commission.

Mr. BURTNESS. Mr. Hayden, as I understand it, the present road leading from Phoenix up to this point is rather a poor road.

Mr. HAYDEN. It is just a desert road; unimproved.

Mr. BURTNESS. And the road to San Diego by way of Yuma; is that a well-improved road now?

Mr. HAYDEN. Yes; it is practically complete to Federal aid standards.

Mr. BURTNESS. Is that also true of the road from Phoenix to Needles?

Mr. HAYDEN. A Federal aid highway is contemplated——

Mr. BURTNESS (interposing). But is it a good road? Is it a better road than the one leading up to this point?

Mr. HAYDEN. I think it is. The Federal aid work has not been entirely completed, but will be within the next two years.

Mr. BURTNESS. And, as I understand further, it is the desire of your State authorities not to do any work, to speak of, at any rate, on the road to this point until the present system of Federal aid highways is completed?

Mr. HAYDEN. Exactly so. The only proposal I have heard mentioned is for an expenditure of about $150,000 in improving some hundred miles or more of the road from Wickenburg to Eherenburg, which would be merely temporary work.

Mr. BURTNESS. It would probably take 8 or 10 years, would it not, to finish that work?

Mr. HAYDEN. Mr. MacDonald can tell you better than I can, but my recollection is that it will be about four years before we complete our present 7 per cent highway system in Arizona.

Mr. MACDONALD. I doubt if it will be that long unless there is a cessation of the road work out there, which I do not anticipate. I should think a couple of years would complete it.

Mr. BURTNESS. But the practical situation if this road is built, from the viewpoint of the man that puts his money into a bridge at an early date, would be this, would it not: That he would not get much traffic or much business there until such time as the road is actually improved up to that point from Phoenix, either by the State authorities or the Federal aid highway?

Mr. HAYDEN. I received a telegram from my good friend Dick Wick Hall, who writes for the Saturday Evening Post, and who lives at Salome, "where she danced," in which he says:

"Give the frog a chance; he is 7 years old and can't swim; neither can I. How do you expect us to ever get across the Colorado River if you don't let Harrington build that toll bridge at Blythe? Have a heart, old man, and do something for us poor devils out in the desert. Yours until the frog learns to swim."

To which I replied, "If the frog can not have a pavement to hop on to Blythe, what is the use for a bridge when he gets there?"

I am convinced that the Harrington Bridge Co. realizes that they are not going to have the benefit of a tremendous amount of traffic immediately, nor will they secure a good return on their investment until this road is improved. But they do know that it is in the line of highway development and that when the improvement is undertaken there will be nothing left for the States of Arizona and California to do but to buy the bridge.

Mr. BURTNESS. Then, Mr. HAYDEN, is not that a strong argument against imposing conditions in a bill of this kind such as those you propose? For will it not then leave the private individual, the bridge company, in this position: That they will build a bridge knowing that there will be several years, at any rate, in which they can not possibly get a return upon the investment, and then just as soon as the highway is improved and there is a chance to get a return upon the investment somebody—the public authorities or somebody else—will come along and take the bridge away from them at the original cost of construction, making the fellow who tried to put in a public improvement there hold the bag for all of the loss that has been incurred in the meantime? In other words, it makes the private investor hold the property during the time when it can not possibly yield a return on the investment, and then takes it away from him just as soon as it is in a position to bring a return upon the invested capital. That seems to me to be an unfair provision.

Mr. HAYDEN. I am looking at it from Mr. Harrington's point of view. His company, in competition with other bridge companies, is building bridges. If they secure the exclusive privilege of building this bridge, they will be entitled, of course, to finance the undertaking on a basis whereby there is an engineering fee included in it and a reasonable profit on the cost of the bridge. As soon as the 7 per cent system is completed in Arizona we will have to remove this toll bridge before we can secure any Federal aid on this road.

Mr. BURTNESS. I do not think that is necessarily true.

Mr. HAYDEN. As I understand the law, there can be no Federal aid on a toll road or a toll bridge. So the two States must buy him out.

Mr. BURTNESS. Is it now the law that there can not be a toll bridge upon a Federal-aid highway? That the bridge can not remain there as a toll bridge if it has been built by private capital?

Mr. HAYDEN. Let me ask Mr. MacDonald.

Mr. MACDONALD. That is the way we interpret it as to toll bridges built after the act. We would never interpret the law as being retroactive.

Mr. SWING. What was the vote, Mr. HAYDEN, on the proposal to improve this road in Arizona?

Mr. HAYDEN. 40,372 against it and 13,656 for it.

Mr. SWING. It does not look as though you are going to make a Federal-aid or State-aid road out of it very soon.

Mr. HAYDEN. Not until the present 7 per cent highway system is completed. But one can not fail to realize that between the cities of Phoenix and Los Angeles there is bound to be a tremendous automobile traffic, and if a road can be constructed which is 70 miles shorter between the two cities that road is certain to be built in course of time. I am merely seeking to protect my State, because I know that it will be compelled to aid in the purchase of this bridge. I think that the provision which I have quoted should be in the bill, and I can not see how anyone can possibly object, because it is fair to all concerned.

Mr. BURTNESS. That is a very fair provision in a case where from the time of the building of the bridge up to the time when it is taken over by the public authorities there has been a fair opportunity to get a return on the investment. But when you are confronted with a situation, as seems to be the case here, where it is not reasonable to expect that a return will be obtained in the interim from the capital invested, then it does not seem to me that it is a fair provision; and it also seems to me that with that provision in a law, with conditions of that sort existing, you are not going to get a bridge. I do not see how private capital will possibly invest in a bridge with that sort of provision in the law, unless there is some reasonable prospect of getting a return upon the investment in the meantime.

Mr. HAYDEN. If the bridge is not built, the existing ferryboat across the river will be maintained.

Mr. BURTNESS. But you can use it only a few months out of the year.

Mr. HAYDEN. It is used all the year.

Mr. SWING. No; it is not used all the year.

Mr. HAYDEN. There is no ford across the Colorado at Blythe.

Mr. SWING. No; there is no ford across. The ferry is interrupted at extreme low water and extreme high water.

Mr. PARKS. The people who are proposing to build this bridge are citizens of what State?

Mr. HAYDEN. The headquarters of the Harrington Co. is in Kansas City, Mo.

Mr. PARKS. How would you go about condemning that bridge? Would you bring suit in the Federal court to condemn it and take it over? If they were not citizens of either one of those States, you could not proceed either in California or in Arizona to condemn it and take it over, could you?

Mr. HAYDEN. I have prepared an amendment to cover that (reading):

"That the States of Arizona and California may at any time, by agreement with the owner or by condemnation according to the laws of the said States, acquire all right, title, and interest in said bridge and approaches thereto for the purpose of maintaining and operating such bridge as a free bridge, upon the payment to the owner of the reasonable value thereof."

Then I would add the conditions which I have mentioned.

Mr. PARKS. Would that be necessary? If you say that it shall be condemned under the laws of the State, the amount of compensation to be paid to him would be governed by the laws of the State. Why stipulate how much he should be paid, if you are going to condemn it under the laws of either one of those States?

Mr. HAYDEN. I desire to dispose of the questions of prospective profits, good will, and such other intangible values.

Mr. PARKS. That would all come under the laws of the State?

Mr. HAYDEN. I want the terms made perfectly certain, because I am convinced that the only purpose that Mr. Harrington has in building this bridge is to sell it to the two States.

Mr. DENISON. Have you completed your statement, Mr. HAYDEN?

Mr. HAYDEN. Yes.

Mr. BURTNESS. I want to ask one further question. After all is not the danger of demanding too much money for the bridge at the time the sale comes about, especially with reference to an interstate bridge built since the general bridge law was enacted—is not that more or less of a bugaboo, when you take into consideration, first, the fact that the War Department has the power to control tolls, and that under that power tolls are not going to be permitted that will yield more than a fair return; second, that this is an interstate bridge, so there is no question as to the validity or constitutionality of the act fixing tolls in War Department; and, third, we have the proposition that even though there is a bridge there it is the policy of Congress, as I understand it, always to grant to municipalities and to States the power and the right to build bridges, even if one is already near by? So does not the question amount to this, that the owners of these bridges practically have to sell them to the municipalities or to the States for a reasonable value?

Mr. SWING. Absolutely.

Mr. BURTNESS. Because, if they do not do that, they can simply come in here and build a bridge alongside of this one. Is not that practically the situation?

Mr. HAYDEN. I do not know what has happened elsewhere. I do not know whether or not paralleling bridges have actually been built. I am merely trying to protect the taxpayers of my State by placing a restriction in this bill which seems to me to be perfectly reasonable.

Mr. BURTNESS. As I say, it is reasonable in many cases; but I do not see that it is reasonable where there is not any immediate prospect of business that will bring a return. That is the only objection I have to it, and I think that is the only objection to the general provisions of the bill which has been introduced by Mr. DENISON. I doubt its advisability.

Mr. SWING. May I ask Mr. HAYDEN this question: You know the physical situation there. I think Mr. BURTNESS has correctly stated the law. There is no such thing as an exclusive right to build a bridge except on the very ground occupied by the bridge. Now, it might be that in some instances there would be just one place where a bridge could be built because of the physical conditions; and therefore, by the granting of a permit under the peculiar physical conditions it might amount to an exclusive proposition. But you know that here, across from Blythe, there is no one place that is very much different from any other place. It is just about as difficult, or just about as easy, to build a bridge in one place as another. So if this person should try to make an exorbitant charge, as Mr. BURTNESS has pointed out, there being nothing in the law and nothing physically to prevent it, the State of Arizona or the State of California or the counties or any other individual could get permission to build another bridge within half a mile or a quarter of a mile of this bridge. Is not that so?

Mr. HAYDEN. That may all be true; but I am merely stating the situation as it appears to me. The evident purpose of this company is to sell the bridge to the States of Arizona and California. That being so, it seems to me that, as suggested by Mr. Francis Viele, of Prescott, there should be an understanding in advance as to the terms on which it is to be purchased.

Mr. PARKS. Mr. HAYDEN, I do not know, as between these two States, what the Federal courts would hold about building a free bridge by the side of a toll bridge; but in more than three States the courts have held that when the State gives the right to build a bridge across a navigable stream by the side of a toll bridge or a toll road, the State can not then grant the right to build a free bridge by the side of the toll bridge, because it would be confiscating property.

Mr. HAYDEN. That seems to be good law and good logic.

Mr. SWING. If the State has power to grant a franchise, of course, it has the power to protect itself.

Mr. HAYDEN. Inasmuch as this is a navigable stream, and the boundary between two States, I am convinced that Congress should provide in this act granting its consent the terms under which the bridge may be taken over by the States.

STATEMENT OF MR. THOMAS H. M'DONALD, CHIEF OF THE BUREAU OF PUBLIC ROADS, DEPARTMENT OF AGRICULTURE

Mr. MACDONALD. Mr. Chairman and members of the committee, what I have to say on this particular bill will be directed more or less toward the general proposition of toll bridges on the public highways.

I brought in this Federal-aid road map, which gives a somewhat better idea, perhaps, of the situation in this particular locality.

At this point [indicating] is Phoenix. The road, as has been stated, from Phoenix, through Yuma, to San Diego is already well improved. In fact, they celebrated the closing of the gap this last week, I believe. Is not that right, Mr. SWING?

Mr. SWING. The 27th?

Mr. MACDONALD. The 27th.

You gentlemen know the energetic spirit of Los Angeles very well. Los Angeles does not have a direct road from the east, and she intends to have one. That, in my judgment, is as fixed a proposition as that the sun will rise to-morrow. It is a question of the next few years. The road will be put through from Phoenix to Los Angeles, I anticipate, with the next installment of the Federal-aid highway system roads that are added to the system in Arizona.

Mr. BURTNESS. Does the California system now include a road to somewhere near this point?

Mr. MACDONALD. No, sir; the Federal-aid system does not, but there is a State highway. And I may say also, replying to one of the questions you asked about the road through Needles, there is now an agitation for the revision of the roads in the vicinity of Needles, so that a more direct line will be brought from Salt Lake City over the Arrowhead Trail into Barstow. Las Vegas, Nev., is at this point [indicating]. The present tourist traffic goes south to the vicinity of Goffs, and then runs west to Barstow. We have been making a study with the Nevada, Arizona, and California people with the idea of decreasing the distance between Salt Lake City and Los Angeles by some 70 miles by cutting off through this region somewhere [indicating].

Mr. HAYDEN. The construction of a road via Blythe would also cut off about 70 miles between Phoenix and Los Angeles.

Mr. MACDONALD. Yes. The distances are all so big that a slight revision of routes may mean a saving of long mileages.

Mr. PARKS. Where does your road come from the east to Phoenix?

Mr. MACDONALD. There are two roads coming into Phoenix; the road that runs up from the border [indicating], and this other road [indicating].

I appreciate the opportunity to appear before some of the members of the committee, as this is the first opportunity we have had, really, to get our ideas before you, except as individual members or by written reports. I wish to say that we are not opposed to toll bridges built and operated by private companies, assuming that they can not be financed from public funds. We are not opposed to the building of these utilities. But we do see, particularly in the West, that the building of roads through State and Federal funds is creating valuable properties by bringing traffic to strategic points along the rivers. There has been and there is now a movement, we may say an accelerated movement, toward the securing of these bridge franchises. I think perhaps there have been more bridge bills before this session of Congress than any session before; and the only thought that we have in mind is that if a franchise is granted to a private company or corporation or individual, the annual value of that franchise should be fixed at the fair maintenance cost of the structure plus a fair return on the original investment, and plus an amount not greater than the amount necessary to amortize the bonds or the original cost over a period of anywhere from 15 to 30 years, as the committee may see fit. That is, we approach this matter in all fairness to the individual who is going to put his money into the operation, but we wish to have the terms fixed so definitely there will not be the incentive to use a great deal of political or other influence later in attempting to fix the value of the franchise or any structure built under its terms.

It might seem that competition, as has been suggested, or the right of the people to go ahead and build another bridge, would be ample protection to the public; but it is not. I am speaking from the practical side rather than from the theoretical aspects.

The Havre de Grace Bridge, on the Maryland State road system, was originally built and owned by a railroad company. When the railroad built a new bridge alongside it would have necessitated their removal of the old bridge had they not been able to get it off their hands. They sold the bridge for $1 to a company who took it off their hands. That company capitalized the bridge at $100,000. It has since increased the capitalization nine different times. The State has finally taken over the bridge, and are paying it out with the tolls collected.

The State paid in the neighborhood of half a million dollars for the bridge, which was taken over as a highway bridge at $1. The exact figure is $585,000.

Mr. BURTNESS. Had the betterments to the bridge in the meantime been substantial?

Mr. MACDONALD. No. The bridge was well built in the first place. They have had to build and to maintain the floor, which has been an expensive proposition, but the bridge was well built. It was a railroad bridge originally.

Mr. PARKS. Suppose there is a Federal-aid road running from Phoenix to Los Angeles, and this bridge can be authorized 50 miles down, although there is no Federal-aid road there, by building a 50-mile stretch from the old road down to this bridge, do you not think the Government ought to take some means of protecting the States and the traveling public?

Mr. MACDONALD. Yes, indeed. I have had a number of conferences with Congressman DENISON on that subject, and our ideas are well expressed in the bill which he has proposed. I have also attempted to get the Roads Committee of the House to take up this matter from the standpoint of the Federal-aid allotments.

Unless there is some protection that fixes the limit of cost that the public is to pay, there are always brought to bear adverse influences against the public taking over a toll bridge if it is profitable. The people of the communities of Omaha and Council Bluffs for many years have attempted to get a free bridge between the two cities. The toll bridge there is a very profitable investment.

Mr. PARKS. They are all profitable now.

Mr. MACDONALD. Remarkably so; they are becoming so. In that particular case the elections in the cities may turn on the question of whether there is to be a free bridge or not. It has been brought up a number of times as a political question, and the fight has been on that particular subject.

I think, Mr. Chairman, this gives in a general way our ideas. In this particular instance there is no question about the ability of Mr. Harrington to design and build a bridge. I believe that the plans ought to be passed on by the highway departments of the State as well as by the War Department. The War Department does not concern itself with roadway service to the public; it concerns itself only with the question of whether or not the bridge will interfere with navigation. So I believe that, generally speaking, the State highway departments ought to pass on the plans.

If this bridge is built, it will be financed by local parties. Mr. Harrington will not finance the bridge. I am saying that, I think, advisedly. It would be a strange thing if he did. If this franchise is granted, a company will be formed and the people who are particularly interested in the development of this territory will put their money into it. I think these gentlemen from the West will excuse me if I say that one of the biggest occupations that they have in that particular region is developing the territory, and they are willing to invest largely on its future. So the money will come from the community as individuals.

Mr. SWING. And probably from communities in my district, and not in Mr. HAYDEN'S district, because there are not any along that road; is not that true, Doctor?

Mr. MACDONALD. I think so; yes.

Mr. HAYDEN. I have no doubt but that there will be some stock offered for sale in Phoenix to promote the construction of this bridge.

Mr. DENISON. Mr. MacDonald, will you state just what the present law is governing the expenditure of the Federal-aid money?

Mr. MACDONALD. There are two sections in the Federal highway act and its amendments that deal with this question. The act states specifically that the roads built in part with Federal aid shall be free from tolls. In another section it defines bridges as a part of the road; that is, we have the measure self-contained, and we are tied up to its observance in the best way that we can. It has placed us in an embarrassing position. It is a difficult requirement to administer. I may say that this particular requirement of the act can not be administered as stated, and certainly can not be administered for the greatest benefit of the public, because we are not opposed to the building of toll bridges where that is the only way to finance them.

I think our position may be summed up by saying that we would like to have all the elements of guess—the intangibles—taken out of the situation and fair value defined, which will include in every instance the fair cost of the bridge, plus its maintenance, plus a fair rate on the investment.

I may say right along that line that to the average man not concerned with building bridges perhaps there might seem to be a greater element of hazard in an investment in a bridge than in an apartment house, for example. It is my judgment that an investment in a bridge on one of these main-line highways, or one of these highways that will become a main-line highway, is much safer and much surer than an investment in the average apartment house or a business block. Modern engineering leaves very little in the way of hazard as to the possible destruction of a bridge. They can be built now so that there is small hazard, and the traffic is developing at such a tremendous rate that it is a cumulative proposition. For example, in this particular instance we have Phoenix, the largest city of Arizona, and Los Angeles, with over a million people now, I believe, and the proposed location is on the direct line between.

If there are any other questions, I should be glad to answer them.

Mr. DENISON. Is it your judgment that with a bridge constructed at Blythe there will be a short cut across there, with an improved road?

Mr. MACDONALD. Yes; I should say that it was a certainty, Mr. Chairman. If I may take the committee's time with a little illustration, I was being shaved in Phoenix a little while ago by a darky barber, and I asked him, "How is business?" He said, "Business is kind of slow, but pretty soon we are going to build a bridge and a road out here to Los Angeles, and all those fellows are coming over here to spend their money, and business will be good then."

So even the darky barbers were talking about the imminency of this road that we are talking about.

I do not think there is any question about that road being built.

Mr. DENISON. From that barber's point of view, it would be a good thing for Phoenix to have this bridge put in there?

Mr. MACDONALD. Yes. They have good propaganda, I think.

Mr. SWING. Doctor, you do not mean to say that you expect to be spending Federal money on that road within two years, do you?

Mr. MACDONALD. I think not in two years; but this bridge will not be built in two years. I expect that we will be spending Federal money on that road as soon as the bridge is built.

Mr. SWING. But suppose the bridge is not built; how soon do you expect to be spending money on that road? You have this thing in your mind now. How soon do you expect to be spending money on that road, particularly in view of the last election in Arizona?

Mr. MACDONALD. I think we may add more roads to the system in California within the next year, and I anticipate that that may be one of the roads. Of course, we rarely start in to build a whole road at once. We start the construction and it goes along for a period. But I should say that in a period of five or six years that road will be a completed road.

Mr. SWING. That was the exact point that I wanted to bring out. Now, you are acquainted with the physical situation at Blythe, are you?

Mr. MACDONALD. Yes, sir.

Mr. SWING. There is no one place there, exclusive of others, that is suitable for the building of a bridge, is there? The physical situation is just as good in one place as it is in another, is it not, as long as some one will build the approaches?

Mr. MACDONALD. Yes, sir; I think that is true.

Mr. SWING. So that if this person tried to charge many times the cost of the bridge, and could build it for a dollar, there is no chance of his making half a million dollars out of it, because within a hundred yards or a quarter of a mile on either side there are just as good sites, dozens of them, on which a bridge could be built?

Mr. MACDONALD. No; I do not think that has anything to do with it.

Mr. SWING. I am talking about the physical situation. That is true of the physical situation, is it not?

Mr. MACDONALD. Mr. Chairman, that rather places the testimony over on the wrong side. The situation is this: West of the Mississippi River—well, I will say all over the country, for that matter—but west of the Mississippi River the demand for highways is so tremendous that it is very hard to visualize it without close contact for a considerable length of time. It requires a tremendous amount of money. It would be quite possible, if this bridge were built at Blythe and the roads built to connect with it, for the owners, if, as likely, it were a highly profitable investment, to hold it in service under private ownership for an indefinite length of time. If it is profitable enough to justify expenditures in an adverse way in propaganda against the public taking over the bridge, or in any way, whether we say it is right or wrong—it is possible to defeat the will of the public, because the demand for money in that section for building roads and bridges is so tremendous. A little adverse sentiment will prevent expenditures to duplicate an existing utility while there are so many other projects with vigorous support waiting for funds.

Mr. SWING. I am talking about before you pave the road. You are not going to grant Federal aid on a road leading up to a toll bridge

which you can not buy before you pave the road, when it is open to you to negotiate for it in advance and either build the paved road to the existing bridge or build a new one a quarter of a mile north of it or south of it?

Mr. MACDONALD. No, sir; because of this very fact that I have brought out, of public sentiment and good business. I could not appear before a committee of Congress and say that we had done the proper thing if we built up to an open position on that river if a good bridge was already existing in another location. We have to justify the investment of public funds.

Mr. SWING. If he was trying to charge more than it was worth?

Mr. MACDONALD. But I can see no reason for not making the terms absolutely certain.

Mr. SWING. I am taken by surprise by Doctor MacDonald coming here for the department and advocating an amendment when his department, through the Secretary, had passed upon the matter and I had supposed that Mr. MacDonald also had had the opportunity to pass upon it and no amendment had been heretofore proposed. The recommendation of the department is before the chairman of the committee.

Mr. PARKS. I do not understand that Mr. MacDonald is making any recommendation. He is merely answering a question.

Mr. SWING. If it is understood that way, then I respectfully refer you to the department's formal recommendation. This bill has been before two departments twice. The United States Senator who introduced it secured a favorable report, and I think that no one has previously suggested any amendments. It has passed the Senate. It is here, and I am taken by surprise, within nine days before the closing of this Congress that a bill of this importance to my community should be met with a proposition now to amend it in an important particular which may affect the ability to finance it and which may also result in its being sent back to conference, where it may be lost in the closing hours of Congress.

Now, as far as I am concerned, I only say this: I ask to be treated in this matter like any other Member of Congresss who has a bridge bill pending before this committee. You have passed a great many of them, and you have never put upon a single bill for a bridge which is not on a Federal-aid road any such amendment as is here proposed. I am being picked out for the first time in connection with a proposal to place this proposed amendment upon a bridge on a road where there is no Federal aid.

Mr. BURTNESS. That may be correct, but I doubt whether it is. Amendments similar to the one you have here have been put on some bills providing for bridges that were not on Federal-aid highways, but I think this at least is true, that they were on some connecting link or something of that sort.

Mr. PARKS. It has been done with the consent of the author.

Mr. SWING. I have only taken the word of the clerk of the committee.

Assuming that this is a different situation, that the facts here develop an entirely different situation from that presented in connection with any other bridge, then I say this, that if you are going to put an amendment on this bill, put the amendment on it that you have been putting on other bills. You have one that I understand has been used right along. I prefer to have no amendment, but if you have to have one, have the one you have put on other bills reported, and I will consider that I have been treated the same as other people.

Mr. HAYDEN. I would like to make a very brief statement in conclusion.

You have under consideration a particular situation which is typical of what is taking place all over the United States by reason of the large appropriations for Federal aid and the similar State appropriations used in the construction of a system of improved roads. Wise and astute business men engaged in the bridge-building business are seeking strategic locations in order that their companies may have the profits from building bridges and selling them to the States when the appropriate time comes.

I must urge upon you that under such circumstances this bill be amended to take care of that situation, and merely because it has not been done before is no reason why it should not be done now.

You have the testimony of the Chief of the Office of Public Roads that proper safeguards are necessary. I insist that Congress act now, at this time. I shall be perfectly willing to approve of any amendment to this bill that the committee and the Chief of the Office of Public Roads may agree upon, because I know that he understands the situation. Without it I can not, in justice to the taxpayers of my State, consent to the passage of the bill.

Mr. BURTNESS. Do you think the bridge will be built by the next two or three years if the proposed amendment is put on?

Mr. HAYDEN. Certainly, when one is aware of the thousands of people that are traveling by automobiles to southern California every year from all other sections of the United States. When the travelers come to a place where they must cross a river they are bound to pay the toll. Later when we improve this road the two States will have to pay for the bridge. I want the conditions of that purchase to be fixed in this legislation; that is all that I ask.

Mr. SWING. The only statement I have heard as to how soon this road is going to be improved is that contained in the information I have just received from Mr. MacDonald. I am sure Mr. Harrington had no advance tips. The only thing we knew was that it was overwhelmingly turned down by the State of Arizona, and the most optimistic report was that it will be finished in five or six years. That leaves the bridge company for that period of time with an unimproved road upon its hands.

The only thing I am concerned about is that you permit this community to have a chance to get this improvement made at private expense, and not have this committee and Congress now throw a hindrance in the way of their giving their own development support.

If you are going to make a change of policy, it is wrong to make the change nine days before Congress adjourns, after you have been following a certain policy all through the session. If you are going to make it, make it at the next session of Congress.

Mr. BURTNESS. Of course, Mr. SWING, these people are rather late in coming in here with their bill. This bill was not introduced until February 12, so the fault is not with the committee or with Congress when it is introduced just a few days before the close of the session.

Mr. SWING. I am charged with knowledge of what the policy of this committee was up to the present time. I have had no notice of a change of policy on the part of the committee and assume that none will be made.

Mr. DENISON. That will close the hearings.

Whereupon, at 10.57 a. m., the subcommittee adjourned.

The bill, as finally enacted into law, reads as follows:

An act (S. 4289) authorizing the construction of a bridge across the Colorado River near Blythe, Calif.

Be it enacted, etc., That the consent of Congress is hereby granted to John Lyle Harrington, or his assigns, to construct, maintain, and operate a bridge and approaches thereto across the Colorado River, at a point suitable to the interests of navigation, near the city of Blythe, Calif., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That the location, design, plans, and specifications for said bridge shall first be submitted to and approved by the highway departments of the States of Arizona and California as being safe and sufficient from the standpoint of the traffic which will pass thereover.

SEC. 2. The States of Arizona and California, or either thereof, or any political subdivision or divisions thereof, may jointly or severally, at any time after five years from the completion of said bridge, take over and acquire the complete ownership thereof at a price to be mutually agreed upon by the owner thereof and such State or States or subdivision or divisions thereof, or at a price to be determined by condemnation proceedings in accordance with the general laws of the State of Arizona or the State of California governing the acquisition of private property for public purposes by condemnation, or at a price to be fixed by such other method as may be provided by law: *Provided*, That if such bridge shall be acquired by the said States or either thereof, or by any political or other subdivision or divisions thereof, by condemnation or other legal proceedings in accordance with the general laws governing the acquisition of private property for public purposes, in determining the measure of damages or compensation to be paid for the same there shall not be included any credit or allowance for good will, going value or prospective revenues or profits, but the same shall be limited to an amount not exceeding the cost of constructing such bridge and approaches thereto, including interest and other charges incidental to any necessary loans made in connection with financing such construction, engineering services, necessary contingent expenses, actual and necessary betterments and improvements, less a reasonable deduction for actual depreciation: *Provided further*, That if such bridge shall be acquired or taken over by the States of Arizona and California, or either of them, or by any political subdivision or divisions thereof, in accordance with the provisions of this act, the same may be operated by such State or States or political subdivision or divisions thereof as a toll bridge for a period of not to exceed five years from the date of the acquisition thereof, after which time it shall be and remain a free bridge.

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

RÉSUMÉ OF WORK OF COMMITTEE ON INDIAN AFFAIRS

Mr. SNYDER. Mr. Speaker and gentlemen of the House, under leave to extend my remarks in the RECORD I desire to bring to the attention of the Congress and of the people of this country the large amount of constructive legislation which the Committee on Indian Affairs of the House of Representatives has acted upon during the Sixty-eighth Congress. I am justly proud of the work of this committee, and the Congress and the country should be congratulated upon the work which it has accomplished. Further, I take this opportunity to thank each and every one of its members for assisting in bringing

about a record which has never before been equaled by any Indian Committee of Congress.

This committee, composed of 22 members from all sections of the country, has labored diligently during the entire Congress, having met on 63 days and in addition to this subcommittees having held hearings on 38 bills. It may be interesting to know some of the large matters affected by the action of this Congress.

Perhaps one of the leading bills enacted into law during this session, and which is a recognition that all native Indians should have long ago received, is the law which throws down the bars which have prevented approximately 125,000 Indians from becoming citizens and allows them to now enjoy full citizenship in this great country. This is a most constructive measure and is so recognized both by the Indians and the whites of the United States.

The so-called "San Carlos bill" became a law, authorizing an appropriation of $5,500,000 for the construction of the San Carlos irrigation project, giving much needed relief to the Pima Indians of Arizona.

The Pueblo Indian land bill, a most complex matter, which caused a very disturbing controversy, was enacted into law. Extensive hearings were held, and the measure was agreed upon by all interested parties, and thus the Indians' rights were amply protected.

For many years the various Indians of the country have endeavored to secure permission to settle their differences with the United States by submission of their claims to the Court of Claims. During this Congress your committee investigated this matter very carefully and recommended to the House that 19 of these tribes be given jurisdiction to present their claims. Fifteen of these bills became laws and the other four were not agreed to in conference or failed of passage in the last few days of the Congress. This action will eliminate many of the controversial claims against the Government, and at the same time your committee has been most careful to safeguard the interests of the Government.

Other bills of equal importance to the Indians have become laws. A brief summary may be interesting at this time. There were 95 Indian laws enacted in the Sixty-eighth Congress.

To illustrate the importance of the work accomplished, I present the following list of bills, which became laws, so that the Congress and the people of the country may know exactly what has been done in the Sixty-eighth Congress regarding Indian legislation.

Jurisdictional bills passed by both Houses of Congress and became laws:

H. R. 694. Saginaw, Swan Creek, and Black River Chippewas.
H. R. 731. Wichita and affiliated bands.
H. R. 2694. Washington Indians.
H. R. 3444. Montana Indians.
H. R. 3913. Delaware Indians.
H. R. 4275. Ponca Indians.
H. R. 4475. Cherokee Indians.
H. R. 5325. Choctaw and Chickasaw Indians.
H. R. 5799. Seminole Indians.
H. R. 7913. Creek Indians.
H. R. 8493. Stockbridge Indians.
H. R. 8545. Yankton Band of Santee Sioux Indians.
H. R. 9062. Kansas or Kaw Tribe of Indians.
H. R. 9160. Certain Washington Indians.
S. 4031. California Indians.

The following bills passed both Houses and became laws:

H. R. 25. Per capita payment of $50 to Chippewa Indians.
H. R. 26. Compensate Chippewa Indians.
H. R. 27. Compensate Chippewa Indians.
H. R. 185. Chippewa per capita payment of $100.
H. R. 192. Providing for a girls' dormitory, Lapwai Indian Sanatorium.
H. R. 472. Deposit certain funds to the credit of Navajo Tribe.
H. R. 1414. Pay certain taxes to Stevens and Ferry Counties, Wash.
H. R. 1629. Removal of restrictions on allotment of Isaac Jack.
H. R. 2258. Relief of James J. McAllister.
H. R. 2812. Authorizing Secretary of the Interior to sell certain lands.
H. R. 2875. Addition of names of certain persons to roll of Flatheads.
H. R. 2876. Payment of claims for back annuities, Chippewa Indians.
H. R. 2877. Reserve certain lands for Indians of Zia Pueblo.
H. R. 2878. Authorize sale of lands allotted under Moses agreement.
H. R. 2879. Disposition of homestead allotments of deceased allottees, Blackfeet Reservation.
H. R. 2881. Compensate three Comanche Indians.
H. R. 2882. Reserve certain lands in Utah for a school site, Ute Indians.
H. R. 2883. Validate certain allotments, Lac Courte Oreille Reservation.
H. R. 2884. Extend restrictions against alienation of homestead allotments, Kansas or Kaw Indians.
H. R. 2977. Relief of H. E. Kuca and V. J. Koupal.
H. R. 3387. Relief of purchasers of certain lots at Sanish, N. Dak.
H. R. 3684. Enroll and allot members of Lac du Flambeau Indians.
H. R. 3800. Cancel allotment made to Mary Crane.
H. R. 3852. Final disposition of affairs of Eastern Band of Cherokees.
H. R. 3900. Cancel two allotments made to Richard Bell.
H. R. 4117. Construction of road in Fort Apache Reservation, Ariz.
H. R. 4161. Secure rights of way for drainage ditch, Lake Andes.
H. R. 4460. Pay certain Red Lake Indians for garden plats surrendered.
H. R. 4461. Pay certain claims against Chippewa Indians.
H. R. 4462. Payment of Choctaw and Chickasaw townsite fund.
H. R. 4803. Sale of lands and plants not needed for administrative purposes.
H. R. 4804. Allotment of certain lands, Fort Yuma Reservation, Ariz.
H. R. 4818. Perfect title of purchasers of Indian lands.
H. R. 4835. Pay tuition of Indian children in public schools.
H. R. 5416. Set aside certain land, Quinaueit Reservation, for lighthouse.
H. R. 5726. Modifying Osage fund restrictions.
H. R. 6298. Permitting leasing of unallotted lands for oil and gas purposes.
H. R. 6328. Relief of Charles F. Pierce, Frank T. Mann, and Mollie Gaither.
H. R. 6355. Making all Indians citizens.
H. R. 6483. Amending Osage act of June 28, 1906.
H. R. 6490. Relief of dispossessed allotted Indians, Nisqually Reservation.
H. R. 6541. Disposal of unallotted lands, Omaha Reservation.
H. R. 6857. Relief of Chester Calf and Crooked Nose Woman.
H. R. 6864. Use of Indian lands for Minidoka irrigation project.
H. R. 7077. Amending appropriation act of 1914.
H. R. 7239. Pay certain claims to various Pottawatomi Indians.
H. R. 7249. Relief of F. J. Kramer.
H. R. 7400. Investigate claims of certain Sioux Indians.
H. R. 7453. Amending act of March 3, 1909.
H. R. 8086. Amending act of August 1, 1914.
H. R. 8965. Relief of Omaha Indians.
H. R. 10025. Permanent withdrawal of certain lands, Walker River Reservation.
H. R. 11358. Cancel restricted fee patents on Winnebago Reservation.
H. R. 11360. Withdraw 40-acre tract for Navajo Indians.
H. R. 11361. Exchange Government and private lands, Navajo Reservation.
H. R. 11362. Purchase certain lots in Cedar City, Utah, for Piutes.
H. R. 12156. Extending time for repayment of Crow revolving fund.
House joint resolution for investigation of administration of Indian affairs in the State of Oklahoma.
House joint resolution authorizing expenditure of Fort Peck 4 per cent fund.
S. 877. Exchange of lands, Walpai Reservation, Ariz.
S. 966. Construction of the San Carlos irrigation project, Arizona.
S. 369. Amending act for the relief of Indian occupying railroad lands.
S. 1237. Relief of settlers on lands, L'Anse and Vieux Desert Reservation.
S. 1203. Amending Newlands reclamation project act.
S. 1308. Purchase tract of land for Temoak Band of homeless Indians.
S. 1309. Relief of settlers of certain lands in Pyramid Lake Reservation.
S. 1665. Pay one-half cost of bridge across San Juan River, N. Mex.
S. 1703. Relief of J. G. Seupelt.
S. 1705. Relief of the heirs of Ko-mo-dal-kiah.
S. 1707. Purchase lands for Clallam Indians.
S. 1897. Relief of Mrs. Benjamin Gauthier.
S. 2159. Maintenance of Gallup-Durango Highway, Navajo Reservation.
S. 2526. Relief of James F. Rowell.
S. 2798. Authorizing leasing for mining of lands, Kaw Reservation.
S. 2799. Quarters, fuel, and light for employees Indian field service.
S. 2932. Quiet title to lands within the Pueblo land grants.
S. 3036. Amending laws relating to timber operations, Menominee Reservation.
S. 3247. Relief of Jacob Crew.
S. 4014. Amending law relating per capita cost of Indian schools.
S. 4015. Sell certain lands to the city of Los Angeles.
S. 4367. Extend time for payment on homestead entries, Fort Peck Reservation, Mont.

CHARGES AGAINST INDIAN BUREAU—COMMISSIONER CHARLES H. BURKE VINDICATED

Mr. WILLIAMSON. Mr. Speaker, on December 10, 1924, in addressing the House, I made the following statement:

Yesterday, under leave to extend, the gentleman from Oklahoma [Mr. HOWARD] inserted in the RECORD a letter written him by one Hugh Murphy, grossly maligning the Hon. Charles H. Burke, Commissioner of Indian Affairs. There follows a long statement purporting to have been made by this man Murphy.

The Committee on Indian Affairs has been authorized to investigate the administration of Indian affairs in Oklahoma among the Five Civilized Tribes. My judgment is that when this investigation is completed you will find that the crooks in connection with the matter referred to in the statement will be found outside of the Indian Office and not within it.

Mr. Chairman, I would like to ask the Clerk to read a very short letter.

The Clerk read as follows:

DECEMBER 10, 1924.

Hon. HOMER P. SNYDER,
Chairman Committee on Indian Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. SNYDER: I notice in the CONGRESSIONAL RECORD of yesterday that this office is charged, through a Member of the House of Representatives, with maladministration of Indian affairs in Oklahoma. Having been warned that we would be attacked if we continued to insist upon the enactment of legislation, now pending, with a view of stopping graft by dishonest attorneys and others who have defrauded Indians, and in many instances Indian children, I assume that these charges are carrying out the threat.

There should be an immediate investigation, and as your committee is clothed with full authority to investigate, I most respectfully and earnestly request not only an investigation of these charges but of every phase of the conduct and administration of this office during my incumbency as commissioner. Fortunately sufficient authority is given your committee, under the resolution adopted by the House of Representatives on June 4, 1924, to make the investigation that I urge you to make. I ask that the one purporting to be the author of the charges filed and the witnesses he names be immediately called before the committee.

Very respectfully,

CHAS. H. BURKE, *Commissioner.*

During the month of January a subcommittee of the Committee on Indian Affairs of the House held protracted hearings and investigated the charges against Commissioner Burke, in response to his request that an investigation be made. Every opportunity was afforded those making these charges to prove their case. A careful examination of the testimony utterly fails to disclose anything that reflects either upon the integrity or ability of the commissioner. On the other hand, the evidence clearly discloses that the commissioner was both diligent and alert in protecting the rights of the Indians. It discloses further that the crooks, who are clearly shown to be outside the Indian Bureau, caused the charges to be made in the hope of preventing the commissioner from further interfering with their looting of certain Indians in Oklahoma. As long as Mr. Burke remains in his present position those who expect to profit at the expense of the Indians may expect rough going.

The commissioner has courage of a high order and may be expected to fight graft or overreaching at any personal expense to himself.

On February 19, 1925, the chairman of the committee submitted a report signed by him and four other members of the subcommittee of seven. This report clearly confirms what I have just said. The charges against the commissioner were directed to the manner in which the estates of certain restricted Indians, members of the Five Civilized Tribes, were handled, and are limited to the cases of Richmond Bruner, Martha and Saber Jackson, and Jackson Barnett, all full-blood Creek Indians. The report of the committee in discussing these cases, under the names of the respective parties, contains the following:

RICHMOND BRUNER

As to the charges against the commissioner with reference to Richmond Bruner, the evidence fails to sustain any of the charges, but, on the contrary, by the testimony and the files of the Interior Department it is clearly demonstrated that the officials of the Interior Department and the Indian Bureau, including the commissioner, acted properly, speedily, and with a view to the protection of the restricted funds in the custody of the department for the protection of the heirs of Richmond Bruner. As soon as it was determined that Jane Bruner was the sole heir the money was paid over as directed by the proper court.

MARTHA AND SABER JACKSON

That in every detail pertaining to the Faber and Martha Jackson cases, the Secretary of the Interior and other departmental officials, including the Commissioner of Indian Affairs and other officials and employees of the Indian Bureau, acted diligently and only with a view to protect Saber and Martha Jackson in their estates, and that there is no evidence whatsoever of neglect or maladministration on the part of any of the officials before referred to.

JACKSON BARNETT

The evidence clearly established that the Secretary of the Interior and other officials of the Interior Department, including the Commissioner of Indian Affairs and other officials and employees of that bureau, in approving the request of Jackson Barnett for the distribution of $1,100,000 of his estate, acted in all matters assuming that they had the legal right and that morally and equitably they could allow Jackson Barnett to make such a distribution. Several solicitors of the Interior Department, in addition to the then solicitor, had rendered opinions upon the law and the power of the Secretary in such cases, as had the former Creek tribal attorney, said to be an able lawyer.

* * * * * * *

The testimony also shows that the officials of the Interior Department, including the Commissioner of Indian Affairs, believed that Jackson Barnett, in making the gifts to his wife, Bacone Indian College, and the Murrow Orphans' Home, had sufficient mental capacity to comprehend and know in a general way what he was doing and why he was doing it.

The report signed by a majority of the subcommittee, as stated, ends with the following:

FINDINGS AND CONCLUSIONS

That from a careful examination of the evidence adduced during the hearings, there is nothing to sustain any charge of corruption against the Commissioner of Indian Affairs, Charles H. Burke, or any other official or employee of the Indian Bureau or the Interior Department, and that the purpose of the charges was to imply corruption.

That it was admitted by the proponents of the charges, under oath, that no person connected with the Interior Department or the Indian Service, by reason of any action with reference to the matters complained of, had personally profited in any way whatsoever from the estates involved.

No testimony or evidence was offered reflecting in any manner upon the character, honesty, and good faith of any employee or official of the Indian Bureau or the Interior Department.

That the evidence shows that the charges are unfounded and untruthful, and were conceived and given wide publicity to injure the Commissioner of Indian Affairs and other department officials because of the refusal of the Department of the Interior to allow a claim for large fees from the estates of full-blood restricted Indians.

That the person who signed the charges against Commissioner Burke had no personal knowledge of the facts to which he made affidavit, except as to the Bruner case.

That from the evidence it clearly appears that the real author of these charges in his connections with the Saber and Martha Jackson cases was guilty of unethical and reprehensible conduct.

Such baseless charges furnish an example of what frequently happens in connection with the handling of Indian matters where false statements are circulated against officials who are honestly and faithfully performing their duties to defeat the plans and schemes of those who endeavor to take advantage of helpless Indians and to defraud them of their estates. Your committee finds that Commissioner Charles H. Burke has faithfully and efficiently, under the supervision of the Secretary of the Interior, administered the affairs of the Indians who are the wards of the Government.

BURKE EXONERATED

Further discussion is unnecessary for the purpose of showing that the Commissioner of Indian Affairs, Charles H. Burke, was not only fully vindicated and exonerated from the charges made against him, but that the charges were conceived and published for the purpose of injuring him and in retaliation of his refusal to allow claims for large fees from the estates of full-blood restricted Indians which had not been earned, and that said charges were unfounded and untruthful; also that the real person responsible for the charges was in his connections with some of the cases guilty of unethical and reprehensible conduct.

THE BARNETT ENDOWMENTS

In the Jackson Barnett case the thing complained of was the action of the Commissioner of Indian Affairs in consenting to the distribution of $1,100,000 of funds to the credit of said Jackson Barnett from oil and gas royalties from his allotment. It was represented to the commissioner by Jackson Barnett that he had no near or known relatives and that, to avoid liti-

gation over his estate and in order to provide for his wife, he desired to give her one-half of the amount before mentioned and to give a like amount to the American Baptist Home Mission Society of New York as an endowment for Bacone Indian College and the Murrow Indian Orphan Home of Muskogee, Okla.

The matter, after careful consideration and after an opinion of the solicitor of the department had been obtained with reference to the legality of the transaction, was authorized and consummated with the full approval of the Secretary of the Interior and other officials of that department, including the officials of the Indian Bureau. The $550,000 to the American Baptist Home Mission Society was placed in the Equitable Trust Co. of New York in trust, $20,000 of the income therefrom to be paid Jackson Barnett annually during his lifetime; $200,000 of the amount given to Mrs. Barnett was placed in trust in the Riggs National Bank of Washington, D. C.; and $7,500 of the income therefrom was also to be paid to Jackson Barnett annually during his lifetime, thus insuring him an annual income of $27,500. He also possessed other income from oil royalties, which at present amounts to about $3,000 a month; so that, approximately, he has an annual income of $50,000. He is still possessed of his allotment and has moneys and bonds, and is considered to be worth about $1,000,000.

THLOCCO AND BRUNER CASES

It has been the history in Oklahoma that, upon the death of rich Indians who accumulated wealth from oil royalties, there has been invariably a clamor on the part of alleged heirs, who, through unscrupulous lawyers, assert heirship by instituting contests, with the result that a very large portion of the estates are dissipated and wasted and the real heirs get but a very small portion of what they really are entitled to receive. In the Martha and Saber Jackson cases involved in the charges against the Commissioner of Indian Affairs, they were the heirs of one Barney Thlocco, who at his death was possessed of an allotment of 160 acres of land, which proved to be very productive through the discovery and development of oil. The evidence in the hearings disclosed that there were 187 heirs, or alleged heirs, of Barney Thlocco, and that nearly $1,000,000 was expended in a settlement of these claims. In the Richmond Bruner case, another of the cases involved in the charges against the commissioner, the testimony shows that Bruner at his death was possessed of an estate aggregating $114,000, and that he was also possessed of a 40-acre tract of land as an allotment. A large part of this estate, which was in the possession of the Interior Department, was in Liberty bonds. The sole heir of Richmond Bruner was his wife, who was a negro woman and not an Indian. The estate was turned over, upon the order of a State court, to an administrator. Within a short time thereafter, and when a settlement was made with Mrs. Bruner, she only received a little more than $500.

COMMISSIONER'S ATTITUDE

The Commissioner of Indian Affairs, having knowledge of such conditions, believed that, where a wealthy Indian was disposed to give some portion of his estate for the education of his people and for the care of Indian orphan children and to create a permanent endowment for such purposes, he should be permitted to do so, and especially where the Indian was not possessed of any dependent or near relatives. The commissioner and the other officials of the Indian Bureau and of the Interior Department should be commended for encouraging this policy. Recently there appeared in the Times-Democrat, a leading newspaper published at Muskogee, Okla., an editorial that discusses gifts such as made by Jackson Barnett, and I indorse what it says, as I believe every unprejudiced, thinking person would do if fully informed. This is the editorial:

INDIAN MONEY WELL SPENT

It is gratifying to observe that through all the maze of testimony, accusation, and recrimination that developed in the Indian investigation now closing that no person has been able to attack Indian funds that went into the endowment of Bacone Indian University. True, there were several times indirect thrusts in this direction, but they were so obviously unjust that not one person had the nerve to openly challenge these bequests.

No Indian has given any money to Bacone except in instances where that Indian had more money, and generously, than he would ever need. No one made such a bequest except from surplus funds. Therefore no Indian suffered. The money went to endow for all time a great university devoted solely to the education and training of Indians. Could there be a more lofty or practical purpose for the surplus funds of very rich Indians? We believe not. We believe that more money from the same sources should go to Bacone University. It comes nearer being an ideal disposition of such funds than anything else that has come under our observation in 25 years' experience and close contact with Indian fortunes.

These fortunes came to the Indians without effort and without cost. In many cases they are far beyond the wants or even the vision of the Indians who own them. Only a part of such amounts of money can be either useful or beneficial to the Indian himself or to his direct relatives. It must be disposed of somehow, and since very rich white men find it advisable to endow many universities and colleges for white people, when there are already hundreds of such institutions, why is it not advisable for very rich Indians to endow a similar institution, it being the only one of its kind and purpose in the world.

No, the most creditable phase that has developed out of this entire mass of information is the fact that no one has attacked this method of disposing of excess Indian wealth.

FURTHER PRESS COMMENT

The press of the country in commenting upon the report made by the subcommittee of the Committee on Indian Affairs very generally upheld the committee in its exoneration and vindication of Commissioner Burke. As an example of what one newspaper said editorially in commenting upon the report I wish to insert from the News, Detroit, Mich., from its issue of February 24, 1925:

A CLEAN BILL FOR BURKE

When a Government officer has been accused of maladministration and has been investigated as thoroughly as it appears Charles H. Burke, Commissioner of Indian Affairs, was investigated, it is good to find that such a clean bill can be returned as that brought in by the subcommittee of the House Committee on Indian Affairs which heard the evidence.

Not only was nothing found against Mr. Burke or any other official or employee of the Indian Bureau but it was discovered that the charges brought against him "were conceived and given wide publicity to injure the Commissioner of Indian Affairs and other department officials because of the refusal of the Department of the Interior to allow a claim for large fees from the estates of full-blood restricted Indians."

In short, these officials were engaged in protecting the Indians from the rapacity of white men. These Indians were wards of the Government, and if the Government could not protect them no one could. The committee found that "the real author of the charges * * * was guilty of unethical and reprehensible conduct." It will be a pity if no action can be taken against him.

The Argus-Leader, the leading daily newspaper in South Dakota, which is the State in which Commissioner Burke resides, in an editorial published February 21, 1925, made the following comment:

BURKE EXONERATED

While the Argus-Leader did not pretend to know anything about the details of the charges brought against Commissioner of Indian Affairs Charles H. Burke, its editor has known Mr. Burke for some two score years and therefore was never for a moment alarmed by the charges made against him last December by an Oklahoma Congressman. Events have shown that this paper's reaction to the matter from the start was absolutely right, for Associated Press dispatches of yesterday from Washington stated that after a full and fair hearing the congressional committee investigating the matter had completely exonerated Mr. Burke.

The committee did not mix words on the matter. "There is," it declared, "nothing to sustain any charge of corruption against the Commissioner of Indian Affairs, Mr. Charles H. Burke, or any other official or employee of the Indian Bureau or the Interior Department."

The whole thing appears to have been started by a bunch of grafters, as Commissioner Burke intimated was the case. The committee found from the evidence that "the charges are unfounded and untruthful and were conceived and given wide publicity to injure the Commissioner of Indian Affairs and other departmental officials because of the refusal of the Department of the Interior to allow a claim for large fees from the estates of full-blooded restricted Indians."

That, we guess, settles it. Grafters and glib politicians with their faked charges had nothing on Charles H. Burke. His many friends in the Sunshine State will welcome this vindication and added evidence of Mr. Burke's high character and ability in the service of the Federal Government.

I might add many other similar newspaper comments, and could elaborate at considerable length in a discussion of this matter, but it would seem that nothing more than what I have submitted and stated is necessary, except to call attention to the long and honorable record of Commissioner Charles H. Burke. For 42 years he has been a citizen of South Dakota and his home has adjoined Indian reservations. He, therefore, knows Indians from personal observation and knowledge.

For 14 years he served as a Member of Congress from South Dakota, and was a member of the House Indian Committee, and was also chairman of that great committee. Mr. Burke is the author of some of the most important Indian laws on the statute books, notably the Burke Act of May 8, 1906, and the act of June 25, 1910.

For approximately four years Commissioner Burke has been at the head of the United States Indian Service. It is generally recognized that he has made a most efficient commissioner. It may well be doubted whether any man in the United States has a better knowledge of the Indian problem than Commissioner Burke and he can be depended upon to guard faithfully the best interests of the American Indian and administer the great responsibilities of his office with absolute fairness and with credit to himself and to the Government.

GREAT LAKES-ST. LAWRENCE WATERWAY

Mr. LEAVITT. Mr. Speaker and gentlemen of the House, on the last day of February a joint resolution was approved by the two houses of the Legislature of Montana, and on the 4th of March it was forwarded to me by the secretary of state of that Commonwealth. It has the purpose of expressing the sentiment of my State regarding the Great Lakes-St. Lawrence waterway to the sea. Of course, it reached me too late for presentation while the House was in session, but I am pleased to have it set forth in the RECORD as the belief and hope of my State, and in doing so to say that it is my desire and expectation to be of all assistance I can in consummating the construction of this great shipway.

The resolution is as follows:

Senate joint resolution No. 3 (introduced by Scofield) relating to the opening of the Great Lakes-St. Lawrence waterway from Duluth to the sea

Whereas the opening of a direct passage from Duluth to the sea through the St. Lawrence River enabling ocean-going vessels to load at Duluth and other Lake ports for any port in the world, is absolutely necessary to bring the great West in close contact with the markets of the world; and

Whereas this route shortens the distance from Montana to northern Europe 500 miles and places all points in the great West 1,000 miles nearer an ocean port, thereby enabling us to ship to market the products of our farms, mines, and factories at rates that would enable us to sell them at a profit and also create numerous new industries that can not now be operated without loss; and

Whereas the International Commission, established by the United States and Canadian Governments to consider the advisability of opening the Great Lakes to ocean-going ships and to employ engineers to make preliminary surveys and report, did report on June 9, 1921, favorably to Congress; and

Whereas the establishment of this route to the sea is the only hope of this great midland empire for a reduction of freight rates: Now therefore be it

Resolved by the Senate of the State of Montana (the House of Representatives concurring), That our representatives in the Senate and Congress of the United States be, and are hereby, requested to bring this matter before their respective legislative bodies, explain to them the imperative necessity now existing for said waterway, and do all in their power to get the United States Government to take immediate action to make this waterway a reality in the near future; be it further

Resolved, That a copy hereof be transmitted by the secretary of the State of Montana to the Senators and Representatives of the State of Montana in Congress and that they be urged to use their best efforts to obtain congressional action as herein indicated.

W. S. MCCORMACK,
President of the Senate.
R. C. BRICKER,
Speaker of the House.

Approved February 28, 1925.
Filed March 2, 1925.

WOODROW WILSON

Mr. RAINEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I insert an address delivered by myself at the Wilson day luncheon at the William Penn Hotel, Pittsburgh, Pa., December 27, 1924:

ADDRESS OF HON. HENRY T. RAINEY, MEMBER OF CONGRESS FROM ILLINOIS

There has been conveyed to me the wish of your committee that my speech to-day should deal with Mr. Wilson from the standpoint of my intimate knowledge of him while in the White House. I will endeavor to the best of my ability and without any attempt at elaborate diction or oratory to comply with this request.

I knew Woodrow Wilson better than most men. I was closely associated with him during the entire period of his Presidency. My intimate acquaintance with him commenced in a rather remarkable way, and I relate the experience now for the purpose of calling attention to the careful methods adopted by President Wilson in dealing with the important matters connected with his public life. The Legislature of New Jersey had convened for the purpose of selecting a United States Senator from that State. This was before we had adopted the principle of electing United States Senators by direct vote of the people. In the State of New Jersey the selection of a United States Senator had been submitted in a popular advisory election. The Democratic candidate, to the surprise of political leaders, had received a majority of the votes in the election. Political bosses of the Democratic Party in New Jersey had started out to defeat in the legislature the choice expressed at the polls. The legislature was in a deadlock and had been for days. At 12 o'clock of the night which preceded the election of a Senator from New Jersey, there came a call for me over the telephone in my hotel in the city of Washington. I arose from my bed and answered the call, and this was the conversation: "This is Governor Wilson talking from Trenton; is this Mr. RAINEY?" I replied that it was, and he said, "Can you find Billie Hughes to-night?" I replied yes. He said, "I have been trying to locate him, but have failed. Will you say to him that to-night at a joint session of the house and the senate in Trenton he received four votes for United States Senator; the following are the names of the members who voted for him." He then gave me their names, and then he continued, "Will you see Billie Hughes at once and tell him to send a wire to each of these gentlemen advising them that he is not a candidate and asking them to vote to-morrow for the regular Democratic nominee for United States Senator?" I replied that I would. I knew where to find Representative Hughes. He was on that night at a Press Club function in Washington. I went at once to the Press Club and found him there and communicated to him the advice of Governor Wilson. I then accompanied him to the telegraph office and the telegrams were sent. At 10 o'clock the next morning as a result of these telegrams, we elected a Democratic United States Senator from New Jersey. Afterwards Representative Hughes himself succeeded to the Senatorship from New Jersey, and he died while a Member of the United States Senate. I mention this incident in order to indicate the careful, exact methods which characterized always Woodrow Wilson's public career. He did not know me personally, but in some way he knew that I was closely associated with Hughes; he knew that we were on the same committees, engaged in the same kind of work; that we boarded at the same hotel; that we were close personal friends. He felt that I would know where to find him if anybody knew, and in these particulars he was not in error. In this way my close acquaintance and friendship with Woodrow Wilson commenced, and it lasted throughout the remaining years of his life.

THE UNDERWOOD TARIFF BILL, HOW IT WAS PREPARED

During his speaking campaign for the presidency which followed I was closely associated with him, speaking with him from the same platform and from the rear of his special train many times. My close acquaintance with him, however, commenced after his election to the Presidency and during the special session of Congress in which the Underwood tariff bill was framed. Mr. UNDERWOOD, of Alabama, was chairman of the Ways and Means Committee of the House, a powerful position. In addition to this, he was the majority leader of the House and the Democrats were in control of that Congress. He was and is a man of great ability and of the highest character, but he never stood for the low-tariff propositions to which the Democratic Party had been committed throughout its entire history. He favored a tariff on raw wool. In the making of tariffs the rates of the wool schedule determined always the rates of the entire bill. If wool was free it meant a lower rate on textiles of all kinds, and this made lower rates on all the other schedules. The wool schedule was then termed, and now is, the "keystone of the arch of protection." Mr. UNDERWOOD stood for a tariff on raw wool. After the long-drawn-out hearings were over and the Democrats on the committee had commenced to meet in executive sessions to frame the Underwood bill, we soon found that Mr. UNDERWOOD stood for a tariff on raw wool. The Democratic members were in favor of free raw wool. Before long, however, he won them over to his viewpoint. He was the leader of the House and the chairman of the committee. One by one they adopted his theory of drafting the bill until there were only two of us left—Harrison, of New York, who afterwards became Governor General of the Philippine Islands, and myself. When the final vote was taken, we alone of the Democratic members of the Ways and Means Committee stood for the traditional Democratic policy of free raw wool.

The suggestion was made by Mr. UNDERWOOD that we make the matter unanimous and proceed to finish up the bill upon a tariff on raw wool theory. Both Mr. Harrison and myself refused to agree to this. He then proposed to leave the matter to a caucus of the Democratic Members of the House asking us to agree to abide by the result of the caucus. We both refused, insisting that we had made

other promises to our constituents and were therefore under the caucus rule exempt and not bound by caucus action. We announced that in that event we would carry the fight to the floor of the House. This was the kind of a fight Mr. UNDERWOOD did not want. He then proposed to "leave it to the President," upon the theory that ultimately the President would be compelled to approve the bill. To this Mr. Harrison and I agreed. Mr. UNDERWOOD was perfectly fair in his arrangements. He arranged for a conference the next day with the President for Mr. Harrison and myself representing the traditional free-wool policy of the Democratic Party, Mr. UNDERWOOD himself to present the proposition upon a basis of taxed raw wool. After the adjournment that day, Mr. UNDERWOOD went to the White House. Immediately after his visit, the President called me over the phone and arranged for a meeting the next morning at the White House. He also called Mr. Harrison over the phone and arranged to meet him at a different hour. At the appointed time, I called at the White House and met the President in his private office. He said to me, "Mr. RAINEY, I want to hear you talk about wool." I proceeded at once with a discussion of the question from the traditional Democratic standpoint. I talked for 45 minutes. The President asked, occasionally, questions. At the end of that time he thanked me and I left. Immediately afterwards his conference with Mr. Harrison commenced. Mr. Harrison had exactly the same experience and discussed wool with the President for about the same period of time. We met in the afternoon of that day and compared notes. Neither of us could say how the President stood on the question. In none of his public utterances had he ever discussed this phase of tariff making. That afternoon Mr. UNDERWOOD spent considerable time with the President discussing wool. The next day the Democratic members of the committee met in their committee room to receive the decision of the President. At half past 2 o'clock in the afternoon Mr. UNDERWOOD left in his car for the White House. At 3 o'clock he was back in the committee room, and he made the simple announcement, "Gentlemen, the President has decided against us. We will proceed to draft the bill on a free-wool basis." We at once called in the experts and in a few days the Underwood bill with its low rates conforming in every way to Democratic doctrines and Democratic theories was prepared. It remained on the statute books longer than any of the 25 or more tariff bills we have enacted since 1787, except perhaps one bill. If Mr. UNDERWOOD had had his way about it, the bill and its rates would not have been much lower than the rates of the Payne-Aldrich bill which contributed so much to the defeat of the Republican Party in 1912. Democratic pledges were kept in the Underwood bill; but for the Underwood bill with its low rates we are in fact indebted alone to Woodrow Wilson.

HUMAN SYMPATHY AND TENDERNESS OF WOODROW WILSON

It was after his second election and while the war clouds were growing daily thicker and thicker about us that I presented to him the case of the pardon of a man who had been convicted in Illinois in a Federal court charged with using the mails improperly. He had been sentenced to serve a period of five years in the Federal penitentiary at Leavenworth. The matter had been pending for a long time before the pardon attorney of the Department of Justice, who, after a careful investigation, had recommended a pardon to the Attorney General. He was clearly not guilty. His conviction was the result of a resort to practices which I will not discuss at the present time. We had an Attorney General at that time who believed that no man should be pardoned, but that verdicts of juries should be absolutely upheld. I have never known in public life a man less susceptible to appeals for the exercise of pardoning powers than this Attorney General. I watched the matter carefully. I had asked for a hearing before the Attorney General when the case came to him from the pardon attorney. I had been promised a hearing, but the promise was not kept. The record was sent to the President with the adverse recommendation of the Attorney General. I found it in the office of the President's private secretary on the afternoon of the day when the convicted man must start for the penitentiary. He had a wife and five small children. I asked for an immediate hearing with the President. His time was all taken up until 6 o'clock that evening. At 6 o'clock that evening I met him in the private apartments of the White House. The record in the case was on the table. It comprised hundreds of typewritten pages. I found there the recommendation of the pardon attorney for a complete pardon, and the indorsement of the Attorney General disapproving the recommendation and advising against a pardon. The President said to me, "How much time do I have to pass on this case?" I said to him, "This young man is now in Washington. In order to save his bondsmen he must leave on the train at 1.30 o'clock to-night for Leavenworth if your decision is adverse." The President said to me, "I see that I will get no dinner to-night. If I am going through these records, it will take all the time from now to 1 o'clock to-night to do it." At his request I then briefly outlined the case. He said to me, "Where can I reach you to-night?" and I said, "In my office." At 9 o'clock that night I went with the defendant in the case to my office. We remained there until 11 o'clock. There had come no word from the President. Eleven thirty o'clock at night and no word from the President. The defendant in the case said to me, "Would it not be better for you to call the President up? He has evidently forgotten the matter." I knew the President and his habits, and I refused to call him up. It was 12.45 o'clock at night and still no word from the President. I called a taxi to have it in readiness at the main door of the House Office Building in order that we might make the journey quickly to the railroad station. At 1 o'clock there came a ring at my office phone. I answered it. It was the President of the United States. He said to me, "Is the defendant in this case now in your office?" I replied, "Yes; but he is ready to start for the train." He said, "You may tell him he need not go. I have just finished my study of the record in this case. I have concluded to pardon him." I mention this incident to show the tender side of the man who was popularly believed to be cold and unapproachable. As a matter of fact, Woodrow Wilson always felt keenly the lack of sympathy he experienced in his public career. There are only a few who understood him. He was a man always of the tenderest sympathies, never quite understanding the detached life he led nor the reason for it.

THE WAR MESSAGE

How well I remember the night of April 2, 1917. The Members of the House had assembled in their Chambers. Outside the rain was falling. It was a most solemn occasion. At 8 o'clock and 30 minutes p. m. the Doorkeeper announced, "The Vice President of the United States and the Members of the United States Senate." The Members of the House rose while solemnly the Vice President and the Senate, led by the officers of the Senate, entered the Chamber and were seated, and then there came the announcement from the Doorkeeper, "The Chief Justice and the Justices of the Supreme Court of the United States," and while all the Members of the Senate and the House stood the members of the Supreme Court of the United States entered the Chamber and all were again seated. At 8 o'clock and 37 minutes the President of the United States, escorted by committees of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk amid prolonged applause. And then there came from the Speaker of the House his simple presentation of the President: "Gentlemen of the Sixty-fifth Congress, I present the President of the United States." Then followed the address of the President of the United States. I can see him to-day as he stood with quiet dignity in the place assigned to him and delivered his address, the most momentous address, the most far-reaching in its consequences, that had ever been before presented to the Congress of the United States. The galleries were full except the diplomatic gallery and there were vacant places there. The Imperial German Government was not represented. "There are very serious choices of policy to be made and made immediately." With these words the President commenced his address. Referring to the submarine warfare he said: "American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way. There has been no discrimination. The challenge is to all mankind. Each nation must decide for itself how it will meet it." And then the President continued, recounting all the events which had led up to the message he was then delivering, and continued: "We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship," and then followed his arraignment not of the German people, but of the German Government, which I may mention in passing the German people themselves have now repudiated and overturned. The President continued: "We enter this war only where we are clearly forced into it because there are no other means of defending our rights * * * but the right is more precious than peace * * *. The day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured. God helping her, she can do no other." With these words the President closed. On that solemn occasion for an interval after the close of the address there was no applause, and then suddenly standing erect on the floor, the Chief Justice of the Supreme Court of the United States, himself a distinguished Confederate soldier, led the wild applause which followed. The President went out into the night and into the rain. Slowly the great audience dispersed, and then there commenced the debate in the House and in the Senate on the declaration of war.

THE CLOSE OF THE DEBATE ON THE WAR DECLARATION AND THE CAREFUL METHODS OF WOODROW WILSON

I made one of the speeches closing the debate at 3 o'clock on the morning of April 5. Soon thereafter the vote was taken. Only 50 Members of the House voted "no." I retired immediately to my office and addressed a letter to the President of the United States, announcing my intention to resign from Congress, and asking him in that event to issue an Executive order permitting me to enlist in the military forces of the United States. I had passed military age and it would require an order of this character. I sent the message to him at the White House by a special messenger and awaited his reply. I knew the Presi-

dent's habits. I knew he was not asleep. At 7 o'clock in the morning I received his answer by a special messenger. He reminded me of the fact that I was on the Ways and Means Committee of the House of Representatives, the ranking member of my party on that committee; that that committee was charged with the serious duty of suggesting to Congress methods of financing the war. He asked me to remain where I was, insisting that in that way I could best serve my country.

THE TARIFF COMMISSION AND THE ALMOST PROPHETIC OUTLOOK OF WOODROW WILSON

At the request of the President I prepared the bill providing for a Tariff Commission. In its completed form I took it to him. He objected to two provisions in the bill. He said, "You have provided for three Democrats and three Republicans. This is not a nonpartisan commission. It is a bipartisan commission." He also said, "This bill requires in the appointments I may make the approval of the Senate. I would like to have you change this bill so as to permit me to appoint a nonpartisan commission, and in my judgment it can not be but partisan if the appointments must be approved by the Senate." I expressed my approval of the President's position, but told him it would be impossible to get the bill through the House unless it divided the membership of the committee equally between the parties and required the approval of the Senate for the appointments he might make. I told him there was much opposition to the bill on the Democratic side. He then agreed to the bill in the form which I prepared it, saying to me in effect, "The time will come when you will find that I am right about it," and the time did come. It was after the election of 1920, when the backwash of the war had destroyed the Democratic majority in both the House and the Senate, and when President Harding had been elected by a majority of 8,000,000 votes. There was a Democratic vacancy on the commission. After 18 years of continuous service I had been defeated, and my ninth term as a Member of Congress was rapidly drawing to a close. Without any solicitation on my part, the President, two weeks before the end of his term as President, sent in my appointment to the Senate to fill the vacancy on the Tariff Commission.

On account of the comity between the House and Senate, appointments of this kind had always prior to that time been agreed to by the Senate. With my appointment the President also sent in the appointment of Mr. GARRETT of Tennessee as a district judge in Tennessee. Both of these appointments were objected to by the Republican organization in the Senate. Two years ago I was again elected to the House, and last fall I was again elected. I am very glad, indeed, that my appointment was not confirmed by the Senate. I mention this fact now to indicate the President's outlook and his almost prophetic utterances to me in commenting upon the bill I had prepared.

THE PRESIDENT AT THE THEATER

After that I saw him frequently as he rode about the streets of Washington a private citizen. In the winter of 1922 and 1923 he frequently attended the theater, preferring usually the lighter entertainment of the vaudeville theaters. One night in the winter of 1922 and 1923, I attended Keith's Theater. The President's box was decorated with the national colors. Just before the curtain went up the President—another President—came in to the theater with his party of friends. He made his way down the balcony aisle to the President's box. There was no applause. There were few opera glasses turned in that direction. It was an ordinary occurrence in Washington. A week later I attended a performance at the same theater. Just before the curtain went up I was aware of a disturbance in the gallery. People about me were turning to look. Finally I turned also and down the long aisle in the center of the balcony came a tall, gaunt man leaning on the arm of the strong manservant who accompanied him. One arm hung helpless at his side. I could see the drawn portion of that side of his face affected by paralysis; an ex-President was entering the theater. He came to a modest box in the rear of the theater and with difficulty seated himself. And then, with one accord and without any preconcerted signal, that great audience arose and faced in respectful silence the seat of an ex-President of the United States, and they remained standing without applause until slowly Woodrow Wilson rose in his place, and then I saw again his face light up with the well-remembered smile which I had so often seen there in the days of his robust health, and he bowed and again was seated. And then, and not until then, did the great audience resume their seats. It was a silent, impressive tribute to the greatest man of his generation, who towers higher and even higher on the horizon of the nations—a tribute to the great events and to the constructive work which characterized the eight years of his administration, and which grow greater and always greater with the passing years.

HIS TENDER SYMPATHY

I was engulfed in the great landslide of 1920. A few days after, from the bed where he lay in suffering and pain, there came to me his message. It commenced, "It grieves me much to hear of your defeat. No President ever had a more loyal friend or a better supporter than you have been."

THE END

On Sunday, February 3, 1924, I stood in the early morning in front of the modest home of Woodrow Wilson on a quiet street in the city of Washington. In respectful silence a great throng of people stood on the sidewalk opposite his home in the crisp air of that winter morning. News came to them that the President was dying. Quietly kneeling on the sidewalk, the great throng silently bowed in prayer. It was an impressive and dramatic moment. The end of the life of the great war President had come. I called at the door of his house and inquired as to his condition and left my card. It was the last call made on the President by any of his friends and associates. At 11.15 o'clock of that morning my friend was dead.

Woodrow Wilson is dead, but around the peace table he established the representatives of half a hundred nations meet and plan the peace of the world. The effective character of their work is already established, and there comes ringing down to us to-day the last message to the public of the President of the United States. On the 11th day of November, 1923, he addressed a great throng in front of his home in Washington. It was Armistice Day. He had apparently finished his address and had started to reenter his house. Turning back again to face the great throng amid the applause, he said, "There is one thing more; I can not refrain from saying it; I am not one of those who have the least anxiety about the triumph of the principles I have stood for. * * * That we shall prevail is as sure as that God reigns." I believe he was right about it. On that solemn occasion I think Woodrow Wilson with prophetic gaze looked far into the decades of the future. I believe that the war was not fought in vain. I believe that the time will come when we must enter the League of Nations. I care not how we enter it. I believe that a time will come when, as a result of our sacrifices in the war, disputes will be settled not on blood-red battle fields strewn with the mangled bodies of the dead and dying, but at a peace table by representatives of the nations. Woodrow Wilson did not live in vain.

ADJUSTED COMPENSATION BONDS

Mr. PEAVEY. Mr. Speaker, the service-certificate plan or "soldiers' insurance bill," as it has come to be known, passed by the last Congress was a compromise measure, and like so many compromises it is not satisfactory to either the ex-service men or the Government. The reason for this must now be plain to everyone.

The principle of adjusted compensation was sacrificed to the expediency of passing some kind of a soldier recognition bill, hence the service-certificate plan which gives each veteran making application a bonus in the form of an insurance certificate due 20 years hence.

Supporters of the Government, led by the Secretary of the Treasury, Mr. Andrew W. Mellon, estimate the final costs of the measure should all ex-service men apply for a certificate at the stupendous sum of $4,500,000,000, according to press reports.

The able chairman of the House Committee on Ways and Means, who formulated the bill, fixes the cost to the Government on the same basis at about a billion less, or $3,500,000,000. It now appears that the ultimate cost based upon the issuance of an insurance certificate to each of the about four million men who saw service in the World War will never be known because of the fact that more than half of them have failed to make application. This indicates quite clearly the ex-service men's disapproval of the present law.

The query naturally follows, "Why retain a law that exacts such a vast sum from the Government of the United States when the provisions of the law are not acceptable to its benefactors?" Hence my bill, H. R. 11366, to reestablish the principle to which virtually all ex-service men subscribe, namely, "adjusted compensation."

When former President Harding vetoed the compensation bill in 1922, Secretary Mellon said the payment in cash of so large a sum by the Government would impair the credit of the Nation and put severe strain upon the finances of the Government and should be avoided if possible.

When by legislative enactment the Government acknowledges an obligation to the ex-service men of this country but says "Uncle Sam has not the cash with which to pay," it necessarily follows that the Government, like an individual or firm, should liquidate its indebtedness in the best form possible, which in this case would be in the form of notes or Government bonds due 20 years hence. At least such option should be provided, leaving it to the judgment of the soldier creditors to make their choice as between the insurance certificate offered under the present plan or a Government bond as proposed in my bill.

It must now be apparent to all ex-soldiers and supporters of this legislation that the opponents of adjusted compensation exercised a controlling influence in drawing and passing the present insurance act. Not only is the vital principle of the

adjustment of wages or compensation paid the soldiers of the World War ignored, but the prime purpose of the present act is to make a "stop gap" for the day of reckoning when the Government will be called upon to pension its veterans of the World War.

The individuals and corporations who amassed their millions as a result of the war, realizing the overwhelming sentiment in this country for adjusted compensation and that such legislation could not long be delayed, withdrew their direct opposition and concentrated their efforts on the provisions of the bill itself. As a result we have the present insurance act, which forestalls further recognition of the World War soldiers until 1945. It is interesting in this connection to recall that when the insurance certificate bill was considered by the House of Representatives, to the consternation of many if not most of the Members, it was brought in under a "gag rule," limiting debate to 40 minutes, "without right to offer amendments." In this manner the House passed the present law, and the ex-service men were given "their lemon." Two million and a half ex-doughboys have "passed up" the opportunity to accept upon written request an insurance certificate as so many of them "passed up" foreign decorations during the war. They prefer something more substantial with which to buy food, clothing, start a business, or buy a home, and thereby replace to some extent the loss of position, trade, or business occasioned by their absence in the service.

All the hardships, the suffering, and the dangers endured they freely and gladly laid upon the altar of loyalty to their country. Consisting for the most part of a class of men taken from the humble homes of America, it is not just that they be made to suffer the greatest if not the only great financial sacrifice made by any class of our citizenship in the World War.

CHILD LABOR AMENDMENT

Mr. MICHENER. Mr. Speaker, as a member of the Judiciary Committee which favorably reported the child labor amendment, and as a Member of this House who voted to submit the amendment to the States, I feel a certain responsibility in clarifying some of the misunderstanding concerning the amendment which seems to have developed. This misunderstanding may, I believe, be partially explained by the fact that the nature of the child-labor problem in modern industry is not fully comprehended by those who have not had the opportunity to give the matter careful consideration. Once the facts of the case become apparent to legislators and to the public, as they were made apparent to the Members of this Congress through a mass of unbiased testimony at lengthy hearings held here, the need for a child labor amendment, and the need for an amendment worded just as we have worded the present amendment, will be evident.

Perhaps the essential misunderstanding of the amendment lies in the fact that attention has been concentrated upon the word "prohibit." The amendment, as is well known, reads:

> The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

Hasty or, perhaps, prejudiced reading of this clause has given rise to a general impression that Congress intended the prohibition of all labor up to the age of 18. I feel sure that I am speaking for the nearly 300 Members of the House who voted for this amendment when I state that such an object was never in our minds. Moreover, the very wording of the amendment makes it clear that such was not the intention. Power to regulate the labor of persons under 18 would not have been asked had complete prohibition of that labor been contemplated.

It is the regulatory power which the amendment would vest in Congress, in cooperation with the States, which seems to me most important and most necessary in order to protect the safety, health, and even life of young workers. There is a period of childhood during which children should be in school, not in industry. This fact is fairly well understood, and State laws have very generally attempted to keep children in school until the age of 14 and, unless certain requirements are complied with, to the age of 16. Parenthetically, I might add that even in this respect State legislation is not up to what we would generally hold to be an American standard, since our school attendance figures show that approximately 1 out of every 10 children of school age (7 to 14 years) is not attending school—a vast total of 1,400,000 children under 14 not in school—many of them being presumably at work. Without dwelling upon this phase of the question, however, it may be pointed out that there does come a time when the average boy or girl does get a job. Under present conditions the age period for entrance into gainful occupation is, for a great share of our youth, the years from 14 to 18.

During this period the percentage of gainfully occupied children rises sharply from 13 to 50; in other words, while only 13 per cent of our 14-year-olds are counted by census figures as gainfully occupied 50 per cent of our 17-year-olds are so occupied. Approximately 2,500,000 boys and girls, or young men and women, if you so prefer it, of 14, 15, 16, and 17 years of age are gainfully occupied in the United States. Two-thirds of these are in industry and less than one-third in agriculture.

Now, these children—for they seem to many of us pathetically young, and also pathetically eager, as they step forward to assume the responsibilities of wage earners and of adults—are going into a real danger zone as they enter modern industry. The development of modern industry is the development of new processes, of new machinery to carry on these processes, and the increasing use of power in connection with them. As the machine has become more complex and more powerful, the part played by the worker has grown less intricate and the tendency has been to minimize the amount of skill and experience necessary for the human factor in production. It has not been realized that an operation which may be safely intrusted to the mature and intelligent workman may be a source of danger to the youth. A recent writer on "Problems of child welfare" (Mangold) points out what we all know, that—

> young boys and girls are naturally careless. Children can not concentrate their attention on their work and are therefore frequently the victims of accidents which maim them for life and lessen or destroy their economic capacity.

We often say of the adolescent boy or girl that he or she is "all arms and legs," amused at their awkwardness, but realizing as we laugh that this awkwardness is a healthy sign, a sign of growing muscles and a developing physical frame. Coordination of the muscles will follow in due time provided the natural growth is not stunted by fatigue or overexertion, and provided that the "awkward period" is not so exploited in industry that the growing frame is permanently crippled.

Those acquainted with industry realize this danger and the consensus of enlightened and humane opinion is that legal protection of workers is needed at least up to the age of 18. This protection should include: First, the prohibition of work up to the age of 18 in certain dangerous, and in physically or morally hazardous occupations and processes; second, the limitation of hours of work and the regulation of health conditions in the safe occupations up to the age of 18. This protection, I submit, is reasonable, necessary, and just. It was for the purpose of enabling Congress to cooperate with the States in providing this protection that the child labor amendment was submitted to the States. Some States have excellent laws well enforced on both these phases of the subject; some, unfortunately, have inadequate laws; some have good laws poorly administered. The Children's Bureau of the United States Department of Labor informs me that 27 States have either no restrictions or very few restrictions extending up to the age of 18 with regard to occupations generally recognized as dangerous, and that eight additional States have practically no regulations for children of any age in dangerous occupations.

Nation-wide statistics showing the results of this failure in existing legislation to protect children from the hazards of modern industry are not available. Material can be gathered, however, from reports of Federal departments, State accident or compensation boards, industrial commissions. This material, scanty as it is, reveals a shocking wastage of young life. If we read of it as happening in another age or in another country or if we were able to visualize it as happening here to-day, I believe that we would unite in calling it a "slaughter of the innocents." I have time here to give only a summary of what facts are available, with a few typical cases from official records which will illustrate the conditions under which children are working in industry to-day.

The extreme liability of the young worker to accident has been emphasized by all official bodies which have studied the matter. In 1902 the Federal Industrial Commission cited a Minnesota study showing that boys under 16 had twice as great a probability of accident as adults, while practically all accidents to female operatives occur to the young girls.

The United States Department of Labor, in its exhaustive study of the condition of woman and child wage earners in the United States, published 1910–1913, also found a high rate of injuries sustained by working children. In the cotton-manufacturing industry, for instance, although it was found that children were generally employed in the less hazardous processes and were as a rule not required to handle dangerous

machinery, the accident rate in the southern mills was 48 per cent higher for the workers under 16 than for those 16 and over. The report concluded that all facts found "point in the same direction—the hazard of the child is high."

The Children's Bureau of the United States Department of Labor has recently added to the data on this subject by an analysis of accidents to working minors in three States—Massachusetts, New Jersey, and Wisconsin. Within 12 months in these three States 7,478 accidents for which compensation was awarded occurred to workers under 21, causing 38 deaths and partly disabling for life 921 of the injured. Unlike the earlier studies mentioned, the figures in this study do not show the most serious accident conditions to the children under 16, but, rather, to those between 16 and 18, the explanation being that the three States covered by the Children's Bureau study all had legislation restricting the employment of those under 16 in connection with dangerous machinery. In all three States, however, the boy and girl of 16 and 17 are permitted to operate many of the dangerous machines. The Children's Bureau reports:

Accident figures reflected this difference in legal protection. Power-working machinery caused a larger percentage of the accidents to the 16 and 17 year olds than to children under 16, protected by law, or to young workers between 18 and 21, better able to protect themselves.

Accidents were also more serious to the 16 and 17 year group than to either the younger or older workers. Of the injuries to workers under 16, 10.7 per cent resulted in death or partial disablement for life. For those 16 and 17 years old who were injured the rate was 13.4 per cent killed or permanently disabled; for the group 18 to 21 years the rate was 12.7 per cent.

This report is a striking proof of the value of legislative regulation in protecting children against industrial hazards and of the need for legislation at least to the age of 18.

Because accident rates and percentages are abstractions, and we are dealing with actual boys and girls, I shall quote some of the cases found in this study to illustrate the kind of accidents which occur to the worker under 18. There is no attempt to make a sob story out of these occurrences; they are simple recitals of facts which have been verified by first-hand investigation:

Case 1: A 17-year old girl working in the sample department of a Massachusetts textile mill was injured while helping an inexperienced operator on an old-fashioned blanket-cutting machine. This machine consisted of a long, heavy blade unguarded and insufficiently controlled by a heavy, wood hand lever. She was arranging the blankets under the blade for cutting, while the new operator, also a girl of 17, who had received no instruction in the use of the machine, held up the blade with her hand on the lever. Turning away from the machine to answer a call the new operator let go the lever and the blade came down on her helper's right hand, cutting through all four fingers, one finger below the first joint. The latter had had both hands under the blade, but pulled her left hand out in time. She received compensation for the loss of one finger only ($98.40) and disability insurance for the 11 weeks she was unable to work. She came back to her old job, but the finger stumps were extremely sensitive, as they are even now, three years after the accident. The physical effect of the loss of blood and the nervous shock at the time of the injury, together with the continued nervous strain she has suffered since from striking the tender fingers against hard objects have caused nervous collapses which have forced her to give up her work for periods of several months at a time. It is necessary for her to use scissors in her work, and she can not do this without pain. In fact, she is able to keep her job only because a friend who works with her does all the cutting. As she can not grasp firmly with the injured hand she continually lets objects drop and finds it difficult to do wrapping. She has been obliged to give up such activities as sewing and playing the piano in which she had taken much pleasure.

Case 2: By an accident that occurred on a summer vacation job one boy's plans for the future were entirely changed and a career for which he had been studying eight years was ended. This boy was 17 years old and had completed the third year of high school. He was ambitious and wanted to earn money for his education and to continue lessons on the violin with the intention of training for concert work. When he applied at a factory for a clerical job he was told that he must first work for a short time in the shop and then would be given the work he wanted. He took the job offered him—that of operating a punch press. He had been at work only three days when the accident occurred. He was trimming the ends of frames to be used as holders for hypodermic needles when one of the frames caught under the die. To free the frame he reached under the die with his left hand and probably unconsciously pressed the treadle with his foot; the die came down on his hand, completely severing the second and third fingers at the first joints. His hand did not heal readily, and even after healing was very sensitive. The physician who reported on the case three months later said that the stumps were in poor condition. He has never been able to play the violin since.

Case 3: Bertha, a 17-year old girl injured, was assistant to a finishing machine operator in an elastic webbing factory. Her duties were to take care of the starch tank and to feed strips of web into the machine. The web passes through three rolls and comes up back of the middle roll, on which it leaves threads deposited. If these threads are not cleaned off they stick to the next piece of web and mark it. She had been warned by the foreman not to put her hands into the machine while in motion, but there seemed to be no other way to clean off the threads, because if the machine was stopped, the heated rollers burned the threads, so it was difficult to clean the rollers. She had been told by the girl working beside her to clean her machine while it was in motion, as the latter herself did. One day while removing threads from the rolls, her hand slipped, was carried between the rolls and was terribly crushed. The flesh was torn off all around the hand and pulled down toward the finger tips. The first, third, and fourth fingers had to be amputated, and the second finger was left crooked and stiff. She remained in the hospital for ten and a half weeks until the flesh was healed sufficiently so that she could come to the outpatient department to have her hand massaged and baked, which it was necessary to do for a year afterwards. For a long time the hand was too sensitive to be used in any way, and had to be carried in a sling.

What other statistics are available confirm the conclusions of this Federal report not only in the considerable number of accidents to workers under 18, but also in their severity. A study made by the New York State Department of Labor of accidents during 1919–20 covered by the workmen's compensation law—only accidents causing disablement for at least a two-weeks' period—showed nearly 2,000 to persons under 18, 12 of them resulting in death. These accidents, it is interesting to notice, were classified by causes, and it was found that more than half occurred in connection with machines. Metal-working machines led in the number of accidents caused by machinery, textile machines ranking second. Among other causes of accidents were physical strain, where children were lifting or pushing weights beyond their strength; the glancing or slipping of a hand tool, as where a screw driver which an electrician's helper was using slipped and entered his eye, permanently blinding him; explosions, burns from hot water or molten metal; acid burns caused by the spilling of carbolic or nitric acid. Besides the 12 deaths caused by these accidents, 348 boys and 73 girls were maimed for life by them. Fair samples of the fatal accidents are the following, cited by a report of the New York Department of Labor, Division of Women in Industry on, "Children's Work Accidents" (Special Bulletin No. 116, January, 1923):

Outside New York City a 17-year old helper in the canning department of a condensed-milk manufacturing concern was cleaning sanitary pipes and slipped and fell off a platform while carrying an iron pipe. He was so internally injured that he died two weeks later.

Another boy of 17, working as a general helper in a manufacturing concern, ran to stop the elevator from which he had just taken some supplies, and instead of stopping it by the rope he jumped on and was caught between the upper floor and the car landing on his knees. He fractured the cervical vertebræ and died.

A boy of 16 fell from a roof when working as a laborer and fractured his skull.

A boy of 17 working as a laborer was caught on the exposed end of a line shaft extending through the wall of the machine room to the outside of the building. Both arms were twisted off at the shoulder joints; he suffered a fracture and other frightful injuries and shock, and died in 15 or 20 minutes.

In Indiana the State industrial board reported (reports for years 1918–19, 1919–20, and 1920–21) during three years, 4,940 industrial accidents to young persons under 18, and the 1922–23 report of the same board showed 1,221 minors under 18 injured in industry. This board also revealed the fact that its figures on accidents to workers under 18 were an understatement by an investigation which showed that 25 per cent of those injured during a 10-day period who claimed to be 18 or 19 years of age were in fact under 18. Other State reports merely add testimony to what is already clearly proved, that the toll of death and injury to the young worker makes special protection for him necessary.

It is also important to realize that injuries to children often have more serious consequences than the same injuries to adults. A report by the Massachusetts Department of Labor and Industries (Bulletin No. 15) dealing with a group of

children permanently handicapped by accidents points out that—

The loss of a hand or an arm imposes upon the child a serious burden for life. The loss of fingers or thumbs frequently results in the child's exclusion from certain processes in industry and a substantial loss in his earning power.

The Department of Labor report on woman and child wage earners, cited previously, also emphasizes this idea in the following statement:

A given injury is a more serious matter for the child. Surgeons always hesitate to perform operations upon the young which would instantly be used with more mature patients. The shock of an operation disturbs the poise of an immature organism much more than where the progress of time has hardened the resisting powers. With the adult there is usually little beyond the direct disability of the accident itself. With the child there is much more likely to be a far-reaching series, the intrusion of infectious disease at an unguarded moment, a lasting damage to the functions of the nervous system, leading forward to consequences of the most serious kind in after years. A long history of degeneracy and dependence may have its beginning in exposure to industrial hazard.

Socially, as well as individually, the loss from injuries to young workers is even more serious than in the case of older workers. This point is effectively made by another report to which I have referred, that issued by the New York Department of Labor on "Work accidents to children." "Accidents collect a large toll, and socially their effect is obvious." This report points out—

especially when the injury permanently disables a child—a member of society who is but beginning to play his part in the community. * * * There is no doubt but that even when the accident is not fatal, a total or partial disability to a younger person is a greater social loss than the same accident to an older person. The loss of a hand to a 17-year-old boy affects his entire working life and determines in large measure his contribution to the community. For this reason alone the protection of working boys and girls from industrial accidents is highly important.

It is unfortunate that the testimony concerning the dangers of industry for children must rest largely on industrial-accident statistics. Many children who do not lose a finger or an eye through factory work do lose strength and vitality and become more susceptible to disease. It is known, for instance, that among boys and girls 15–19 years of age working in Massachusetts cotton mills studied by the United States Bureau of Labor Statistics tuberculosis death rates were nearly twice as high as among boys and girls not so employed. A recent study by Dr. H. H. Mitchell, of the national child-labor committee, of 1,200 children who attended continuation schools one-half day a week and worked the other five and one-half days indicated the prevalence of other diseases and health defects among working children, among which are malnutrition, orthopedic and visual defects.

This proposed amendment would simply give to Congress the power which Congress thought it possessed and which the country thought the Congress possessed when the two last child labor laws were enacted. Each State at this time has complete power in this matter, yet no State has or will pass an unreasonable law which is not approved by the people, and the Congress, if given the power, would not abuse that power.

A nation is no stronger than its children, and this constant weakening and crippling of childhood at the urgent insistence of industry is in truth a problem of national importance. America, the richest nation in the world, can afford to give her children the best facilities for health and for education; indeed, she can not afford not to give her children these facilities. In the long run we live in and through our children. Because I believe in childhood, because I believe in the future of the Nation, I believe in the child labor amendment.

AGRICULTURAL RELIEF

Mr. BROWNE of Wisconsin. Mr. Speaker, the purpose of the Haugen Federal cooperative marketing bill, which the administration stands back of, was to help the farmer market and dispose of his farm products. The bill was not introduced into Congress until February 18, 1925, on the eve of the adjournment of Congress.

Every cooperative organization in the United States, so far as I have been able to learn, is opposed to the Haugen cooperative marketing bill. I will give a list of some of the leading cooperative organizations that are against it at the close of my remarks.

No cooperative organization is recognized under the Haugen bill unless it submits itself to the jurisdiction of the Federal cooperative marketing board and registers with it.

As soon as the cooperative organization registers and submits to the jurisdiction of the Federal cooperative marketing board this board has complete control over it. Each local cooperative society must have its books audited twice a year and its financial affairs examined, and can be required to make as many reports and conduct its business exactly as the bureau at Washington requests.

The Federal cooperative marketing board at Washington, consisting of five members, who receive salaries of $10,000 per year, and whose members are appointed by the President, in the first instance, has the right to say whether the business methods of any cooperative association are sound and whether the association does business as the Federal bureau deems it should. In other words, the life or death of every one of the 28,000 farmer cooperative associations would be in the hands of this Federal board located in the city of Washington. No business in the world would subject itself to such Federal bureaucratic control or regulation. I was not surprised, therefore, that the 28,000 farmer cooperative associations in the United States almost unanimously opposed the Haugen bill.

By a vote of 138 to 78 the measure sponsored by Representative DICKINSON of Iowa, known as the Dickinson bill, was substituted for the Haugen bill. The substitution of the Dickinson bill and its passage by an overwhelming majority in the House of Representatives caused no delay, and the bill might have become a law had the influence of the administration been for it and not against it.

DICKINSON BILL

The Dickinson bill, which was substituted for the Haugen bill, utilizes the United States Department of Agriculture and its experts without creating a special bureau of experts with the extra expense and with its attending duplications.

It would assist the farmer in his cooperative undertakings in every possible way and, as the bill itself states, its purpose is to encourage the intelligent and orderly marketing of agricultural products through cooperation of the producer; to eliminate speculation and waste; to make the distribution of agricultural products between producer and consumer as direct as can efficiently be done; and to stabilize the marketing of agricultural products. It provides for all of this without bureaucratic control. For example: In the creation of a Federal marketing board the Dickinson bill provides that the cooperative societies themselves shall create this board. It provides first for a cooperative marketing advisory council composed of 40 representatives of various cooperative organizations selected by the national cooperative associations of the country. This cooperative marketing advisory council shall nominate four persons whom the President shall appoint by and with the approval of the Senate, and who shall become members of the Federal cooperative marketing board.

The advisory council of 40 shall consider at its meetings questions of general policy in relation to cooperative marketing, and shall advise and cooperate with the Federal cooperative marketing board and recommend to such board all measures in its judgment necessary or advisable. The Secretary of Agriculture shall be an ex officio member of the Federal cooperative marketing board.

DANISH PLAN

In brief, the plan for Federal cooperation provided for in the Dickinson bill is very similar to the plan adopted by the Danish farmers, which has met with such great success in Denmark.

The advisory council, consisting of 40 members, represent the different farmers' cooperative societies, such as dairy products, small grains, large grains, cotton, tobacco, hogs, beef cattle, sheep and wool, citrus fruits, potatoes, dried and canned fruits, and, in fact, all commodities. In other words, this advisory council is very similar to the federation of labor—when it and its agents would speak, they would speak for the organized farmers of the United States.

This cooperative marketing advisory council, proposed by the Dickinson bill, is similar to the Federated Danish Cooperative Association ("De Samvirkende Danske Andelsselskaber").

In the summer of 1923 I had the opportunity of studying the working of the farmers' cooperative societies in Denmark and spending some time in the different departments of the Federal Danish Cooperative Association, which was housed in its own building, one of the most modern and up-to-date office buildings in Denmark. In this building I met some of the shrewdest and up-to-date business men in Denmark who were looking after the farmers' interest; men representing the farmers' cooperative exporting associations; the farmers' cooperative banking associations; experts on transportation; and in fact every one of the thousands of cooperative societies in Denmark had been given a voice in selecting this great group of business men to look after their interests and who were unifying and directing

the activities of the thousands of farmers' cooperative societies in Denmark.

The cooperative associations in Denmark jointly publish their own weekly cooperative journal, the Andelsbladet, under the direction of the Central Cooperative Council.

The Danish farmer is receiving around 60 per cent of what the consumer pays, although the greater part of his products are exported to foreign countries. Our farmers, according to the best official estimates, receive less than 35 per cent of what the consumer pays for the products they produce.

DICKINSON OR CURTIS-ASWELL BILL

I believe that the Dickinson or the Curtis-Aswell bill, if enacted into law, would help the situation of the farmer very much.

B. F. Yoakum, a retired railroad official, who has made a very exhaustive study of the agricultural problem, vigorously opposed the Haugen bill and, among other things, said:

Under the Haugen bill farmers are given the right to organize shipping and selling agencies, but not by any means the exclusive right, although the bill undertakes to give that impression. Others are not barred and can operate without restraint by the Government. Under the Haugen bill dealers could register and take any advantage in the transaction of their business as "Federal agents." They could have—and, if it were to their advantage, would have—dummies operate under the "not required to register" clause and to take advantage of the farmers and the consuming public, either as registered associations or unregistered associations. With this double-dealing under Federal authority they could in 12 months bankrupt every farm cooperative organization in the country.

CERTAIN THAT LAW WOULD WORK

Mr. Yoakum was so confident that the Curtis-Aswell bill would work out successfully that on February 28, 1925, as chairman of the Farmer to Consumer League Organization, he telegraphed to Senator CURTIS offering to indemnify the Government against loss in the sum of $500,000 if Congress should enact the Curtis-Aswell bill providing for a farm marketing system owned, controlled, and directed by the farmers themselves.

Mr. Yoakum further says:

The United States has never been faced by an economic condition more menacing to the peace, prosperity, and happiness of its people than that which at present is presented by agriculture.

I am aware that this is strong language, yet it is not as strong as attested by the Government itself through the Market News Service of the Department of Agriculture, in a recent issue in which it said:

"The hard situation in which the farmers of the United States have been placed during the past three years has caused a shifting in the foundations of our national life which ought to concern, not farmers alone or even mainly, but all the people of every occupation who are interested in preserving American government and American life as they have always existed.

"The farm problem essentially is not a class problem, but a national problem.

"Unless the right solution is found, business and industry and the domestic and laboring conditions of the cities will suffer, in the end, very much more than the farmers do. For the fountain from which the cities suck their sustenance is being dried up.

"The best estimates obtainable show that about 1,200,000 farmers have been driven out of business. Some of them continue on the farms as tenants or economic slaves."

SENATOR BORAH

In an article on agriculture, Senator WILLIAM E. BORAH recently pointed out where in one county alone there had been 6,000 tax-sale notices advertised in one newspaper covering farms in a good agricultural region. The Senator added:

Homes are being deserted. Thousands of farmers are passing into bankruptcy. Men and women who have been reared on farms, who have given their youth and mature years to farm life, and now, at a time when little fitted to cope with a new situation, are crowding to the overpopulated centers where men and women hive and where ignorance and want fester and spread.

Congressman RUBEY, of Missouri, a member of the Agricultural Committee of the House of Representatives, on the floor of the House on the agricultural situation, said:

In answer to the argument that conditions in the agricultural sections were improving, a careful study of conditions throughout the land, together with the testimony recently presented to our Committee on Agriculture will show that agriculture is in just as bad condition to-day as it was a year ago.

Missouri is one of the richest agricultural States in the Union, and Mr. RUBEY lives in one of the best sections of the State.

Nevertheless, "We have nearly 30,000 vacant farms in Missouri alone," Mr. RUBEY declared.

What of the financial condition? I telephoned yesterday afternoon to the Comptroller of the Currency and asked him how many banks had failed during the month of January this year. He replied that 82 banks had failed in the United States during the first month of the year 1925—17 National banks and 65 State banks. If that ratio keeps up during the next 11 months, you will have more bank failures in the United States than were ever known in a similar time in the history of our Government.

Mr. RUBEY is a banker as well as a lawyer, a fact which gives added significance to his views on the financial outlook. Later on Senator GOODING, of Idaho, confirmed Mr. RUBEY'S figures in the course of a speech in the Senate.

Speaking of the work of the President's Commission on Agriculture, Mr. RUBEY said:

"I challenge any Member to point out to me a sentence or paragraph in the report of the President's Commission, from the first line to the last line, that will bring immediate relief to American agriculture."

He said that the members of the President's Commission had been given an opportunity to testify before the House Committee on Agriculture and that not one of them claimed that he had anything in his report which would give the farmers any relief in less than from three to five years.

June 4, 1924, when Congress was about to take a recess until December, I called the attention of Congress and the administration to the distress of the farmers of the country in the following language:

[Extract from speech of Representative BROWNE of Wisconsin]

DISTRESS OF FARMER

Over one-third of our whole population are on the farms, working long hours in all kinds of weather and producing what our Nation eats and wears. The farmer did more than any other class to increase the wealth of the Nation from $186,000,000,000 to $320,000,000,000, the increase of wealth in the last decade. The farmers have done more than any other class to make this country a powerful and mighty Nation that has surpassed all other nations of the world. Notwithstanding this, the present administration and those in authority are allowing conditions to remain that have caused over 600,000 farmers in 10 wheat States to either lose their farms by foreclosure or retain them because the mortgagees did not desire to take them over, conditions that have caused agriculture in all lines to be reduced to the very extremity and on the verge of collapse. As a result of this acute agricultural distress, over 1,000 banks, with assets of approximately $500,000,000 have failed in the last three years.

UNPRECEDENTED INCREASE OF WEALTH OF NATION

December 31, 1922, the wealth of the United States was $320,000,000,000 as compared with $186,000,000,000 in 1912. This increase of wealth in 10 years is unprecedented and more than in the preceding 50 years. Has this wealth made the people of our Nation, as a whole, more prosperous and contented? Has this wealth been at all equitably distributed? Have the real producers of this wealth received their just share or the proportion they have formerly received? If not, are the political parties who have had control of all the departments of government during this time functioning for the benefit of the many or for the benefit of the few? Are we as a nation paying enough attention to the welfare of the masses of the people?

NO LEGISLATION FOR THE FARMER

In the last campaign the farmer was given every assurance that as soon as Congress convened some constructive legislation would be enacted by Congress. Congress adjourns without enacting any legislation, with the agricultural situation no better than it was a year ago.

The demands of the dairy farmers for a higher tariff duty upon butter, whole milk, cream, and cheese, and other dairy products have so far met with no favorable action either from the Tariff Commission, Congress, or the President.

The outstanding issue in the last campaign was prosperity. Immediately after election stocks and bonds advanced in price, and since election day at least $6,000,000,000 have been made on the stock markets by the owners and purchasers of stocks and bonds. The farmer has not benefited a dollar from this golden harvest of the stockbrokers.

Where does the $6,000,000,000 come from that has been made in the advance of stocks and bonds? It does not come from any increase in wealth. The stocks and bonds do not represent any more property than they did before election time. There are vastly more men out of employment to-day than there were before election time. The farmer, the small shopkeeper, the merchant, and the manufacturer is no better, if as well, off as he was six months ago. The cost of living, according to the latest official statistics given us by the Labor Department, is somewhat higher than it was before.

The purchasing power of the dollar is to-day sixty and nine-tenths pre-war prices. I herewith give the latest statement on the purchasing price of the dollar:

DOLLAR'S BUYING POWER IS 60.9 PRE-WAR CENTS, IRVING FISHER REPORTS

[Special to the Journal of Commerce]

NEW HAVEN, CONN., March 8.—Prof. Irving Fisher, of Yale University, announced to-day that last week's prices averaged 164.1 per cent of the pre-war level. The purchasing power of the dollar was 60.9 pre-war cents. Crump's index number was 161.7.

Index numbers of the last five weeks follow:

	Fisher	Crump
Feb. 28	163.1	161.7
Feb. 21	162.3	161.6
Feb. 14	161.3	162.7
Feb. 7	163.7	163.9
Jan. 31	164.4	163.1

These figures speak eloquently of what the farmer is up against. Dairy products and average farm products are bringing very little more, if any, than they did in pre-war times, and yet the farmer is able to purchase less than 61 cents' worth with the dollar that he receives from the sale of his products at pre-war prices.

The farmer does not ask for any particular favors, he simply wants a square deal and the same support and encouragement and protection of the laws that the Government gives other business interests. He complains bitterly of excessive freight rates, of inadequate protection against foreign competition. The farmer is paying millions of dollars' additional cost for everything he consumes to protect New England manufacturers, while they refuse him adequate protection on dairy and other products produced on the farm.

RURAL ROUTES

The farmer is discriminated against in the facilities granted him in getting his mail. An inhabitant of the city, no matter if he resides 10 miles from the post office, receives his mail delivered at his doorstep from three to five times a day, no matter whether he is a citizen of this country or whether he pays a cent of tax.

Contrast this service with the mail service given the farmer. There are millions of farmers to-day in the United States who have to travel over a mile, and some of them 2½ miles, to get their mail. Of course, the parcel post, which benefits have been received by the farmers only about 12 years, is of very little value unless the farmer is very close to a rural route. If a farmer is a mile away from a rural route, the only way he can send a parcel-post package is to send some member of his family out to the route and wait for the rural carrier to come. This takes a great deal of time. In little cities of less than 3,000 inhabitants the mail is delivered to business places and residences two or three times a day; yet it would be no particular hardship for the people to walk to the post office, centrally located, and get their mail.

In the last Congress there was an attempt to raise the appropriation for the purpose of further extending our rural routes. The Busby amendment, which proposed to increase the appropriation a little less than a million dollars, was defeated by a vote of 147 to 69. The chairman of the Appropriations Committee, on page 1035 of the CONGRESSIONAL RECORD of December 30, 1924, opposing the Busby amendment, said:

The existing appropriation is $2,750,000. The department asked for $2,600,000 for the next year. They say that $2,600,000 is all they need to do the same work they are doing now, and that if they had the $150,000 more it might possibly lead to some extravagance—

Yet February 18, 1925, I received the following letter from the Fourth Assistant Postmaster General regarding a rural route which had been carefully inspected by the post-office inspector and duly approved by him.

FEBRUARY 18, 1925.

MY DEAR MR. BROWNE: I regret to state that the department's estimates for the maintenance of the Rural Delivery Service for the next fiscal year provide for a material decrease in the amount available for extensions of such service, which decrease is of such large amount that we will be compelled to restrict expenditures for new routes or extensions of routes to cases where an actual emergency exists or where such routes or extensions are absolutely essential to the preservation of existing facilities.

If in the near future funds are in hand to meet the expense of general extensions of the Rural Delivery Service, this case, together with many others pending, will have attention.

Sincerely yours,

H. H. BILLANY,
Fourth Assistant Postmaster General.

Application for the establishment of this route has been pending for considerably over a year, and the petitioners, good-substantial farmers, have been led to believe that the route would be established as soon as there were sufficient funds. The Fourth Assistant Postmaster General now states that the department's estimates for the maintenance of the Rural Delivery Service for the next fiscal year provide for a material decrease in the amount available for extensions of such service, which decrease is of such large amount that they will be compelled to restrict expenditures for new routes or extensions of routes to cases where an actual emergency exists.

It is hard to reconcile the statement of the Fourth Assistant Postmaster General with the statement of the chairman of the Finance Committee, who I have quoted above and who also stated on page 1035 of the CONGRESSIONAL RECORD of December 30, 1924, in opposing the Busby amendment for an additional appropriation, that we now have $1,435,000 left in the rural delivery fund over and above what we could use.

I have always voted for liberal appropriations for our Post Office Department in all lines.

The Government is expending a great deal of money, and I find no fault with it, in sending mail by airplane; by shooting mail through pneumatic tubes to the office of the business man. I believe, however, that it is inconsistent to compel the farmer to walk through the snow and rain in many instances, a mile and a half to two miles to get his mail once a day. I believe that the Rural Delivery Service should be extended so that eventually every farmer throughout the land on a good passable road can have a mail box in front of his house.

There is a good deal said, and much anxiety felt about the number of farmers and the farmers' sons who are leaving the farms. If you want to keep the farmer and his son on the farm, treat him fairly and justly; make rural life as attractive and interesting as possible. Resolve questions of doubt occasionally in favor of the farmer and not always against him. In other words, treat him the way you do people engaged in other lines of business. It will benefit him a great deal more than it will to eulogize him on the Fourth of July and tell of the sturdy yeomanry who are the foundation of society and the state.

The farmer does not ask for fulsome praise or eulogies, he simply asks for a square deal, just laws, and an opportunity to make an honest living.

FARM ORGANIZATIONS AGAINST THE HAUGEN BILL

The National Council of Farmers' Cooperatives, the president of which is Colonel Bingham, of Louisville, and among the prominent members is Governor Lowden, of Illinois, have appealed to this House not to enact the Haugen law, not to pass this bill.

[A national service agency maintained by 31 State and district cooperative associations which market the products of 612,000 farmers. Robert W. Bingham, chairman, Louisville, Ky.; Carl Williams, vice chairman, Oklahoma City, Okla; Curt Anderson, Xenia, Ill.; John Lawler, San Francisco, Calif.; B. E. Chaney, Stuttgart, Ark.; R. E. Cooper, Hopkinsville, Ky.; G. Herbert Foss, Fort Fairfield, Me.; Dr. B. W. Kilgore, Raleigh, N. C.; Frank O. Lowden, Oregon, Ill.; C. O. Moser, Dallas, Tex.; G. A. Norwood, Goldsboro, N. C.; I. O. Rhoades, San Jose, Calif.; A. R. Rule, New York, N. Y.; Aaron Sapiro, Chicago, Ill.; W. H. Settle, Petroleum, Ind.; Dan A. Wallace, St. Paul, Minn.; R. A. Ward, Portland, Oreg.; Walton Peteet, secretary; Robin Hood, director of information; Harold A. Ruby, special representative. Chicago office, 1610 Straus Building.]

NATIONAL COUNCIL OF FARMERS' COOPERATIVE MARKETING ASSOCIATIONS,
Washington, D. C., February 17, 1925.

To Members of Congress:

I am directed by the National Council of Farmers' Cooperative Marketing Associations to present our earnest protest against any legislation which will bring cooperative marketing associations under the jurisdiction of a governmental board with power to license, audit, and otherwise control or interfere in their management.

I am attaching a list of members of the national council, and the names of several cooperatives which are not members, but which have asked the national council to represent them in this matter. An examination of these lists will, I believe, convince you that they comprise many of the largest and most representative cooperatives in the United States.

These cooperatives are vitally interested in the success of the cooperative-marketing movement, and their protest is based upon careful study of the many bills on the subject now pending in Congress.

The real cooperatives of the country earnestly ask Congress not to press through in the hurry of the closing days of the session a hastily devised measure which vitally affects their vast and important interests.

Time will not permit me to call upon each Member of Congress and discuss at length our many objections to their legislation, but I will be glad to call on any Member who desires further information concerning our views.

Respectfully,

NATIONAL COUNCIL OF FARMERS' COOPERATIVE MARKETING ASSOCIATIONS,
WALTON PETEET, *Secretary.*

WISCONSIN CHEESE PRODUCERS' FEDERATION (INC.),
Plymouth, Wis., February 27, 1925.

Congressman EDWARD BROWNE,
Washington, D. C.

DEAR MR. BROWNE: We are more than delighted to be informed by wire this morning of the defeat of the Haugen bill and the passage of the Dickinson bill in satisfactory form.

Members of Wisconsin cooperatives certainly have every reason to feel grateful at the action taken. I am sure the progressive Wisconsin farmers who are striving to improve the agricultural situation through cooperative efforts are appreciative of anything that their Representatives in Congress may do to help the cause along.

Yours very truly,

WISCONSIN CHEESE PRODUCERS' FEDERATION,
F. G. SWOBODA, *General Manager.*

THE FEDERAL TRADE COMMISSION AND THE COURTS

Mr. AYRES. Mr. Speaker, much has been said of late respecting the frequency with which the orders of the Federal Trade Commission have been set aside by the courts. We often see editorial comment on some decision vacating an order of the commission to the effect that the commission's order has been set aside "as usual" by the court. A number of articles have appeared in the press from time to time purporting to show in what percentage of the cases in the courts the commission's rulings have been sustained, which make it appear that the courts have disagreed with the commission in very many more instances than they have sustained it. To those not familiar with the exact facts the statements are plausible and are calculated to create a wrong impression. As an illustration of the misleading character of some of these statements an article appeared in one of the metropolitan dailies some weeks ago in which it was represented that the commission had lost many more cases than it had won in the Federal courts. The article did not explain that the compiler had counted some 12 cases as lost by the commission in which the complaints, findings, and orders were practically identical and the issues in which were ultimately decided by the Supreme Court in a single opinion.

The cases arose out of an effort by the commission to eradicate a particular practice from an entire industry by the simultaneous filing of complaints against all of the principal concerns using the practice, the consolidation of the proceedings for the taking of testimony and the subsequent issuance of identical orders. A number of concerns appealed from the orders and the appeals were heard in several circuits, resulting in judgments adverse to the commission.

Two groups of the cases reached the Supreme Court and were decided in one opinion, thus settling every question involved in all of the cases; and yet the writer of the article referred to, in casting up the cases won and lost by the commission, listed those cases as 12 cases in which the commission had suffered defeat. In the same article two cases which the commission lost in the circuit court of appeals but won in the Supreme Court were counted as lost in the court below.

It seems to me desirable that this House and the country should be accurately advised of the facts in this matter and that the impression which such statements create that the commission's orders have usually been overruled by the courts be corrected. I intend to print as a part of my remarks a tabular statement showing in detail the results of the cases in the courts to which the commission has been a party.

This statement shows that of the cases reaching the Supreme Court and the various courts of appeal the commission has won 21 and lost 17. In two of the cases included in the total of cases won the commission's order was in part sustained and in part reversed. If these cases be excluded from consideration, the total would be 19 won and 17 lost.

It should be remembered in considering the results of this litigation that the commission is working in a field that is practically new. Indeed, several of the decisions in its favor establish new law and open up a field for the protection of the public from unfair practices which is virgin soil. Every lawyer knows how difficult it is to establish new precedents even under the authority of statute. The success thus far attained by the commission in this regard is noteworthy.

Moreover, it should be noted that up to June 30, 1924, the commission had issued 635 orders to cease and desist. Of these, approximately 40 have been questioned in the courts. It is safe to assume that appeals have been taken to the courts in the weaker cases, since counsel could hardly advise appeal where there was little prospect of success. The percentage of cases won by the commission in the courts is therefore not to be taken as fairly indicative of the percentage of validity of all orders issued by the commission. On the other hand, if presumption on this point is to be indulged in at all, the presumption would be that the percentage of validity of these orders not appealed from is very much higher than in those cases taken to the courts.

The tabulated statement I referred to a few moments ago, showing the results of the cases in the courts to which the commission has been a party, is as follows:

Cases won and lost by the Federal Trade Commission in the United States Supreme Court and the Circuit Courts of Appeals.

Court	Victories	Defeats
Supreme Court of the United States	2	5
United States Circuit Courts of Appeals:		
First circuit: Boston	0	0
Second circuit: New York	4	5
Third circuit: Philadelphia	1	1
Fourth circuit: Richmond	0	1
Fifth circuit: New Orleans	3	0
Sixth circuit: Cincinnati	2	0
Seventh circuit: Chicago	4	5
Eighth circuit: St. Louis	1	0
Ninth circuit: San Francisco	4	0
Total	21	17

For details see following statement:

SUPREME COURT OF THE UNITED STATES

Warren, Jones & Gratz: Defeat (June 7, 1920), affirmation of second circuit.

Beech-Nut Packing Co.: Victory (January 3, 1922), reversing second circuit.

Winsted Hosiery Co.: Victory (April 24, 1922), reversing second circuit.

Curtis Publishing Co.: Defeat (January 8, 1923), affirmation of third circuit.

Sinclair Refining Co.: Defeat (April 9, 1923), affirmation of seventh circuit. (The Sinclair case is one of a group of 12 oil-pump and tank cases originally brought in the second, third, sixth, and seventh circuits. There was only one question involved in the entire group, the complaints, findings, and orders being practically identical. They were consolidated for briefing and argument in the circuit courts, and those which reached the Supreme Court were decided in one opinion. The commission has always regarded this group as one case. The decisions in the various circuits were, as to the cases decided in such circuits, adverse to the commission in each instance.)

Raymond Bros.-Clark Co.: Defeat (January 7, 1924), affirmation of eighth circuit.

American Tobacco Co. and P. Lorillard Co.: Defeat (March 17, 1924), affirmation of United States district court. (Two companies involved, but only one case, there being but one issue involved, and one opinion.)

FIRST CIRCUIT

None.

SECOND CIRCUIT

New Jersey Asbestos Co.: Defeat (February 26, 1920).

Ward Baking Co.: Defeat (February 26, 1920).

Royal Baking Powder Co.: Victory (May 1, 1922).

Guarantee Veterinary Co.: Victory (November 6, 1922).

Mennen Co.: Defeat (March 13, 1923).

Fox Film Corporation: Victory (January 7, 1924).

National Biscuit Co. and Loose-Wiles Biscuit Co. (considered as one case; one question involved and decided in one opinion): Defeat (May 5, 1924).

John Bene & Sons (Inc.): Defeat (May 8, 1924).

Butterick Co. et al.: Victory (January 5, 1925).

THIRD CIRCUIT

Aluminum Co. of America: Victory (June 1, 1922).

John C. Winston Co.: Defeat (February 27, 1925).

FOURTH CIRCUIT

D. A. Winslow & Co. and Norden Ship Supply Co. (considered as one case; one question involved and decided in one opinion): Defeat (November 1, 1921).

FIFTH CIRCUIT

Wholesale Grocers' Association of El Paso, Tex., et al.: Victory (January 6, 1922).

Southern Hardware Jobbers' Association: Victory (June 13, 1923).

S. E. J. Cox et al.: Victory (preliminary restraining order, June 18, 1923).

SIXTH CIRCUIT

National Harness Manufacturers' Association: Victory (December 7, 1920).

L. B. Silver Co.: Victory (order modified in part) (February 16, 1923).

SEVENTH CIRCUIT

Sears, Roebuck & Co.: Victory (April 29, 1919).

Fruit Growers Express Co.: Defeat (June 16, 1921).

Kinney-Rome Co.: Defeat (September 8, 1921).

Mishawaka Woolen Manufacturing Co.: Victory (September 13, 1922).

B. S. Pearsall Butter Co.: Defeat (July 19, 1923).

Pure Silk Hosiery Mills: Victory (December 8, 1924).

Chicago Portrait Co.: Defeat (December 21, 1924).

Swift & Co.: Victory (February 16, 1925).

Herman Heuser: Defeat (March 2, 1925).

EIGHTH CIRCUIT

Chamber of Commerce of Minneapolis et al.: Victory (March 27, 1922); petitioners sought by certiorari review of preliminary orders of commission.

NINTH CIRCUIT

Western Sugar Refining Co. et al.: Victory (in part) (October 10, 1921).

Juvenile Shoe Co.: Victory (May 14, 1923).

Western Meat Co.: Victory (September 2, 1924) (commission's order subsequently modified).

Pacific States Paper Trade Association et al.: Victory (in part) (February 9, 1925).

It would seem this showing ought to be sufficient to convince the most skeptical that the claim that the commission's order has been set aside "as usual" by the court is untenable.

MANY FOREIGN LOANS NEGOTIATED WITH EXPRESS APPROVAL OF STATE DEPARTMENT

Mr. LOZIER. Mr. Speaker, as is shown by the CONGRESSIONAL RECORD, on February 7, February 13, February 16, February 19, March 2, and March 3, I discussed what I considered grave economic evils flowing from the too lavish lending of American money abroad. I called attention to the high interest rates that were burdening the farmer and all others engaged in productive industries; that, notwithstanding the tremendous increase of wealth in the United States since the World War, there has been a pronounced advance in interest rate; that the chief cause of this ever-increasing interest burden was the excessive lending of American capital abroad; that in 1924, $973,011,500 of new American capital was invested in foreign securities; that in the six years since January 1, 1919, approximately $4,200,000,000 of American capital was loaned abroad to foreign governments, foreign municipalities, foreign provinces, foreign railroads, and foreign industrial concerns, or an average of about $700,000,000 annually; that of the new capital loaned abroad in 1924, $520,650,000, or 53.5 per cent, went to Europe; $121,011,500, or 12.4 per cent, to Asia; $150,810,000, or 15.5 per cent, to Latin America; and $180,540,000, or 18.6 per cent, to Canada and Newfoundland; that in all 76 foreign loans were made in 1924, of which 17, aggregating $557,026,500, or 57.2 per cent, were made to foreign governments; 7, aggregating $43,752,000, or 4.5 per cent, were to foreign provinces; 17, aggregating $62,291,000, or 6.4 per cent, were to foreign municipalities; and 35, aggregating $309,942,000, or 31.9 per cent, were to foreign corporations; that American citizens engaged in agricultural, manufacturing, and commercial pursuits who desired loans or credit for their vocational activities were compelled to borrow in a market where foreign governments, foreign provinces, foreign railroads, foreign corporations, and foreign industrial organizations were bidding for loans and offering excessive interest and commission rates; that these foreign securities bear a high rate of interest and this attracts capital that would otherwise be available for domestic loans.

I believe that in the six previous discussions of this foreign-loan problem I have conclusively shown that these foreign securities are drying up and absorbing our surplus capital to such an extent that serious business and economic results are inevitable. Time and space will not permit me at this time to restate the arguments I have heretofore made in support of a "slowing down" in the sale of foreign securities to the people of the United States, but I refer honest inquirers to my six previous discussions of this subject.

In the Washington Post, issue of February 19, I find a lengthy editorial referring to my discussion of the foreign-loan problem. While the editorial disagrees with some of my conclusions, I recognize that the editor is clearly within his rights in presenting his views on this exceedingly interesting and important subject.

But I am constrained to answer that part of the editorial which challenges the accuracy of my statement to the effect that "many of these loans have been negotiated with the express approval of the State Department." I quote from the editorial in question:

We should like Mr. LOZIER to produce his authority for his statement that "many of these loans have been negotiated with the express approval of the State Department." Such assertions, unless susceptible to demonstration, are most harmful and ought not to be made. Our excuse, if one is needed, for asking Mr. LOZIER for proof of his statement we may as well say frankly is that we do not believe a word of it.

In other words, this editorial statement challenges the truthfulness of my statement that "many of these loans have been negotiated with the express approval of the State Department." This statement in above-mentioned editorial raises "a question of fact" between the editor of the Washington Post and myself. If my statement is not accurate, I concede that it should not have been made, and may I say that if it had not been accurate it would not have been made. I am very glad at this time to accept the editorial challenge and submit proof conclusively demonstrating that my statement is in entire harmony with truth and the facts.

Moreover, I think that for the information of the public the exact attitude of the State Department toward the flotation of foreign loans in the United States and its relation and consent thereto should, as a matter of history, be compiled and published for the information of the Congress and the public generally.

THE CABINET MEETING OF MAY 20, 1921

I first read from the New York Commercial and Financial Chronicle, issue of May 28, 1921 (p. 2248):

HARDING ADMINISTRATION WOULD HAVE FOREIGN LOAN PROCEEDS RETAINED IN UNITED STATES

Indications of the administration's views that the proceeds of foreign loans floated here should be used in financing exports of the United States and applied to the refunding of our liabilities were contained in an official statement issued in Washington on May 20 following a Cabinet meeting.

Next follows the official statement, which was as follows:

The Cabinet discussed the problem of favoring exports and the desirability of the application of the proceeds of foreign loans made in our own financial markets for the purpose of exporting our commodities and the refunding of outstanding liabilities.

The Chronicle then quoted a statement from the Washington correspondent of the Baltimore Sun, who in dilating on the official announcement said in part:

Back of this brief report of the Cabinet session is a feeling on the part of the administration that steps must be taken to prevent any undue draining of the money resources of the United States through foreign loans which may prove exceedingly attractive to American investors. * * *

There is no intention on the part of the Federal Government to discourage such loans as are now projected, but the administration does not look with favor upon the possibility of Europe taking possession of the bulk of the gold now in American banks through loans and shipping that gold or its equivalent across the Atlantic to aid business abroad.

There is business depression in America, as well as in Europe, it is pointed out, and this depression will continue until the United States begins selling more goods in foreign markets. For that reason, as well as for others, the administration feels that Europe borrowers in this country should arrange to expend a large part of the money so raised for American products. * * *

The administration does not feel, it was learned to-day, that Europe should continue to make loans in America, therefore, even though private bankers, without taking steps to refund outstanding liabilities or without spending a part of the money for goods which the United States is ready and eager to export.

As already pointed out, the Government may find it has no power under existing law to compel international borrowers here to spend their money one way or another, but the Government does not regard itself as powerless in the situation by any means. Through the Federal Reserve Board and other agencies it has virtual control, which the President and his advisers expect to resort to in the effort to promote American export trade.

It will be observed that this Cabinet meeting was held and this statement given out in reference to foreign loans within less than 90 days after Mr. Harding's inauguration, and clearly indicates an intention on the part of the administration to

either supervise or exercise a restraining influence over the flotation of foreign securities in the United States. This was a wise policy and should have been adhered to.

It will be observed that the Harding administration realized the danger of undue "draining of the money resources of the United States through foreign loans," and the importance of international borrowers spending the proceeds of these foreign loans in the United States. The foregoing statement carries the threat that it would invoke the almost unlimited powers of "the Federal Reserve Board and other agencies." With this original policy of the Harding administration I was in full accord.

PRESIDENT HARDING AND THE BANKERS CONFER IN RELATION TO FOREIGN LOAN FLOTATIONS

I next call your attention to the fact that on May 25, 1921, President Harding had a conference in Washington with a number of leading bankers who are actively engaged in the flotation of foreign securities in America. I quote from the New York Commercial and Financial Chronicle, issue of May 28, 1921 (p. 2248):

PRESIDENT HARDING'S CONFERENCE WITH BANKERS

What is said to be the first of a series of discussions on problems affecting the financial and business world took place at Washington on May 25 when President Harding, at a White House dinner, conferred with leading bankers on questions of moment. The conference was unheralded as far as public information was concerned, and it was not until after it had taken place that general knowledge was had of it. Besides Secretary of the Treasury Mellon and Secretary of Commerce Hoover, the President had as his guests J. P. Morgan; Paul M. Warburg; James A. Alexander, of the National Bank of Commerce in New York; Charles A. Sabin, of the Guaranty Trust Co., New York; Benjamin Strong, governor of the Federal Reserve Bank of New York; C. E. Mitchell, National City Bank, New York; F. I. Kent, of the Bankers Trust Co., New York; and H. C. McEldowney of the Union Trust Co. of Pittsburgh.

The Chronicle then quotes from the press dispatches sent out from Washington under date of May 26, as follows:

Whether to encourage further loans of private American capital to foreign governments was one of the questions most seriously considered, with most of the financiers arguing that such extensions of credit presented the most practicable means to place foreign finances on a sound basis. This question already has received much attention by the Cabinet.

Some of the visiting bankers, it was said, expressed concern over the possibility of funds raised in this country by foreign bond issues being used to buy the products of other foreign countries. The belief was advanced that use of American money in such a manner would result unfavorably to domestic industry, especially farming.

On the other hand, it was pointed out in some administration quarters to-day that purchase of Argentine wheat by foreign buyers with money borrowed in this country, for example, would assist that country's business, and the money would eventually find its way back into the United States in trade between the two nations.

Administration officials, however, discounted reports that American money was to be used to any extent in foreign markets by foreign borrowers. Most of the funds to be raised here, it was asserted, would be used to retire or fund existing Government indebtedness here.

Mr. Harding is said to have laid before his guests an offer to do everything practicable to cooperate for the relief of economic conditions, while the bankers are said to have replied with expressions of willingness to work in close conjunction with the administration. * * *

The problem of promoting American investment abroad, particularly in reinvestment form, is said also to have been brought forcibly to the front, and detailed ways and means discussed at great length.

It will be observed that some of the bankers "expressed concern over the possibility of funds raised in this country by foreign bond issues being used to buy the products of other foreign countries. The belief was advanced that the use of American money in such a manner would result unfavorably to American industry, especially farming." In this view the bankers were most certainly right. Why should we lend money to foreign nations to be used by such nations in buying food products in Argentina or in other foreign nations? If we lend money to foreign nations to buy food products, why not require that the food commodities be purchased in the United States and from the people of the United States? Why furnish the money to benefit the farmers of other nations and to finance trade activities of our competitors in the markets of the world?

STATE DEPARTMENT'S ANNOUNCEMENT OF MARCH 3, 1922

I quote from the New York Commercial and Financial Chronicle, page 897, issue of March 4, 1922:

STATE DEPARTMENT AT WASHINGTON REQUESTS THAT IT BE KEPT INFORMED REGARDING FOREIGN-LOAN FLOTATIONS

The following from Washington appeared in the New York Evening Sun of last night (March 3):

The State Department urgently requested American banking interests to-day to inform this Government fully before floating any foreign loans in the United States.

It was assumed that the State Department's statement was designed to prevent the extension of loans to Governments and régimes that the United States does not recognize, and to prevent the funds of American investors from becoming involved in sectional affairs in foreign countries. In a formal announcement the State Department recalled that last summer at a conference between the President, some members of the Cabinet, and a number of American bankers the interest of the Government in the public flotation of foreign bonds was discussed, and the desire of the Government to be fully informed of such transactions was emphasized.

"The desirability of such cooperation does not seem sufficiently well understood in banking and investment circles," the State Department announced to-day.

"The flotation of foreign-bond issues in the American market is assuming an increasing importance, and on account of the bearing of such operations on the proper conduct of affairs it is hoped that American concerns that contemplate making foreign loans will inform the Department of State in due time of the essential facts and of subsequent developments of importance.

"American concerns that wish to ascertain the attitude of the department regarding any projected loan should request the Secretary of State in writing for an expression of the department's views. The department will then give the matter consideration, and in the light of the information in its possession endeavor to say whether objection to the loan in question does or does not exist."

In other words, the State Department in this announcement:

First—

urgently requested American banking interests to inform this Government fully before floating any foreign loans in the United States.

This request is not confined to loans to foreign governments, but comprehends "any foreign loans."

Second. Called attention to a formal announcement made—

last summer at a conference between the President, some members of the Cabinet, and a number of American bankers—

At which time—

the interest of the Government in public flotation of foreign bonds was discussed, and the desire of the Government to be fully informed of such transactions was emphasized.

This clearly refers to the announcements made by the State Department May 20 and May 28, 1921, to which I have referred.

Third. Complained that its attitude—

does not seem sufficiently well understood in banking and investment circles.

Fourth—

The flotation of foreign-bond issues in the American market is assuming an increasing importance and on account of the bearing of such operations on the proper conduct of affairs it is hoped that American concerns that contemplate making foreign loans will inform the Department of State in due time of the essential facts and of subsequent developments of importance.

Here again it will be observed that the Department of State does not limit this request to foreign-government loans, but his request applies to those who—

contemplate making foreign loans.

In other words, the department requests to be informed of the proposed flotation of any and all foreign loans.

Fifth. That—

Americans concerns that wish to ascertain the attitude of the department regarding any projected loan should request the Secretary of State in writing for an expression of the department's view. The department will then give the matter consideration, and in the light of the information in its possession endeavor to say whether objection to the loan in question does or does not exist.

The Secretary of State here described a formula to be followed by American bankers proposing to negotiate foreign loans, and that formula is as follows: The banker makes a written request of the Department of State, describing the loans, securities, and all important facts in relation thereto, and inquires whether the Department of State has any objection to the negotiation of the loan. Thereupon, the Secretary of State makes an investigation, and in the light of the infor-

mation in his possession notifies the banker whether objection to the loan in question does or does not exist. In diplomatic parlance a statement from the Secretary of State that no objection to the loan in question exists is in essence and effect an express approval, and without such an expression of the attitude of the State Department probably no foreign loan of any magnitude has been made in the last four years. It is not necessary for the Department of State to announce affirmatively an approval of the loan, but his statement that he knows of no objection to the loan in question is understood by bankers and by all persons having even a limited amount of common sense as an approval of the loan or as a consent or authorization that the loan may be negotiated and the securities sold in the United States without objection from the State Department.

Where the facts in relation to a foreign loan have been submitted to the Department of State and the State Department thereupon announces that "no objection to the loan exists," I do not believe that the versatile and pedantic editor of the Washington Post will contend that this is not, for all practical purposes and in its very essence, an express approval of such loan by the Department of State. Bankers engaged in the flotation of foreign loans who have submitted facts in relation to such loans to the State Department, and the State Department has announced that "no objection to the loan in question exists," such bankers and all other persons of intelligence understand that this is tantamount to an express approval of the proposed loan.

The editor of the Washington Post is an accomplished diplomat, and he well knows that the essence of diplomacy is the statement of a fact in language which has a well defined diplomatic meaning and yet avoids plain blunt statements. Thus when nations go to war they do not declare war upon one another and announce a purpose of beginning military operations, but they merely say "a state of war exists," which diplomats and all other persons of intelligence understand means that the nations are "coming to grips."

Secretary Mellon is not hedged about by diplomatic language and formalities, and if a foreign loan were submitted to him and he was willing to have it negotiated in the United States, he would use United States language and say that he "approved the loan." But Secretary Hughes, hedged about by diplomacy and diplomatic language, would not say "the loan is approved," but he would use diplomatic language and say "that after the Department of State had given the proposed foreign loan consideration in the light of the information in its possession the department found no objection to the loan in question."

The editor of the Post well knows that the American investing public understands that when the State Department announces that "no objection to the proposed loan exists," that this is understood as an approval by the department of the flotation of the foreign loan.

THE SALVADOR LOAN

In 1923 a group of American bankers agreed to lend $6,000,000 to the Republic of Salvador, Central America. This was a business transaction, purely for private profit. These American bankers very adroitly involved the Department of State in the transaction, and through Secretary Hughes the Department of State became the agency of this group of financiers. A circular issued by these bankers inviting subscriptions to this loan conclusively shows that the State Department not only gave its approval to this loan but was, in essence, a party to the contract which pledged a part of the official machinery of our Government to carry out the agreement between the bankers and the Republic of Salvador. I quote from said circular:

> The United States of America and El Salvador have entered into an exchange of formal diplomatic notes with reference to this loan * * * by which Salvador on its part assures the United States that it will cooperate in every respect with the Government of the United States and the bankers in carrying out the terms of the loan contract, and the United States on its part takes cognizance of the terms of the loan contract and states that the Secretary of State of the United States is prepared to carry out the stipulations with reference to him in Articles IX, XIX, and XXIII of the loan contract should it be necessary to do so.

The agreement between the Republic of Salvador and the State Department, in brief, among other things, provided for reference of disputes or differences between the contracting parties to the Chief Justice of the United States Supreme Court, and for the appointment of Salvador's collector of general customs, who should be designated by this group of American bankers, "with the concurrence of the Secretary of State of the United States," which nomination "shall be transmitted to the Republic through the Department of State of the United States."

It will be observed that by this agreement our State Department has involved both the executive and judicial branches of our Government, and the agreement, in its last analysis, commits the United States to the flotation and collection of this loan. The agreement further provides that if the Chief Justice can not act, the matter shall be referred to some other Federal judge. In other words, by this agreement the State Department pledges the services of the Chief Justice of the United States Supreme Court or of another Federal judge as an arbitrator to settle differences between these bankers and the Republic of Salvador.

The circular issued by the bankers advertising these bonds for sale was worded to create the impression that after a Federal judge had decided any dispute that might arise, the United States Government would enforce the decision. The language of the circular is as follows:

> It is simply not thinkable that after a Federal judge has decided any question or dispute between the bondholders and the Salvador Government that the United States Government should not take the necessary steps to sustain such decision. There is a precedent in a dispute between Costa Rica and Panama in which a warship was sent to carry out the verdict of the arbitrators.

In other words, these bankers inveigled the State Department into an agreement with the Republic of Salvador, which the bankers say will cause the United States to take the necessary steps to enforce payment of these bonds after a Federal judge shall have decided the matter in dispute. They call attention to the fact that under a similar situation in a dispute between Costa Rica and Panama, a warship was sent to enforce payment, and reading this circular between the lines these bankers, in effect, declare that the Government of the United States and our warships may be utilized to enforce the payment of these bonds.

When certain newspapers criticized Mr. Hughes for thus involving the United States Government in a private-loan transaction between a group of bankers and this Central American Republic, the Secretary gave out a statement to the United Press in which he claimed that the United States Government was not a party to this loan and that the agreement was negotiated between the Government of Salvador and representatives of the bankers concerned. He, however, admitted that the State Department was a party to the agreement to the extent of facilitating the arbitration of disputes that may arise between the parties and the appointment of a collector of customs in case of default. He further admits that under the agreement the State Department was to refer disputes to the Chief Justice of the Supreme Court of the United States, or if he is unable to act to another member of the Federal judiciary for appropriate arbitrament.

In other words, Secretary Hughes admitted having agreed to refer disputes between the Republic of Salvador and the Wall Street bankers to the Chief Justice of the United States Supreme Court, thereby creating new duties for the judiciary, which is a branch of our Government wholly independent of the executive department. According to this admission, the Secretary of State is authorized to "assist in the selection of a collector of customs" in case of default by the Republic of Salvador.

Under this agreement the United States Government would be involved in international complications which might lead to war in the event the Republic of Salvador should refuse to pay these bonds. The approval of this El Salvador loan by the State Department was by means of official diplomatic notes between the Republic of Salvador and our Secretary of State. In view of the facts in this case no one will contend that this loan was not expressly approved by the State Department. Further, in relation to the $6,000,000 loan made to the Republic of Salvador:

From the New York Commercial and Financial Chronicle, issue of October 13, 1923, page 1616, it appears that Robert Lansing, Secretary of State under the Wilson administration, attempted to justify the action of the State Department in becoming involved in the flotation of this loan, in the course of which Mr. Lansing said:

> In the interchange of notes regarding this loan, Salvador on its part assures the United States that it will cooperate in every respect with the Government of the United States and the bankers in carrying out the terms of the loan contract, and in particular the stipulations relating to the appointment and removal of the collector general of customs, in case of default and the settlement of disputes, and the United States on its part takes cognizance of the terms of the loan contract and states

that the Secretary of State of the United States is prepared to carry out the stipulations with reference to him in the loan contract, should it be necessary.

The New York Commercial and Financial Chronicle, issue of October 20, 1923, page 1727, published the following article:

SALVADOR LOAN—STATE DEPARTMENT SAYS THERE IS NO SECRET AGREEMENT

With regard to the $6,000,000 loan to the Republic of Salvador—the bond offering was referred to in our issue of Saturday last, page 1615—the State Department at Washington issued a statement on October 18, in which it characterizes as misleading a report that "a secret agreement has been made by the department." The following is the latter's statement in the matter:

"The attention of the department has been called to statements, both in the advertising of the recently concluded loan to Salvador and in the press, which have created an erroneous impression regarding the relation of the United States Government to the loan.

"It has been stated that a secret agreement has been made by the Department of State. This is a misleading statement, as the agreement was negotiated between the Government of Salvador and the representatives of the bankers concerned. It is in no sense a treaty.

"The Department of State has no relation to the matter except with respect to facilitating the arbitration and determination of disputes that may arise between the parties and the appointment of a collector of customs in case of default. It is manifestly to the interest of peace and justice that there should be an appropriate method of deciding such controversies as might arise, and at the specific request of the Government of Salvador and the interested bankers the Secretary of State has consented to use his good offices in referring such disputes to the Chief Justice of the Supreme Court of the United States or, if he is unable to act, to another member of the Federal judiciary for appropriate arbitrament.

"Also, at the request of the Government of Salvador and the interested bankers, the Secretary of State consented to assist in the selection of the collector of customs, who, according to the loan contract, is to be appointed in case of default. This was simply for the purpose of facilitating the choice of an entirely competent and disinterested person. The contract also provides that the collector of customs, if appointed, will communicate to the Department of State for its records such regulations relating to the customs administration as may be prescribed and also a monthly and annual report.

"The Government of the United States has no relation to the loan except in these particulars."

From the foregoing it will appear that the Department of State took exception to the manner in which its connection with the Salvador loan was being advertised and commented upon. The distinguished Secretary of State did not deny that his department was a party to this transaction. He did not deny that he had entered into an agreement by which, under certain conditions, he would exercise what is in essence a supervisory control over the contracting parties in reference to this loan. He did not deny that he had entered into an agreement by which his department became obligated to secure the appointment of the Chief Justice of the United States or some other Federal judge to arbitrate the differences that might arise between the Republic of Salvador and the bankers making the loan. I have before me the contract between the Republic of Salvador and the bankers, from which I quote:

ART. IX. In case there shall at any time arise between the Republic the fiscal agent, and the fiscal representative, or any of them, any disagreement, question, or difference of any nature whatever regarding the interpretation or performance of this contract, such disagreement, question, or difference shall be referred to the Chief Justice of the Supreme Court of the United States of America, through the Secretary of State of said United States of America, for determination, decision, and settlement by such Chief Justice, and the parties hereto severally agree that any determination, decision, or settlement made by the Chief Justice shall be accepted by them as final and conclusive, and that each of them will abide by such determination, decision, or settlement, and will fully perform and conform to the terms thereof. In case the said Chief Justice shall decline or be unable to act, then the Secretary of State of the United States of America shall be empowered to designate some other member of the Federal judiciary of the United States of America to act in his place.

Will the distinguished editor of the Washington Post assert that this loan to the Republic of El Salvador was not made with the express approval of the Department of State when in truth and fact the contract was the result of diplomatic correspondence between Secretary Hughes and the Republic of Salvador?

Nor is this all. Section XIX of the contract for this loan provides:

As soon as practicable after this contract shall have become operative—that is, in the event of default by the Republic for 30 days—the fiscal agent shall select, with the concurrence of the Secretary of State of the United States of America, two individuals competent in their opinion to discharge the duties of Collector General, the names of which individuals so selected shall be transmitted to the Republic through the Department of State of the United States of America, and the Republic shall thereupon, within 10 days thereafter, name and appoint one of such individuals as Collector General.

This article contains other provisions imposing certain duties upon the Department of State under certain contingencies. Articles XXI and XXIII also "tie up" our Department of State with this loan transaction between the New York bankers and the Central American Republic of Salvador.

PROCEDURE FOLLOWED IN FLOTATION OF FOREIGN LOANS SINCE MARCH 8, 1922

The Washington Herald, on February 27, published an article insisting that it was the duty of the United States Government to display force, and, if necessary, to send its military and naval forces abroad to enforce the payment of foreign loans owned by the United States citizens. The article is from the pen of George W. Hinman, a regular contributor to the Herald and other papers on financial subjects. Mr. Hinman's position is that inasmuch as many of these foreign loans have been made by the encouragement and approval of the State Department, therefore "Uncle Sam" should use his military and naval forces to compel payment of these foreign loans. This illustrates one of the complications incident to the indiscriminate lending of American money abroad with the tacit or express approval of the State Department. It is not my purpose at this time to discuss this phase of the problem, but I do want to quote what Mr. Hinman said about the State Department encouraging or approving these loans. I quote:

Has the Government any responsibility for the making of these loans and for the protection of these citizens who have sent abroad their money? The Government has.

The Government has not only the duty to protect the property as well as the lives of its citizens abroad but it has the duty to enforce the contracts—the business contracts—that it has made with foreign nations. What contracts? The contracts that are known as treaties of amity and commerce, the contracts or treaties which guarantee to Americans and their property in foreign lands equal opportunity, adequate safeguards, fair business treatment all around.

But that is not all. Besides assuring its citizens by means of these treaties or contracts, the United States Government has encouraged these citizens to lend their money to foreigners. As the ten billions have been handed out year after year, the President and his State Department have given their approval. At times they have exhorted investors to help the foreign borrowers. They habitually have stated that "there was nothing in the loans contrary to public policy."

Is it, then, in order for the Government to scuttle away from its plain duties—from its duty to protect any American property abroad, from its duty to maintain the treaty guarantees given by foreign powers to American investors, from its duty to protect the American men and women who, on the advice and counsel of the highest Government officials, have lent their American dollars to foreign borrowers?

For instance, Americans lend their money to Cuba or San Domingo. These are easy examples near at hand and the loans actually have been made. A revolution breaks out. Like most revolutions, it is partly leveled against foreigners. In spite of treaty rights, in spite of government assurances, American property is about to be destroyed or property on which American bondholders hold the mortgage is about to be wiped out. Is it, then, a crime that American marines should police the revolutionized country? Is it a crime that at least a display of America's military force should be made to save the investments? It is not.

If any offense were in question, it would be the offense of abandoning innocent and trustful American investors to their fate—the offense of a Government too feeble to demand the fulfillment of its treaties.

Mr. Hinman says:

Besides assuring its citizens by means of these treaties or contracts, the United States Government has encouraged these citizens to lend their money to foreigners. As the $10,000,000,000 have been handed out year after year the President and his State Department have given their approval. At times they exhorted investors to help the foreign borrowers. They habitually have stated that there was nothing in the loans contrary to public policy."

Mr. Hinman specifically charges that the United States Government has encouraged its citizens to lend their money to foreigners, and year after year "the President and his State Department have given their approval." He goes further and says that at times the President and his State Department have

exhorted investors to help the foreign borrowers and have stated habitually that there was nothing in the loans contrary to public policy. It will also be observed that Mr. Hinman definitely charges that American men and women, on the advice and counsel of the highest Government officials have lent their American dollars to foreign borrowers.

He calls particular attention to the loans made to Cuba and Santo Domingo, and argues that, if necessary, the military and naval forces of the United States should be employed to collect these loans in case of default. But the outstanding feature of his article is that the Government of the United States and the State Department encouraged American citizens to lend their money to foreigners on loans that had the approval of the President and the State Department, and that it was the general practice of the State Department to advise bankers negotiating foreign loans that "there was nothing in the loan contrary to public policy." This is, in essence and substance, an affirmative approval of these loans by the State Department, because if there had been any objection to the negotiation of these loans the State Department would have called such objection to the attention of the bankers, after which it would have been impossible to negotiate any of these securities.

BLAIR & CO.

I quote from a letter under date of February 28, 1925, from Blair & Co., in answer to an inquiry by me in reference to the flotation of a $40,000,000 loan to the Argentine Nation:

As a matter of regularity, we advised the State Department of our intention to make an offering of the above-mentioned bonds, informing the department at the same time of the purpose of the issue. In due course we were advised by the State Department that in the light of the information before it the department offered no objection to the flotation of the loan.

DOW, JONES & CO.

I now quote from a letter received by me dated February 28, 1925, from Dow, Jones & Co., publishers of the Wall Street Journal and Financial News Bulletin, in the course of which letter, in discussing the submission of foreign loans to the State Department, it was said:

It is understood that its tacit approval was necessary for most of the earlier issues brought out. At present the large loans, especially foreign government, which have been sponsored by important New York banking houses, are understood to have the State Department's tacit approval.

I quote further from this letter:

It is safe to say that immediately after the war no banker would undertake a foreign loan in the face of any even indirectly applied opposition from Washington. On the other hand, any lack of opposition might now be construed as tacit approval.

EQUITABLE TRUST CO.

I now quote from a letter dated February 24, 1925, from the Equitable Trust Co. of New York City, in answer to an inquiry propounded by me as to the practice of submitting foreign loans to the State Department before their flotation:

The practice, so far as we know, in all foreign loans, both South American and European, is to notify our State Department of negotiations and to proceed with negotiations only in cases where the State Department interposes no objection.

I quote from another letter received by me from the Equitable Trust Co., dated March 3, 1925:

NEW YORK, *March 3, 1925.*

Hon. RALPH F. LOZIER,
Congress of the United States, House of Representatives,
Washington, D. C.

DEAR SIR: Receipt is acknowledged of your letter dated February 27, referring further to the matter of the approval of our State Department of foreign-loan flotations.

While there is no indication on any of the issuing circulars put out by the various underwriting houses as to whether or not they have in each case notified the State Department of their intention to float a loan, we believe that the practice of doing so is general.

Certainly in the case of every foreign loan with which we are familiar final and definite action was not taken prior to notifying the State Department of the negotiation and giving the State Department an opportunity to interpose objection. This practice, we believe, holds good with all houses, irrespective of the amount of a loan.

Very truly yours,

ROBERT C. ADAMS, *Associate Manager.*

J. P. MORGAN & CO.

I next quote from a letter dated February 26, 1925, written by J. P. Morgan & Co. in answer to an inquiry propounded by me as to the practice of submitting foreign loans to the State Department before their flotation in the United States.

It has been our practice to advise the Department of State from time to time as to contemplated foreign government loans, with a view to ascertaining whether the administration saw fit to interpose any objection to any given offering. * * *

You are probably aware that as long ago as March 3, 1922, the Department of State issued a circular upon this very matter, making it clear that the department undertook in no way to "pass upon the merits of foreign loans as business propositions," but "believes that in view of the possible national interests involved it should have the opportunity of saying to the underwriters concerned, should it appear advisable to do so, that there is or is not objection to any particular issue."

So far as we are aware, American banking houses offering foreign loans have been fully conversant with this clearly stated attitude of the Department of State, and further that their clients have never been under any misapprehension with respect to the matter.

I have never contended that the State Department has approved foreign loans "as business propositions." My statement, the accuracy of which the editor of the Post challenges, was "many of these loans have been negotiated with the express approval of the State Department"; that is, the flotation and sale of many of these foreign securities were with the tacit or express approval of the State Department. I did not say that the State Department approved these foreign loans in the sense of directly or indirectly declaring them to be safe and desirable investments, but my charge was that the negotiation or flotation of many of these foreign loans was with the express approval of the State Department. I have already shown that in the vernacular of the State Department a statement that no objection is found to exist to the flotation of foreign loans is in essence equivalent to an express approval of negotiations of said loans and to flotation in American markets.

NEW YORK COMMERCIAL AND FINANCIAL CHRONICLE

I now quote from a letter dated February 26, 1925, received by me from the New York Commercial and Financial Chronicle in answer to a letter written by me.

In an endeavor to assist you, we have made a hasty search of our files and are inclosing you a circular issued in connection with the offering of bonds of the Dominican Republic in the New York market in 1922 in which is embodied a statement by the Secretary of State relative to the approval of those bonds by the United States Government. * * *

We need hardly remark that it is inconceivable that any banking house would bring out any foreign loans if the Government should indicate its disapproval of such a course, since the risk of being left with the loan on its hands would be too great.

The circular referred to and inclosed with the foregoing letter is as follows:

New issue. Acting under authority of the United States Government the military government of Santo Domingo issues on behalf of the Dominican Republic $6,700,000 twenty-year customs administration 5½ per cent sinking fund gold bonds repayable at maturity at 101 and interest. Dated March 1, 1922. Due March 1, 1942.

The issue of these bonds has received the approval of the United States Government required by the terms of the American-Dominican convention of 1907.

Then follows a detailed description of the bonds, security, and so forth, including the following:

The issue of these bonds has received the approval of the United States Government required by the terms of the American-Dominican convention of 1907, and the Secretary of State consents to the inclusion in the bonds of the following statement:

"The acceptance and validation of this bond issue by any government of the Dominican Republic as a legal, binding, and irrevocable obligation of the Dominican Republic is hereby guaranteed by the military government of Santo Domingo, and, with the consent of the United States Government, the general receiver of the Dominican customs, appointed under the convention of 1907, will, during the life of that convention, make such payments as are necessary for the service of the new loan from the revenues accruing to the Dominican Government, etc."

NATIONAL CITY CO.

On February 21, 1925, I wrote the National City Co., a subsidiary of the National City Bank of New York City, making inquiry as to the practice of submitting foreign loans to the State Department before their flotation in the United States. In reply the National City Co. sent me the statement given to the press on March 3, 1922, by the State Department relative to its attitude in the matter of foreign loans. This statement I have heretofore quoted.

MOODY'S INVESTORS' SERVICE

I next quote from a letter dated February 27, 1925, received by me from Moody's Investors' Service, of New York City, in answer to an inquiry by me as to the extent of foreign loans floated in America in the years 1921, 1922, 1923, and 1924.

Foreign capital flotations in the United States during 1921 aggregated $625,820,000, of which $406,070,000 represents flotations in behalf of foreign governments and $118,750,000 in behalf of foreign corporations. The balance represents issues sold in this country in behalf of the Canadian Government, Canadian Provinces and municipalities, and United States territorial possessions. The total amount of foreign capital flotations in the United States in 1922 aggregated $869,992,000, of which $422,758,000 were in behalf of foreign governments, $189,427,000 in behalf of foreign corporations, $207,220,000 in behalf of Canada, and $50,587,000 for United States possessions.

Beginning with 1923 the writer prepared rather minute details regarding foreign issues sold in this country. The total for that year amounted to $548,640,000, of which $271,602,000 were in behalf of foreign governments, $167,519,000 for foreign corporations, $101,333,000 in behalf of Canada, and the balance for United States possessions.

In 1924 the total reached $1,633,081,000, of which $791,256,000 were in behalf of foreign governments, Provinces, and municipalities exclusive of Canada, $8,330,000 for United States possessions, $155,000,000 in behalf of the Canadian Government, $38,416,000 in behalf of Canadian Provinces, $27,484,900 in behalf of Canadian municipalities, $463,110,000 in behalf of foreign corporations exclusive of Canadian, and the balance in behalf of Canadian corporations.

I should like to add that the above amounts are inclusive of refunding issues—that is, new securities floated for the purpose of redeeming obligations coming due in the course of the years in question.

As regards the attitude of the State Department toward foreign securities placed in this market, I wish to refer to a statement emanating from the department and made public toward the end of April, 1922. The salient features of this statement are presented herewith.

Here follows the statement given out by the State Department on March 3, 1922, relative to the flotation of foreign loans in the United States and in which the State Department requested that all proposed flotations be submitted to it so that it might "have the opportunity of saying to the underwriters concerned, should it appear advisable to do so, that there is no objection to any particular issue."

I quote further from the Moody's Investors Service letter:

As far as I know, bankers interested in foreign capital flotations communicated with the State Department. Such communications, however, were in most instances rather in the form of a mere statement to the department and not so much a request for the department's view concerning such issues.

In the case of most European, Far Eastern, and certain South American countries whose financial record has been satisfactory and whose attitude toward the rights and privileges of foreign creditors has always been above criticism, the bankers cognizant of these facts do not deem it necessary to ask what the opinion was of the State Department as to the desirability of advancing credit to those countries. In the case, however, of certain Central American countries and the West Indies I am inclined to think that the bankers here who advanced loans to those countries did so with the approval of the State Department. These matters, I believe, are being discussed now before the Senate Foreign Relations Committee. Practically all of these countries have not a particularly clean financial record, defaults on bonds having been quite numerous. It therefore stands to reason that a country like Haiti or San Domingo could not, on the basis of their past record nor on that of the character of the population obtain loans in this market on a basis similar to that under which Great Britain and Holland and Switzerland finance their requirements. One is therefore justified in assuming that the bankers acted under some sort of assurance from the State Department that they will be given proper protection in the event of difficulties regarding the prompt meeting of the service of such loans.

PRESIDENT COOLIDGE ENCOURAGES FOREIGN LOANS

In this connection I call attention to the address of President Coolidge on April 22, 1924, at the Associated Press luncheon, New York City, in which he said:

Part of the plan contemplates that a considerable loan should at once be made to Germany for immediate pressing needs, including the financing of a bank. I trust that private American capital will be willing to participate in advancing this loan.

Continuing, the President said:

Sound business reasons exist why we should participate in the financing of works of business in Europe, though we have repeatedly asserted that we were not in favor of advancing funds for any military purpose. * * * It is a notorious fact that foreign gold has been flowing into our country in great abundance. It is altogether probable that some of it can be used more to our financial advantage in Europe than it can be in the United States. Besides this, there is the humanitarian requirement which carries such a strong appeal and the knowledge that out of our abundance it is our duty to help where help will be used for meeting just requirements and the promotion of a peaceful purpose.

While I have no quarrel with the President on account of this utterance, it does seem to me that under present conditions he would realize that we are lending entirely too large a proportion of our surplus capital abroad and would apply the pressure of his great office, through the Federal Reserve Board and otherwise, in restraining a too lavish lending of American dollars abroad.

However, President Coolidge does know that while we have been lending money lavishly to France since the World War ended, France, on the other hand, has been making loans lavishly to Poland and other eastern European nations, the proceeds of which loans were largely used for military purposes. In other words, France has no money to pay even the interest upon her indebtedness to the United States, but she has found hundreds of millions of dollars with which to finance the military operations of her allies of eastern and southeastern Europe.

JAPANESE LOAN APPROVED

On February 14, 1924, a loan of $150,000,000 to the Imperial Japanese Government was placed on the market by J. P. Morgan & Co. and associates. I quote from the New York Journal of Commerce an article sent out by its Washington representative under date of February 12:

Treasury officials expressed themselves to-day as much interested in the Japanese Government loan offering as announced from New York and London. While the views they expressed were entirely personal, it was made clear that they were pleased that in the forthcoming operation the American investment market is apparently to move to the position of senior participator in Japanese Government bond business, in that the American offering of $150,000,000 clearly outweighed the British offering of £25,000,000.

This article was reproduced in the New York Journal of Commerce February 16, 1924.

On March 13, 1924, the New York Journal of Commerce published an article from Washington in reference to the proposed $100,000,000 loan to the Bank of France, from which I quote:

Government approval has been given tacitly to the proposal of a group of American bankers headed by J. P. Morgan & Co. to extend a credit of $100,000,000 to France, it was indicated to-day at the State Department. The department, it was said, was advised of the intended financial transaction before the banking group announced its intention of making the loan to the French Government.

The move on the part of American capital to assist financial conditions in France was regarded here as highly significant of a trend toward this country's participation in the rehabilitation of Europe.

It is felt in administration circles that a loan of $100,000,000 by itself would only go a limited distance toward stabilizing the franc and checking the downward swoop of French exchange.

This article was republished in the New York Commercial and Financial Chronicle March 15. Here we have the statement that the United States Government's approval had been given tacitly to the proposed $100,000,000 loan to the Bank of France, coupled with the statement that the State Department had been advised of the intended financial transaction before the banking group announced its intention of making the loan to the Bank of France. That is not only true, but that was the only thing that could be done. Since March 3, 1922, the administration had been demanding that foreign loans be submitted to the State Department before their flotation in the United States, to the end that the department might indicate whether there was or was not objection to such issues. A tacit approval is an express approval in the instant case, because J. P. Morgan & Co. and their associates would not have consummated the loan and invested $100,000,000 in French securities if the State Department had indicated the least objection to the flotation of this loan. Moreover, the report indicates that the administration was not only consenting to the $100,000,000 loan to the Bank of France but rejoiced in the fact that it was to be made.

$100,000,000 LOAN TO BANK OF FRANCE APPROVED BY PRESIDENT AND STATE DEPARTMENT

New York Times, March 15, 1924, carried the following article:

COOLIDGE BACKS LOAN BANK OF FRANCE—PRESIDENT BELIEVES INVESTMENT ABROAD BY AMERICANS WILL AID OUR TRADE

WASHINGTON, March 14.—President Coolidge, although not asked by New York financiers to give his approval to their loan to the

Bank of France, regards loans by American financial interests to foreign governments as worthy of governmental and private encouragement. * * *

The loan of $100,000,000 by New York bankers to the Bank of France is understood to have been approved by the State Department on the ground that it was in line with the policy laid down during the Harding administration and reiterated by Mr. Coolidge in his recent New York speech. The President in that address said:

"The export of such capital as is not required for domestic business, and which the American people feel can be profitably done, having in view the financial returns, enlargement of our trade, and the discharge of the moral obligation of bearing our share of the burdens of the world, entirely in accordance with the choice of our own independent judgment, ought to be encouraged."

This statement was also sent out by the Associated Press as an official or inspired declaration of the attitude of the President and his administration toward foreign loans in general and particularly with reference to the $100,000,000 loan to the Bank of France. From this statement it conclusively appears that this $100,000,000 loan to the Bank of France was not only "approved by the State Department" but that President Coolidge voluntarily gave out a statement approving such loan.

PROJECTED LOANS SUBMITTED TO STATE DEPARTMENT

In its issue of February 21, 1925, the New York Journal of Commerce published a dispatch from Washington in reference to the new proposal of the French Government to borrow $135,000,000 in the United States. In discussing the attitude of President Coolidge and the administration toward this new French proposal, the Journal of Commerce article said:

The significance of the expression at the White House lies in the fact that since the Government has no actual authority over the foreign financing by private American interests, although projected loans are submitted to the State Department before being consummated, the administration has usually taken the position that it would not interfere with such credits unless they were intended for some purpose contrary to the general policies of the United States.

Of course, "proposed loans are submitted to the State Department before being consummated," as stated in the Journal of Commerce article. This is a matter of such general knowledge that I am surprised that the editor of the Post has not heretofore acquired this information. But as he dwells constantly in the realms of intellect and holds daily converse with the stars, it is not surprising that he has found no time to acquaint himself with the attitude of the State Department toward the flotation of foreign loans in the United States.

The Journal of Commerce article continues:

The usual procedure in the case of negotiations between foreign governments and American financial interests looking toward loans is for the American bankers to seek first the advice of Washington officials. This advice need not be followed, but almost invariably is accepted by the financiers.

Such advice is expected to be sought by the New York banking interests soon, or at least before they proceed much further with the negotiations announced by M. Clementel.

Now we may expect the talented editor of the Post to challenge the accuracy of this statement and call on the Journal of Commerce for proof that it is the usual procedure for American bankers to seek first the advice of the Washington officials before attempting to float a foreign loan in the United States. I am very much surprised that the editor of the Post is so poorly informed as to the usual procedure incident to the flotation of foreign loans in the United States. I hope he may learn something in reference to the subject before he challenges the accuracy of well-founded statements in reference to such procedure.

SECRETARY MELLON ENCOURAGES FOREIGN LOANS

It also appears that Secretary Mellon has been encouraging the lending of American money abroad. I quote further from the New York Times, issue of December 3, 1924:

MELLON ADVISES MORE LOANS ABROAD—COUNSELS AMERICAN BUSINESS TO BE READY TO HELP FINANCE EUROPE FURTHER

[Statement in Moosehart Magazine]

WASHINGTON, December 2.—Secretary Mellon counsels American business to be prepared to meet demands for continued aid and cooperation in the economic recovery of Europe, in a personal statement written for the Moosehead Magazine and made public to-day by the Treasury.

If the European requirements for financial assistance are met, as Mr. Mellon believes they can be met in America, he feels that "the general effect will be a period of progress and increasing prosperity here, provided we exercise a reasonable degree of restraint and sound judgment in our undertaking. * * * The inauguration of the Dawes plan does not, of course, end this country's opportunities for aid and cooperation in the economic recovery of capital in many European countries, and especially in Germany, which would be a serious impediment to a rapid recovery, unless financial aid is secured from abroad. In addition to the $200,000,000 loan recently floated by Germany, there will doubtless follow other foreign financing, much of which will be effected in this country, making heavy demands upon our supply of investment capital."

So it seems that the flotation of foreign loans in the United States has not only been expressly approved by the Department of State but by the President and the Secretary of the Treasury. While I have not the data before me at this time, if my memory serves me right, Secretary Hoover has also aggressively advocated the flotation of foreign loans in the United States.

DILLON, READ & CO.

In this connection I quote from a letter dated February 24, 1925, from Dillon, Read & Co., international bankers of New York:

As you are doubtless aware, the Department of State informally requested bankers some two years ago to submit all foreign financing to them before public issue was made. * * *

In accordance with the wishes of the department, therefore, we have since that time submitted all foreign loans which we ourselves have issued, to the Department of State, and in each case have been advised by them that, in the light of the information submitted, the department interposes no objection to the financing in question. We have not at any time made public mention of the fact that the data concerning the loan had been submitted to the department, and no representation has been made so far as our own issues are concerned in regard to the attitude of the department thereon. We, of course, have no definite information on the subject but are under the impression that other banking houses who have brought out foreign loans have adopted the same procedure.

And still the versatile editor of the Washington Post would have his readers believe that no foreign loans have been floated in the United States with the express approval of the State Department. The editor well knows that where the facts in relation to any proposed loan are submitted to the Secretary of State and he informs the bankers that the State Department has no objection to the loan in question, this is in truth and fact an express approval of the flotation of the loan. My statement to which the editor of the Post takes exception is "many of these loans have been negotiated with the express approval of the State Department." I did not say that the loans had been approved as good business propositions, but I stated that the negotiations of many of these loans had been with the express approval of the State Department.

In this connection may I call attention to the fact that the United States sent her marines to Nicaragua to force the payment of loans held by Brown Bros. & Co., and J. & W. Seligman, New York bankers. Our State Department negotiated loans to Peru and guaranteed collections to the Guaranty Trust Co. We have applied military pressure on Santo Domingo for eight years, merely to protect private investments of Speyer & Co. and the Equitable Trust Co. We may become involved with Bolivia by reason of our connection with the loan made by the Equitable Trust Co.; and in the Salvador loan made by F. J. Lisman & Co., Secretary Hughes has so involved our Government that we may be compelled to send our marines to that unstable Republic to collect this loan made by the New York bankers.

In a recent article Norman Hapgood, in commenting upon the imperialistic financial policy of Secretary Hughes, stated that the advertisement of one of the loans made to a Latin American Republic contained a letter from Secretary Hughes sanctioning a loan. (I am quoting from memory.) I think this statement is not entirely accurate. I have not found where any advertisements of foreign loans contained a letter from the Secretary of State, but Mr. Hapgood doubtless refers to the El Salvador loan. In the advertisement of this loan a synopsis of the connection of the State Department with the transaction was published. As I have stated, Secretary Hughes complained, and, I think, properly, that the exact language of the loan contract should have been published, if any publication was to be made of the connection of the State Department with this loan transaction.

COMPLICATIONS THREATENED ON ACCOUNT OF CHINESE LOAN

I wish now to call your attention to an article that appeared in the New York Times under date of February 7, 1921, in reference to the default in payment of principal and interest

of a loan due from the Republic of China to the Continental & Commercial Trust & Savings Bank of Chicago, as follows:

[From the New York Times, November 7, 1921]

HUGHES NOTE PUTS PRESSURE ON CHINA—SITUATION SAID TO BE GRAVE

Here follows a lengthy special dispatch to the effect that China had failed to meet the payments of principal and interest on the loan of $5,500,000 due the Continental & Commercial Trust & Savings Bank of Chicago, and that Secretary Hughes had sent a sharp note to the Peking Government calling attention most seriously to the responsibilities and obligations in the matter. The dispatch further stated that the note of Secretary Hughes had been presented to the Chinese Government on November 1, by Jacob Gould Schurman, the American Minister to that country, and which note informed the Chinese Government that its failure to meet the interest and principal on the $5,500,000 loan aforesaid had "strained China's financial and political credit in the United States and seriously injured China's chances in the Far Eastern conference." The note went further, according to reports, and indicated that, in view of the Chinese failure to accept any of the various proposals made by American bankers for renewals of loans, the American Government "must find it difficult to recognize the Peking government as the competent Chinese authority."

The article further refers to the failure of the Chinese Government to meet its obligations on foreign loans in which the United States "is in any way interested and any of which were made with the sanction and approval of the American Government."

Continuing, the article further stated:

Although the effect has been sought to be created by some of the Chinese representatives now in Washington that the loan of the Chinese Bank was never sanctioned or approved by the State Department, it can be stated on authority that the American Government did lend its approval to the making of this loan, and that Secretary Hughes and the American Government still continue to regard it as a valid loan. The money may not all have been spent for legitimate purposes by the Chinese Government, but that is not regarded as affecting its validity or the fact that this Government did and does regard this as a loan that was made with the sanction of the State Department.

In other words, the State Department had first given its approval to this loan, and when default was made in the payment of the loan our State Department proceeded to apply pressure on the Chinese Government, and in effect threatened a severance of diplomatic relations.

The same issue of the Times printed a cablegram from Peking reciting the delivery of Secretary Hughes's note to the Chinese Government which threatened a breach of the diplomatic relations between our Government and the Republic of China.

I will say, however, that this Chinese loan was made under the Wilson administration.

DILLON, READ & CO.

I now call attention to the fact that on March 3, 1925, I sent a message to Dillon, Read & Co., New York City, as follows:

DILLON, READ & CO.,
New York City, N. Y.:

Were the flotations of Est Railway bonds and other foreign municipal, railroad, and industrial loans negotiated by you first submitted to the State Department to ascertain whether objection existed to such flotation? Answer.

To this message I received the following reply:

NEW YORK, N. Y., *March 4, 1925.*

Hon. RALPH F. LOZIER,
House of Representatives, Washington, D. C.:

Replying your wire March 3, Est Railway and other recent foreign loans were submitted to State Department before public issue.

DILLON, READ & CO.

WITHOUT PROMISING TO PAY EXISTING DEBTS, THE FRENCH ARE STILL DEMANDING NEW LOANS

I now quote from the New York Journal of Commerce, issue of February 21, 1925:

FRENCH LOAN A PROBLEM

The banking community has been a good deal puzzled during the past week or so by the apparent assurance with which French financial authorities were forecasting a loan of $135,000,000 in favor of that country to be floated in this market. Yesterday's intimation from Washington that the State Department, which has had a general technical oversight of such operations, would be likely to oppose this one was in line with intimations that have been going around of late.

Please observe this language:

Yesterday's intimation from Washington that the State Department, which has had a general technical oversight of such operations, would be likely to oppose this one (which is the French loan) was in line with intimations that have been going around of late.

The gist of this paragraph is the statement that the State Department had exercised a general technical oversight over foreign loan flotations.

I quote from the Washington Herald, issue of February 22, 1925, an article sent out by the International News Service as follows:

Backers of the Ladd resolution say further loans to France by private bankers are inimical to the interests of the American Government. They contend American bankers would not undertake these loans if they were not assured that they would have priority over the debt to the United States Treasury.

I do not contend that there is any such agreement by which the United States Government is to postpone the collection of its obligations against foreign governments until such foreign governments discharge their private indebtedness to American bankers, but I do know that the international bankers of New York have persistently for years sent out propaganda advocating the cancellation of the foreign indebtedness due our Government.

I now quote from the Washington Post, issue of February 21, 1925:

United States to scrutinize French loan plan closely is believed.—Government's advice to be asked by bankers who would give aid.

Of course, the bankers will ask the advice of the State Department before attempting to float the $135,000,000 new French loan in the United States. That is the practice which has been followed since March 3, 1922, on which date the State Department issued the statement requesting that all foreign loans be submitted to the State Department before their flotation in the United States.

THAT HISTORY MAY BE WRITTEN AND WRITTEN TRUTHFULLY

At the risk of being tiresome, I have discussed this subject at length and in great detail. I have shown by official documents the exact connection of the State Department with the flotation of foreign loans and the sale of foreign securities in the United States. I have shown that these loans were invariably submitted by the bankers to the State Department and no further action taken toward the flotation of the loans until and unless the State Department notified the bankers that it knew of no objections against such issues. I have shown that this formula was followed by all the great bankers floating foreign loans and selling foreign securities to American investors. I have shown that it was understood and universally recognized that the formula that the State Department found no objection to the flotation of the foreign loan was in essence and substance an express and substantial approval of the flotation of the securities. I have shown that no foreign loan has been floated in the United States after the State Department had stated or even hinted that there was objection to such flotation.

These facts are not matters of general knowledge, although well understood by the banking and investing public. In the six previous discussions of this subject I have shown how lavishly our surplus capital is being "salted down" in frozen, nonsalable foreign securities, and that by sending such a large proportion of our surplus capital abroad we are reducing the funds available for domestic supply for loans or for productive purposes, which obviously results in increased and excessive interest rates. I also showed that our surplus capital should be conserved, kept liquid, and at all times available to take advantage of the trade revival which must inevitably come, sooner or later, in all the world markets.

I HAVE FURNISHED THE PROOF

In a former discussion I stated "many of these loans have been negotiated with the express approval of the State Department." An editorial in the Washington Post challenged the accuracy of this statement and called upon me for proof. This proof I have furnished, "Good measure, pressed down, and shaken together, and running over." No one who is intellectually honest can read the facts that I have presented in this discussion and question for one moment that many of these loans were negotiated with the express approval of the State Department. By no evasion, circumlocution, special pleading, or sophistry can the truthfulness of my statement be challenged in the light of the foregoing array of facts. No

banker or investor would ever have challenged the accuracy of the statement in the beginning, and if the proof I have submitted is not sufficient to convince the writer of the editorial, then may a benign Providence quicken his erratic mental evolutions and inspire him with at least a limited comprehension of the probative force of uncontested and undisputed facts. I am confident that every ordinary person who has read my remarks will be convinced of the logic of my position and the accuracy of my statements. However, the quantum of proof may not be sufficient to meet the requirements of the highly organized and delicately adjusted intellect of the editor of the Post.

THE REMEDY

I shall not discuss in detail the remedies by which these fiscal abuses may be corrected but will merely mention three remedies to meet existing conditions.

First. Intense publicity and education of the American investors on the economic dangers of investing such a large proportion of our surplus capital abroad, so the investing public will not so readily absorb these securities when they are offered by the international bankers.

Second. Direct pressure by the Federal Reserve Board on member banks limiting, or if necessary prohibiting, their activities or participation in transactions incident to the flotation of foreign loans in the United States.

Third. The imposition of a double income tax on all incomes derived from interest on foreign securities.

Later I hope I may have an opportunity of explaining and elaborating these suggested remedies in detail.

A WORD TO MR. HARVEY

I assume that the editorial that challenged the accuracy of my statement was from the virile and trenchant pen of Hon. George Harvey, editor of the Post. If so, I am proud of having said something worthy of the notice of this erudite and versatile man of letters, for whose talent I have long entertained a profound and genuine respect. Few men in the present generation are better informed on economic problems; few have a greater diversification of knowledge on subjects of importance; few who can better analyze political and economic conditions; few who excel him in ponderous, highly polished logic; few more successful political diagnosticians; few who can more quickly go to the heart of a problem or more accurately foretell the outcome of the application of economic formulas.

In the realm of the intellect, in the domain of literature, in the sphere of culture, and in the broad field of statecraft, I concede Mr. Harvey's preeminence, though I am seldom able to accept his conclusions or follow his leadership, especially for the last 10 years during which time he has been grazing with a flock with which he has little in common. In the last decade his writings have at times lacked that freedom, boldness, initiative, and aggressiveness that characterized his pre-war utterances. It has occurred to me that in recent years his pen has been under a silent or mysterious restraint. I am hoping that he may free himself from this environment, otherwise his fame must rest on his pre-war writings exclusively. But his articles invariably interest, though they do not at all times convince. As the Achilles of journalism, his spear can both hurt and heal. His shafts, like the arrow of Acestes, are so swift and sharp that not infrequently they take fire and leave a flaming path behind them. He is no carpet knight, but with his needle-pointed pen has won his spurs on sanguinary fields of service. Unlike Bishop Berkley's tarwater, his articles are not so mild and benign as to warm without heating, to cheer but not inebriate, and to produce a calm and steady joy like the effects of good news. On the contrary, Mr. Harvey's paragraphs are so skilfully formulated, his logic so convincing, yet subtle, his appeal so plain, yet persuasive, his diction so pure, yet not ornate, that his editorials constitute a veritable chevaux-de-frise, every sentence a beam, every word a spike, on which he diplomatically empales unsophisticated and provincial Congressmen who attract his gorgon glance.

He not only drives his nails of logic through the vacuous utterances of "Mr. Mere Congressman," but clinches them in the back; and when he pays his respects to reticent Senators—and all Senators are noted for their reticence—and his appetite for Senators is voracious, he literally stews them in their own gravy and then casts them into Cimmerian darkness.

But possessing all these admirable qualities does not license Mr. Harvey to recklessly charge even an untutored Missouri Congressman with having used an untruthful statement in the discussion of a great public problem when by the slightest inquiry he could have ascertained the falsity of his charge and the accuracy of the statement, the truth of which he challenged.

Like Henry VIII (in this one respect only) he mixes the copper of sarcasm with the silver out of which truth is coined. Like Addison, Mr. Harvey is noted for the polish of his style and the refinements of his taste. He is the arbiter elegantiarum of diplomacy; the Petronius of present-day journalism, and yet, if occasion demands, he can, by the skillful rhetorical Cæsarian operation tear fragments of wit, humor, irony, philosophy, and truth from the womb of satire.

But perhaps you have an alibi as to your ignorance of the attitude of the State Department in the flotation of foreign loans. You will probably say that you were absent from the United States, serving your country at the Court of St. James. This, of course, is true. And I concede that you served your country honorably and well, although at times it must have been irksome for you to garb yourself in knee pants, silk stockings, and golden buckled shoes, kneeling at the throne and paying obeisance to King "Gawge," a monarch who reigns in splendor and does not rule or exercise even the slightest power in the government of his dominions. Or perhaps, you were making Pilgrim Day speeches, playing the part of old King Canute, trying with a partisan broom to beat back the inevitable waves of destiny; or perchance you were playing golf with Duke Ringletub Queerquill Surrebutter Pepperbox, Marquis Junius Modestus Podsnapper, Earl Brobdingnag, Viscount Skyresh Balgolam, and Baron Balmuff; or at times running with the hounds, riding with admirals, marshals, peers of the realm, and lords temporal and lords spiritual. But, Mr. Harvey, you have been back in America long enough to have familiarized yourself with the procedure to which the State Department has been committed for more than three years, and under which procedure the State Department has given a clearance for the flotation of all foreign loans floated in the United States in the last three years.

But, great man that you are, Mr. Harvey, you have made a charge in your editorial columns that is not true and that does an injustice to a Representative who has diligently striven to render his country an efficient and worth-while service. You have given your readers an impression that I had deliberately made a misstatement of facts. You called for the proof. I have produced the proof in quantity and quality sufficient to convince even a diplomat or one who dwells ever in the realms of the intellect. I am waiting to see how this proof reacts on you. I am wondering if you are "big enough" to withdraw your former statement and in your editorial columns admit the accuracy of my statement, the truthfulness of which you previously challenged. A little man will under these conditions quibble and equivocate, indulge in special pleadings, and practice argumentative legerdemain. That is not my estimate of you. I believe that your sense of fairness and justice will cause you to make amende honorable.

In the last analysis one ounce of truth outweighs one ton of error. As was said by Smollett:

Facts are stubborn things.

George Canning said:

There is nothing I know of so sublime as a fact.

And in the language of Thoreau:

Some circumstantial evidence is very strong, as when you find a trout in the milk.

Now, I have furnished you stubborn facts. I have shown from the official records and from the invariable procedure of bankers in the flotation of foreign loans, from financial reports, newspaper advertisements, Associated Press news items, and letters from bankers active in the flotation of foreign loans that practically every foreign loan that has been floated in the United States since March 3, 1922, has been with the tacit or express approval of the State Department. And so, Mr. Harvey, I have furnished the proof. If this proof does not convince you, then your quarrel is not with me, but with Providence, for it will be quite evident that while the Creator was fashioning your wonderful brain and endowing it with rich and rare qualities, He evidently neglected to drop in a pinch of credulity. It is up to you, Mr. Harvey. Will you correct the wrong impression your editorial created in reference to the Representative from the second Missouri district?

COOPERATIVE MARKETING AS A SOLUTION FOR HIGH DISTRIBUTION COSTS

Mr. WILLIAMSON. Mr. Speaker, the farmers' problem is still with us. There has been no solution. At the last moment the conflicting views of farm organization leaders have killed the bill (H. R. 12348) which seeks to carry out the recommendations of the President's agricultural conference. This was effected by the substitution of another measure at a time when it was morally certain that such action would result in

the defeat of all farm legislation for the session. If such tactics are to be continued, all the hard work of those who are seeking a real solution for the farm marketing problem will come to nothing. It is inevitable that there shall be clash of opinion, but neither self-styled or other farm organization leaders, nor Members of Congress for that matter, have a right to insist upon their own pet ideas to the extent of killing off every measure that they do not happen to father. Such an attitude is ruinous and gets us nowhere.

START MUST BE MADE

It is important that some legislative start be made with a view to giving impetus and aid to the farm cooperative movement. That defects should appear in such legislation is but common experience, but no progress can be made without a beginning. Once there is a constructive statute upon our books, the defects can be noted in operation and can be corrected from time to time. There is too much pride of opinion among the leaders of farm organizations, too much jealousy, and too little of a disposition to work for the common good of agriculture. The leaders must learn the lesson that has been learned by the leaders of labor and industry long ago. Unless they put their shoulders to the wheel in a common cause and unified program the whole movement so auspiciously under way will be greatly retarded if not actually wrecked. No one is wise enough to create a legislative cure-all for all the ills of agriculture, but mutual cooperation could hardly fail to find some practical remedy which would afford material aid to the hard-pressed farmer. A man at the head of a great farm organization ought to be big enough to consult with other farm leaders representing other farm groups, and in a spirit of conciliation and genuine cooperation give his best talents to the solution of the great problems with which Congress must deal. Members of Congress naturally look to those at the head of the various farm organizations for constructive aid, but the hopeless confusion of views has so far prevented anything really effective being done so far as direct aid to cooperative marketing is concerned. True, we have passed such laws as the packers and stockyards control act, the grain futures bill, the Federal farm loan act, and the intermediate credit bank act, all of which are important aids to agriculture, but they do not solve the marketing problem. In its solution they will be found to be valuable allies, but a real constructive cooperative marketing law is yet to be placed upon the statute books.

NEED FOR SUCH A LAW APPARENT

The need for such a law becomes apparent when it is remembered that farm products, exclusive of livestock, tobacco, and cotton, for which the producers receive only seven and one-half billions, cost the ultimate consumer twenty-two and one-half billions. In other words, it costs twice as much to place the farm products in the consumers' hands as the producers get for them. Such a system, on the face of it, is wrong. Some means must be found to reduce the spread between the farmers' returns and the price paid by the consumers. The wool, cotton, and tobacco growers have largely worked out their own problems; but grains, livestock, and the perishable farm products, which constitute from 65 to 75 per cent of all food products of the farm, are still at the mercy of a badly organized, extravagant, and sometimes crooked marketing system.

Under the head of "Cooperative marketing" there appeared in the February issue of The Agricultural Review the following:

COOPERATIVE MARKETING

Discussion of cooperative marketing is nation-wide. It is likewise chiefly academic. It is too often advocated as a system which will of itself increase the profits of the farmers and reduce the spread between the producer and the consumer. But cooperative marketing is nothing more or less than a business practice, or medium, by which men of practical ability may under favorable circumstances achieve results that are superior to anything which can be done under other methods.

Failure of cooperative marketing associations is commonly attributed to the opposition or unfair practices of old-line competitors. It is safe to say that such is not often true. Not that there is any lack of such opposition, but it is nearly always unwisely directed, and harmless.

Cooperative failures are due to three principal causes: First, disregard of the basic principles of natural economic law; second, lack of business ability or judgment on the part of the directors and members; third, indifference or disloyalty of the directors or members. All of these things start and end within the organization itself.

Instead of cooperative marketing offering a field for the successful operation of men of inferior or mediocre ability, it calls for a higher degree of intelligence, more experience, and greater resourcefulness than private commercial enterprise. This is proven by the failure, in the cooperative field, of many who had previously made good records in privately conducted business institutions engaged in marketing similar commodities.

COOPERATIVES SHOULD REMAIN IN HANDS OF PRODUCERS

Any legislation passed by Congress should have for its purpose the strengthening of the present cooperatives and spreading of the movement so as to eventually take in all farm products that move in any considerable volume. Not only expert advice should be forthcoming, but expert and experienced aid, supervision, and direction should be given, care being taken at all times to see that the movement remains essentially cooperative. The success of the movement is absolutely dependent upon the producers themselves being in control to the extent of having a voice in selecting the directing heads. There must be individual and group responsibility on the part of the producers. This must not only extend to management but to financing. Government financial aid may well be extended, but the return of such advances to the Treasury must be assured by sound business methods and proper accounting. If the taxpayers of this country are to back up the movement by their pocketbooks, they also must have a right to demand such helpful supervision as will tend to insure the success of the cooperatives. Once the movement is thoroughly on its way upon a sound business basis it will be able to finance itself and become as completely self-sustaining as any other successful business.

OPPOSITION TO COOPERATIVES

It is to be expected that the middlemen will oppose cooperative marketing by the producers. Unfortunately it is too often opposed by labor and industry on the theory that it will raise the price of essential food products to the consumers. This opposition is based upon a false premise. What the farmers are seeking to do is to get a higher price to themselves and reduce the cost to the consumers by deflating the exorbitant costs of distribution by the use of more direct methods of sale.

REDUCED FREIGHT RATES

An essential element of this deflation is a substantial reduction of freight rates upon the more important products of the farm. Under what is commonly known as the Hoch resolution—act of January 30, 1925—the Interstate Commerce Commission—

is authorized and directed to make a thorough investigation of the rate structure—

With a view to promoting—

the freedom of movement by common carriers of the products of agriculture * * * including livestock, at the lowest possible rates compatible with the maintenance of adequate transportation service.

In my judgment, there must be a complete revamping of the whole rate structure. At the present time there are something like a million schedules on file with the Interstate Commerce Commission. This crazy-quilt patchwork should come to an end and rates be worked out more in consonance with justice and common sense. I am convinced that the present rates are too high on many products to give the railways the maximum returns. Trucks and automobiles are depriving them of huge volumes of traffic. Transcontinental rates are much too low in many instances and intermountain rates are too high. The whole system is lopsided, unequal, and unfair, and unless the commission is willing to apply the surgeon's knife instead of spending its time on palliative measures and individual complaints, Congress will be forced to take a direct hand in rate making, something which it should not be called upon to do.

Much could be accomplished by the commission if it would call upon the transportation companies to aid it in working out a sane, balanced system freed from the tremendous waste of the countless schedules now in force. If the roads will not cooperate, the commission will have the backing of Congress and the country in a sincere effort to so adjust rates that the farmers will not have to bear more than their just share of the load.

GOVERNMENT EXPORT CORPORATION

Any cooperative marketing scheme that may be worked out should be coupled with an export corporation. Whatever the farmers may be able to do for themselves in cooperative marketing, they can not now nor for a considerable time in the future handle the exportable surplus produced upon their farms. In this field the Government might well come to their aid by the organization of a Federal export corporation whose business it should be to work with the cooperatives in the disposition of their surplus products in foreign lands. Such corporation should be organized with a view to being ultimately turned over to the cooperatives.

My own idea is that the best interests of agriculture will be served by the extension only of such indispensable Government aid as will ultimately enable the farmers to take complete control of their own marketing system, including the disposal of their marketable surplus which must be shipped abroad. It can not be expected that those who have no hand in the process of production and who do not expect to participate in its rewards will take that vital interest in the welfare of the producers which is essential to the continued success of the cooperative marketing movement.

THE GREAT LAKES-ST. LAWRENCE TIDEWATER PROJECT

Mr. LARSON of Minnesota. Mr. Speaker, there is no legislative policy or project, however meritorious it may be, that has not some opponents. The more zealous among them avail themselves of every opportunity to make known their opposition. They keep everlastingly attacking. Perhaps that is as it should be. Discussion, especially if it be fair and intelligent, is conducive to the creation of sound judgment.

The proponents of the Great Lakes-St. Lawrence Tidewater project welcome rather than discourage discussion, because they believe that the more the project is discussed, the more obvious will appear the necessity for making the Great Lakes accessible to sea-going vessels. The public sentiment, both in this country and in Canada, as the result of investigation and discussion is already crystallized in favor of the project. There are only a few opponents left, the chief among whom is the distinguished gentleman from New York [Mr. DEMPSEY]. He persists in being a lonely bitter-ender—a voice crying in the wilderness.

Mr. Speaker, the gentleman from New York is plausible, if not always convincing. He is an experienced legislator and lawyer. He has the ability to make the most out of a weak case. It is not safe to allow his statements and arguments to go unchallenged. I have, therefore, thought it worth while to analyze his remarks made in the House when there was under consideration the President's proposal that the United States appropriate $275,000 for a supplemental survey of the St. Lawrence.

The gentleman from New York graciously gave his assent to the request which came to Congress on the President's express recommendation, though he coupled with his assent a denial that the St. Lawrence project will be useful, adding his assertion that the reasons for it are ill founded, and expressing his preference for a substitute project which he denounced as worthless.

I congratulate the gentleman upon his return to grace, if only by a side entrance. Last summer, as I recall it, in the national convention of the great political party of which we are both faithful adherents, it was upon the plea of the gentleman from New York that specific reference to the St. Lawrence improvement was erased from the party platform. After that, all through the campaign, it was boasted by his supporters, in his behalf, whether or not on his authority, that he had "put one over"; that he had reversed the administration; that he had substituted an evasive term for a clear-cut declaration, and that by this feat he had made his calling and election sure.

If it is not premature I should like to congratulate the gentleman also on gaining the ascendancy over the fears that formerly beset him. For in the Buffalo papers of June 13 last the statement was made, in his behalf, whether or not on his authority, that—

> New York's most costly blunder would be to abandon its fight against the St. Lawrence canal project.

If New York permitted this improvement to be made, he is quoted as saying, "We would not only provide for our own suicide but would pay for our own funeral." As bad as that.

Again, on July 18, the papers of his own home town in Lockport declared, in his behalf, whether or not on his authority, that the danger was averted. A hard and fast alliance had been formed to obviate the St. Lawrence menace:

> The citizens of the Mississippi, Missouri, and Ohio Valleys have joined with the citizens of the Hudson Valley and New York State to improve those rivers and construct an all-American waterway.

And now the gentleman tells us there never was any danger. The St. Lawrence improvement will not be fatal after all. New York's consent will not be suicidal. It was never more than the ghost of an idea and the ghost is dissipated.

How the gentleman came to change his mind is disclosed in his own remarks before this body:

> At the time that this work was undertaken it was the understanding that ocean-going vessels could profitably navigate the St. Lawrence River. That idea has been wholly dissipated. * * * The idea of ocean-going vessels navigating it profitably has been totally abandoned. * * * Those who have charge of the appropriation * * * do not seem to have realized that the idea has been abandoned.

The gentleman's reference to what was understood at the outset is possibly derived from resolutions adopted unanimously by the Legislature of the State of New York on March 16, 1920, which resolutions declare:

> That the St. Lawrence route would be detrimental to the interest of the New York Barge Canal, the commerce of New York State, and America's trade supremacy; and
>
> Such route would divert the commerce of the Great Lakes from its natural course, cause great confusion to established business, and result in irreparable injury to the State of New York, its ports and business interests.

No wonder the gentleman was scared. No wonder he talked about suicide and drew dismal pictures of funerals. But that is the idea which has happily been dissipated. That is the fearsome notion which has been totally abandoned. It is possible now for the gentleman from New York to contemplate calmly the consequences of opening a new route to the sea which will increase immeasurably the productive capacity of the landlocked interior. The gentleman, Mr. Chairman, is to be congratulated not only upon his return to grace but upon his regaining his mental balance.

Upon the gentleman's own statement it is clear that New York has been laboring under a misapprehension. What has been the understanding in other States of the Union? And which of the ideas hitherto entertained have been dissipated or abandoned?

It happens, Mr. Speaker, that at the time this matter was taken up I was somewhere in the neighborhood. I followed attentively all that was brought out in the preliminary examination before the International Joint Commission, in those proceedings instituted at the request of Congress which constitute the basis of the pending action.

The understanding was then and is still that the inland commerce of the Great Lakes is an immense economy, notwithstanding its seaward range is shortened by the obstructions in the channels; it was understood that the extension of the lake voyage to the sea will give birth to additional economies of national importance; it was understood that this enlargement of the channels will double the efficiency of the Great Lakes marine and enormously extend the influence of the Great Lakes commerce. That understanding, I believe, has never been questioned; certainly nobody has ever attempted to controvert it.

That, however, does not preclude the possibility of a valuable accession to the marine commerce of the Lakes by the arrival of ocean-going steamers at the inland ports. To whatever extent ocean-going vessels visit the Lakes it will be conceivably a contribution to the utility of the proposed channels. At least three times in the last five years recourse to the merchant fleets of the ocean would have averted a crisis. And so far as that possibility enters into the utility of the improvement, when was it abandoned? By what disclosure of facts has it been dissipated.

It has not been abandoned by the Isthmian line of vessels which for the last two seasons have been working on the Great Lakes during the summer and plying the Gulf of Mexico in winter. Notwithstanding the restrictions of the present channels, this occupation of ocean-going vessels has been found profitable.

It has not been abandoned by the Kirkwood Line, which has maintained sailings, also for the last two seasons, between Toronto and Lake Ontario and Vancouver, using the present shallow canals connecting the reaches of the St. Lawrence. That experience, even under the existing handicaps, has been economical for shippers and profitable for the owners.

It has not been abandoned by the vessels of the Minnesota & Atlantic Co. hailing from the port which is my own home city. Those boats, designed for service at sea and on the New York State Barge Canal, while they have had difficulties enough between Oswego and Troy, have never so far as I know, experienced any discouragement of the idea that ocean-going vessels of suitable draft can profitably navigate the Great Lakes and the St. Lawrence River.

It has not been abandoned by the owners of some 40 vessels which have come up the lakes, through those same small channels in the last two seasons, bringing cargoes of pulp wood, and sulphur, and machinery, and nitrates, and sugar and other commodities. Certainly the masters of these vessels would be surprised to hear that they can not compete with the bulk freighters on the Lakes in movements which the lake carriers do not touch.

As to a river a thousand miles long, like the St. Lawrence, the gentleman says, the idea of ocean vessels navigating it profitably has been totally abandoned.

From baseless panic he has gone to the opposite extreme of—shall I say credulity. A river a thousand miles long like the St. Lawrence—why, Mr. Speaker, it is almost exactly a thousand miles from Montreal down the river and through the Gulf to the ocean. And marine movement over that thousand-mile stretch is not merely like the St. Lawrence; it is the St. Lawrence. Yet ocean-going vessels come up the river in increasing numbers every year. And they will come as much farther as the channels permit, as soon as the channels are opened to them. They will come when the channels permit, to Ogdensburg and Oswego and Rochester; to Buffalo and Erie, and Cleveland, and Toledo; to Detroit, and Milwaukee, and Chicago, to Ashland, and Duluth, and Superior; to every port that will make provision for their berthing and provide cargoes for them.

Totally abandoned! When the subcaliber boats that can use the small channels are crowding the existing St. Lawrence canals to capacity, many of them brought up from the ocean. Totally abandoned! When the larger boats that can come up the first thousand miles of river and gulf have built up, at the furthest inland point they can reach, the second port on the North American Atlantic seaboard. When the inland ports have already developed on the landlocked lakes the greatest inland marine commerce in the world.

One thing, Mr. Speaker, has been totally abandoned. I hope it is. That is the fear of the gentleman from New York and his constitutents that the improvement which will benefit the country and give new economic vigor to all the land between the Rocky Mountains and the Alleghenies can in any way work an injury on the State of New York, its ports and business interests. One thing ought to be totally abandoned, and I hope it has been. And that is the notion that the interests of New York can be advanced by any political combination to exclude another part of the country from those benefits which have made New York so rich and great.

One understanding remains authenticated and verified—that the extension of the chain of navigation on the Great Lakes down to the sea will multiply its benefits and that the contact of ocean-borne commerce with the Lakes will make these inland seas a utility surpassing the Mediterranean in importance as the natural wealth of the great interior basin exceeds the resources of southern Europe and Northern Africa.

While I congratulate the gentleman from New York on his return to grace and his regaining mental balance, I regret that I can not as yet felicitate him upon having made a candid examination of the facts.

You recall that pursuant to the request made in the rivers and harbors act of 1919 there was not only reference of certain questions to the International Joint Commission but there was also appointed a special board of engineers, on which the United States and Canada were represented by one member each, to prepare plans and estimates. Those are the plans and estimates now under review by the very board of engineers as enlarged, for which provision is made in the pending appropriation. Those plans were accompanied by estimates that a complete navigation project could be provided at a cost of $252,000,000, which would develop incidentally 1,464,000 horsepower in the international section of the river.

Those estimates, unless they shall be discarded after the pending review—and so far under closest scrutiny no flaw has been found in them—are the best guide we have to the cost of this improvement. If there is any mistake in them, the country will soon know it on unimpeachable authority. Pending such a verdict, they are the best estimates we have. But how does the gentleman from New York regard them? He will not even look at them. He turns his back on them. He offers a substitute, as though they had never been made. With what can be described only by his favorite word, "abandonment," the gentleman tells us:

> Hugh Cooper, who is probably as eminent an engineer as there is in the world, says that the improvement of the St. Lawrence will cost anywhere from $1,500,000,000 upward, and he places it, as I recollect, at $3,000,000,000 eventually.

Between the estimate of $250,000,000 made by the special board of engineers representing the two countries and three billions suggested by the gentleman's recollection there is a wide discrepancy. I invite the gentleman to refresh his memory.

Now, it happens that Mr. Cooper's figures are a matter of official record. The eminent engineering firm of Hugh L. Cooper & Co. stated to the International Joint Commission that they represented interests which were desirous of developing the water power in the St. Lawrence River, and that they had spent more than $200,000 in preparing plans which they embodied in a proposition to the commission. The proposition thus submitted has been printed and generously distributed. They proposed, if permitted, to develop five power plants. They had figured on a definite site for one and indicated an approximate location of four others and they showed definite plans for one development and referred to the others in general terms.

You understand the official plans are for a complete navigation project with incidental power developed by one dam at the boundary. The Cooper proposition is for a power project with incidental provision for navigation. In the official plans there would be one dam in the international section; in the Cooper scheme two dams in the international section and three in Canada.

What are Mr. Cooper's estimates? He estimates that for the first of five projects, the only one for which he has shown definite plans, the capitalized expenditure would be $200,000,000 and that the Government should contribute $30,000,000 for the channel. That is the one definite figure; the rest is a general statement:

Power development, 5 dams, at $200,000,000 per dam, say	$1,000,000,000
Navigation, 5 lock channels, at $30,000,000 each, say	150,000,000
Total	1,150,000,000

Without definite figures, he knew as an engineer he would be entirely safe in having to provide passage for navigation at each dam for thirty millions.

Allowing 6 per cent for money, where the Government pays much less, allowing for the cost of flotation, he would still have an ample margin for risk and profit in his rough estimate of $30,000,000 at each passage; five links in all, total $150,000,000.

Between the Cooper estimate and the gentleman's recollection of it there is some difference. I trust I am not insisting on mere technicalities when I point to the discrepancy between $150,000,000 and three billions.

In the official plans one dam at the boundary with a side pass canal would cost $67,000,000. The Cooper estimate for a dam, in another location, cost not stated, allowed $30,000,000 for navigation. An ideal plan for the navigation improvement complete would cost, he says, $550,000,000; that is, a series of locks and dams, but disregarding power. The official plans, following the lock and dam method throughout, give an estimate of $506,000,000. The Cooper estimates for a complete navigation improvement, taking the benefit of concurrent power development, is $15,000,000. And the gentleman from New York derives from that a minimum estimate of $1,500,000,000 and a maximum of $3,000,000,000.

Where did he get that figure of one and a half billions, when the eminent engineer on whom he relies was laying down an estimate of $150,000,000 at the outside? And where did he get the figure of three billions?

It is very simple. The figures are there, but Mr. Cooper was talking about something else. He was descanting on the possibilities of power development. He declared that there were undeveloped power resources in Niagara—I am quoting his figures—that would give 1,625,000 additional horsepower. There is dormant in the St. Lawrence—using his figures again—5,000,000 horsepower—1,000,000 in the United States and 4,000,000 in Canada.

Referring to these enormous resources, Mr. Cooper exclaims:

> While the installation of 6,625,000 horsepower will cost in round numbers $1,300,000,000, the final installation of this horsepower will carry with it, in the way of new industries, at least $2,000,000,000 more of investment values for taxable purposes. * * * In other words, there are undeveloped water-power resources upon which there can be sensibly founded more than $3,300,000,000 of much-needed industry.

There you have it. The gentleman from New York thought the figure was a liability, the eminent authority from which he was quoting was talking about resources. Again I trust I may not be indulging in mere technicalities when I suggest that there is as wide a difference between liabilities and assets as there is between $150,000,000 and three billions.

For the foundation of this vast body of assets the eminent engineer to whom the gentleman refers proposed, if permitted, to build five dams in the St. Lawrence and other huge plants at Niagara, with transmission lines and factories and machinery and many other features not included in the improvement for navigation and not chargeable to it. You might as well say that when the Dutch bought Manhattan Island for $24 they were stuck for $4,000,000,000 worth of construction

consequences. It is surely not mere insistence on a technicality when I say that the Cooper proposition, in comparison with the official plans, is for an entirely different project, to be carried out at quite different locations, on the St. Lawrence and elsewhere, comprehending entirely different elements, executed for entirely different purposes, financed by entirely different methods, and conceived for entirely different interests.

Mr. Cooper frankly points out one difference in finances:

> These benefits can not become realities unless some agency, public or private, assumes great engineering, financial, and construction hazards. If these risks are to be assumed by private capital, the estimated profits should be commensurate with the risks.

That is perfectly frank, perfectly straightforward. But the difference between the 6 per cent basis which Mr. Cooper adopted for his reckoning and the lower rate at which Government funds can be obtained, the difference between the fiscal policy of the Government and the profit on a private enterprise—not to mention the cost of flotation of private corporate securities—would account for a considerable part of the difference between $150,000,000, which Mr. Cooper thinks the Government should contribute to the joint venture he proposes, and that sum which may be allocated to the cost of navigation from the total expenditure of $250,000,000 estimated in the official plans. But three billions—that is on the other side of the ledger. That is assets.

Talk about ideas being dissipated! The gentleman disregards definite figures of official estimates to quote a general statement from a volunteer. He passes over the one definite figure given by this one authority to substitute a sum exactly twenty times as great. He confuses resources with liabilities, and classes assets as burdens. That is not dissipation of ideas—it is delirium.

It is the last time I shall have the privilege of engaging in a colloquy with the gentleman from New York in this Chamber. I am glad to congratulate him on his abandonment of his suicidal fears and on his regaining his disturbed equilibrium. I hope as a private citizen I may yet have the opportunity to congratulate him on his consideration of this great project from the national standpoint free from local bias. Mr. Speaker, may I express a hope that he is struggling toward the light? Only a month ago on the floor of this House, the gentleman, defending a survey for a ship channel across New York, justified it on this ground:

> It is not the intention to make it a ship channel. A ship channel in my judgment is utterly impracticable. * * * You can not substitute 3-mill transportation for 1-mill transportation in the name of economy. It can not be done, and for one I wholly disbelieve in the practicability of a ship canal.

That was his verdict on the New York ship canal a month ago—out-and-out condemnation. Though carping critics might ask what was the object of spending money on a survey of a project that was condemned in advance as utterly worthless, though one might guess that the sole purpose was that defined in another public address by the same gentleman, namely "elimination of the St. Lawrence project," in this hour when I choose to be at peace with all the world and especially my colleagues in this House, I prefer to regard it as the confused groping toward the light.

For, in his remarks just concluded, we hear him saying:

> I think at least by the time (the St. Lawrence channel) obtains a depth of 21 feet we should have a depth of 21 feet connecting the Hudson with the Great Lakes; because a deep waterway connecting the St. Lawrence with the ocean serves only one purpose, Europe, whereas a deep waterway across the State of New York not only serves Europe but our coastwise trade and all the trade within the United States.

Mr. Speaker, the gentleman has dissipated his fears, and I am glad of it. He has recanted his recent opinion that a ship canal serves no useful purpose, and I am glad of that. He has canceled his own doubts, expressed not five minutes earlier, and I am encouraged to hope that with ripening wisdom and growing clarity of vision he may come to see that this improvement which will unlock the latent resources of the mid-continent will benefit New York, above all, and that the good of his own district is inseparable from the symmetrical development of the country's resources from coast to coast and from the seaboard to the deepest interior.

REPEAL THE PULLMAN SURCHARGE

Mr. BLOOM. Mr. Speaker, I am most heartily in favor of the abolition of the Pullman surcharge because it is foolish, wasteful, and unjust, and the traveling public in general is demanding its removal.

I venture to say that fully 50 per cent of the people of my district are directly interested in the Pullman surcharge, because they are business and theatrical men who travel a great deal. I have received hundreds of protests against this unwarranted charge. Moreover, common sense and the public interest demand this abolition; also it would be to the interest of the Pullman Car Co. and the railroads themselves, although they do not seem to realize it.

I do not for a moment think that the discontent with this unnecessary charge is confined only to my own district or my own State. There are a million traveling salesmen in America who strenuously object to this surcharge. This protest is nation-wide and something should and must be done.

I wish to say a word or two in behalf of the just claims of the commercial travelers in this Pullman surcharge case. To my mind, they deserve relief from some of the irksome burdens which were placed upon them, along with other classes or groups of our population, during the exigencies of war times, and which burdens these traveling salesmen bore uncomplainingly while their country was engaged in war. The fact is the commercial traveler was called upon to bear and did bear and does now bear more than his just share of this war burden as reflected in increased transportation rates. All this is true for the very simple reason that the commercial traveler has had imposed upon him a greater increase in transportation charges than was placed on other classes of passenger traffic.

This was due partly to the fact that the reduction in the mileage-book rate compared with the standard one-way fare, to which mileage rate the traveling salesmen had become accustomed, was first taken away from him by the discontinuance of the mileage-book form of transportation by the Director General of Railroads in June, 1918. Compared with 1914, this represented an increase from 33⅓ to 50 per cent to commercial travelers, while to other passengers the increase of the Railroad Administration in June, 1918, was only 25 per cent.

Upon this increase was added the Interstate Commerce Commission's 20 per cent advance in the passenger fare of August, 1920. These represent an increase of approximately 60.3 per cent since January 1, 1918, to mileage-book users, compared with only a 43.3 per cent increase in the one-way fare.

In addition the Pullman surcharge of 50 per cent of the charge for space was also imposed by the commission. There was also the increase in the Pullman rate itself, amounting to 20 per cent.

These increases total 83 per cent for the mileage ticket users, as against only 68 per cent to the one-way passengers occupying similar accommodations.

This greater burden of transportation costs to the commercial traveler and business man, compared with the regular one-way passenger, has been made even heavier in consequence of the increase during the same period in excess-baggage charges. The full significance to the commercial traveler of this excess-baggage charge increase, along with the advances in the other transportation charges referred to, becomes apparent when it is remembered that this class of traffic, with its sample cases or trunks, necessarily carry a larger amount of excess baggage than probably any other separate class of travelers on our railroads. Not only has the excess-baggage rate itself been increased since January, 1918, but the 20 per cent discount formerly permitted to commercial travelers has also been discontinued.

In addition to all these increases in transportation charges that have come to the very large class of business men and commercial travelers in all parts and sections and States of the Union, they were also subjected to the 8 and 10 per cent war taxes levied by the United States Government on railroad and Pullman tickets from June, 1918, down to January, 1922.

All these various forms of increases have meant in the aggregate a very heavy burden to the commercial traveler in the conduct of his necessary function as an essential part of the business activity of the country. And to the extent that this burden has interfered with his professional activities and handicapped him in his very important work, just so much has our business prosperity been checked, and the carriers have, both directly and indirectly, suffered as a result, and per contra will benefit by the removal of this onerous burden. This is not the place for extolling the virtues of our hundreds of thousands of travelers, but it is because I have a profound belief in the great value to our business prosperity of the part played in it by the traveling salesmen that I rise here to call attention to what I believe to be an important phase of this Pullman surcharge case.

Mr. Speaker, in a letter to me the National Council of the Traveling Salesmen's Associations says:

In the recent decision of the Interstate Commerce Commission, after two years of exhaustive investigation, there was a clear-cut division of opinion; and despite the fact that 4 commissioners voted that the surcharge should be completely eliminated, and 2 other commissioners said it was excessive and should be cut in half—making a majority of 6 of the 11 commissioners—no relief was granted the public.

So we took the matter to Congress, not to "make rates" but that it might enact a law whereby the commission will be guided in its interpretation of the transportation act—a law to remove a war-time surtax and which would prohibt the imposition of two transportation "charges" for what is legally one transportation "service."

Mr. Speaker and gentlemen of the House, I heartily indorse the efforts of the National Council of the Traveling Salesmen's Associations.

The statement I have most frequently heard from those who voice the views of the railroads in connection with this Pullman surcharge case is that the Interstate Commerce Commission should not be interfered with in the exercise of its rate-making powers. To those who, parrotlike, repeat this dictum of the carriers I should like to have the time to point out to them the scores and hundreds and even thousands of cases which the railroad lawyers are constantly appealing to the courts from the decision of the very same commission whose ruling or authority or decision in this Pullman surcharge case they seem to hold in such high respect. I say "seem to hold," for it is only because in this particular case the decision of the commission is in favor of the contention of the carriers. Also, of course, because the upholding of the decision means $37,000,000 a year to the railroads of the country. But not so much reliance upon the scientific qualifications of the commission in the realm of rate making is placed by the railroads in those numerous cases in which the commission's decision has been adverse to the contention of the transportation corporations. That this is true, one has only to read the court records in cases the railroads have appealed from the action of the commission.

All of us are familiar with the fact that the commission was not unanimous in its decision in this Pullman surcharge case. A bare 6 members out of 11 on the commission voted to continue the surcharge, while 5 other members disagreed wholly or in part, 2 of them arguing for a reduction on the amount of the surcharge and the other 3 completely disagreeing with the majority as to its continuance at all. It is this very situation of uncertainty and indecision among the 11 members of the commission which, to my mind, appeals strongly for action from this law-making body and the Representatives elected by all the people.

Besides this powerful argument, Mr. Speaker, there is another one equally strong that compels me to favor the removal of the surcharge. This other reason is that all of us know that the imposition and continuance of this surcharge has not the slightest relation to scientific rate making. It has not been determined after a thorough and painstaking investigation as to relative costs of different kinds of service—the real basis of scientific rate making—but its imposition, in the first place, was due solely to the alleged need of the railroads for revenue. For my own part, I believe the facts even ascertainable at the time of its imposition by the commission in 1920 did not warrant such an unusual departure from the sound principles of rate making.

In a moment of war excitement, when anything could be done, 50 per cent was added to the cost of travel in Pullman cars, and the 50 per cent was turned over to the railroads. It amounts to about $40,000,000 a year.

Inasmuch as the Pullman surcharge involves none of the principles of scientific rate making and also inasmuch as the need of revenue by the carriers can not any longer justly be advanced as a reason for the continuance of the surcharge, I shall vote for its discontinuance as a matter of justice and principle on behalf of the traveling public.

In conclusion, I desire to insert in the RECORD an editorial from the Washington Times of February 25, 1925. It says:

The Interstate Commerce Commissioners say the railroads are entitled to the money. They may be entitled to more money, but if so, the money should be found somewhere else. To discourage the use of sleeping cars is an injustice to the public health and a foolish extravagance.

The railroads, as can easily be proved, are hauling a great many cars empty, or practically empty, because the people will not pay the increased price.

On the fast express trains, Pullman cars travel with all the upper berths unoccupied. Those that care nothing about a 50 per cent extra charge insist on a lower berth. Those that can not afford the extra charge sit up in a day coach. Half the weight of a Pullman car is hauled without producing any revenue.

Senator REED of Missouri, in a speech in the Senate, clearly demonstrated the foolishness of this unwise and harmful charge. It ought to be abolished, and if the railroads need and deserve $40,000,000 more the Interstate Commerce Commission won't have any trouble showing them some way to get that money.

As it is, the railroads already derive an income in excess of $10,000,000 from the Pullman Co. through the system that allows railroads to share the profits of the Pullman Co.

And what is more, the greatest part of the surcharge does not go to the railroads at all, it simply goes to the Government, or it does if the railroads give an honest accounting of their receipts.

The greater part of the expensive Pullman-car travel takes place on the railroads that are highly profitable, earning above the fixed percentage. Consequently, in the case of those railroads, to cut off the Pullman-car surcharge would merely be to cut down the amount of excess profits that the railroads ought to pay to the Government.

The Government certainly doesn't want to put a tax on the 6,000,000 people, commercial travelers and others, that use the Pullman cars constantly because they are compelled to do so, not for their pleasure or "luxury," but for substantial business reasons, useful to the country.

This is a big nation, and the most important thing is for the labor people to travel up and down in it, become acquainted with it, do business in it, as comfortably and as cheaply as possible.

You can send a letter from Key West to Nome, in Alaska, for 2 cents. We have brains enough to know that communication by mail should be kept up freely and cheaply.

Some day we shall have brains enough to know that proportionately cheap communication by rail, by sleeping car, and later by airplane, would be just as beneficial as cheap mail.

One step that should be taken now is immediate cancellation of that surcharge which means discomfort for the people that can't afford to pay it, irritation and unnecessary expense to those that can afford it, waste in hauling empty or half-empty Pullman cars, with no real profit for the railroads.

If the railroads need that money, and if it is right for them to have it, let them get it in some other way, without putting a penalty on those that travel at night, thus doubling the value of their time, enabling them to do six days' work a week instead of three. This applies to all commercial travelers and to thousands of others.

MIGRATORY BIRDS

Mr. MILLIGAN. Mr. Speaker, I realize that one of the tragedies of our civilization is the rapid destruction of wild life in the United States. I believe that a conservative and sane plan of conservation of wild game should be established, a plan that not only protects wild game but also protects the private citizen of the Nation.

Under the terms and provisions of the Anthony-Brookhart bill this is not done. It does not protect wild game and most certainly does not protect the rights of the private citizen. This bill imposes a Federal license fee of $1 upon every person who may go hunting. Approximately one-half of this money would go into the purchase of land for refuges for migratory birds and public shooting grounds. The result would be that only a few men who had the money to pay their expenses and the time to spend a week or so during the hunting season at one of these public shooting grounds would enjoy the benefits of such legislation. There is a provision to construct cabins and other improvements on these acquired lands; why not go all the way and furnish these professional hunters with smoking jackets and house slippers, so they might have all the comforts of home while they are sojourning at one of these public shooting grounds? These people alone would receive the benefits from such legislation, while the farmer boy of my district who had an hour or so off from his farm work and desired to go over to his neighbor's pond and shoot duck or snipe pays the bill in the form of a Federal hunting license.

Practically every State now requires a hunter to have a State license. In my State a hunter must take out a State license, paying $1 if he hunts in the county in which he resides or adjoining counties, and $2.50 if he hunts in any other county of the State. Now, by the Anthony bill you would require this man to have two licenses at the maximum cost of $3.50 to go hunting one afternoon in the year. If a tenant's son in my district were to shoot a migratory bird on the farm his father has rented he could be hauled into Federal court and convicted for hunting without a license. If a man owns a farm and lives in town he can not hunt on his own land without a Federal license.

If the real object of this legislation is to conserve migratory birds, its object is defeated by allowing hunting upon these

preserves. Instead of a refuge for migratory birds they will become slaughter places for such birds.

About one-half of the revenue derived from the license fees imposed will be expended in maintaining another army of Federal agents to enforce the provisions of this act. This bill means the establishment of another Federal commission and another extension of Federal power to control the private citizen of the States.

Two days have been consumed in the consideration of this legislation by the House of Representatives. I am not objecting to the proper consideration of legislation that comes before Congress, but I do believe this time should have been used in the consideration of legislation for the relief of the farmers of the Nation. This time should have been used by this administration to carry out some of the promises made to the agricultural classes of our people in the last two campaigns. It seems to me that the failure of this Republican Congress to enact legislation to give some relief to the farmers of this Nation is an admission of their inability to solve the farmers' problems, or of their ignorance of the real conditions of the farmers and their needs.

PROPOSED AMENDMENT OF ARTICLE V OF CONSTITUTION OF UNITED STATES

Mr. GARRETT of Tennessee. Mr. Speaker, under the leave granted to extend my remarks on the proposed amendment to Article V of the Constitution of the United States, I submit the following article by Mr. Iredell Meares, of the Washington, D. C., and North Carolina bars:

[From the Dearborn Independent, issue of January 24, 1925]

LET FATHERS AND MOTHERS BE HEARD—SHOULD 2,316 PERSONS BE ABLE TO CHANGE THE CONSTITUTION OF THIS COUNTRY?

(By Iredell Meares, of the North Carolina and District of Columbia bars)

It is the declaration of the constitution of North Carolina that "a frequent recurrence to fundamental principles is essential to preserve the blessings of liberty."

Similar declarations will be found in the Bill of Rights and constitutions of the several States, in principle if not in language, and in the Virginia declaration of rights, which antedated them. The recent discussion about the Constitution, amendments thereto, and the Federal courts has conduced to a better understanding and wider knowledge of the fundamental bases upon which rest our Governments, both State and National, and it is to be welcomed, whatever the contrariety of opinions that may have been expressed.

Only recently the statement was made by a prominent lawyer of New York that the Constitution of the United States does not prescribe any provision for a referendum to the people on the question of any amendment to that instrument. It is true that it does not so prescribe by way of a popular vote of the mass of the American electors voting individually and directly on the issue. It does, however, in effect, prescribe a mode of submitting a question of amendment to the people of each of the several States.

A POWERFUL MINORITY

Article V of the Constitution of the United States declares that amendments shall be valid "when ratified by three-fourths of the legislatures of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress." It is apparent that the Congress in submitting any amendment to the States for ratification or rejection may prescribe either one of two modes of procedure:

1. It may cause it to be submitted to the legislatures of the several States.

2. It may cause it to be submitted to a convention of the people of each of the several States.

The mode which Congress prescribes is exclusive and must be followed by the States, but there is a vast difference between the two modes as a means of registering the popular will.

The legislatures of three-fourths of the States might adopt an amendment without the people of the State having the matter discussed before them and public opinion becoming crystallized, as their members might have been elected, without regard to the issue, and prior to Congress having passed the act submitting it to the States for ratification or rejection.

It is interesting to note that all the members of all the legislatures of 48 States number 7,403, and of these 2,316 members constitute a majority in the legislatures in 36 or three-fourths of the several States, who can amend the Constitution, if an amendment be submitted to the legislatures instead of to the conventions of the people of the several States, without the proposition having been discussed before the people and their will ascertained.

It is rather startling to contemplate that 2,316 persons, members of the legislatures of the several States, can change the organic law of this Nation of upward of 115,000,000 persons, without a reference of the question to them, by amendment in the manner indicated. Even if, by this mode, the proposed amendment were adopted unanimously by every legislature of all the States in this Union, the fact is that it would then be incorporated in the Constitution of the United States by the vote of only 7,403 persons, who may be members of the State legislatures at the time, and who may or may not represent the wishes of the 115,000,000 inhabitants and citizens of this country.

On the contrary, if Congress should submit any proposed amendment to a convention of the people in each of the several States, then, to such convention called specially to consider it, and either to ratify or reject it, delegates would have to be elected by the people at an election called for the purpose, and candidates for the convention would have to take a public stand for or against ratification, discussing the issue before the people who would vote for such candidates as represented their views; thus, in effect, we would get at an expression of the people's will as to the proposed amendment—virtually and practically as the result of a referendum in each State.

GOVERNMENT BY THE PEOPLE

It was through *conventions* that the States originally ratified the Constitution, as will be seen by reference to the United States statutes or Elliot's Debates; in fact, the convention of 1787, which framed the Constitution, recommended to the Congress that it be submitted for ratification or rejection to "a convention of delegates chosen in each State by the people thereof, under the recommendation of its legislature, for their assent and ratification; and that each convention consenting and ratifying the same should give notice thereof to the United States in Congress assembled"; and the Congress, then existing under the Confederation of the States prior to the adoption of the Constitution, directed the Constitution so framed to "be transmitted to the several legislatures in order to be submitted to a convention of the delegates chosen in each State by the people thereof, in conformity to the resolves of the convention."

Chief Justice Marshall, in the case of McCulloch *v.* Maryland (4 Wheat. 403) said (the italics are ours):

"This mode of proceeding was adopted, and by the convention, by Congress, and by the State legislatures, the instrument was submitted to the people. *They acted upon it in the only manner in which they can act safely, effectively, and wisely on such a subject, by assembling in conventions.* It is true, they assembled in their several States—and where else should they have assembled? No political dreamer was ever wild enough to think of breaking down the lines which separate the States, and of compounding the American people into one common mass. Of consequence, when they act, they act in their States. But the measures they adopt do not, on that account, cease to be the measures of the people themselves."

"It is, sir," said Daniel Webster, "the people's Constitution, the people's Government; made for the people, made by the people, and answerable to the people."

If the original instrument were submitted to the people, through conventions of delegates chosen by them, *why should not important amendments take the same course?*

The reason may be found in the fact that the proponents of amendments consider it *easier to persuade a limited number of legislators* to adopt them than to induce the people, after discussion, and who are ever jealous of preserving the Constitution of the fathers, to change their organic law. It is rather singular that in these days of much talk about *popular government* Congress submitted to the legislatures, not to conventions of the *people* in each State, the nineteenth amendment as to woman's suffrage and the eighteenth amendment as to prohibition.

It was proposed in the recent Congress that the twentieth amendment, now pending for ratification and which would give to Congress the remarkable grant of power "to limit, regulate, and prohibit the labor of persons under 18 years of age," should be submitted to conventions of the people of the several States; but its proponents objected and Congress ignored the opportunity to allow the people to pass upon it through conventions, as it could have done under the article of the Constitution quoted, and now submits it to the legislatures. In the debate in Congress Mr. MONTAGUE, of Virginia, moved to amend the bill so as to submit the amendment to convention of the people in each State, whereupon Mr. FOSTER, of Ohio, who had introduced the measure, declared that "the distinguished gentleman of Virginia discloses the motive back of his amendment"—that is, to submit it to conventions—and "every gentleman in the House, whether he is for or against this amendment, understands that the motive so evidently back of this amendment, at least the result to be accomplished by the amendment—that is, to submit the question to conventions of the people—"would be to defeat any child labor amendment." (CONGRESSIONAL RECORD, 68th Cong., 1st sess., p. 7254.)

MANIFESTLY A SOVIET MEASURE

The advocates of this twentieth amendment were not willing that it should go to conventions of the people, because *it would involve the fathers and mothers being heard on the subject,* and the question

determined by the electors. Neither did the advocates of the eighteenth or nineteenth amendment care to allow the people to pass on those measures. Senator UNDERWOOD, speaking in the Senate on June 4, 1919, on the nineteenth amendment, said: "I should like to suggest to the Senator from Arizona [Mr. ASHURST] that the fathers, some 128 years ago, in writing the Constitution provided a method by which the voice of the people might be heard. * * * Of course, we all know that the constitutional provision directly gives the opportunity, if Congress avails itself of it. * * * We challenge you to go to the hustings; we challenge you to submit this question to the people and not to the legislatures of the States." (CONGRESSIONAL RECORD, June 4, 1919.)

But, Senator ASHURST voiced the unwillingness of the advocates of that measure to trust to the verdict of the people in saying: "I rather suspect—no, I can not use that word—I dread, rather, that this may defeat, delay, and hinder the celerity with which I would like to see this amendment adopted."

Had there been in this measure a proposition to grant a power to Congress to regulate the employment and conditions of child labor, the advocates would have been willing to submit it to conventions of the people to ratify, but because they know *it is not a child labor law* in the sense of regulating the hours, employment, and ages of children, which operate upon the employer, not the child, and because it is manifestly a soviet measure to "limit, regulate, and prohibit *the labor*"—not *the employment*—"of all persons under 18 years of age," they would put it over the people, write it into the organic law of the country, through influences brought to bear on legislators, with or without the popular approval.

LIKE PONTIUS PILATE

The fact that a Congress could be led by the influences which dictated its action to submit to the respective States, this amendment is in itself an evidence that it will be influenced by the same agencies to pass laws, pursuant to the power given, create bureaus with power to make rules and regulations, having the effect of statutes, and, in effect, place the youth of this country in serfdom to the whimsical theories and guidance of bureaucratic Federal agents instead of leaving them to the love, guidance, and common-sense direction of their parents.

So it is that the same influences which heckled Congress to submit this minor labor amendment to the legislatures will, by propaganda, appeal to sentiment, threats, and heckling, undertake to influence enough of the legislatures to ratify the amendment, without consultation of the people, and we may have our Constitution amended by the action of Members of Congress, who, like Pontius Pilate, washed their hands of responsibility and passed it on to the legislatures, and by 2,316 members, a majority of three-fourths of the State legislatures, who may vote to adopt it.

Even in Massachusetts, where at the last election an advisory referendum was held under an act of the State legislature on the question of the ratification of the proposed twentieth amendment and the measure was defeated by a popular majority of 448,898, out of a total vote cast of 943,340, or 3 to 1, the legislature will not be bound legally by the popular vote. It can ignore the mandate of the people and ratify the amendment, contrary to their ascertained will, although it will not likely venture so to do, and its action would be legal and the State would be counted for ratification, notwithstanding the overwhelming sentiment of the people solemnly and deliberately expressed in opposition to it. This, because Congress in submitting it to the States elected to submit it to the legislatures rather than to conventions of the several States.

LEGISLATURES ARE MORE EASILY HANDLED THAN CITIZENS

In 1912 Ohio gave a majority of 87,455 against a proposed amendment giving suffrage to women. In 1914 on the submission of the same amendment it was defeated by a majority of 182,905. In 1917 a referendum was held on the proposition to allow women to vote in presidential elections, and the majority against it was 146,120.

In 1919 the legislature ratified the nineteenth amendment (woman suffrage), but the people demanded a referendum, and in two weeks the required petition was signed by 75,242 qualified voters, as provided by the State constitution. The people did not have the opportunity to pass upon the question, however, because suit was brought to restrain the State authorities from submitting the question to a referendum. The State courts refused to enjoin the State officials.

The State supreme court held that while under Article V of the Federal Constitution the State participates in an act which amends the Federal Constitution, and in that sense performs a Federal function, yet it follows "that in the exercise of this legislative function of ratification the makers of the Federal Constitution contemplated that all the agencies provided by the State for legislation should be empowered to act in accordance with the provisions made by the State at the time the action on the ratification should be taken, and that the word 'legislature' in Article V is used in that sense."

But the Supreme Court of the United States, on appeal, held in the case of Hawk *v.* Smith (253 U. S. 221) that the act of a State legislature in ratifying a Federal amendment was a Federal function, no limitation could be placed by the State on the legislature in the performance of that function, and that the provision of the State constitution requiring all ratifications by the legislature of Federal amendments was inoperative. It upheld the ratification and enjoined the submission of it to the people. In the opinion of the Supreme Court it was said that "Article V is a grant of authority by the people to Congress. The determination of the method of ratification is the exercise of a national power specifically granted by the Constitution; that power is conferred upon Congress and is limited to two methods, by action of the legislatures of two-thirds of the States or by conventions in a like number of States. Dodge *v.* Woolsey (18 How. 331). The framers of the Constitution might have adopted another method. Ratification might have been left to the vote of the people or to some authority of government other than that selected. The language of the article is plain. It is not the function of courts, National or State, to alter the method which the Constitution has fixed. *All amendments to the Constitution have been submitted with a requirement for legislative ratification, and by this method all of them have been adopted.*"

DEFYING PUBLIC OPINION

In 1915 woman suffrage was defeated as a State measure in New Jersey by a majority of 51,108. On January 20, 1920, the New Jersey Legislature unanimously resolved "that it was the settled policy of the assembly that in the future all proposed constitutional changes should first be submitted to the people for their vote before the legislature acts." Then, in disregard of the resolves, on February 10, 1920, three weeks after, the same legislature ratified the nineteenth (woman suffrage) amendment by 34 to 24 in the senate and by 18 to 2 in the house, without any consideration of the people who had by previous vote manifested their opposition to woman suffrage.

The people of Texas, at a special election held on May 24, 1919, defeated woman suffrage as a State measure by a majority of 25,029. Congress passed the act submitting the nineteenth amendment to the States on June 4, 1919, whereupon, on June 29, 1919, the Texas Legislature ratified it by unanimous consent in the senate and by 96 to 21 in the house, notwithstanding the people had just defeated woman suffrage at the polls.

Maine, at a special election held in September, 1917, defeated woman suffrage as a State measure by a majority of 18,234. In January, 1918, all its Representatives in Congress voted to submit the nineteenth amendment to the legislatures of the States, and on June 4, 1919, both of its Senators, when the question was before the Senate, also voted to submit it. Its legislature on November 5, 1919, by 22 to 5 in the senate and 72 to 68 in the house voted to ratify the amendment, in defiance of the people's previously expressed opposition to woman suffrage.

In 1915 Massachusetts held an election on the inclusion of woman suffrage in the State constitution. The proposal was defeated by a majority of 133,479. Every town, city, and county in the State rejected it, except two small villages; but, notwithstanding this vote of the people, the Massachusetts Legislature ratified the nineteenth (woman suffrage) amendment.

Senator WALSH of Massachusetts, speaking in the Senate on March 25, 1924 (CONGRESSIONAL RECORD, p. 5073), said: "I would like to know is there any more serious indictment of a system of democratic government than the claim that *it is possible to change the organic law against the will of the people?* I repeat, is there anything more serious than that? Has it been done? In my own State it has been done. The legislature of my State voted to ratify one of those amendments which a majority of the people were, are, and always have been opposed to."

Whereupon Senator WADSWORTH, of New York, said: "May I not remind the Senator that the legislature of his State ratified an amendment to the Federal Constitution, the subject matter of which had been voted upon in the State of Massachusetts and the people not only in the State at large, but in every county, every city, every town, and every ward, but two in the State, rejected it?"

To which Senator WALSH replied, "The Senator is absolutely correct."

All of these instances illustrate how submitting constitutional amendments to the legislatures instead of conventions of the States may change our organic law contrary to the popular will.

It is further illustrated by the fact that the majority of States, which, prior to the submission of the national amendment, had acted on the question as a State measure, defeated woman suffrage. Thus, in 20 States which had rejected it, the aggregate majority against woman suffrage was 1,346,579, while in 13 States which had adopted it the aggregate majority for woman suffrage was only 244,380.

CARD-INDEX SYSTEM

How were these things accomplished over the popular will? The New York World aptly said, in an editorial some time since, that "Various organizations of women, which probably do not represent 10 per cent of the sex, maintain at times a veritable reign of terror in legislative bodies by pretending to speak in the name of all women.

In consequence, half the country is now bedeviled by some form or other of harem government which is in no respect a true expression of public opinion."

Mrs. Catt, president of the International Woman Suffrage Alliance and honorary president of the National Woman Suffrage Association, said, at a hearing before the Woman Suffrage Committee of Congress, January 4, 1918, that, "We have now come to the time when *we no longer want a referendum*, when *we no longer will take a referendum*, and when we, therefore, come to Congress and ask for a Federal amendment."

She is quoted again in the New York Tribune, February 16, 1917, as saying, "*It is comparatively easy to influence legislators.*"

Mrs. Ida Harper, press chairman of the same association, said in the Herald, Republican, Salt Lake City, July 26, 1916, that "*we have no chance against the secret ballot.*"

Miss Maud Younger, chairman of the lobby committee, National Woman's Party, in the Suffragist, February 7, 1917, revealed that from their "card-index system" all legislative work is directed. * * * Here is set down the record of every Congressman. Every fact that has any bearing on his personality, opinions, and mental make-up is minutely detailed, * * * his family, his home, his church, his clubs, and his lodges. No detail is overlooked that might give a lobbyist insight into how best to approach him."

Again, in the New York Times, September 7, 1919, Miss Younger explained the working of their card-index system and said: "We are indexing in 24 States. We shall do the others as soon as the amendment is ratified. There are reasons for also wanting other State officials and mayors. You see a mayor comes in handy, because he is the official who issues permits to speakers. In this room we expect to have indexed all the important officers of government, Federal and State, from the President and the members of the Cabinet down through Congress and the States. It is very useful to have the member of the State legislature card indexed; he often advances to higher political office. You can find out early in his career whether he is to be depended on."

POLITICALLY SANDBAGGED

A distinguished United States Senator, speaking to the question of submitting the nineteenth amendment, said at the close of Congress: "*Three-fourths of the Senators who have come out in favor of the amendment are against it in their hearts. They have been politically sandbagged.*"

It is to be hoped that the women leaders of the 18 women's organizations, including the National League of Women Voters which actively has become the propagandist for the twentieth amendment, will not resort to the card-index system as their source of information and inspiration to persuade members of the various legislatures to vote for ratification; nor that they will resort to the lobbying methods so graphically described in an interview by Mrs. Harriet Taylor Upton, which appeared in the Washington Times, August 27, 1920, and from which we quote:

"Down in Tennessee, each woman delegate representing the National Woman Suffrage Association," said Mrs. Upton, "was assigned two members of the State legislature. It was her work to keep her two men in the State by *cajoling, coddling, entertaining, amusing, and even taking them out to dinner. And we actually did all these things to keep the men in the State in order to win them over to the cause.*

"Many a fair suffragette in the wee small hours of the morning was seated across the table in a café or hotel, ordering dinner for the two men in her charge, and all the time adroitly winning them to the cause.

"Every hour of the night—2 o'clock, 3 o'clock, 5 o'clock—some delegate would come knocking at my door at the hotel;" she continued, "and say, 'Two men have left. You'll have to go out and get two more Republicans.'"

When we consider that these women organizations are engaged in the effort to have Congress given the power "to limit, regulate, and prohibit the labor of persons under 18 years of age," practically to control, standardize, and direct the development of our boys and girls under that age morally, physically, and mentally, we have the right to expect them to approach the subject and influence active legislative supporters by means and methods that will evidence an appreciation of the grave responsibility of the issue and in a spirit which will reflect a finer womanhood than that practiced by some suffragist lobbyists as disclosed in Mrs. Upton's frank interview.

TO END FEMININE LOBBYING

How will it appeal to the good women in this country, who are bearing and rearing their children in the fear of God, guarding their development into manhood and womanhood, that the proponents of this measure, which bears the earmarks of a proposal to substitute State control for parenthood of "persons under 18 years of age," should resort to "cajoling, coddling, entertaining, amusing, and taking out to dinner" the men "in order to win them over to the cause"?

Is it to be repeated by lobbyists of similar type when the legislatures of the several States meet this winter?

Forewarned is forearmed, and at each capital the men and women of this land should have an organization that, apart from favoring or opposing the amendment, will drive this kind of feminine lobbyist out of their State in scorn and contempt.

ODDITY OF THE CONSTITUTION

It is an oddity of the National Constitution, which its framers insisted should be submitted to conventions of the several States for adoption or rejection; that it should contain a clause permitting it to be amended by the legislatures without reference to the people, either by direct vote or through conventions; and it is singular that Congress has uniformly preferred and followed the mode of submitting amendments to the legislatures; and, in view of the radical changes which have been incorporated in the National Constitution and even the more radical and revolutionary change proposed in the so-called child labor amendment, it is time popular sentiment should demand amendments be submitted to conventions of the State or that the Constitution itself be amended so as to require that they be submitted to a referendum of the people in each State, as proposed by a bill pending in Congress and known as the Wadsworth-Garrett back to the people proposed amendment.

REFERENDUM

The proposed twentieth amendment, which has been submitted to the States and is now awaiting their action, can not be submitted to conventions, because Congress has elected to submit it to the legislatures of the States. The legislature in any State, however, can call for an advisory referendum, as did Massachusetts, and, after ascertaining the popular will, be guided by its mandate. *There is not time limit within which the legislatures must act.* There need be no haste about their action. If not by special election, the referendum can be held at the next general election of the States. Either the members of these bodies believe in popular government or they don't. If they do, they will refer this amendment to the people. If they don't, then they should silence their political chant about popular rights, with its refrain attuned to sounding brass and tinkling cymbals.

CONDITIONS IN PORTO RICO

Mr. DAVILA. Mr. Speaker, in connection with the charges of disorder at the polls and other irregularities said to have been committed in connection with the last general election held in Porto Rico, there has been a great deal of misunderstanding due to a campaign of misrepresentation that has been carried on through the public press of this country. Some of those charges have been so palpably ridiculous that they have defeated their purpose, but others have been handled with more skill and have served to deceive many well-meaning people as to actual conditions in Porto Rico.

The American Federation of Labor, which I regard as one of the greatest agencies for the improvement of the laboring classes, was among those to be reached by this propaganda. The El Paso conference took cognizance of these charges and adopted certain resolutions regarding the Porto Rican situation, which led to an interchange of letters between Mr. Green, the newly elected president of the federation, and myself. Shortly thereafter I received a letter from La Prensa, the Spanish daily newspaper published in New York, saying that this correspondence had come into its possession and asking if I would forward copies of the correspondence for comparison and also my authorization for the publication of the letters. In reply I declined, saying that while I had no objection to the matter being printed, yet I could not authorize the publication of letters I had sent to Mr. Green, and that this permission would have to come from him. I sent a copy of this letter to Mr. Green and received from him in reply a very nice acknowledgment, thanking me for having given him the information.

I wish also to state that the mail from Porto Rico brought copies of a newspaper containing verbatim extracts from my letter and comments thereon. I then requested permission of Mr. Green to permit me to publish the entire correspondence, which he graciously granted, and I have annexed it to my remarks.

Before closing, Mr. Speaker, I wish to testify to the splendid work which Mr. Green appears to be doing in the high and responsible task to which he has been called. He has begun his task in a fashion which makes many believe that he is the right man in the right place. There is a big field for Mr. Green and the American Federation of Labor in Porto Rico and I want to work with them or with any other agency whose mission is the uplift of the laboring classes. But, Mr. Speaker, the true situation there must be understood if the conditions of labor are to be improved, and care must be taken to avoid the pitfalls that are being set for the people of the United States by designing and unscrupulous men, some of whom are masquerading as champions of the laboring people for their own

ulterior purposes. I have endeavored to make this clear in my correspondence with Mr. Green and I entertain the hope that I will be able to labor side by side with the leaders of the American Federation in instilling genuine American ideals in the laboring class of Porto Rico, which means the repudiation of Bolshevism and the red flag.

The correspondence and other documents are as follows:

JANUARY 14, 1925.

Hon. WILLIAM GREEN,

President American Federation of Labor, Washington, D. C.

MY DEAR SIR: It has been announced in the press that the American Federation of Labor at the convention held recently at El Paso adopted a resolution, presented by Mr. Santiago Iglesias, asking for an investigation of conditions in Porto Rico. It has also been stated that you, accompanied by Mr. Iglesias, visited the President and laid before him charges of fraud and corruption at the elections held in Porto Rico November 4 last.

I am sure that the American Federation of Labor, in thus helping Mr. Iglesias in his political activities, is acting under the impression that he is right in his contention regarding these elections, and about Governor Towner's administration. But you have only heard one side of the controversy, and I believe, in order that you may be able to reach an impartial conclusion about the Porto Rican situation, it is necessary that both sides be heard by you.

I am furnishing you herewith some data which may give you an idea of the activities of Mr. Iglesias in Porto Rico, and I am going to quote some remarks made by him on May 1, 1919, at the fourth convention held by the Socialist Party of Porto Rico.

From what I have read of your record as a leader of the American Federation of Labor, I feel sure that you will not give your indorsement to these sentiments of Mr. Iglesias. Your opposition to the Third Internationale of Moscow has been highly praised by the whole country, as well as your motion to expel the communists from the American Federation of Labor.

I quote now from Mr. Iglesias's speech delivered at the convention referred to above:

"I agree with the soviets' statements. They have declared through their representatives in the United States: 'We have not come to this country to ask for the recognition of political representation, but only for the recognition of our right to explain the questions that affect our people.'

"The soviets have abolished all the old bourgeois system; they have disregarded the platform of the moderate socialists. They have followed the communist practices, which are the ones prevailing to-day in Russia."

(Paragraphs 3 and 4, page 7, of a pamphlet containing the proceedings of the convention of the Socialist Party.)

"Should we have the power of the Russian Soviets we would find the means of solving the welfare of our own people, just as those brave fighters are solving theirs."

(Paragraph 5, page 9, of same pamphlet.)

Mr. Iglesias was the organizer and is to-day the leader of the Socialist Party in Porto Rico, which is a branch of the National Socialist Party of the United States. I quote from a pamphlet published by Mr. Iglesias of the proceedings at the convention of the Socialist Party held in San Juan, P. R., May 1, 1919:

AFFILIATION WITH THE NATIONAL EXECUTIVE COMMITTEE OF THE SOCIALIST PARTY OF AMERICA

"A year and nine months ago a quorum of the Territorial executive committee decided to apply to the national executive committee of the Socialist Party of America to let us use the receipts that we might have for a period of one year from the date we made such petition; to exempt us from the per capita tax, so as to carry on the propaganda most vigorously; to reorganize our organization and to widen it as was necessary. The petition was denied, but the suspension of our monthly remittances to cover the fees that correspond to us in order to continue affiliated with the Socialist Party of America was maintained since that date. Really our receipts have not been enough to cover our most indispensable expenses; but by no means we ought to part with the friendly bonds with the National Socialist Party nor with our affiliation with it. We can comply with these requisites by paying for a determined number of members in proportion with our monthly income. Should this measure be adopted, the secretary-treasurer must be instructed to notify it to the national executive committee."

We can prove to you beyond a reasonable doubt the affiliation of the Socialist Party of Porto Rico with the Socialist Party of America and with the Third Internationale of Moscow. You undoubtedly know that the Socialist national convention held in May, 1920, adopted the report of its committee on foreign relations, presented by Morris Hillquit, declaring the adherence of the Socialist Party of America to the Third Internationale, organized and dominated by Lenin, Trotski, and the Communist Party of Russia, with instructions to its international delegates to insist that no special message for the attainment of the Socialist commonwealth, such as the "dictatorship of the proletariat," be imposed as condition of affiliation.

I want also to inform you that according to section 7 of the constitution of the Socialist Party of Porto Rico, every member of said party is bound to sign and subscribe to an oath which reads as follows:

"1. I, ——— ———, the undersigned, declare and swear that I have not any relation or connection with any other political party or political organization opposed to this party to which I want to join, and that I willingly accept and promise to strictly abide by the provisions of this territorial constitution and all the provisions contained in the national constitution of the Socialist Party of America including its politics.

"2. I swear that I will be opposed to all attempts to join or combine with any other political party or political organization in conflict with the principles, program, and constitution of the Socialist Party."

Section 8 of the same constitution reads as follows:

"A quota of 20 cents, which will be paid by members of each local section, will be distributed in two parts, 10 cents to be sent to the territorial executive committee and the other 10 cents as part of the funds of the local section. The members of each section will furnish themselves with an emblem to accredit their affiliation with the national executive committee of the Socialist Party of America."

In the platform of the Socialist Party of Porto Rico, adopted at a convention held in the city of Ponce, in the month of July, 1923, it is held that the fundamental purpose of the Socialist Party is the establishment of social property and the democratic control of the means of production for the benefit of the whole people of Porto Rico so that the interest of a member of the Porto Rican community shall be the interest of all. Also, that the powers of the courts shall be regulated and their decisions shall be the subject of a referendum of the people in civil as well as criminal cases.

As the organization presided over by you, Mr. Green, is opposed to this communistic policy, it appears to me that the only question that may arise in connection with the statements which I have attributed to Mr. Iglesias relate to the veracity of the same. I trust, therefore, and expect that you will afford me an opportunity to present the evidence which I have in my possession and which I am sure will remove any doubts that may exist in your mind as to the record of Mr. Iglesias.

You should know that in Porto Rico the representative of the American Federation of Labor is the president of the Socialist Party, affiliated with the Third International of Moscow. Also, that Mr. Iglesias is using all the influence which his position as a labor leader gives him to promote the interests of the Socialist Party, which is, in fact, a creature of Mr. Iglesias.

As a result of these activities, the Porto Rican branch of your organization, instead of receiving the benefits of a labor leadership, is working under the handicap of constant political agitation. I believe that an investigation of Porto Rican affairs can not be complete unless it deals with all party organizations, including, of course, the Socialist Party headed by Mr. Santiago Iglesias.

I also desire to furnish you with some evidence of the propaganda launched by the Socialist Party during the last election. I am sending you an article which appeared in Spanish, and also the English translation and certain comments thereon, which appeared in the Porto Rico Progress, a paper published by the representative of the Associated Press on the island.

The English translation from the Porto Rico Progress, entitled "Very poor propaganda," is as follows:

"We do not know who was the author of a piece of propaganda issued with the authority and over the signature of the 'Subcommittee of propaganda, santurce section' under the heading of 'Perfumed canaille,' but we would not like to think that anything quite so silly and offensive would either produce or change votes. Only to the extent that it might have been taken seriously is such propaganda dangerous, but sometimes campaign documents, even dodgers, are taken seriously and cause trouble. Other parties may have issued material quite as ill-advised as this, but it has not come to our attention. Addressed to the pure Republican and Socialists, this silly classic has this to say:

"'By the light of our redeeming torch the coalition hosts will destroy the present social injustices to make a better, a more humane, and a more decent world, where the poor will have the same opportunity as the rich to live a life of happiness; with our victory, the racial barriers, which are the offspring of a corrupt and stupid society and are hindering the betterment of the human race through the interbreeding of races, shall forever be destroyed, because social hypocrisy can not stop the immutable laws of human progress; capital, the products of usury, of robbery, and crime, shall cease its work of destruction through the manly opposition of the working masses which shall offer a wall of contention to its insatiable avarice; commerce, which is strangling the people under its tentacles of steel through its monopolies, will have an arm to stop it in its work of impiety; with our triumph the coalition men who will occupy the seats in the insular parliament shall make just and wise laws which will do away with the privileges of the corporations; the public services will be nationalized and private property shall cease to be the patrimony of the minority as against the majority. Prostitution and vice breed principally in

the so-called high classes through laziness in which those men and women live; hypocrisy, germ of this corrupt environment, reigns supreme among these cardboard aristocrats who organize kermesses, dances, and picnics for charitable purposes (as they claim), to help charitable institutions, such as the Red Cross, Hogar Infantil, asylums, and other institutions, and the people know that this is only an excuse for the big to divert themselves and to laugh at our misfortunes and at our misery.'"

The attitude of Mr. Iglesias becomes incomprehensible, considering his professions favoring the extension of statehood to Porto Rico when he associated himself with Mr. Coll Cuchi, whose radical views favoring the secession of Porto Rico from the United States is known to everyone.

I have the greatest respect for a man who honestly and sincerely expresses his views, even though I may disagree with him. But I have no patience with an opportunist who preaches independence and anti-Americanism in Porto Rico and then while visiting this country wraps himself in the American flag to pursue his crafty designs under the cloak of a citizenship which he not only does not cherish but which he has viciously attacked and dishonored.

I am sending you an article authorized by me which appeared in the Evening Star of January 4, dealing with the financial situation of the island. I wish to call your attention to the reply of Mr. Coll Cuchi to this article, in which he claims that he is a corporation lawyer and in which he states that the people of Porto Rico are overtaxed. This is not true. Mr. Iglesias, as a member of the insular senate, voted for the taxes now in force, and it is difficult to understand his association with this representative of the corporations which are now making frantic efforts to escape the payment of taxes in our island.

Mr. Iglesias is always willing to find fault with the government and Legislature of Porto Rico, but seems to forget the generosity, fairness, and nobility of the insular senate toward him, especially when his personal character was at stake as a result of a judgment rendered against him by the district court of San Juan, a copy of which I am sending you. Even then the senate, desirous of giving Mr. Iglesias if not the benefit of the doubt at least a fair chance to further prove his innocence, postponed action on the matter, in spite of the seriousness of the charges, until our supreme court could say the last word on the subject. And I might say in passing that our court of last resort has not as yet rendered a decision.

Although it is possible that I may have been portrayed to you as unfriendly to the workers and the American Federation of Labor, I want to assure you that I will favor any measure on behalf of the Porto Rican workers and that it will be my pleasure to help you and my people to secure any legislation which may be beneficial to the workers of the island. As a matter of fact, your organization, due perhaps to erroneous information, has never approached me, and has thus prevented me from rendering any service to the federation so ably presided over by you.

Very truly yours, FELIX CORDOVA DAVILA.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., January 29, 1925.

Hon. FELIX CORDOVA DAVILA,
United States House of Representatives, Washington, D. C.

DEAR SIR: Your communication of January 14 surprised me very much as to the nature of the attack made upon Mr. Santiago Iglesias, a representative of the Porto Rican Federation of Labor, who has earned a high standing in the American labor movement.

Although I have known Mr. Iglesias for many years and was aware of his high standing in the labor movement, before replying I investigated the files of this office to get all possible light upon the activities of Mr. Iglesias both in the economic and political field in Porto Rico, as well as his attitude toward the principles advocated by the American Federation of Labor. The record shows that Mr. Iglesias has a long and honorable career of service to the cause of labor. That service, extending over a period of 37 years, was not performed under conditions where it was easy to promote the cause of unionism, but under conditions where it was necessary for the workers to fight both for political rights and liberties, as well as economic justice and freedom. His work has been that of the pioneer, willing to risk personal dangers in order that he might help to establish a new conception of human rights and human freedom.

As to Mr. Iglesias's political activities, of which you say I have heard only one side, what better method could there be for obtaining all necessary facts and evidence than that for which the American Federation of Labor, through its El Paso convention, has declared, namely, that a joint subcommittee from both Houses of Congress to proceed to the island of Porto Rico to investigate the recent election and conditions of the people and to make proper arrangements to assure to the people of Porto Rico honest and free exercise of the right of suffrage? This is the proposal which I transmitted to the President of the United States as was directed by the American labor movement. This procedure would make available knowledge of political forces and activities in Porto Rico and would be regarded as impartial.

In the federation record, which I have examined, I find that in October, 1924, you and Mr. Iglesias and other representative persons of Porto Rico were associated in an effort to secure a reform of the organic law of Porto Rico. The evidences of improper political affiliations, which you cite against Mr. Iglesias, are all dated prior to your association with him in the joint effort of last year. If these charges were not of a sufficiently convincing nature to prevent your association with him in the joint undertaking, then it seems highly improbable that they will deter the American Federation of Labor from following the course it has pursued since 1900.

As to my connection between Porto Rican labor and the Third Internationale, I am assured that the statement is without foundation. Mr. Iglesias has never made any attempt to conceal or deny his connection with the Socialist Party of Porto Rico. While the American Federation of Labor is opposed to socialism and the Socialist Party, we recognize the difference between the problems of the Porto Rican workers and those of the United States as well as the difference of the philosophic background of Porto Rican and Spanish labor from that of the United States. It is necessary for Porto Rican workers to fight for civic rights and civic personality as well as carry on their economic struggle. That Porto Rican labor has found political activity most effective when organized through what they call their Socialist Party, is not a matter for American labor to criticize or condemn for Porto Rico. Individual and political liberties and rights in Porto Rico are at least 100 years behind those of the United States in development. We can not expect workers under such backward conditions to keep step in all things with labor which is in the vanguard.

You say also in your letter that the Porto Rican branch of the American Federation of Labor instead of receiving the benefits of labor leadership is working under the handicap of constant political agitation. May I remind you that the development of organized labor in Porto Rico practically began with the work of Santiago Iglesias, backed by the American Federation of Labor, when he returned to Porto Rico after the Louisville (1900) convention of the American Federation of Labor, and in that time the old Spanish laws outlawing trade-unions and their activity had to be overcome and the right of franchise assured wage earners. These necessarily entailed political activity.

The former president of the American Federation of Labor visited Porto Rico two times, and on both trips he talked with the wage earners in Porto Rico and had personal knowledge and information of labor conditions and the labor movement in the island. He gave personal consideration and thought to the specific problems of Porto Rico and the plans to promote the labor movement there. He did much to help Santiago Iglesias to understand the American trade-union movement, and Mr. Iglesias in turn has tried to inculcate the same principles and ideals in the Porto Rican labor movement. With this knowledge I feel assured that the work of the American Federation of Labor in Porto Rico has been wisely directed. When opportunity is afforded me, I hope to visit our workers there.

As to the reference given on the attack made on Mr. Iglesias' personal character, which you say has not yet been passed on by your board of last resort, I am inclosing for your information a memorandum on that case submitted to me by Mr. Iglesias.

I am glad to have your assurance that you favor any measure on behalf of the Porto Rican workers and that you will cooperate in the securing of any legislation which may be beneficial to the workers of Porto Rico. I welcome that cooperation particularly upon the specific proposal now before Congress, namely, an impartial investigation by a committee to inquire into the political and economic conditions of the wage earners of Porto Rico.

Very truly yours,

WM. GREEN.
President American Federation of Labor.

MARCH, 1925.

Hon. WILLIAM GREEN,
President American Federation of Labor,
Washington, D. C.

MY DEAR MR. GREEN: I have your letter, dated January 29, which reached me on February 8. After carefully considering what you say regarding Mr. Iglesias I feel it my duty to again write you in order to make my position perfectly clear.

I notice that my communication of January 14 surprised you very much "as to the nature of the attack made upon Mr. Santiago Iglesias." I can not but feel that should you read my letter again with an open mind you will admit the difficulty if not the impossibility of singling out one word that can be construed as an attack on Mr. Iglesias unless you consider the statements made by Mr. Iglesias himself, which I quote in my letter, and the authenticity of which can not be challenged, as an attack upon him.

There is only one statement in my communication which can possibly be construed as an attack. That is directed not against Mr. Iglesias but against his associate, Mr. Coll Cuchi. I refer to the statement in which I say that I have the greatest respect for a man who

honestly and sincerely expresses his views, even though I may disagree with him, but I have no patience with an opportunist who preaches independence and anti-Americanism in Porto Rico and then while visiting this country wraps himself in the American flag to pursue his crafty designs under the cloak of a citizenship which he not only does not cherish but which he has viciously attacked and dishonored.

I desire to make it clear, Mr. Green, that, although I may disagree with Mr. Iglesias, I respect his convictions and ideals, just as I would those of any other man when they are stated with frankness and sincerity. On the other hand, I do not hesitate to criticize the lack of this virtue in a man whatever his position in life may be. I have never been able to understand the attitude of Mr. Iglesias in preaching extreme radicalism and Bolshevism in Porto Rico and then appearing in the United States before the American Federation of Labor as a supporter of the salutary principles of that institution. You say that Mr. Iglesias has never made an attempt to conceal or deny his connection with the Socialist Party of Porto Rico. This is true. But Mr. Iglesias has tried to impress the American Federation of Labor with the idea that the Socialist Party in Porto Rico has nothing to do with the socialist ideas of the Russian Soviets and the Socialist Party of the United States, but, on the contrary, that the principles he is preaching in Porto Rico are not subversive of the American institutions and the aims of democracy. In this, I charge, he has not been frank, but has attempted to conceal the facts from the American Federation of Labor.

I would like to entertain the belief that you are entirely unaware of the propaganda that Iglesias and his friends have been conducting in Porto Rico. It is only because I feel you must be ignorant of the true situation that I can understand your communication to me, constituting, as it does, an indorsement of Iglesias's political activities in Porto Rico, campaign of anarchy, and defiant attitude toward the United States Government institutions.

This is the only explanation for the position of the American Federation of Labor in opposing socialism in the United States and supporting socialism in Porto Rico. Until now it has been our opinion that Iglesias was preaching socialism in Porto Rico without the consent and against the advice of the American Federation of Labor. But, in view of your statement that the American Federation of Labor can not criticize or condemn the political activities of the Socialist Party in Porto Rico, we have to conclude that the socialist doctrine sponsored by Iglesias is not understood by the federation. If I felt otherwise I would not trespass further upon your time in this matter, for from that viewpoint your position would be clear and we would then know what to expect from the federation in this connection. But, to repeat, I do not think you have understood the situation as it actually exists.

You state that Mr. Iglesias, myself, and other representative persons of Porto Rico were jointly associated last year in an effort to secure certain reforms in the organic law of the island and that the evidence of improper political affiliation which I cite against Mr. Iglesias relate to acts that were prior to that association, adding, that if these charges were not of a sufficiently convincing nature to prevent my association with him in a joint undertaking, it seems highly improbable that they would deter the American Federation of Labor from following the course it has pursued since 1900.

I can not see how my own attitude can affect the situation. To my way of thinking, either Iglesias is right or he is wrong. If he is right, my attitude toward him is immaterial, and I am also ready to admit that even though he be wrong, my attitude toward him, in the past or present, can not correct any faults committed by him. Also permit me to say that it is not my intention to pretend to say how the American Federation of Labor should act. I am well aware that the American Federation of Labor is able to direct its own affairs and itself knows best how to keep faith with the principles which it has always advocated. Further, it was not in my mind that you should break off the relations you have maintained with Mr. Iglesias, but I think you should take steps to advise him as to what he may properly advocate in the name of labor, so that his activities in Porto Rico will be healthful instead of harmful.

Regarding my association with Mr. Iglesias last year I want to state that I have nothing to repent for my attitude. I am willing to join with Mr. Iglesias at any time I may deem it proper in working for the welfare and liberties of my country. That does not mean that I accept the theories Mr. Iglesias is preaching, but simply that I am willing to discard any partisan feeling in order to work in harmony with all other forces for the happiness of my people. When the Democrats and Republicans get together in an effort to pass legislation in Congress, they do not surrender the principles of their respective political parties, but on the contrary, they simply reaffirm and support those principles in joining forces to legislate for the benefit of the whole Nation. And what is true in the United States is also true in Porto Rico.

My letter pointed out that you had only heard one side of the controversy started by Iglesias's attack, and suggested that in order to reach an impartial conclusion as to the Porto Rican situation it would be necessary for you to hear both sides. Replying to this you say that no better method for obtaining all the facts could be had than that suggested by the American Federation of Labor at its El Paso convention, which provided for the appointment of a joint subcommittee from both Houses of Congress to proceed to the island and investigate the recent elections and the condition of the people. My invitation to you to hear both sides is in effect based on the same principles that prompted the El Paso resolution. That resolution purports to be a recital of certain established facts, and is not a mere petition for an investigation. Unfortunately your convention was imposed upon when it took for granted all of the charges made by Iglesias and it committed an error when it voted its conclusions without giving us an opportunity to be heard.

Feeling that you are an honest and upright man and that it is your purpose to be fair, I invited you to hear us, and my principal regret is that up to the present time that request has remained unheeded. You have not heard both sides of the controversy and the convention at El Paso adopted the unusual procedure of condemning us without either a hearing or an investigation.

You deny the statement that Iglesias has been connected with the Third Internationale of Moscow, without giving me an opportunity to verify my assertion to that effect. I base my contention on public statements made by Iglesias himself, which I submit is the best proof in a controversy of this character. I am sending you copy of an article published in the newspaper La Democracia, of San Juan, May 18, 1920, which contains a résumé of a lecture given by Iglesias at the Porto Rican Athenæum about the Soviet Government of Russia. I am sending you also copy of an affidavit by Judge Manuel Rodriguez Serra, who was present when Iglesias delivered this lecture, and engaged in a colloquy with him.

Leaving Iglesias for the moment and entirely without resentment, I can not allow to go unchallenged your statement that individual and political liberties and rights in Porto Rico are at least 100 years behind those of the United States in development. Regarding individual liberties, it may be said that no citizen in the world enjoys more liberty than the American citizens of Porto Rico. The Bill of Rights contained in the American Constitution is in force in Porto Rico by virtue of that same Constitution, and besides, it is an integral part of our organic law. Our Penal Laws and the Code on Criminal Procedure are copies of the laws and procedure of the States of the Union. The Porto Rican citizens enjoy the same liberty that exists here, and I may add that we have never had riots or mobs; nor does anyone ever suffer punishment until tried in a court of justice and sentenced after due process of law. In the administration of justice Porto Rico invites comparison with any of the States. Our record in that respect is second to none. The jury trials in Porto Rico are held with the utmost impartiality and our judges enjoy a high reputation for their sense of justice and their honest interpretation of the law.

With regard to political liberties I may say that already we have the very considerable liberties granted by the American Congress and we are constantly striving for the full measure of political rights enjoyed by the States.

In my last letter I mentioned the judgment rendered by the district court of San Juan against Mr. Iglesias only for the purpose of illustrating the fairness of the Senate of Porto Rico in declining to take action on this case pending an appeal filed by Mr. Iglesias before the supreme court. In reply Mr. Iglesias has presented you with a memorandum, the main purpose of which is to cast reflection on the court. He says that the decision was rendered during the hours of a great political battle and his purpose is to charge by innuendo that the judgment of the court was affected thereby. I would be derelict in my duty should I fail to enlighten you about the facts in this case.

The judgment was rendered by Judge Charles E. Foote, a continental American who has lived in Porto Rico since the American occupation, and who has been a judge for more than 20 years with the indorsement of all the governors appointed by both Democratic and Republican national administrations. Judge Foote has never been affiliated with any of the political parties in the island, and has been entirely independent and impartial in the interpretation of the law. The impartiality of Judge Foote can not be challenged by Iglesias, who only two weeks ago informed the President of the United States of a judgment rendered by Judge Foote in favor of the Socialist Party. From this it would seem that in the estimation of Mr. Iglesias the decisions rendered by Judge Foote are only fair when they favor the socialist leader and his followers.

Iglesias says in his memorandum that the case of Sabalier v. Iglesias is a civil suit of a private character in which he is not an interested party. It seems impossible to reconcile this statement when it is recalled that the suit was filed against Mr. Iglesias and the judgment rendered against him. It is true that it is a civil action, but after reading the suit filed against Iglesias and the Banco de San Juan and the findings of the court, one can hardly escape the con-

clusion that the charges made against the defendants are of a criminal nature. I am sending you the opinion and findings of Judge Foote so that you may be informed of the nature of the case.

Again assuring you that it will be a great pleasure to cooperate with you in the securing of any legislation which may be beneficial to the workers of Porto Rico, I desire to make it very clear that I will welcome any investigation of the conditions of the workers, but that I am not willing to support the political activities of Mr. Iglesias in Washington. You have to consider that Iglesias is the leader in Porto Rico of a political party entirely opposed to my own party and my loyalty to my principles, to a vast majority of my friends and people must prevent me helping him in his political aspirations. The campaign started by Iglesias and Coll Cuchi during the last session of Congress, asking for an investigation of the elections in Porto Rico, was merely a political move, and was not honestly intended to ameliorate conditions, and I am for that reason opposed to it, while favoring the most searching investigation into the material welfare of the Island of Porto Rico.

Very truly yours,

FELIX CORDOVA DAVILA.

The memorandum submitted by the defendant Santiago Iglesias and referred to in Mr. Green's letter about the decision rendered by Judge Charles E. Foote, reads as follows:

In 1921 a civil suit of a private character, in which Mr. Iglesias is not an interested party in the proceedings, was filed before the district court of San Juan by Sabalier.

During the trial it developed that some time back, during the Spanish days, Sabalier had inherited a tract of land worth about $500 (in 1900).

That for a number of years he had looked to Mr. Iglesias for advice. That finally gave him a power of attorney. That Sabalier's land was claimed in part by the government and other parties. That a number of people had settled on this land. That Sabalier was wholly in debt and did not have means of living.

Then Iglesias, acting with Sabalier, in perfect agreement, there being no other evidence as to that, sold the land to the Bank of San Juan for $26,000 at an open sale recorded in the registry of property and the books of the bank, paid Sabalier's debt, built him a house, and saved him money enough to purchase an income of $70 a month.

Further on, because of public improvements, the land increased in value and Sabalier, induced by unscrupulous lawyers and political enemies, brought suit, alleging he had been defrauded by Iglesias, although he lived in the house, knew his debts were paid, and was living upon his income.

Of course, the money paid by the bank was easily established; also that no more moneys had been paid. Also the investments were proved to the last cent.

In Porto Rico, unfortunately, we have no juries. The court ordered the sale null. The judgment was entered during the hours of our great political battle.

The Senate of Porto Rico did not intervene in this matter at all. When judgment was rendered Mr. Iglesias himself brought the matter to the attention of the senate, and all action was declined on the ground that this was a matter of a civil nature, to be contested by Mr. Iglesias in the courts.

The judgment is pending consideration by the Supreme Court of Porto Rico, and the United States Court of Appeals for the First Circuit will be the ultimate tribunal to pass upon the case.

The decision rendered by Judge Foote, which contains a statement of facts entirely different to that submitted by the defendant Santiago Iglesias, reads as follows:

In the District Court of the Judicial District of San Juan, First District

Bernabé Sabalier Sabalier, complainant, v. Santiago Iglesias and the Banco de San Juan, defendants. Civil, No. 45. Nullity and nonexistence of contract.

OPINION

On the 6th day of November, 1922, the trial of this case was called and the parties appeared, represented by their respective attorneys, and the presentation of the evidence was commenced, which was continued and carried on in the sessions of the 7th, 8th, 9th, 13th, 14th, and 16th of the month of November.

On November 16, 1922, the presentation of the evidence was finished, and both parties, through a stipulation, submitted the case by means of written briefs, and the court reserved its judgment.

The court arrives at the following conclusions of fact:

That the complainant was 90 years of age in the year 1916.

That Iglesias was the champion and leader of labor and the organizer of the American Federation of Labor in Porto Rico.

That Abraham Peña was an attorney at law and a notary and represented the workingmen.

That Prudencio Rivera Martinez, Rafael Alonso, and Juan Dominicci were labor leaders.

That the farm, subject matter of this litigation, has the following description:

AREA AND BOUNDARIES

"Parcel of land situated in the ward of Santurce of this city, bounded on the north for 290 meters by Don Andrés Crosas, to-day the estate of Wenceslao Bosch, and with lands of the Andrades estate. On the south, for 290 meters, it is bounded by the Martin Peña Channel; on the east, for 338 meters, by the estate of Juan Potracia del Carmen; and on the west, for 338 meters, by Don Avelino Vicente. These measurements give a total area of 98,020 square meters."

That Iglesias cultivated the friendship of the complainant, won his confidence, made him become affiliated with the American Federation of Labor and the International of Workers of the United States, and then he and Dominicci insinuated to the complainant the convenience of giving to Iglesias a general power of attorney for the administration and custody of all his properties, so as to prevent other persons from robbing him.

That the power of attorney was executed on October 16, 1916, before the Notary Benedicto, Peña accompanying Sabalier to the place where this deed was executed. The original deed was written by Peña.

That on the following day, October 17, 1916, Sabalier signed a will before the Notary Benedicto, which was in the handwriting of Peña and had been written at Iglesias's home, in which will Sabalier named as the heirs to half of all of his property the children of Iglesias who should survive him at his death. The witnesses of this will were Prudencio Rivera Martinez and Rafael Alonso, and Abraham Peña was present at the signing of the will.

That the complainant, through private instructions, forbade his attorney in fact, Iglesias, from making use of the power of attorney to sell the land belonging to him without his express consent.

That the complainant never consciously gave private instructions to Iglesias authorizing him to sell real property.

That since the year 1916, when Sabalier was 90 years of age, he was somewhat deaf and, due to his advanced age, his mental and physical faculties were weakened.

That Iglesias is not a business man; that he had never acted as attorney in fact for anyone; and that he did not understand the management of lands such as those of Sabalier. During the time that he acted as attorney in fact he gave very little attention to the management of these lands and to making them produce the rentals which they should.

That on May 12, 1919, the lawyer Peña, together with other persons, organized the Banco de San Juan, the object of which was to encourage saving among workmen, to make loans for not less than $5 to workingmen, and to make loans to workingmen for the purpose of building homes.

That the organizers of the Banco de San Juan were Peña, his wife, Inés R. de Peña; Peña's brother-in-law, Norberto Escabí; Attorney José Soto Rivera, and Attorney Pablo Andino; that the capital subscribed was $1,000, in the proportion of $200 each, stock having been sold for the nominal value of $5.

That by December 31, 1919, the banco had sold $6,980 of its stock.

That in the month of May, 1920, the banco purchased, in conjunction with the "Compañía Editora de Justicia," of which Iglesias was president and Peña secretary, house No. 18 Allen Street. Half of the price was to be paid by each, in the sum of $13,000 apiece. The banco paid $2,000 cash and the $11,000 remaining was to be paid in the term of three years.

That on November 30, 1920, the banco had sold $17,415 of its stock.

That Peña was appointed attorney to represent Sabalier and Iglesias in all legal matters connected with the management of the properties of Sabalier, and while he was president of the Banco de San Juan he was commissioned by Iglesias as agent to look for purchasers of the lands of the complainant.

That Peña proposed to the directors of the Banco de San Juan the purchase of the farm (Sabalier farm), and they made the following offer, which was accepted by Iglesias as attorney in fact:

"That the sale is to be made for the sum of $26,877, which the purchasing bank will pay in the following manner:

"Four thousand dollars, which is left in its possession to pay to the Banco Popular de Economias y Préstamos, of this city, for the two mortgages which it has on the farm.

"Five hundred dollars, which is to be delivered in a certificate for 100 shares of stock in the Banco de San Juan for the said value.

"Twenty-two thousand three hundred and seventy-seven dollars in the following form:

"Two thousand and twenty dollars in cash, which is to be paid at the time of the sale in a check against the Banco Comercial de Puerto Rico, to be made payable to Mr. Iglesias.

"Three thousand dollars to be paid during the month of January, 1921.

"Three thousand dollars to be paid during the month of June, 1921.
"Three thousand dollars to be paid during the month of June, 1922.
"Three thousand dollars to be paid during the month of June, 1923.
"Three thousand dollars to be paid during the month of June, 1924.
"Three thousand dollars to be paid during the month of June, 1925.
"Two thousand three hundred and fifty-seven dollars to be paid during the month of June, 1926, without delay or failure of any kind.

INTEREST

"The installments stipulated shall bear interest at 6 per cent per year, which is payable monthly.

PROMISSORY NOTES

"It is agreed that for the sum of each installment stipulated the president of the Banco de San Juan, on its behalf, will sign a promissory note, and said promissory notes shall be guaranteed by the mortgage which later on will be executed, and which will have at the same time the character of mortgage securities in accordance with the precepts of the mortgage law."

That the deed of sale was executed by Iglesias as attorney in fact of Sabalier, and by Peña as president and representative of the Banco de San Juan before the notary public, Antonio Trujillo Guil, on May 22, 1920.

That Sabalier took no part in the execution of the deed, and that he was not present.

That there was nothing to justify the sale of the lands in question.

That the price for which the sale was made was less than half of the true value of the land.

That neither Iglesias nor Peña ever notified Sabalier of this sale of his land.

That Sabalier never ratified the sale of his land.

That the seven promissory notes were indorsed by Sabalier in blank, at the request of Iglesias, without Sabalier's understanding that they were such promissory notes, and that they proceeded from the sale of his land. When they were signed they were taken away by Iglesias.

That the first three of these promissory notes were paid by Iglesias on the dates on which they became due, keeping in his possession the four remaining notes until they were delivered to Sabalier when he revoked Iglesias' power of attorney, and required him, through his attorney, Abella Blanco, to submit his accounts.

That from the sum total of the three promissory notes, which was $9,000, Sabalier only received from Iglesias for his benefit one part, which consists of a sum of about $2,000 in cash, some repairs made on a house owned by Sabalier, and some other matters.

That Sabalier was not told or made to know that the delivery to him of this money and matters represented a part of the price of the sale.

That the Banco de San Juan had knowledge of the relations existing between Sabalier and Iglesias, and knew of the frauds practiced by Iglesias on Sabalier at the time and after the execution of the power of attorney.

From the facts above stated, and from all the evidence presented in the trial, the court has arrived at the conclusion:

That the defendants, Iglesias and the Banco de San Juan, when they concerted the sale of the farm of the complainant, connived to defraud the complainant Sabalier in said negotiation, of a very large sum of money.

That the contract of sale is null, because its execution was obtained through deceit.

That the complaint herein must be sustained, and the contract of sale, set out in the deed of May 22, 1920, executed before the Notary Antonio Trujillo Guil, must be declared null, and the complainant, Bernabé Sabalier, must be restored to the possession and ownership of the farm "Melilla," subject matter of the said contract, canceling in the registry of property the inscription of the registration of the said farm, which appears to have been made in behalf of the Banco de San Juan, and the defendants are sentenced to the payment of costs.

It is ordered that a judgment be entered in accordance with the terms of this opinion.

CHARLES E. FOOTE,
Judge of the First District.

SAN JUAN, P. R., *April 20, 1923.*

I, Eduardo Perez Casalduc, clerk of the district court of San Juan, first district, hereby certify that the above is a true, faithful, and exact translation of the original of the opinion rendered on April 20, 1923, by the Hon. Charles E. Foote, judge of the district court, in the case above entitled, which translation is in strict accord with the Spanish of the original, which is of record in this district court.

[SEAL.] EDUARDO PEREZ CASALDUC,
Clerk of the District Court, San Juan, First District.

SAN JUAN, P. R., *February 10, 1925.*

[Extract from La Democracia, issue of May 18, 1920]

THE SOVIET CONFERENCE OF MR. IGLESIAS IN THE ATENEO—THE SOCIALIST SENATOR ASSURED THAT THE MOMENT IS NEAR AT HAND OF A REVOLUTION IN THIS ISLAND

With a large audience there took place in the Ateneo the announced conference of the socialist senator, Mr. Iglesias, bearing upon the influence of the Socialist Internationale on the events taking place in Russia and the socialist movement in Porto Rico. Many workingmen expressed their desire to hear the orator and they were permitted entrance at the building.

Judge Toro Cuebas made the presentation and immediately thereupon the orator began his conference, engaging the attention of the audience from 9 o'clock until 11.30.

Mr. Iglesias commenced by affirming that the revolution which overthrew the Russian nobility can not be considered as the result of the World War which we have witnessed, but as a consequence of the movement of ideas developed by the Socialist Internationale; and that the war was only an accident which served to put in march the ideas there where the economic and political needs favored the development of the revolutionary germs, which lived and live in the heart of the people, fostered by the terrible situation created by the present social system.

The orator affirmed that the ideas which dominated the minds of the French revolutionists, when the revolution which marked an epoch in the history of human kind took place, were destroyed by the military caste, and the sociologists of the time realized that they had supplanted the whole autocratic system for a new military one which was founded upon the protection of the special interests and has done nothing else but to oppose the socialist ideas, the same ideas of redemption which animated the initiators of the French Revolution.

Mr. Iglesias narrated the historical process of the Socialist Internationale from the time of the great revolution to the time of Carlos Marx, when the latter issued his communist manifesto and the Internationale was divided with the establishment of the two schools at present existing. Mr. Iglesias stated that he was a follower of the great and noble anarchist (such was his phrase), Miguel Ba-Kounine, rather than of Marx.

Mr. Iglesias maintained that the ideas that are now dominating Russia are the most humane and just and that they are not the offspring of the men of the present time, but the result of an intense labor that the Internationale has been developing in the whole world, and that therefore the Russian people, standing to-day upon the modern basis of the Soviets, are carrying into practice the international ideas and are by no means a nationalistic people.

Speaking of the Soviets, he affirmed that the system maintained by Lenine and the Russian reformers is the most liberal and just. What is being selfishly propagated against the Soviets, to the effect that they are organized without the basic representation of the people, is a lie, said the orator. The Russian Soviets are the expression of the popular sentiments; they are formed of elements of their respective professions and with that marvelous system it has been possible to place in the hands of the producers the direction of the public affairs, and that the professionals attend directly to all such questions of a general nature as affect the community.

As to the manner in which justice is imparted in Russia, he affirmed that at present it is the most liberal and just known. Lawyers have been done away with and the doors of the courts have been opened to everybody so that the people may defend themselves. As the nobility and the special interests are no more, it is clear that no prejudices exist among the people, and those in charge of the administration of justice do so based upon the law, regardless of personal considerations, and thus to-day justice is administered in Russia in a legal and just manner to the satisfaction of the people. Justice in Russia is a practical fact now; law is guaranteed there better than in any other place in the world, said the orator.

As to the interest and stimulus which capital gives to the development of sciences and progress, it is not true that money is necessary so that such stimulus may exist. He said that in Russia at present the people attend to all the public services; that hundreds and thousands of persons are gathered to operate the railroads and the factories and set in motion the general life of production; and that those men and women do not do that work for money; they go to work for the benefit of the community, encouraged by the ideas of social revolution which awaken more interest in the people than money.

Mr. Iglesias made a brilliant defense of the Russian revolutionary system and affirmed that no nation will be able to escape from it, including the United States, which, as he said, by adopting the soviet system would progress in 24 hours more than in half a century, and would transform the social system in all America.

As to the influence of the Socialist Internationale in Porto Rico, he assured that the same ideas which were defended by the greatest internationalists and which are now being put into practice in Russia are the same which he has been preaching and maintaining in Porto

Rico for 20 years, in accordance with the Socialist Internationale of the United States, which is not nationalistic but is working in keeping with the redeeming ideas of ample universal revolution.

Mr. Iglesias finished his conference by affirming that the moment is near at hand of a fundamental revolution which will transform the whole system in this island, and that as a consequence of this we are all going, islanders and Americans, to the establishment of the communist program of the internationale which shall transform society, the state taking charge of private property and putting it to produce for the benefit of the community.

Several gentlemen interrupted the orator with pertinent questions, and he answered them clarifying all doubts and making categorical statements to the effect that the only system of government truly democratic existing, is that of the dictatorship of the proletariat, for which he has been working, in accordance with the internationale of Moscow, and shall continue to work. That is to say, said Mr. Iglesias, that my ideal of government is that which is developing in Russia and which, with my help, will triumph in Porto Rico, where the Socialist Internationale is doing its redeeming work.

Upon the conclusion of the lecture Mr. Rodriguez Serra asked the speaker interesting questions which placed Senator Iglesias in an embarrassing position, and he could not answer.

AFFIDAVIT BY JUDGE MANUEL RODRIGUEZ SERRA ABOUT IGLESIAS'S STATEMENT

Q. Do you swear to tell the truth, the whole truth, and nothing but the truth of all that you know that may be asked for, so help you God?—A. I do.

Q. What is your name?—A. Manuel Rodriguez Serra.

Q. Do you occupy an official position?—A. Yes. I am judge of the district court of San Juan, second district.

Q. For how long have you been district judge?—A. Since December 20, 1920.

Q. Before that time what was your position?—A. Before that time I practiced law for about 18 years. I was admitted to the Supreme Court of the United States in 1908, and for about 13 years I was vice president for Porto Rico of the American Bar Association. I was a member of the commission for uniform legislation for about the same time. I am a member of the committee for the reorganization of the judicial system of Porto Rico, as provided for by the concurrent resolution of the Legislature of Porto Rico.

Q. That law provides that the governor shall appoint one member of the commission from among the district judges, who shall be selected by the governor for that appointment.—A. I was the district judge selected by the governor.

Q. Judge, I have before me an edition of a newspaper called La Democracia, published in San Juan, P. R. This edition is dated May 18, 1920. On the front page of it there is an account or record of a conference, together with certain occurrences and discussions that took place in that conference. The report is entitled, "It is not the same to speak in the Ateneo as it is to speak in the public square." It portends to be an account of a lecture given by Senator Santiago Iglesias, dealing with the soviet régime, as now established in Russia. Do you recall, after seeing this newspaper, anything that happened at that conference in connection with this report?—A. Yes. After rereading carefully the article to which you refer, I am of the opinion that it is a very good description of what happened at the Ateneo that night. I remember the incident very well.

Q. Is it true that Senator Iglesias stated at that time that he was in accord with the soviet system of government, and that he would work for the establishment of that system in Porto Rico?—A. Yes; I had that impression, and I understood him to say that he was speaking as a member of the so-called "Third International." The whole tendency of his lecture was to show the beauties and advantages of the soviet régime in Russia. That was what prompted me to interrupt him and ask him certain questions in order to show how wrong he was.

Q. Judge, if you recall them, will you be kind enough to mention what those interruptions were?—A. They are very well described in the newspaper article.

Q. Then I take it that the account in the newspaper of the interruption and the answer given by Senator Iglesias is correct and exact?—A. So far as I can remember, it is.

Q. Can you give me a short account, as you recall it, of your discussion with Senator Iglesias that night and how it was brought about?—A. I think the best thing would be to refer to this article, which is a very good account of what happened there.

Q. Will you proceed?—A. My intention at that time was to show that Senator Iglesias could not establish in Porto Rico this soviet system, even if all the Porto Ricans were in accord with his idea and even if he could carry the election and obtain control of the insular government, while the island was a part of the United States, under its jurisdiction, because I thought—and I still think—that his idea would be utterly in conflict with the Constitution of the United States.

Q. One of your interruptions was that when Mr. Iglesias argued in behalf of the abolition of private ownership of lands and the nationalization of such industries as sugar and tobacco you asked him whether or not it was possible for him to carry out his scheme while the Constitution of the United States was in force in Porto Rico, protecting property rights, to which he replied that this would be done with the Constitution or without the Constitution. Is that true, Judge?—A. Yes; I remember that very well, and it is well stated in the newspaper.

Q. And did Senator Iglesias actually give that answer to your inquiry?—A. Yes; and after I pressed him with another question he replied to me and stated that the soviet system would be established in Porto Rico anyway, whether in one manner or another. After that I inquired if by means of a revolution, as in Russia, and he answered that we will arrive at that through some means or other.

I, Mary Wood Audas, do hereby certify that the above is a true and correct transcript of the testimony given by Judge Manuel Rodriguez Serra, under oath, before the Hon. Miguel A. Muñoz, first assistant attorney general, and the Hon. Luis Samalea, special prosecuting attorney, in San Juan, P. R., at 3 p. m., January 7, 1925.

MARY WOOD AUDAS,
Secretary, Office of the Attorney General.

REPORT OF THE ATTORNEY GENERAL TO THE GOVERNOR OF PORTO RICO ON THE ALLEGED DISORDERS CONNECTED WITH THE GENERAL ELECTION NOVEMBER 4, 1924

JANUARY 5, 1925.

The honorable the GOVERNOR OF PORTO RICO,
San Juan.

SIR: In view of the acts of violence committed in different parts of the island on the day of the election, which, in accordance with the investigations made by officers of this department, as well as from the reports received through the insular police, were attributed to members of the Socialist and Pure Republican Parties, and in view of the fact, also, that from different sources information was received to the effect that the Pure Republican and Socialist speakers had during the electoral campaign just passed resorted to a propaganda advocating the use of force and violence by the people, the office of the attorney general thought it proper to order an investigation so as to determine whether or not such propaganda was actually made.

On December 9, 1924, the attorney general requested the prosecuting attorneys of the island to make an investigation relative to the general trend of public utterances of political speakers belonging to the Socialist and Constitutional Parties during the recent electoral campaign and to report to him their findings thereon.

The reports of these investigations have been received in this office, and they are as follows:

The prosecuting attorney of the first district of San Juan, which district, as you know, comprises nine municipalities, states as follows:

"On the 7th day of October, 1924, there was a meeting held at Boulevard del Valle, in the city of San Juan, and speaker Santana, who was a candidate for the workmen's relief commission, said: 'That on the day of November 4 the Socialists and Republicans should be ready to cut the head off of any of those tyrants of the alliance who should try to steal their votes.'

"Mr. Robert H. Todd, who also spoke in said meeting, candidate for mayor of the city of San Juan, advised the Socialists and Republicans: 'That they should gather in groups on the day of the election, and that if it was necessary, he would be at their head in order to attack those of the alliance, if they should observe that illegalities were being made in order to carry the election.'

"At a meeting held in the Baldorioty Square of this city of San Juan, on or about the 12th of September, 1924, the same speaker Santana before mentioned stated: 'That on the 4th of November, 1924, the Republican-Socialist Party would have to win the elections, even though it would be necessary to shed blood and break up the ballot boxes.' And speaker Ramon A. Martinez, a colored attorney, made the same statement, saying besides: 'That if the Republican-Socialist people should observe some act of treason to their party, and if it was necessary to shed blood, that it should be shed, and that at least two ballot boxes should be broken, because in this manner they could obtain the annullment of the election.'

"In the evening of August 28, 1924, at stop 25 of Santurce, of the municipality of San Juan, Mr. Santiago Iglesias, senator at large, advised: 'That they should gather in groups of 10 on the day of the election in front of the electoral colleges, so that in case that some trick should be attempted by their opponents they should then go into the electoral colleges and break the face even of Christ himself, if he were inside of the college, and that justice was not to be found in all parts.'

"In the evening of September 16, 1924, there was a Socialist-Republican meeting held in Puerta de Tierra, San Juan, at stop 5, wherein Mr. Pedro Juan Barbosa, editor of the Times, a Republican paper, in his speech stated: 'That if it should happen that the voting should be fraudulent or illegal, the electors should assault the booths, destroy the ballot boxes, and even make a revolution if necessary.'"

The prosecuting attorney further reports that from the testimony taken by him of reliable and reputable witnesses it appears that prac-

tically the same tenor of speech was adopted by a good many of the speakers for the Socialist and Republican coalition during the electoral campaign in San Juan.

He further reports that the same evidence was obtained as to the towns of Vega Baja and Vega Alta, where it appears that at the meeting held on the 1st of September one Eduardo Mendez stated:

"That it was necessary that the Socialist masses of the hills should be ready to carry the elections on the 4th of November, even at the cost of blood; that the Socialists should come to town on that day with their implements of labor, so that through violence they should assault the colleges and take hold of the ballot boxes violently."

He further states that during the course of his speech this same man made reference to the French and Russian revolutions, stating that this was done by the workers for their own emancipation and in order to decapitate the established governments there.

He further reports that in the town of Vega Alta, Attorney Adolfo Dones Padro, candidate elect to the house of representatives for the Socialist Party, expressed himself in terms similar to those used by Messrs. Iglesias, Todd, and Santana in the city of San Juan.

He further reports that from investigations made by him in the towns of Toa Alta, Toa Baja, Dorado, and Corozal it does not appear that this propaganda was made in the said towns, neither in the towns of Naranjito and Comerio.

The prosecuting attorney of the second district of San Juan, which district, as you know, is composed of seven municipalities, reports as follows:

"That I have arrived at the conclusion that the propaganda made by the coalition party during the electoral campaign was in all the towns of this district, with the exception of the town of Guaynabo, entirely violent and insidious, using in the public meetings a language which was an incitation to the masses, which were advised not to respect the law and to adopt any means of any nature to the end of winning the elections. As examples of the said violent propaganda, which is an incitation to the masses, I can cite the following cases:

"In the public square of the town of Rio Grande Senator Santiago Iglesias, while speaking of the injustices that he believed were to be committed by the alliance, advised and incited his comrades that at the least movement or notice of fraud that they might have they should destroy with sticks and by any possible means the ballot boxes that contained the ballots.

"In the same town of Rio Grande, at the meeting held on the 26th of October, 1924, Senator Iglesias, while speaking to the public, said to his comrades, that they should get ready on the day of the elections, because it was said that the elections were to be stolen from them, and that they could place in the electoral colleges the bravest and most determined men, so that if it was necessary to enter the booths and destroy the ballot boxes, that it should be done without fear.

"In the town of Loiza, at a meeting held in the public square, Senator Iglesias, while speaking in public, advised his comrades that the elections would have to be won by all means, even if it was necessary to appeal to arms, since men who allowed themselves to be beaten in an election were nothing but cowards, using at the same time words which were truly obscene in order to criticize those who would not be ready to carry out his advice.

"In the town of Carolina Dr. Manuel Soto Rivera, while speaking in public, attacked harshly the law now in force relative to concealed weapons, stating to his comrades that said law had been enacted so that the members of the alliance might be able to carry arms and the members of the Socialist Party should not, but that he advised them that, notwithstanding the law, they should arm themselves, since all had the right to use said arms. This speaker had to be called upon by the police to desist from this line of talk.

"In the town of Rio Piedras, in the ward of Hato Rey, on or about the 20th of April, 1924, a Socialist speaker, called Juan Ramon Rios, while speaking in public expressed himself as follows: 'We, the Socialists, must be ready; we must not follow, as we have done, the path through which the unionists and the immoralities of the authorities desire to lead us; it is necessary to shed blood on the soil of Borinquen; the immoralities of the authorities are such that a few days ago I was arrested by a policeman, who charged me with having in my possession a file, and I went to court, and after he was put under oath he lied most shamefully; with officers of this kind and policemen who lie shamefully and authorities who lend themselves to these immoralities we can not live.'

"In the ward of Sabana Llana, of the municipality of Rio Piedras, the Socialist speaker, Dr. Manuel Soto Rivera, while speaking in public and making reference to a murder that had occurred about that time, in which a Socialist had murdered a man by the name of Emeterio Sanchez, stated that these cases would have to continue, since the Socialists were not ready at all to allow the elections to be won by anyone else.

"At a meeting held in the public square of Rio Piedras, Senator Iglesias, while speaking in public, stated as follows: 'It is time that the workers be emancipated and that they should learn to use their rights. It has been said by the directors of the alliance that they will win the elections anyway. For this reason I, Santiago Iglesias, advise the Socialists that they should be well prepared to give battle, even though it be necessary to shed blood; that the Constitution and the Declaration of Independence of the United States guarantee free and honest elections, but that same Constitution gives power to the masses of the proletarian and the majority of the people to rebel against the established power and against anyone who should try to abuse the workers, and for that reason we must use force and make the blood run.'"

The prosecuting attorney of the second district further states that statements similar to these were made in the town of Loiza, as well as in Bayamon.

The prosecuting attorney of the district of Arecibo, which district, as you know, is composed of eight municipalities, reports:

"By the statements which I quote below it is demonstrated that in different towns and by different leaders of the Constitutional and Socialist Parties a propaganda of force and violence has been made to the people in the last electoral campaign.

"In the town of Barceloneta in a public meeting Mr. Jose Cordero Rosario, candidate for mayor by the Constitutional and Socialist Parties, stated to those within his hearing 'that the observers of the colleges should be armed and ready.'

"In Manati in a public meeting Dr. Carlos de Castro, leader of the pure Republican Party of San Juan, stated 'that with their fists and through their pants they would win the elections,' and he asked all those present to raise up their fists.

"In Manati at a public meeting Mr. Santiago Iglesias stated 'that if on the day of the election there was no justice they should assault the colleges and that they should have as observers manly men.'

"In Ciales at a public meeting Mr. Manuel Rossy, one of the leaders of the Pure Republican Party, stated: 'Boys, it is necessary to win the election by any means, with sticks, with fists, any way, as I know that you have good fists.'

"In Utuado Mr. Iglesias stated in a public meeting 'that the people should break the ballot boxes; that if the elections were to be stolen away from them they should go in and break the ballot boxes; and that they should have their rights respected.'"

The prosecuting attorney of the district of Aguadilla, which district, as you know, is composed of seven municipalities, reports:

"That in the towns of Isabella, Aguada, Rincon, Moca, and Lares, of that district, there was no propaganda of the nature above indicated made. That in the town of San Sebastian, one Getulio Echeandia, candidate to the House of Representatives for the Pure Republican Party, was charged before the municipal court and convicted of a crime of slander committed while speaking in public; that this case was confirmed by the district court and is now on appeal before the supreme court.

"That in Aguadilla, the socialist speaker, Mr. Nicomedes Rivera, candidate for the senate of that district, was also charged with the crime of slander committed in a public meeting; that this case was taken before the municipal court, where he was convicted; that he later on appealed to the district court and there pleaded guilty."

The prosecuting attorney for the district of Mayaguez, which district is composed of eight towns, states:

"In connection with your request that I investigate the general trend of public utterances of political speakers belonging to the Socialist and Constitutional Parties during the recent electoral campaign, I have the honor to inform you that specific advices were given within my territorial jurisdiction by the speakers in question to the people at public meetings to resort to violence and force.

"In accordance with your instructions I have taken the testimony of reliable witnesses, all of whom were able to testify as to these occurrences of their own knowledge and not from hearsay or rumor.

"I inclose herewith the finished investigations, calling the attention of your honor to the testimony of Judge Guillermo H. Moscoso, who swears that he heard Santiago Iglesias, foremost leader and senator elect of the Socialist Party, and at a public meeting, incite the people to go to the revolution, saying, among other things, that the only manner to vindicate the proletary was by means of a revolution; that the time had come when the Porto Rican soil be tainted with blood; that they (the Socialists) should not be afraid of anything; and that on election day they should attack the electoral booths, destroy the ballot boxes, and murder the election judges. The other testimonies refer to similar utterances made by other speakers of the same parties during the last political campaign."

He also reports that one Doctor Lange, speaker for the Socialist Party, stated not only in the city of Mayaguez but in other towns of that district, that they should resort to violence, and that they should not be afraid of the law forbidding the carrying of concealed weapons; that they should carry small knives not more than 3 inches long; that with such weapons it was possible to cut anybody's neck; that it was necessary for them to do this in order to carry the election. This

same speaker apparently took it upon himself to make the same propaganda through different towns of the district, advising the people that the law of concealed weapons was made so that the socialists should not be able to protect their rights on election day, and that it was to be disregarded by them.

The prosecuting attorney of the district of Ponce, which district, as you know, consists of eight municipalities, reports that this propaganda of violence and incitation to the use of violence by the socialist speakers, was made in nearly all of the municipalities within his district.

He reports that in the town of Guayanilla, at a meeting there held, a speaker named Sixto A. Pacheco, from Mayaguez, stated:

"That the elections should be carried by force, like men; that they should not allow themselves to be deceived; that if they notice any trick on the part of the election judges, that they (the socialists) should immediately assault the colleges and break up the ballot boxes, thus annulling the election."

This same propaganda was made in the said town by Messrs. Martinez Nadal, Tormes, and Iglesias.

He further reports that in the town of Peñuelas Mr. Martinez Nadal advised his listeners at a public meeting to use their fists, sticks, stones, anything with which to win the elections, and that on that day they should not think of their families.

He further reports that in the town of Barros a speaker by the name of Eugenio Mendez on the 13th of September advised his listeners at a socialist meeting that on the 4th of November, after voting, they should not withdraw from the colleges, because the alliance intended to carry the election by all means; that they should remain close at hand, so that the socialist observers should give them a signal of danger; they should assault the colleges, so as to have their rights respected.

He reports also that the same propaganda was made in the town of Guanica, and that there Mr. Santiago Iglesias while speaking in public advised his listeners that they should win the elections by all means; that it did not matter if blood had to be shed; that those who had means should not worry, because they would not go to jail; that on election day it was necessary to assault the colleges; and that if there was anyone who was an obstacle to the winning of the elections in Guanica that he should be eliminated. That one Julio Diaz while speaking in the said town and in the same meeting also stated: "That the socialists should have red blood, and that they should not allow the elections to be lost; that it was necessary to win the municipality of Guanica by all means; that if it was necessary to assault anything they should do it, and that they had money and lawyers to defend them if necessary.

Practically the same propaganda was made in this town by Sixto A. Pacheco, in accordance with the testimony appearing from the investigation made.

It also appears from the testimony of another of the witnesses that Senator Iglesias, at one of his meetings in Guanica, advised his listeners not to worry about the law of concealed weapons; that they should take flags with them on the day of the elections and have these flags tacked on good, heavy sticks, and that in case of necessity they could wrap the flag about their hand and use the rest of it for other purposes.

He further reports that in the town of Yauco Mr. Santiago Iglesias, in a meeting there held previous to the election around the month of September, stated:

"This election would have to be won through any means since they have the majority, and that the observers, while they were in the colleges, if they saw some tricks, they should strike four or five times with their fists the table and that should be the signal for the people to assault the colleges; and that they should not do in this election as they did in the ones of 1920 that they lost because of lack of manliness. And that if it was necessary to shed blood, they should not be afraid to let it flow, since it was necessary to destroy all invisible powers, which were the ones corruptinging the government of Porto Rico. That the police would be well watched by the Republican-Socialists and that there was nothing to make them think that the police could abuse them, in view of the power and strength that they had within their own Socialist-Republican Party."

It appears that similar statements were also made by Mr. Martinez Nadal in Yauco.

The prosecuting attorney reports that in Adjuntas, at a public meeting held in the square of the town, Mr. Iglesias stated that the socialists should arm themselves in order to see if the officers representing the alliance on the election booths attempted any illegalities, and if they did they should all be killed. That this was the fight of the small against the big; that is, the rich against the poor, and that it was necessary to carry the election by all means because their honor and their dignity were involved.

It is also reported that Blas Olivera, formerly Socialist mayor of Ponce, incited the people to violence in this meeting.

The prosecuting attorney further reports that the same propaganda was made in the town of Villalba, and that at a meeting held there on the 26th of October, 1924, by Messrs. Santiago Iglesias, Martinez Nadal, and one Felipe Morales, that Mr. Iglesias expressed himself as follows:

"That his politics were those of the Socialists, that that was the way he thought; and referring to the elections, he stated that he was a Socialist leader, that he had defended them always, and that he was attempting to better the conditions of the working masses; that it was necessary to attack the bourgeoisie which made up the Republican and Unionist Party, which had merged in order to attack the poor people. That in this election the people had to show that they were the sovereign, and that it was necessary to fight the elections and to win them by all means. That if the alliance attempted to steal their votes, that they—the Socialists—were the ones called upon to defend them, even though it was necessary to appeal to violence."

The prosecuting attorney reports also that in the town of Juana Diaz practically the same propaganda was made.

The prosecuting attorney of the district of Guayama reports:

"I have taken the statements of the chief of police of the different towns of the district, as well as that of persons of reliable reputation in their respective localities.

"In all the towns of this district, with the exception of Arroyo and Barranquitas, the language used by the speakers of said parties was incorrect, and especially the ones who distinguished themselves for the improper manner of addressing themselves to the people were Mr. Santiago Iglesias, Dr. Coll Cuchi, Moises Echevarria, and Juan Figueroa. The language used by all these speakers in all the towns of this district was the same in all the meetings, and consisted in advising the people that on the day of the election the Socialists, as well as the pure Republicans, should not go back to the hills, but that they should remain close to the voting booths; that they should be on watch for any signal from the Socialist observers, so that the moment the election officials of the alliance attempted to put through some illegal acts or attempted to obstruct the Socialists and Republicans in their right to vote, that then the people should not allow this to be done under any circumstances, and that they should assault the electoral colleges and break up the ballot boxes, and that they should do justice with their own hands; that the alliance was a combination of Messrs. Tous Soto and Barcelo in order to surrender the country to the corporations, and so as to oppress more and more the Porto Rican worker."

* * * * * * *

"I also beg to inform that during the election period no complaint was filed before me by the police or by any citizen against any of these speakers; and besides, beg to inform you that the police, due to some very liberal decisions of our supreme court, so as not to limit the right of free speech, limited itself in some localities, as in Yauco, to give advice to the speakers that if they continued with their speech along the same lines they would suspend the meeting."

The prosecuting attorney for the district of Humacao reports as follows:

"Referring to your communication of the 9th of the present month, I beg to inform you that, in accordance with same, I went personally to all the towns of this district, and that in each of them I made the corresponding investigation relative to the manner and general trend of expression of the speakers of the Socialist and Pure Republican Parties during the last electoral campaign, having arrived at the conclusion that, with the exception of the towns of Vieques, Aguas Buenas, Las Piedras, and Naguabo, where hardly anyone attended their meetings, in all the other towns of the district the said speakers, without any consideration for good speech and good behaviour, and against the law, made use of a violent and improper language, insulting and slandering the highest officials of this country, attacking the constituted Government and advising the people to disorder and violence; and further advising them to ignore the authorities and to do justice for themselves with their own hands, so as to carry the elections anyway."

In view of the above reports, which are sustained by their respective transcripts of evidence which are on file in this office, I have the honor to inform you that orders will be issued for the prosecution of all persons who have incited the people to the use of violence, or who have advised them to disregard any of the criminal laws now in force in this island.

Respectfully,

H. P. COATS, *Attorney General.*

THE SHENANDOAH APPLE BLOSSOM FESTIVAL

Mr. HARRISON. Mr. Speaker, I take advantage of the permission to extend my remarks in the RECORD to call attention to the Shenandoah Apple Blossom Festival, which is to be held in Winchester, Va., during the coming May. In the name of the people of the Shenandoah Valley of Virginia, I desire to extend to every Member of Congress, and to a discriminating public, a hearty invitation to visit this most beautiful of all valleys when its beauty is enhanced by the bloom of the orchards. The apple orchards have developed into a very great industry. We claim that no better apples are grown anywhere than are grown in this valley, and we are anxious that visitors shall see this favored section at a time when they can best appreciate its possibilities. For miles, in the apple blossom

season, the tourist may travel through a territory redolent with the aroma and glorified with the beauty of the blossoms.

Highly improved roads pass through this section from every center of population. The valley is famous for its scenic beauty, and the people are the most generous and hospitable in the world. On the two days of the apple-blossom festival there will be staged a wonderful spectacle of allegorical pageantry. Perhaps in no other section of the United States are there as many localities of great historic interest. The section is rich in colonial and Revolutionary lore. Here are the scenes of great Civil War battles. Here are some of the great natural phenomena which attract the attention of the civilized world. The Shenandoah Caverns, the Endless Caverns, the Luray Caverns, the Grottoes, the Natural Bridge are visited yearly by thousands of tourists. Here also are located the great educational institutions of the South; and here it is proposed to locate the first of the eastern national parks.

In the pageant there will be symbolic representations of the wonderful historical past of the Shenandoah Valley, its equally wonderful present developments, and the glorious possibilities of the future.

Winchester is in easy access from every quarter by railroad and by splendidly constructed highways. It lies directly in the path of all who travel north or south, east or west by direct routes from the National Capital.

A beautiful and artistic program has been prepared and will be mailed to anyone who will write for a copy. It depicts the beauty of this wonderful region and gives full information to all who desire to visit Winchester on this occasion. Communications should be addressed to W. A. Ryan, Winchester, Va.

I again repeat a pressing invitation to all to take advantage of this occasion to see the Shenandoah Valley when nature is robed in her choicest apparel and stands arrayed in unparalleled loveliness.

TOTAL NUMBER OF SUPREME COURT DECISIONS AND TOTAL NUMBER OF LAWS ENACTED BY CONGRESS

Mr. RAMSEYER. Mr. Speaker, on February 11, 1925, I placed in the RECORD my remarks on "Decisions of the Supreme Court of the United States." I had printed in that RECORD a list of the cases by the Supreme Court of the United States declaring acts of Congress unconstitutional from the foundation of our Government to that time. In the 136 years under the Constitution the Supreme Court has held 47 acts or parts of acts of Congress unconstitutional.

Since the remarks above referred to I have been asked by a number of my colleagues these questions: (1) How many cases during that period did the Supreme Court decide, and (2) How many laws were enacted by Congress from 1789 to 1925? The figures and facts I shall give in answer to the foregoing questions have been verified by the Legislative Reference Bureau of the Library of Congress.

(1) The total number of volumes of Supreme Court decisions is 266 with one or two more to come. These volumes run from 100 to 120 cases per volume, so that the total number of cases decided by the Supreme Court is somewhat over 30,000. The exact figures can not be given without making a detailed count. The number of cases (47) holding acts of Congress unconstitutional is but a small fraction of 1 per cent of the total number of cases (30,000).

(2) How many laws have been enacted by Congress to March 4, 1925? In answer to this question I submit herewith a table of the "Number of laws enacted by Congress." This shows a total of 50,060 to the end of the Sixty-eighth Congress, which adjourned March 4, 1925. The volumes containing these laws are Nos. 1 to 43, although there are actually 56 volumes since some of the volumes are divided into two parts. The total number of pages in these volumes is right at 48,000. The table referred to above follows:

Number of laws enacted by Congress (1789–1925)

	Public			Private			Total
	Acts	Resolutions	Total	Acts	Resolutions	Total	
First	94	14	108	8	2	10	118
Second	64	1	65	12	.....	12	77
Third	94	9	103	24	.....	24	127
Fourth	72	3	75	10	.....	10	85
Fifth	135	2	137	18	.....	18	155
Sixth	94	6	100	12	.....	12	112
Seventh	78	2	80	15	.....	15	95
Eighth	90	2	92	18	.....	18	110
Ninth	88	2	90	16	.....	16	106
Tenth	87	1	88	17	.....	17	105
Eleventh	90	2	92	25	.....	25	117
Twelfth	162	6	168	39	.....	39	207
Thirteenth	167	16	183	88	.....	88	271
Fourteenth	163	11	174	124	1	125	299
Fifteenth	136	20	156	101	.....	101	257
Sixteenth	109	8	117	91	.....	91	208
Seventeenth	130	6	136	102	.....	102	238
Eighteenth	137	4	141	194	.....	194	335
Nineteenth	147	6	153	113	.....	113	266
Twentieth	126	8	134	100	1	101	235
Twenty-first	143	9	152	217	.....	217	369
Twenty-second	175	16	191	270	1	271	462
Twenty-third	121	7	128	262	.....	262	390
Twenty-fourth	129	14	143	314	1	315	458
Twenty-fifth	138	12	150	376	6	382	532
Twenty-sixth	50	5	55	90	2	92	147
Twenty-seventh	178	23	201	317	6	323	524
Twenty-eighth	115	27	142	131	6	137	279
Twenty-ninth	117	25	142	146	15	161	303
Thirtieth	142	34	176	254	16	270	446
Thirty-first	88	21	109	51	7	58	167
Thirty-second	113	24	137	156	13	169	306
Thirty-third	161	27	188	329	23	352	540
Thirty-fourth	127	30	157	265	11	276	433
Thirty-fifth	100	29	129	174	9	183	312
Thirty-sixth	131	26	157	192	21	213	370
Thirty-seventh	335	93	428	66	27	93	521
Thirty-eighth	318	93	411	79	25	104	515
Thirty-ninth	306	121	427	228	59	287	714
Fortieth	226	128	354	380	31	411	765
Forty-first	313	157	470	235	64	299	769
Forty-second	514	16	530	450	2	452	982
Forty-third	392	23	415	441	3	444	859
Forty-fourth	251	27	278	292	10	302	580
Forty-fifth	255	48	303	430	13	443	746
Forty-sixth	288	84	372	250	28	278	650
Forty-seventh	330	89	419	317	25	342	761
Forty-eighth	219	65	284	678	7	685	969
Forty-ninth	367	57	424	1,025	3	1,028	1,452
Fiftieth	508	62	570	1,246	8	1,254	1,824
Fifty-first	470	80	550	1,633	7	1,640	2,190
Fifty-second	347	51	398	318	6	324	722
Fifty-third	374	89	463	235	13	248	711
Fifty-fourth	356	78	434	504	10	514	948
Fifty-fifth	449	103	552	866	5	871	1,423
Fifty-sixth	383	60	443	1,498	1	1,499	1,942
Fifty-seventh	423	57	480	2,309	1	2,310	2,790
Fifty-eighth	502	73	575	3,465	1	3,466	4,041
Fifty-ninth	692	83	775	6,248	1	6,249	7,024
Sixtieth	350	61	411	234	1	235	646
Sixty-first	525	69	594	285	3	288	882
Sixty-second	457	73	530	180	6	186	716
Sixty-third	342	75	417	271	12	283	700
Sixty-fourth	400	58	458	221	5	226	684
Sixty-fifth	348	56	404	48	.....	48	452
Sixty-sixth	401	69	470	120	4	124	594
Sixty-seventh	550	105	655	275	1	276	931
Sixty-eighth	632	75	707	289	.....	289	996
Total	16,914	2,836	19,750	29,787	523	30,310	50,060

[NOTE.—The distinction between the terms public and private, as used in the Statutes at Large, is somewhat arbitrary. Prior to 1845 a number of laws were printed in both groups; these have been classed as public only, in the above table. The decided reduction in the number of private acts beginning with the Sixtieth Congress was caused primarily by the combining of a large number of pension bills in a single omnibus pension bill.]

COAL INDUSTRY OF KENTUCKY, VIRGINIA, WEST VIRGINIA, TENNESSEE, AND MARYLAND THREATENED

Mr. ROBSION of Kentucky. Mr. Speaker and gentlemen of the House, under leave granted to me by the House I wish to call to the attention of the Members of the House and the country the threatened destruction of the coal industry in the States of Kentucky, Virginia, West Virginia, Tennessee, and Maryland.

Some time ago the Pittsburgh Coal Producers' Association and the Ohio Coal Operators' Association filed petitions with the Interstate Commerce Commission in which they sought to have the freight rates on bituminous coal from Kentucky, Virginia, West Virginia, Tennessee, Maryland, and other southern points to the lower Great Lakes ports increased and to have the freight rates on bituminous coal from Pennsylvania and Ohio to the lower Great Lakes ports decreased. This matter was referred to Mr. Charles F. Gerry, assistant chief examiner, and C. I. Kephart, examiner for the Interstate Commerce Commission. After making what they considered a sufficient investigation, they recently filed their report with the Interstate Commerce Commission. This report sustains the contention of the Pittsburgh and Ohio bituminous coal operators, and it will come up for trial before the Interstate Commerce Commission on or about the 27th day of April, 1925. We copied the following from part of this report. It will be observed that very large freight-rate increases are urged for bituminous coal shipped to the Lake ports from Kentucky, West Virginia, Virginia, Tennessee, and Maryland and a very large decrease is proposed to

be granted on freight rates on bituminous coal shipped to the Lake ports from Pennsylvania and Ohio. Where you see the minus before the figures—for example, —32 and —30—this is a differential of 32 cents or 30 cents under the Pittsburgh rate, but where the minus sign is not used it means there is a differential over the Pittsburgh rate. It will also be observed there is no differential at all at Pittsburgh. It seems these examiners used Pittsburgh as the basic point.

The following gives the present rates and the proposed rates and the differentials:

OHIO AND PENNSYLVANIA

To lower Lake Erie ports from following districts	Present rates	Rates proposed by examiner	Differential over Pittsburgh	
			Present	Proposed
Butler-Mercer, Pa.	$1.34	$1.15	—32	—30
Massillon, Ohio	1.48	1.15	—18	—30
Deerfield, Ohio	1.48	1.15	—18	—30
Jackson-Center, Pa.	1.51	1.30	—15	—15
Middle, Ohio	1.48	1.30	—18	—15
Oldham, Ohio	1.53	1.42	—13	—03
Reynoldsville, Pa.	1.51	1.42	—15	—03
Ohio No. 8, Ohio	1.63	1.42	—03	—03
Freeport, Pa.	1.51	1.42	—15	—03
Cambridge, Ohio	1.63	1.42	—03	—03
Pittsburgh, Pa.	1.66	1.45		
Saltsburg, Pa.	1.71	1.50	05	05
Crooksville, Ohio	1.63	1.50	—03	05
Derry, Pa.	1.71	1.50	05	05
Hocking, Ohio	1.63	1.50	—03	05
Ligonier, Pa.	1.76	1.50	10	05
Shawnee, Ohio	1.63	1.50	—03	05
Blairsville, Pa.	1.76	1.50	10	05
New Florence, Pa.	1.81	1.59	15	14
Indiana County, Pa.	1.81	1.59	15	14
Vintondale, Pa.	1.81	1.59	15	14
KENTUCKY, WEST VIRGINIA, VIRGINIA, TENNESSEE, AND MARYLAND				
Thacker, W. Va.-Ky.	1.91	1.98	25	53
Cumberland-Piedmont, Md.-W. Va.	1.93	1.98	27	53
Gauley, W. Va.	1.93	1.98	27	53
Kanawha, W. Va.	1.91	1.98	25	53
Tug River, W. Va.	2.06	2.09	40	64
New River, W. Va.	2.06	2.09	40	64
Pocahontas, W. Va.	2.06	2.09	40	64
Big Sandy, Ky.	1.91	1.98	25	53
South Jellico, Ky.-Tenn.	1.91	2.09	25	64
Hazard, Ky.	1.91	2.09	25	64
Harlan, Ky.	1.91	2.18	25	73
McRoberts, Ky.	1.91	2.18	25	73
Clinch Valley No. 1, Va.	2.06	2.18	40	73
Clinch Valley No. 2, Va.	2.06	2.28	40	83
Stonega, Va.	2.06	2.28	40	83
Radford, Va.	2.41	2.28	75	83
Oakdale, Tenn.	2.06	2.28	40	83

DIFFERENTIAL STRONGLY FAVORS PENNSYLVANIA AND OHIO

These freight rates apply to bituminous coal being shipped by rail to the lower Lake ports for reshipment to the North and Northwest. You will observe that in this report it is proposed to reduce the freight rates on bituminous coal from the points in Ohio and Pennsylvania to these Lake ports; and you will also observe that it is proposed to increase the freight rates on bituminous coal from points in Kentucky, Virginia, West Virginia, Tennessee, and Maryland. You will further observe that Pittsburgh has no differential and that most of the points in Ohio and Pennsylvania have a differential minus, or less, than the Pittsburgh rate, while the present differential on rates in Kentucky, Tennessee, Virginia, West Virginia, and Maryland are increased. Permit me to call your attention to these specific items that we may fully appreciate the revolutionary change that is here proposed. The present differential rate for bituminous coal from the Big Sandy, Hazard, Harlan, and McRoberts, Kentucky points, is 25 cents per ton over Pittsburgh. It is proposed to increase the Big Sandy differential to 53 cents; the Hazard, Ky., to 64 cents; the Harlan, Ky., to 73 cents; and the McRoberts, Ky., to 73 cents. This is an increase of differential all the way from 112 per cent to nearly 200 per cent.

KENTUCKY COAL BUSINESS PROSTRATE

The Kentucky coal business at this time lies prostrate. Mines are not running more than about one-third of the time. First-class block coal is selling in the market at from $1.75 to $2 per ton; egg, from $1.40 to $1.60 per ton; slack, 50 cents to $1 per ton. The average price for run-of-mine coal is about $1.50, yet it is now costing the operators around $1.85 to $2 per ton to produce this coal. The Kentucky operators are losing all the way from 35 cents to 50 cents per ton. These unfavorable business conditions have prevailed in the Kentucky coal fields for a long time. It is no uncommon thing to see from 700 to 1,000 loaded cars of coal on the sidetracks in the Big Sandy country or in the Harlan coal fields on most any day, without any orders or bills for the coal. These loaded cars are held waiting for orders. If these conditions prevail in the Kentucky mines when the differential over Pittsburgh is only 25 cents per ton, as it is now, how can the bituminous coal mines of Kentucky survive if this differential is increased to 53 cents and 73 cents per ton, as is proposed in this report before the Interstate Commerce Commission. If this report should be adopted by the Interstate Commerce Commission it will mean absolute ruin and bankruptcy to a large majority of the bituminous coal mines of Kentucky.

WEST VIRGINIA HIT HARD

You will further observe that the present differential freight rate on West Virginia bituminous coal over Pittsburgh to the Lake ports, as a rule, is 25 cents per ton. If this report is adopted, it will increase the differential to 40 cents and 64 cents per ton. West Virginia mines are in very much the same condition as to prosperity as are the Kentucky mines. If the West Virginia mines can not survive with the 25 cents per ton differential, how can they live with the 64 cents per ton differential?

TENNESSEE THREATENED

It will be observed from this report that the present differential on Tennessee bituminous coal in the Jellico district is 25 cents per ton, but this report proposes to increase the differential to 64 cents per ton. The present differential on bituminous coal from the Oakdale district is 40 cents per ton. This report proposes to increase the differential to 83 cents per ton. This will mean bankruptcy to many of the Tennessee mines.

VIRGINIA HURT

The present differential on coal from Clinch Valley, Va., Nos. 1 and 2, is 40 cents per ton. This report proposes to increase that to 73 cents per ton. The present differential rate in the Pocahontas district is 40 cents per ton. This report proposes to increase it to 64 cents per ton. The present differential rate on bituminous coal from the Stonega (Va.) district is 40 cents per ton, but this report urges that this differential be increased to 83 cents per ton. The present differential in the Cumberland-Piedmont—Maryland and West Virginia—district is 27 cents per ton. It is urged in this report that this be increased to 53 cents per ton.

KENTUCKY, WEST VIRGINIA, TENNESSEE, VIRGINIA, AND MARYLAND

A careful examination of this report will show that an effort is being made to widen the difference in the differential rates on soft coal shipped from Kentucky, West Virginia, Virginia, Tennessee, and Maryland to the Lake ports as against the bituminous coal shipped to these ports from Ohio and Pennsylvania. If this report is adopted, it will not only hurt these States but it will also greatly injure every other State having bituminous mines.

If there is any part of the country in which the coal industry is in a bad way, it is in these five States. If this report is adopted and these proposed decreases are granted to the coal operators of Ohio and Pennsylvania and these increases are put on the coal operators of Kentucky, West Virginia, Virginia, Tennessee, and Maryland, it means the death knell to the soft-coal industry in these five States. The present differential rates are so high at the present as to put practically all the mines of these five States out of business, yet it is proposed to increase the differential rates from 100 to 200 per cent. I am inclined to think many of the coal operators and the miners and business people in the mining sections of these five States have not yet become aware of this attempt to destroy this great industry in these particular States.

DECREASE FOR PENNSYLVANIA AND OHIO, INCREASE FOR KENTUCKY AND OTHER STATES

You will note that in district No. 8 of Ohio the present freight rate is $1.63 per ton. In this report they urge this be reduced to $1.42 per ton. The present rate in the Big Sandy and Hazard, Kentucky, fields is $1.91 per ton. Yet this report urges an increase to $1.98 per ton in the Big Sandy and $2.09 per ton in the Hazard field. The present rate in the Harlan-McRoberts fields is $1.91 per ton. It is urged in this report that these rates be increased to $2.18 per ton. The present Pittsburgh rate is $1.66 per ton. This report urges that this be decreased to $1.45 per ton. The present rate in the Jellico, Tennessee-Kentucky, field is $1.91 per ton. This report urges an increase to $2.09 per ton. The present rate in the Stonega-Clinch Valley, Virginia, fields is $2.06 per ton, but this report proposes to increase it to $2.28 per ton. On the other hand, the present rate on the Darby, Pennsylvania, field is $1.71 per ton,

but this report urges a decrease to $1.50 per ton. There is a heavy decrease on freight rates from Ohio and Pennsylvania and a very substantial increase on all of the rates from Kentucky, West Virginia, Virginia, Tennessee, and Maryland.

INDUSTRY CAN NOT SURVIVE

The bituminous-coal operators in these five States as a general rule are now running their mines at a loss and have been for a long time. They are not able to operate their mines more than one-third of the time. It is necessary to operate the mines as much as possible to save the mines from deterioration and to afford employment so that the miners may provide for themselves and families. If this condition prevails under present rates, what must be the result if this report should be approved? It will take away from these five States all of the bituminous-coal business for the Lake ports, the North, and Northwest. It will bankrupt many of the operators and will cause untold suffering among the miners and their families in Kentucky, Virginia, West Virginia, Tennessee, and Maryland. It will likewise greatly affect every business and industry in these five States and especially in those sections that are directly dependent upon the bituminous coal mines industry. This proposed revolutionary change in the freight rates of bituminous coal to the Lake ports, the North, and Northwest should receive the immediate attention not only of the coal operators and miners in the States affected but the farmers and every other business and occupation. It will affect the coal industry in Alabama and other States. If Kentucky and these other States should be crowded out of the bituminous markets to the Lakes, the North, and Northwest, they must be forced into competition more actively with the southern market.

WILL DESTROY COMPETITION

It has been said competition is the life of trade. This increase of freight rates on bituminous coal shipped from Kentucky, West Virginia, Virginia, Tennessee, and Maryland to the Lake ports and the tremendous decrease in freight rates on bituminous coal shipped from Ohio and Pennsylvania to the Lake ports, if adopted as suggested in this report, will force Kentucky, West Virginia, Virginia, Tennessee, and Maryland out of the Lake ports, North, and Northwest bituminous-coal markets, and will turn these markets over to the bituminous-coal producers of Ohio and Pennsylvania.

It is not only essential to the producers of coal in these five States that they have an opportunity to compete in the Lake port, North, and Northwest markets, but it is likewise important to the consumers of coal. It may be urged this involves the question of the long-and-short haul. The long-and-short haul ought to have due consideration. But the commerce of this country has been built up on the proposition of strong, active, open, competitive markets. The consumers of bituminous coal should not be left to the mercy of the coal producers of Pennsylvania and Ohio. It is better for the business and is better for the markets, the producers, and the consumers that these freight rates from the bituminous coal-producing States be fixed so that there will be at all times strong, active, open, and competitive markets. It will be unfair to the other producers as well as to the consumers to turn these markets over entirely to the producers of bituminous coal of Ohio and Pennsylvania.

THE RAILROADS OPPOSED

I am advised that the railroads in the bituminous coal-producing sections are opposed to this increase of freight rates. They say, and it is true, that they are making a fair return on their investment and this is not necessary as a revenue-producing proposition. It would be a severe blow to the railroads in Kentucky, West Virginia, Virginia, Tennessee, and Maryland that are handling the bituminous coal shipments if this report is adopted by the commission. They must depend in a large measure for their tonnage on the coal produced and shipped. It will cripple the railroads. It will throw thousands of railroad workers out of employment.

The more I read this report and think about it the more I am amazed. I can not for the life of me realize how anyone could urge the adoption of this report. It would disorganize, embarrass, and injure practically every business in the five States directly affected.

As this matter comes before the Interstate Commerce Commission in the near future, and this commission no doubt will want to get at the right thing, may I urge not only the coal operators but the railroads in the States involved, as well as the consumers of bituminous coal in the Lake regions, the North and Northwest, to take active steps to protest against the adoption of this report? Furthermore, if the principle laid down in this report is adopted, it will affect the shippers of every class of commodity throughout the South.

Every person and firm interested should see to it that this unwarranted, unfair, and unjust Pittsburgh and Ohio Coal Operators' Association proposition is not approved. If the commission has the power to destroy the great bituminous coal industry of these five States under the law, and if it should exercise such power, then Congress should so modify the law as to protect the industries and citizens of this country.

SECOND ANNUAL REPORT TO THE VOTERS OF MY DISTRICT, THE THIRTY-EIGHTH NEW YORK

Mr. JACOBSTEIN. Mr. Speaker, on March 3, on motion of Mr. LONGWORTH, leader of the Republican Party in the House, all Members were given until March 16 to print in the RECORD their own statements on any subject. This annual report is printed under that permission, granted by unanimous consent. Each Member pays for the printing, and he pays also out of his own pocket the cost of addressing the envelopes. The printing and distribution to 90,000 voters of last year's annual report cost me $551.81, and this year's annual report will cost me approximately the same amount. Being mailed as public documents, they have the advantage, of course, of the franking privilege and carry no postage.

I can think of no better use to which the CONGRESSIONAL RECORD can be put than to employ it as a means of acquainting voters with the legislative record of Congress and with the attitude and vote of their own Representatives on important questions.

I should like to repeat here what I said in my first annual report: That we must establish contacts. We legislators and voters must get on speaking terms. We need teamwork. The voters are in a true sense stockholders in this greatest corporation, the United States Government. And as stockholders you are entitled to know what the directors—the Congressmen—are doing and what the condition of the corporation is.

I am submitting this second annual report to the stockholders in my district not only because I believe it is the right thing to do but also because I have received very encouraging and enthusiastic responses to my first annual report, which leads me to believe that the voters of my district approve of the idea.

This stimulated interest has led to a frank expression of opinion on the part of the voters on pending legislative matters which has been of great assistance to me. Even though we do not always agree, it is a very wholesome situation when the Congressman and his constituents can get on speaking terms in an open and helpful way.

I want to take this opportunity to thank the citizens of my district for advising me on many important and complicated legislative problems which have come up for action.

I have been pleased by the number and variety of requests that have come to me for assistance in matters related to soldier bonus, immigration, pensions, taxation, civil-service examinations, appointments to West Point and Annapolis, passports, requests for information from Government departments, for public documents, and so forth. This is the most gratifying evidence and the best proof that citizens are interested in their Government and are willing to cooperate with their elected Representative if given the opportunity to do so.

In this report I shall set forth concisely the activities of the second session of the Sixty-eighth Congress, which began on December 1, 1924, and closed on March 4, 1925.

APPROPRIATIONS

The raising of revenue and the appropriating of money is, after all, the most elemental and most important function of government.

At the beginning of each Congress the President, through his Budget Bureau, submits estimates of the money necessary to conduct the various departments of the Government. These Budget estimates are presented in great detail in a bound volume of about 1,000 pages. On the basis of these estimates the various appropriation committees bring in their supply bills, as they are called. The total amount appropriated for running the Government for the fiscal year ending June 30, 1925, was $3,961,843,027.26. The total appropriations for the coming year ending June 30, 1926, are $3,936,921,277.76, which is less than last year by $24,921,749.50 and $11,125,847.08 below the estimates submitted by the Director of the Budget.

It may be interesting to the voters to know how the Government spends its money, and for this purpose I am indicating the appropriations for the various departments. The following are major appropriation bills, each considered by a separate subcommittee and acted upon separately:

Appropriations, Sixty-eighth Congress, second session

REGULAR ACTS, FISCAL YEAR 1926

Agriculture	$124,774,441.00
District of Columbia	31,827,797.00
Executive Office and independent offices	452,434,334.00
Interior	239,702,926.00
Legislative, etc	14,910,971.80
Navy	287,402,328.00
State, Justice, Commerce, and Labor	71,737,293.77
Treasury and Post Office	763,221,362.00
War	332,282,671.00
Total, regular acts	2,318,294,124.57

DEFICIENCY ACTS

First deficiency act, fiscal year 1925	159,504,838.19
Second deficiency act, fiscal year 1925	58,065,006.76
Total, deficiency acts	217,569,844.95
Miscellaneous acts	1,000,000.00
Total, regular, deficiency, and miscellaneous acts	2,536,863,969.52
Permanent appropriations	1,400,057,308.24
Grand total	3,936,921,277.76

The voters will note that notwithstanding our disarmament conference and our efforts in behalf of peace we have appropriated for this coming year for the Army $332,282,671, and for the Navy $287,402,328. Besides this we appropriated about half a billion dollars for the operation of the Veterans' Bureau and the Pension Bureau. *I voted for these appropriation bills.*

An effort was made to curtail the appropriation for the Officers' Reserve Corps. The Democrats united with the Republicans, however, to restore the appropriation to the amount necessary to carry on the work required of them by the national defense act. *I voted to restore this larger appropriation.*

REVENUES

The second session of the Sixty-eighth Congress did not make any change in the methods for raising revenues to meet the expenditures mentioned above. The following table shows where our revenues come from:

Revenues collected by the Federal Government for the fiscal year ended June 30, 1924

1. Income taxes	$1,842,144,418.46
2. Miscellaneous internal-revenue taxes	953,012,617.62
3. Tariff	545,637,504.99
4. Miscellaneous	671,250,161.58
Total	4,012,044,702.65

It will be seen that the receipts exceed the expenditures, but the surplus is being used to reduce our public debt and also to reduce our annual taxes, and some is being put into a sinking fund which ultimately will be used to redeem our Government obligations. It is earnestly hoped that there will be a surplus in the Treasury which will enable Congress to reduce taxes for the ensuing year.

THE WORLD COURT

The most important problem affecting modern civilization is the prevention and outlawing of war. President Harding, President Coolidge, and Secretary Hughes have urged that the United States Government join the World Court. The substitution of arbitration in place of brute force as a means of settling international disputes was President Wilson's most deeply cherished ideal. The Senate having failed to establish by treaty this permanent court of international justice, the House of Representatives voted by a decided vote of 303 to 28 that the United States join the World Court. *I voted gladly in support of this measure.* This action of the House has no effect, however, until the Senate acts on the proposition. The Senate has deferred action on it until next December.

THE POSTAL BILL

After struggling for two years with postal legislation a bill was finally passed by the House and the Senate, and approved by President Coolidge, granting increases in salary to postal employees and increasing postal rates to raise the increased revenue required. *I was very happy to have the opportunity to vote for this bill.* The postal rates are not yet perfect by any means, but it is hoped the permanent rates recommended by the commission to be appointed by President Coolidge and enacted by the next Congress will be more acceptable to all the interests concerned.

MUSCLE SHOALS

The Government has invested some $200,000,000 in the property at Muscle Shoals, Alabama, for the production of nitrogen for war purposes and of fertilizers in time of peace. It is to be regretted that the Senate failed to come to any decision with respect to a policy for the control and operation of this valuable property. The House did the only thing it could do, namely, appointed a commission to investigate and recommend to the next Congress a policy for most effectively developing and conducting this Muscle Shoals property. While I favored the appointment of a commission, *I voted against this particular bill,* because it failed to include provision for a power engineer, and also because it precluded the consideration of Government operation of the plant as one method among others of effective development and utilization of this property.

AGRICULTURAL RELIEF

To carry out the promises and pledges made by the Republican Party, the administration submitted the Haugen bill to the House. It was a political gesture. Under this bill the Federal Government would directly or indirectly control and supervise agricultural cooperative organizations. It provided for the voluntary licensing of all cooperatives, but with compulsory inspection and auditing of the books of those that were licensed. The strange thing is that practically all of the farmer cooperatives opposed the legislation, including the most important cooperatives in Monroe County. *I voted against this bill,* because it could do no good and was likely to do great harm to the agricultural cooperative organizations. The Haugen bill was defeated in the House, but a substitute, known as the Dickinson bill, a harmless, innocuous measure, was passed in its stead. No legislation was enacted into law, however, because the Senate failed to take any action.

The general sentiment is that the farmers want to be let alone. The only relief they are asking for now is a reduction in freight rates on farm products.

IMMIGRATION

The House of Representatives passed the alien deportation bill. The bill is designed to bring about the deportation of undesirable aliens, regardless of the length of their residence in this country. *I supported this bill,* because the deportation of undesirable aliens is of benefit to the desirable aliens who are here.

However, this immigration bill failed to become a law because the Senate did not act on it. It will doubtless come up again in the next Congress.

PASSPORT AND VISÉ FEES

Americans are now subjected unduly to the payment of passport and visé fees in traveling abroad. To eliminate this hardship and injustice the House of Representatives passed a bill authorizing the President to enter into negotiations with foreign countries for the removal or reduction of such fees. *I voted for this bill.* It was passed by the Senate and approved by President Coolidge.

THE BANKING BILL

The House of Representatives passed what is known as the McFadden banking bill by a vote of 236 to 90. The principal feature of this bill is that it gives to the national banks the privilege now enjoyed by State banks of establishing branches wherever State banks have that privilege under State laws. *I voted for this bill.* However, in the Senate jam it failed to receive consideration, and will therefore come up for action at the next Congress.

PENSION BILLS

The only pension bills which were passed are those which are known as omnibus bills, in which increased pensions are granted to individuals specifically named in the bill. Several pensioners residing in my district are fortunately included in the omnibus bill. The Pension Committee of the House reported favorably on 15 of the pension claims which I submitted and several of these were included in the omnibus bill which was approved by the President.

No general pension bill, however, was passed at this session of Congress; that is, no bill was passed increasing automatically the pensions for veterans and their dependents.

THE PULLMAN SURCHARGE

At the present time when a passenger rides in a Pullman car he pays not only his railroad fare and the Pullman fare but pays also what is known as the Pullman surcharge, equal to 50 per cent of the regular Pullman fare. This surcharge, or extra charge, goes to the railroad company. It was introduced arbitrarily in 1920 by the Interstate Commerce Commission to increase revenues for the transportation companies.

A bill was introduced in this Congress to eliminate this Pullman surcharge. *I voted for the repeal.* Six out of the eleven members of the Interstate Commerce Commission decided that the 50 per cent surcharge ought to be either repealed or reduced. The House of Representatives, however, voted against the repeal.

PUBLIC BUILDINGS

The House voted to appropriate $150,000,000 for the construction of new Federal buildings, $50,000,000 of which is to be spent in the District of Columbia, and the balance throughout the country. The measure passed the Senate and was approved by the President. *I voted against this bill*, first, because I regarded it as "pork-barrel" legislation and contrary to the public economy program of the administration; and second, because Congress delegated to the Secretary of the Treasury and the Postmaster General the authority to decide where these Federal buildings shall be located. Congress ought itself to exercise this authority conferred upon it by the Constitution. It ought not to pass the buck.

THE ARLINGTON MEMORIAL BRIDGE

For the purpose of beautifying the District of Columbia and the Nation's Capital, and at the same time symbolizing the unity of the North and the South, Congress authorized an appropriation of $15,000,000 for the construction of a Memorial Bridge spanning the Potomac River and connecting the Lincoln Memorial and Arlington Cemetery. Five hundred thousand dollars of this amount was appropriated for the next fiscal year. *I voted in favor of this measure.* It was passed by the Senate and approved by President Coolidge.

MIGRATORY BIRD REFUGE

In order to protect our migratory birds, the House passed a migratory bird refuge bill, by which the United States Government is authorized to purchase land and water sites for resting and nesting places for migratory birds. Canada and the United States have cooperated to accomplish this purpose. Canada has done her share. The House bill however, was not acted on in the Senate and failed to become a law. *I voted for the House bill.*

VETERANS' HOSPITAL LEGISLATION

Veterans of the World War will be interested to learn that the House passed the Johnson hospitalization bill. Under this bill the hospital service is reorganized and made more efficient, and increased medical service is made possible for invalided soldiers of the World War. *I supported this measure.* The bill also passed the Senate and was approved by President Coolidge.

INCREASED COMPENSATION FOR PUBLIC OFFICIALS

There has been for a long time a growing recognition of the fact that our public officials are underpaid. In order to make it possible for men of small means to enter public service, Congress has increased the salaries of Cabinet officers from $12,000 to $15,000, of the Vice President from $12,000 to $15,000, of Members of the Senate and of the House of Representatives from $7,500 to $10,000. President Coolidge signed this bill on March 4. *I voted for this increase.*

UNFINISHED BUSINESS

There is a large amount of unfinished business to be carried over for the next Congress. Among the measures in which Rochester people have expressed an interest which failed to become laws, and which are therefore likely to come up for action in the next Congress, are the following:

1. The World Court.
2. Pensions for veterans of the Civil and Spanish-American Wars.
3. The national branch banking bill.
4. Migratory bird refuge bill.
5. Wadsworth-Garrett amendment to the Constitution.
6. Rent Commission act for the District of Columbia.
7. Truth in fabric bill.
8. Howell-Barkley railroad labor bill.
9. The Pullman surcharge.
10. Alien deportation bill.
11. Additional Federal judgeship for western New York.
12. Cramton bill for reorganizing the prohibition service.
13. Stalker prohibition bill.
14. Civil service retirement bill.

SUMMARY

Few people realize the tremendous amount of work that passes through a Congressman's office. I refer not only to the legislative work but also to the personal-service work rendered to constituents in taking up matters with the Government departments in Washington. Every mail brings many requests for assistance relating to such matters as veterans' compensation claims, pension claims, immigration difficulties, passport requests, civil-service examinations, appointments for Annapolis and West Point, and innumerable requests for information and public documents.

The hope of improving Government administration lies in intelligent and active cooperation between the voter and the elected representative. It is my hope that the publication of this second annual report will stimulate such interest and cooperation.

My Rochester office, at 24 Exchange Street, room No. 304, will be open all summer. My Washington office will also be open during the recess of Congress. Through the operation and cooperation of these two offices I hope to render continuous and effective service to the people of my district. All such service is rendered, of course, absolutely free of charge.

Notwithstanding the almost universal criticism of Congress, I consider it a very great honor to be the representative of the thirty-eighth district of New York in this greatest legislative body in the world. I am deeply grateful for the vote of confidence which I received at the last election, and I shall continue to serve my district and all of its people to the best of my ability, without thought of political party or of personal aggrandizement.

EFFECTIVE AND PERSISTENT WORK BY THE TENNESSEE RIVER IMPROVEMENT ASSOCIATION

Mr. OLIVER of Alabama. Mr. Speaker, when the armistice brought the World War to a sudden close this country found itself in possession of a great many industrial plants on which hundreds of millions of dollars had been expended. Many of them had peace-time usefulness and might have become important industrial assets if they had been preserved. But, Mr. Speaker, they were not preserved. One by one they went their way to the junk pile until to-day, aside from extensions of established plants, I know of no large war-time enterprise which still retains its possibilities of peace-time usefulness, save only the nitrate plants and the water-power development built to operate them at Muscle Shoals.

Mr. Speaker, it is not an accident that these other enterprises have disappeared, while to-day the country realizes the immense value and possibilities of the Muscle Shoals plants as never before; it is not an accident, Mr. Speaker, that after twice having been halted the work on the great Wilson Dam was resumed, and to-day is nearly completed; nor is it an accident that among all the navigable streams in the United States the only one whose possibilities, not only for navigation but for water power and flood control, now being fully surveyed and studied by the Federal Government, is the Tennessee River.

All of these things are the direct result of a painstaking and persevering presentation of the facts on the part of the people of the broad territory comprising the Tennessee Valley and vicinity, acting with remarkable cooperation through their organization, the Tennessee River Improvement Association. Their intelligent and comprehensive exhibits of maps and diagrams graphically illustrating the possibilities of the Tennessee Valley have been on exhibition for months at a time in the committee rooms of both the House and the Senate. They have sought no political favors, but by educational methods they have undertaken to give Members of Congress a better understanding of the national importance of a proper improvement of the Tennessee River.

It was the Tennessee River Improvement Association and their associates who, in 1916, first brought Muscle Shoals to national attention as a site for the nitrate plants which Congress authorized for the production of explosives in time of war and fertilizers in time of peace. It is a remarkable fact that throughout the Tennessee Valley the association's members have stood loyally together and have acted as a unit in contending that the purposes of the Government in establishing this great enterprise should not be subordinated to the mere production of electrical power, although the majority of the association's members have much to gain by power distribution. Realizing, however, that the interests of the entire region would be far better served by a large scale production of better and cheaper fertilizers, the association has remained firm in standing by its original position as to the utilization of these plants. The plans of the association, however, include a development of power in the Tennessee River that will greatly exceed that at Muscle Shoals and the time is close at hand when these plans will be carried out.

It was the Tennessee River Improvement Association which successfully urged a Federal survey by the United States engineers, unprecedented in its scope and value, and covering the entire Tennessee River and its tributaries. They have urged the substitution of slack water improvement by means of locks and dams with the dams so designed as to create electric power, wherever feasible, in the place of the wasteful and ineffective open channels. They have impressed members of Congress

with the striking difference between a nonproductive open-channel improvement, which is a constant source of expense, and a hydroelectric dam, for both navigation and power which can be made a constant source of revenue, yielding the Government a fair return on its investment and ultimately returning to the Treasury its entire capital cost, for power and navigation as well.

While the survey of the Tennessee River and its tributaries is only about 40 per cent completed, the district engineer, Maj. H. C. Fiske, has shown that, aside from Muscle Shoals, there are feasible possibilities in this remarkable valley for the development of more than 3,000,000 horsepower.

There is one single dam site on one of the tributaries known as the Clinch River, which has such remarkable possibilities that in my judgment the Federal Government should finance the building of the dam and should lease it under special provisions for its operation. Properly operated this dam can double, or more than double, the entire supply of reliable or continuous hydroelectric power available throughout the year not only at Muscle Shoals but at each of a series of nine navigation-power dams in the Clinch and Tennessee Rivers, with the result that the total dependable, continuous power developed between the Clinch River Dam and Muscle Shoals will amount to fully a million horsepower, and the Tennessee Valley can have 6-foot or even 9-foot all-year navigation from Knoxville to the Mississippi River.

This dam, built to a suitable height, would impound one of the largest artificial lakes in the world. Behind it stretches a vast area subject to heavy rainfall, so that it offers a very practicable means toward overcoming the floods that do serious damage every few years in the city of Chattanooga. No power company should be permitted to exploit such a dam site for its own local, selfish purposes. This example shows how important it is that not only on the Tennessee River, but on every sizable stream throughout the United States, the Federal Government should know the facts about the undeveloped dam sites in order that when the improvements are made the full possibilities of the situation can be realized, and can be utilized for the benefit of the greatest number of people before it is too late.

While the Tennessee River in former years was little known and little noticed, it now stands conspicuously in the forefront among our country's rivers of acknowledged importance. It has reached this position as the direct result of a comprehensive survey, calling for an expenditure, which, for such a purpose, was wholly unprecedented.

It was no small victory for the people of the Tennessee Valley when the Chairman of the Rivers and Harbors Committee, the Hon. S. WALLACE DEMPSEY, of New York, paid the following recent tribute to the Tennessee River on the floor of this House:

I am only going to speak of one other project—although there are many that I would like to cover—and that is the survey of the Tennessee River and its tributaries. Up to a very short time ago not alone the general public but the engineers as well believed that there was no water power there outside of Muscle Shoals available at least for practical development and for placing upon the market.

Three years ago—when we passed the last rivers and harbors bill—the engineers asked the committees of the House and Senate to appropriate half a million dollars for a survey of that river and its tributaries and we threw up our hands in holy horror. "Why," we said, "in the whole history of the United States such a demand for a survey has never been made," and Chairman Jones and I, in what we believed to be great generosity, cut the amount to $200,000, and what resulted? Back came the engineers when we held our hearings on the present bill and they said to us, "Gentlemen, we have used your $200,000 with this result: We find that on the Tennessee River and its tributaries, aside from Muscle Shoals, there are 3,000,000 horsepower, the equivalent of 30,000,000 tons of coal annually, which can be developed at a cost so that the power can be placed upon the market at about $15 per per horsepower." Now, what does that mean? Why, coal costs nearly $15 per ton—hard coal. And you are going to get 1 horsepower, the equivalent of 10 tons of coal, for $15. Here is one of the greatest water-power developments that has ever been known in the history of the world. Go to Niagara Falls, supposed to be the greatest water-power center in the world. On the American side until a year ago we had only 260,000 horsepower. We have 400,000 now, but on 260,000 horsepower Niagara Falls has become the leading electrochemical center of the world, and in the World War, in its stress and in its difficulties, we found that without Niagara Falls we would not have been able to wage successfully our part in the great World War. We found that 80 to 90 per cent of the basic things which go into the production of munitions came from Niagara Falls.

Now, if you can accomplish that by what has been done at Niagara Falls—if you can accomplish more, for over there we carried that power to Buffalo, we have carried it half way across the State to Syracuse, and we have supplied the needs in all those directions. If you can do that with 260,000 horsepower, what a tremendous stride forward in industrial development will this country have made when it has 3,000,000 located on the Tennessee and its tributaries! * * *

The object lesson on the Tennessee has taught us a very useful lesson indeed, because we provide for a general survey of all navigable streams where water-power development is feasible with the object of making the best development for water power and for navigation combined that is possible.

It has long been an undisputed fact that the successful improvement of the Tennessee River for navigation could never be brought about so long as commercial navigation over the Muscle Shoals was not possible throughout the year. The Tennessee River Improvement Association realizing this very properly concentrated its efforts on this stretch of the river and the completion of the permanent improvement there may now be reasonably anticipated within a comparatively short time.

The friends of the Muscle Shoals development in both House and Senate, after the withdrawal of the Ford offer, still entertained the hope that some businesslike solution of this problem might be found before the adjournment of Congress. It was evident that the President and a majority in both Senate and House were opposed to Government operation of the nitrate plants unless private interests were first given a fair opportunity to submit bids, and responding to this thought, the conferees of House and Senate unanimously recommended a plan embodying this feature, which had the approval of the President. While it did not carry all the safeguards and conditions which some sincere friends earnestly urged, yet the bill, as reported, was generally regarded as offering a businesslike solution of the Muscle Shoals problem, and had it been submitted to a vote, would have passed in both Senate and House, and been approved by the President. Under the bill so reported authority was given the President to call for bids for the operation of the plant under a private lease, subject to certain stipulated limitations and conditions, and if no bid, satisfactory to the President, was submitted prior to December, 1925, the President was then directed and empowered to organize a Government corporation for the operation of the nitrate plants, and funds were made available for that purpose. The conferees, recognizing the indispensability of Dam No. 3, wisely provided that the Government build such a dam, and that it be considered as forming a part of the Muscle Shoals unit. In passing, I will say that unless Dam No. 3 is built by the Government and made a part of this unit, no private party, in my judgment, can be found who will be willing to guarantee the efficient operation of the nitrate plants under a contract promising a substantial reduction in the price of commercial fertilizers.

The report of the conferees, which I have outlined, was opposed by power and fertilizer interests, and by some Senators who are sincere advocates of Government operation. These influences were responsible for the failure of the Senate to consider the conference report.

While it is to be regretted that no definite policy was fixed by the last Congress, yet the resolution passed by the House just before adjournment, Mr. Speaker, should carry encouragement to the people of the Tennessee Valley, since they may confidently expect, I feel, that the President will take immediate steps to see that the many months which must pass before Congress meets again are not lost.

The way is open for the President to appoint a competent commission under powers granted him in the national defense act, and funds for that purpose are now available. The House resolution urges the exercise of this power. The commission will have ample opportunity to study the entire problem of fertilizer manufacture, as well as power development at Muscle Shoals and elsewhere on the Tennessee. It can prepare a fair and uniform basis on which, under the direction of the President, bids on this property could be called for; and as a result of the commission's work the President should be in position to make definite recommendations to the Sixty-ninth Congress when it assembles as to the best disposition of the Muscle Shoals property.

If the distinguished chairman of the Committee on Military Affairs in the last Congress, Mr. JOHN C. MCKENZIE, of Illinois, was made chairman of such a commission, it would give advance assurance that a solution will be found and proposed which will properly serve the interests of the farmers and the Government. Mr. MCKENZIE not only knows this subject as few men do, but he enjoys in such full measure the confidence of Congress and farm associations that his appointment would seem most fortunate and fitting.

One thing is certain, this whole matter, if it is to be wisely and speedily settled, must be removed from the realm of politics and an endless discussion in Congress, and it would seem that its reference to a competent commission enjoined to consider it on its merits is a promising development. Should the President act favorably on this suggestion of the House, and I trust he will, the efforts of the Sixty-eighth Congress to secure for the farmers and the public the benefits of cheaper fertilizer in time of peace and a plentiful supply of explosives in time of war will not have been in vain.

If authority is conferred on the President by the Sixty-ninth Congress to lease the nitrate plants and the surplus electric energy to private operators, absolute care must be taken in granting such authority to make it clear to the President that no private lease should be approved unless, in the judgment of the President, it clearly promises a substantial reduction in the present cost of commercial fertilizers to farmers, and reasonable rates to consumers as to any surplus electric energy so disposed of. If such benefits can not be guaranteed by private operation, the Government must maintain and operate the plants. In this connection, let me call attention to the fact that the testimony of the experts as brought out in the extensive hearings before both Senate and House committees was remarkably unanimous in one respect, for all agreed that a reduction of approximately 50 per cent in the cost of fertilizers to the farmers could reasonably be expected to follow the efficient operation of the Muscle Shoals nitrate plants.

In order to illustrate the importance of such a saving to the farmers of States adjacent and near to the Tennessee River, as compared with any possible saving to power consumers of these States, consider how the expenditures of farmers for fertilizers in Tennessee, Mississippi, Alabama, Georgia, and the Carolinas, as shown by the last census, compares with the total expenditures of the public for all public utility electric power purchased in these States as recently as 1922.

The fertilizer bill of the farmers of these States amounted to $169,419,329 while the entire sales of electric power by all public utilities in these States totaled only $65,396,740. A saving of 50 per cent in the cost of fertilizers, therefore, would be a greater financial benefit to the public than the free gift of the electrical power to every consumer in these States, for a saving of about $85,000,000 would pay the entire electrical power bill, with nearly $20,000,000 to spare.

From what has just been shown, it must be clear to all that the Government's property at Muscle Shoals and the power possibilities of the Tennessee are indeed a great national asset—which must be conserved and used in times of peace primarily for the benefit of agriculture, to which high purpose it was dedicated by the national defense act of 1916.

Surely no one will deny that the Government here has an opportunity to render a real service to farmers, and through them to the Nation, of such transcendent importance that it would indeed be criminal either to long delay or to fail to make wise and effective use of such an opportunity.

We have now reached that point in our growth and development when our agricultural resources must be considered—not only from the standpoint of farmers, following a particular occupation for profit, but also bearing in mind that agriculture is a great public interest, a great public business, having an ever-growing influence and bearing upon the fortunes of our Nation and race—for nothing is truer than that agriculture is the great mothering occupation for the maintenance of civilization.

In conclusion, it is my judgment, Mr Speaker, that if our people continue watchful and vigilant the prospects for the improvements of the entire Tennessee River were never brighter than they are to-day. There was once a time when there was discrimination against the Tennessee and in favor of the Ohio River. In an effort to secure economic justice for the Tennessee River at the hands of Congress 20 years ago, Senator John T. Morgan, of Alabama, presented his famous report on the Tennessee River in which he compared the appropriations for the Tennessee and Ohio Rivers, and declared that "while rivalry and competition between these great water courses is for the public good and is commendable, an improvident or unjust discrimination against either of them is a wrong to the entire country and is a positive disadvantage to the commerce of both rivers and to the people who reside upon and near to each of them. A boat loaded with commerce at Pittsburgh and destined to Knoxville has as much right to the convenient navigation of Tennessee River as it would have on the Mississippi River, if it was destined to New Orleans."

Thanks to the persistent and well-directed efforts of the Tennessee River Improvement Association, the recognition of the importance and value of the Tennessee River is now well established. With the completion of the comprehensive survey the rapid construction of the necessary navigation-power dams is assured, for private capital is already competing for the opportunity to build these dams at its own expense as rapidly as their possibilities are officially disclosed.

The dam on the Clinch River and the one at Dam site No. 3 must, however, be reserved and built with Government funds, and when such a course is determined on, private capital will be found ready and willing to construct the intermediate dams at its own expense, and to make proper and reasonable contribution to the Government for such privilege, and which, over a period of years, will repay to the Government, in its entirety, all moneys expended in the building of the dams on Clinch River, as well as power Dams 2 and 3 at Muscle Shoals. With this accomplished, the prediction of Alabama's statesman, 20 years ago, that these dams would be paid for by private parties because of the value of the water power created by them, will be realized and the country at large will then come to recognize that Senator Morgan was right when he said that such a development would be of "such public and private benefit to all concerned that its blessings to the whole country are beyond computation."

I WANT TO KNOW

Mr. COOPER of Ohio. Mr. Speaker, I want to know—

Who is behind the repeated attempts to break down the prohibition enforcement law?

Why is it that the advocates of legalized beer protest so earnestly that they are total abstainers and that they are not holders of brewery stocks?

Is it possible that the brewery interests which once corrupted American politics, controlled legislation, and dictated to State and Nation are not sufficiently grateful to at least pay the expenses of their volunteer champions to-day?

How much would it be worth to the brewery interests to secure a law legalizing the sale of 2.75 per cent beer?

Does anyone actually believe the wet propaganda that the country as a whole is consuming as much intoxicating liquor as ever or that if the saloons were opened drinking would decrease?

Since the transportation of intoxicants in license days was one of our most serious traffic problems, does anyone believe that we can to-day transport clandestinely one-tenth of the amount of intoxicants we consumed in 1917 or one-tenth of the raw materials needed to produce them?

HOW ABOUT QUEBEC?

Does not the experience of Quebec, where the sale of beer increased 15 per cent and the sale of hard liquors increased 32 per cent in two years suggest the failure of licensed beer to satisfy whisky thirsts?

How can the American brewery advocates of 2.75 per cent beer explain the failure of the Quebec law to prevent the alcoholic content of beer from climbing from 2.51 per cent to 6 and 8 per cent even with the sale of hard liquor?

Would the success of the drive against prohibition repeat here the Quebec experience where brewery stocks jumped from $15 to $185 per share in a single year?

Are any ignorant that bootlegging and moonshining existed long before prohibition and are to-day as troublesome to government control in Quebec and British Columbia as to prohibition enforcement in the United States?

Who wants to go back to the days when we used to sing "Where is my wandering boy to-night? Down in the licensed saloon?"

What have the brewers done for the country that entitles them to make a lazy living out of the weakness of their fellow men?

As a former locomotive engineer I would like to know how many opponents to prohibition want to ride on a train with a drinking engineer?

Do labor-union members want to exchange the great labor banks built under prohibition conditions for the bartender's cash register?

Is there any intelligent labor leader who questions that under prohibition labor has made greater advance, with fewer strikes and fewer defeats when strikes were inevitable?

WHICH DOES THE WORKER WANT?

Since we can't "rush the can" and "run the tin lizzie" on the same dollar, which will the worker choose?

Would it pay to trade our 17,000,000 self-starting automobiles for 100,000 bung-starting bartenders?

Did anyone ever get a job simply because he drank liquor?

Is any home made happier by drink or any boy given a better chance in life if he uses liquor?

Does the victim who has been blinded or who has lost his health or job through booze believe the drink was worth the cost?

Does the temporary elation created by intoxicants offset the aftermath of the morning after the night before?

Shall we empty our schools again that our boys and girls may go to work to support the families while father spends his wage check in a 2.75 beer saloon?

How many mothers, daughters, wives, and families join in the request that the brass rail be reestablished for father's feet?

Whoever heard of a woman getting a divorce because her husband did not drink, or a man committing crime because he was sober?

Will the bankers indorse the brewers' plea for the billions of dollars saved since the Nation took the pledge?

How many insurance policies of the $13,000,000,000 total now written annually in this country must be canceled if much of the premium payments is spent once more for beer as in the old days?

Why should we reestablish the slums and halt our home-building program that has developed since prohibition merely to enrich the liquor interests?

HAS THE MOVIE MAGNATE FORGOTTEN?

Has the movie magnate forgotten that 177,790 saloons were his competitors before the eighteenth amendment closed them?

What would happen to the present increased milk and dairy products consumption under prohibition if the eighteenth amendment were repealed?

If we had to sneak into the speak-easy to buy a radio outfit or furniture, do you think it would increase their production and sale as the wets say prohibition has boomed the sale of liquor?

Why is the United States the richest Nation in the world if prohibition ruins a country?

How many groceries, shoe stores, and furniture stores shall we have to close up if we bring back the sale of beer?

Whose boys shall we pick out to fill the thinning ranks of booze victims if we weaken prohibition enforcement?

Whose daughters shall we draft to fill the brothels which thrived with licensed intoxicants but have languished under prohibition?

Will the buyers of unused jails, sold since prohibition, sell them back to the States, cities, and counties at bargain prices if we permit beer once more to manufacture criminals wholesale?

What kind of selective draft shall pick out the 250,000 workmen to be maimed annually by industrial accidents if we cancel the prohibition of beer, which reduced such accidents by that total?

Which of the welfare activities of philanthropic societies, now maintained by the $74,000,000 once spent to support the drunkard's family, shall we cancel if we again legalize the beer which made that drunkard and pauper?

What has become of the greasy beggar who sat on the saloon corner and asked for a nickel for a sandwich and then spent it in a café instead of a cafeteria?

DID HE HELP VOTE IT OUT?

Did you ever know a wet who now claims that he is against the return of the saloon who helped to vote it out?

Is not a business man who is now reaping the benefits of prohibition an ingrate when he fails to support it?

Who would dare drive an auto or cross a city street if legalized intoxicants were sold to drivers or pedestrians in 177,790 saloons as in preprohibition days?

Since gasoline and booze do not mix what about dry goods and wet goods?

Which is worse, blowing holes in a money vault or shooting holes in the Constitution?

How can a banker expect his employees to obey the law against theft and forgery if he encourages the violation of the provision of the Constitution which prohibits the liquor traffic?

Where would 100,000 business men find a place to do business if they had to move from the former saloon sites, even if enough prosperity and good business survived to make their stores profitable?

If drinking was a bad habit before prohibition is it not just as bad now, besides being an unpatriotic act?

Why will drinkers of hooch gamble with death and their health in order to satisfy a bad habit?

Since prohibition has been a principal factor in saving a million lives in five years, shall we sentence another million to needless death by recalling the beer which sapped vitality, lowered disease resistance, and caused premature death?

Did the brass rail in the beer saloon ever support any principle or government, or only its paralyzed victim?

LIBERTY OF LICENSE?

Is citizenship license or is it liberty under the law?

If a judge buys liquor from a bootlegger, is he not as guilty as the prisoner whom he sentences for violating the law?

How can you expect other than blind tigers if you have blind officers?

Can a nation endure half sober and half drunk, half lawless and half loyal?

If the drink habit is a cancer on the physical body, is not lawlessness a cancer on the body politic?

If lawbreakers control lawmakers, what becomes of the law?

If there is a reaction against prohibition, why do the people return to Congress a greater dry majority every two years?

If prohibition is not the will of the majority of the people, why does not the alleged wet majority repeal it?

If prohibition was put over when the people were offguard, why do they keep it after they are on guard?

How does a legislator fulfill his oath of office to support the Constitution when he does not support legislation to make the Constitution operative?

Does a governor, judge, mayor, or policeman who fails to enforce the law have a right to the respect of law-abiding citizens?

What would happen to the bootlegger if every officer of the law took his job seriously and tried to do his full duty?

WHO DOES LAW ENFORCEMENT HARM?

Who is injured by law enforcement except lawbreakers?

Can a liquor law violator ask the Government to protect his property rights when he violates the Constitution and the right of the Government to law obedience?

Do not illicit liquor dealers who corrupt an occasional weak or underpaid officer prove the viciousness of the liquor traffickers rather than the failure of prohibition?

Is the rum runner any better than a pirate?

Why do advocates of drinking for revenue believe it is right to make a public profit from a private vice?

If, under license, the American people spent over $2,000,000,000 per year for drink to get a half billion in liquor tax revenue, and received premiums of crime, poverty, and insanity, is it not good business to spend $11,000,000 for enforcement to receive widespread prosperity, health, and order?

When a small minority defy the enforcement of law, shall the Nation surrender?

THE GREATEST PROBLEM WE FACE TO-DAY IS LAW ENFORCEMENT

Mr. SMITH. Mr. Speaker, we have liquor lawlessness to-day for the same reason that some farmers have weeds. We can get rid of it by using the method the farmer uses with weeds. The old law, "Whatsoever a man sows that shall he also reap," has not been repealed. The crimes of the bootlegger and the rum runner are the natural result of the long years of liquor license when we permitted the appetite for alcohol to send its roots down deep into the Nation. America was so busy developing her resources, building her empire that she was unaware of the strength of the parasites which were fattening on her. She was like the farmer opening new rich soil. He may discount the weeds until he finds the fertility of his soil absorbed by the enemies of his crop. The farmer knows what to do when he makes that discovery. That may be the reason that the prohibition movement had its beginning and has to-day its strongest support from the rural section. These men know the difference between weeds and wholesome plants, and they rip the weeds out.

APPETITE NOT EASILY DESTROYED

Liquor lawlessness has found a fertile field in America because it has been comparatively easy and profitable to pander to the appetites and vices of mankind. Legislation can not cure these appetites. It can only prevent the creation of a new army of slaves to King Booze. It can help the alcohol addict to break his chains by closing the open doors of temptation. Those doors were set swinging by over a hundred years of license. The Government itself shared in the profit from making men drunk. Unwholesome appetites were stimulated through advertisement, social custom, cheapness and accessibility of drink, and the suggestive power of example. Inherited weaknesses joined with environment in developing that appetite. Four years of prohibition, with drink made costly and difficult to obtain, have dulled that craving. Time will cure it entirely. Meanwhile we are not yearly creating an army of hundreds of thousands of youths to be devotees of Bacchus. But we still have the liquor addict with us, our inheritance from the days of license. He will sacrifice anything—health, money, honor—to

gratify his craving. So long as that profit is greater than the costs of doing illicit business the lawless traffic will flourish. When fines, forfeitures, confiscations, and imprisonment outweigh the profit the traffic will die. In spite of all the eloquent pleas of constitutional rights, sumptuary legislation, or personal liberty offered in his defense by his customer, the bootlegger is no high-souled idealist. He is after the money, first, last, and all the time. He will quit when the overhead of crime eats up the profits.

LACK OF PERSISTENCE

We will win in our battle with these lawless elements when the American people realize that we are really at war with an internal enemy. A greater issue than the success or failure of prohibition is at stake. Democracy itself is in the balance. A nation of freemen after half a century of deliberation have voted to adopt a policy of government. It was driven to that determination by the lawlessness of the liquor traffic. No ward, city or State could be kept free from this scourge of drink while there was a near-by wet center from which liquor could be shipped into the dry territory. Local option was only a name. No dry majority was respected by the booze barons. The Federal interstate shipment law was only partially effective. As no State or city could continue half wet and half dry, so the Nation itself found that utter outlawry of the whole traffic was the only way to prevent continual invasion of prohibition territory by the liquor interests. Seventy per cent of the whole population and 95 per cent of the country population were under dry laws when the eighteenth amendment was adopted as the deliberate will of the people. The majorities given this decision were unexampled. Recurrent elections have evidenced an increase in this tremendous majority. The legal and orderly methods of registering the majority will were followed when this policy was adopted. In opposition to it, a minority, small but very vocal, raised itself. Defeated in its attempt to thwart the will of the majority by legal and proper methods, it to-day defies it. With them are ranged certain aliens who do not desire to become Americanized. To surrender means confession that the Nation is not strong enough to enforce its will upon an inconsiderable minority. A new sort of bloc would be in control, a bloc of lawbreakers dictating their will.

The forgotten whisky rebellion in the opening years of our national life was less menacing. That melted away before the armed force of the Nation. It was a mutinous protest against tax, not a rejection of the entire theory of constitutional government such as we face to-day.

Into this war with a rebellious group America entered without full preparedness. It is our habit. We have never been prepared for any war we ever fought. We have another habit, however, which cancels that one in part. We have never lost a war into which we have entered. We arm and equip ourselves after the fighting begins. We learn our tactics from the adversary. We devise our strategy after we see our opponent's moves. So it has been in all our wars. So it is to-day in the fight against the liquor outlaws.

Our officers and even the judges of our courts went into this conflict unprepared. We had no success in enforcing any laws upon the liquor traffic. We had tried everything in vain. Every measure to control this essentially lawless business had been futile. The police of every city knew that few saloons obeyed the law; that the bootlegger and speakeasy carried on the business after the front doors were closed. But aside from spasmodic and theatric campaigns, usually conducted for political effect, the police of no license city ever seriously attempted to stop liquor lawlessness. There were no traditions here to support the police when the duty of enforcing the new law fell upon them. Some of the police were venal, but the novelty of compelling liquor dealers to observe the law affected more men than bribes.

POLITICS

The close alliance between politics and liquor in the past had its effect upon enforcement of the law. Many public officials owed their posts to brewery or saloon influences. They were unfriendly to the new laws. They protected liquor outlaws. They were the cause of many scandals. Political leaders in wet communities secured the appointment of wet men to enforce dry laws. The inevitable happened. Men who put loyalty to booze above loyalty to the Constitution should not be in public life. They menace not only prohibition but the whole theory and practice of democracy. There is no room in any legislative body for those who, actively or passively, would nullify the Constitution.

Until the Federal enforcement of prohibition is reorganized, centralized, and placed under civil-service rules the best enforcement is impossible.

CONCURRENT POWERS

Failure of some States, such as Maryland and New York, to exercise their concurrent power in passing enforcement laws provided liquor outlaws with semiprotected centers of activity. The State or local officials could not interfere with making or transportng liquor. A few Federal agents could not effectively police a whole commonwealth. The bootleggers and rum runners accepted the implied invitation of such States and from such centers of operation they flooded other States with their product.

The courts themselves were puzzled. Every point that might be raised to question the new law was emphasized by the lawyers for the outlawed traffic. The courts eventually resolved all these questions, but until they had been properly determined judges were cautious. The dockets were soon crammed with cases awaiting trial when the constitutionality of the law should be determined. Witnesses vanished and uncounted cases had to be dropped, to the encouragement of the bootleggers. This was inevitable.

INADEQUATE PUNISHMENT

The courts, too, were unaccustomed to dealing with cases of this character. While notably true of our Federal courts this was true of our courts in general. It had long been the habit to regard liquor cases as essentially trivial. These were petty cases, unworthy of the attention of some of the judges. So they deemed, at first, not perceiving that the whole question of democracy's right to adopt and enforce a policy against the will of a rebellious minority, was fundamental to each case. Because of this misconception, light fines or suspended sentences were the rule. Often prisoners were allowed to deposit collateral which they joyously forfeited rather than appear in court. Contempt for the law and the court inevitably followed.

PARDONS

Even when liquor outlaws had been captured and had been sentenced by the courts there still existed avenues of escape. Each "man higher up" who was thus convicted at once sought a pardon through his friends. The influence of prominent men was purchased with large sums of money offered as a fee for "services." The easy pity of sentimentalists was enlisted by professional sob invokers who pictured the mental anguish of these once prominent men now in felons' cells. Too often pardons were granted men who had deliberately conspired to violate the Constitution for the sake of gain. The average citizen's faith in justice and in the sincerity of government was shaken when he saw these confessed criminals free within a few months of their conviction. There is a place for parole of prisoners. Clemency should be extended those who merit it. But democracy is doomed when deliberate offenders against the fundamental law of the land can purchase pardons through their wealth or influence.

MOONSHINING

When the distilleries and breweries closed their doors all sources of supply for the liquor outlaws were not closed. Moonshining had long been an ancient practice. Few bartenders lacked the knowledge of "splits." Many a saloonist had boasted that he bought a barrel of whisky when he opened his saloon and had never bought another. Nonrefillable bottles had been sought by distillers to combat this substitution of adulterated, homemade booze sold under favored labels.

DRUGGISTS

Besides, the warehouses were full of whisky. It could be withdrawn for medicinal purposes. A great epidemic ensued. The nonethical druggists reaped harvests. The bootleggers grew rich. In 1921 spirituous liquor was withdrawn for medicinal purposes to the amount of 6,671,860 gallons. This was cut the following year to 2,654,406 gallons. Improvement in the permit system reduced the total to 1,754,893 in 1923 and 1,813,000 in the year ending June 30, 1924, but that opening year, 1921, was the year of jubilee for the bootlegger. He was getting real whisky, properly aged, at low prices and retailing it for all the traffic would bear.

RUM RUNNERS

As the permit withdrawal system was improved, this flood of whisky decreased. The rum runner then became the important factor in the illicit trade. Our vast coast line, indented with thousands of possible landing places, invited the smuggler. He accepted the invitation. Vessels of every character came laden with intoxicants. To combat these invaders we had only the Coast Guard, an overtasked group of men upon whom fell the hardest tasks performed by any men in the Government service. They were poorly equipped. A score of vessels, many of them a quarter of a century old, slow and scantily manned, had

the task of repelling an armada of smugglers. The Coast Guard did all that was possible and more than seemed possible. But the cases of whisky and rum poured into the country. From the northern border fast trucks ran through open country with additional supplies for the outlaws of alcohol. Many of the friends of prohibition were aghast at the open defiance of law and the success of the criminals.

The liquor criminals did not lack the support of a certain group of "respectable citizens"—scoff laws, dusting off the ancient standards of personal liberty, State rights, sumptuary legislation, and a score of honored banners under which true men have fought in the past—and tried to give dignity to the assailants of constitutional government. They compared the bootlegger to the Boston Tea Party patriots. They extolled the rum runner as the romantic champion of revolt against new oppression. Murderous criminals, trading in poisons, their hands red with the blood of gang warfare, were championed by the wealthy drink addicts they served and by the flabby sentimentalists who deal in phrases not facts.

Thus supplied and thus defended and encouraged, the wave of liquor lawlessness mounted to its climax. It became only too apparent that the laws must be strengthened, penalties increased, sources of supply eliminated, and enforcement made more forceful. We had been trying moral suasion upon men who would not know a moral if they met one on the street. We had appealed to the better nature of men who had no better nature. We had been giving the most dangerous criminals a slap on the wrist when what they needed was a good right to the point of the jaw.

The cure for liquor lawlessness, we discovered, was the cure for weeds. Not argument or expostulation, but action, unremitting, unapologetic, until the parasites were gone. We began with the law. It had too many loopholes. Congress passed supplementary acts. It remedied the faults disclosed by experience. It made possible the imposition of heavier penalties by reviving the revenue laws. State legislatures followed suit by strengthening State laws.

The courts began to resent the way their authority was flouted. They are ceasing now to temper justice with too much mercy. Tardily, perhaps, but surely, they are taking from the arsenal of justice the weapons which might have been effectively used many months ago and are using the injunction to close, with padlock, the offending saloons. Indictments for conspiracy to break the laws of the United States are being obtained against highly placed offenders. In Gary, Ind., a large group of officeholders were thus prosecuted and are in prison to-day. Over a thousand conspiracy cases have been instituted in the past two years.

With increased severity of the courts, which are ceasing to treat the liquor outlaws as bad little boys who should be stood in the corner, is coupled a more effective closure of sources of supply. The Coast Guard, effectively equipped with boats which can outstrip even the rum runners' speedy vessels, can use the increased range permitted under the new treaties to halt the blockade runners. Rum row can no longer land liquor almost at will. It is an achievement now to get a cargo past the vigilant guardians of our shores. It will soon be an impossibility. The Commandant of the Coast Guard has informed the service that not one case of smuggled liquor is to be allowed to land.

COUNTERFEITING PERMITS

Counterfeiting of permit withdrawal blanks is made more difficult by special paper and printing. Genuine permits are more difficult to obtain. Druggists are concerned about the honor of their profession and are cooperating with the authorities to halt abuses which transform pharmacies into barrooms. In Kansas City the Missouri State Pharmacy Board found drug stores had increased from 400 to 600 in the past two years, although there is not enough drug business to support the higher number. Most of the new stores had permits to dispense liquor. Action was taken against many of the newcomers who were violating State pharmacy laws. Texas druggists have also acted to rid their profession of disguised bootleggers.

So far as possible, without interfering with legitimate business, the denatured alcohol production must be carefully supervised. Modern business is closely interwoven with the use of industrial alcohol. The problem is to get the tares out of the field of business without rooting up the crops.

The wet advocates point to less than 1 per cent of this trade still surviving and strive to make the Nation forget the victory gained in eradicating 99 per cent of this traffic.

LAWLESS CHARACTER OF TRAFFIC

Liquor has always been lawless. It has probably not been more lawless since the adoption of the eighteenth amendment than in license days. We arrest and punish violators of liquor laws to-day. Formerly such arrests were few in spite of the openness of the offense.

It is false to charge that the Nation is drinking more than ever. As lunatics think all men are insane, so lawless drinkers think others are as themselves. They find their small clique or social set is made up of alcohol addicts and assume this is typical. They ignore both the enormous quantities of liquor consumed in license days and the impossibility of manufacturing, transporting, and retailing even a small percentage of that amount clandestinely.

The success of prohibition enforcement is far greater than its enemies wish or than its friends expected in so short a time. The frantic attempts of the wets to weaken the law or to put hindrances in the way of enforcement agents tells how the shoe pinches.

The bootleg weeds are being ripped from America's soil. We forget too readily the magnitude of the task the Nation faced when it issued its ban on this upas tree of corruption, crime, and death. The foes of prohibition magnify the flaws not yet remedied. Eager propagandists spread the idea that the Nation is drinking more than ever. Not even the rarity of public drunkenness or the decrease in alcoholism and in diseases incident to drink prevents the uninformed from believing these wet gossips. We have forgotten that 177,790 licensed saloons, with probably twice as many speakeasies, produced drunkards to disgrace the streets of all our wet cities a few years ago. Our consumption of spirits in the last unrestricted wet years was 164,291,294.6 gallons, and we drank 1,885,338,749 gallons of beer that year. To this we should add the products of the homebrewer, home wine maker, and moonshiner, who flourished under license.

During the last fiscal year 68,161 were arrested for violating the prohibition law. Fines and forfeitures assessed by the Federal courts in that time amounted to $5,682,719.87 while $855,395.37 was paid in compromise of cases. To these totals should be added the fines from cases brought in State courts.

The Prohibition Unit has been concentrating the liquor in storage. When the Volstead Act was passed there were 296 warehouses, holding 33,000,000 gallons. At present the 24,500,000 gallons of intoxicants are held in 28 warehouses, saving $300,000 annually in storage charges and reducing the needed guards from 490 to 190. Withdrawals of whisky in 1917 amounted to 164,291,294 gallons. In 1921, they totalled 8,671,860 gallons. In the last fiscal year only 1,813,295 gallons were withdrawn for all purposes. Wine was withdrawn for medicinal preparations to the amount of 6,353,729 gallons in 1921. Last year only 4,194,030 gallons were withdrawn, including 2,942,429 for sacramental use.

These things all mean an increasing effectiveness of enforcement. Only those who have blinded themselves can fail to see this steady advance. Ask Remus, the millionaire bootlegger, who wears the prison uniform at Atlanta, whether prohibition is being enforced. Ask some of the Gary, Ind., city officials, who thought political pull could save them from arrest for bootlegging. They are in prison cells to-day, sadder but wiser men. Neither social position, congressional immunity, nor any other influence have saved the men "higher up" who thought prohibition could not be enforced. Thousands are behind iron bars and stone walls to-day because they thought the law was a joke.

This is the greatest problem we face to-day—the enforcement of law. The voice of the majority in this Nation placed the eighteenth amendment in the Constitution. If a small minority, through corruption of officials or through indifference of voters, can nullify one portion of that Constitution to satisfy their thirst, then another group will find it easier to nullify other sections to satisfy their prejudices, greed, or ambition. It is no longer prohibition that is at stake. It is democracy itself. The continuance of orderly government is imperiled by the bootlegger and his patron.

ENFORCEMENT OF PROHIBITION ACT

Mr. RAKER. Mr. Speaker, I am in favor of House bill 6645, Sixty-eighth Congress, known as the Cramton bill. This bill has for objects and purposes the proper enforcement of the eighteenth amendment and what is known as the prohibition enforcement act to carry out the provisions of the eighteenth amendment to the United States Constitution.

I voted for this act when it passed the House on June 5, 1924. It was reported to the Senate by the appropriate committee of the Senate on February 7, 1925; was permitted to die with the close of the session on March 4 without action by the Senate.

A noted doctor and loyal citizen of my district wrote me on this subject, and as his letter is quite to the point I take the liberty of inserting it in full. The letter is as follows:

OFFICE OF DR. H. C. ELLER,
Etna Mills, Calif., February 16, 1925.

JOHN E. RAKER,
Washington, D. C.

DEAR SIR: The better class of citizens of this community want some teeth put into the prohibition law—some big tusks that will rip the bootleggers up the back.

Every voter to whom I have talked prefers the compulsory jail sentence and the fine optional with the judge.

The jail sentence is the only punishment that will meet the case in this section.

Thanking you for anything that you may do to protect our boys, I am,

Very truly and fraternally, H. C. ELLER.

WHY DOES ENGLAND STOP AMERICA'S AIRCRAFT POSSIBILITIES?

Mr. GALLIVAN. Mr. Speaker, there has been pending in this Congress for some time past a joint resolution reading substantially as follows:

Whereas the Council of Ambassadors on May 5, 1922, permitted Germany to resume the construction of commercial aircraft, and publicly declared its purpose of revising within two years the restrictions imposed by them relative to the definition of what constitutes commercial aircraft as differentiated from military aircraft; and

Whereas there has been no public announcement of any such revision; and

Whereas the interests of this country and of present-day aeronautics demand the fulfillment of such promised revision: Now therefore be it

Resolved, That the Executive department be requested to ascertain from the council of ambassadors its present attitude toward such promised revision, and to inform the Senate thereof if not inconsistent with our national interests.

May I say to the House that whatever may contribute toward abridging distance and saving time is of the utmost value to civilization? Speedy mail communication advances the interests of business, finance, and harmonious social relations.

The recent trip of the *ZR-3* presages a two-day mail and passenger service between the United States and Europe with all the incalculable international benefits such a service will confer. The advent of this boon to man is dependent solely upon ability to buy and operate such aircraft at costs as reasonable as the construction and operating costs that have been in force in Germany for years.

It is not generally known here that the Germans have had dirigible passenger service for 15 years; that eight of their ships have made 1,691 passenger trips, covering 140,000 miles, in 3,708 hours of travel; that there has never been a single loss of life or injury to any passenger; or that professional Zeppelin pilots are life insured at ordinary rates, as being engaged in a normal occupation without extraordinary risk.

Admiral Moffett recently revealed that the American-constructed *Shenandoah* cost $1.37 per cubic foot and advocates the construction of a 6,000,000 cubic-foot ship for mail and passenger service, to cost $1 per cubic foot—$6,000,000. But the *ZR-3* was delivered for less than 38 cents per cubic foot and is admittedly the best airship ever built. Her builders are anxious, if permitted, to deliver others at the same figure.

Trans-Atlantic air-mail service is undoubtedly coming, and Germany could deliver Zeppelins in a matter of months. From any other source no delivery is possible for years. We accept Admiral Moffett's assertion that dirigibles built at the cost per foot of the *Shenandoah* can carry mail with profit. But were ships delivered in less than one-half the time and at less than one-half the cost, surely it would make up considerable of the much-discussed postal deficit. This is only one of the many reasons why we have a direct, practical, as well as a sentimental, interest in making it possible for the Zeppelin Airship Building Co. to resume construction of their product.

The allied inhibition against this German activity is nothing less than an economical crime. And this ban should be lifted. For it can be lifted without rewriting or even reinterpreting any clause or single word in the treaty of Versailles. We agree to the entire propriety of the treaty provision which forbids Germany to build any airships for military purposes. But what is their military purpose in face of the fact that experts are practically unanimous in asserting that the military value of airships is utterly negligible.

As of May 5, 1922, the Council of Ambassadors allowed Germany to resume the building of airships for commercial purposes, defining commercial ships as those containing not more than 1,000,000 cubic feet of gas. The council thereupon authorized Germany to build the *ZR-3* for the United States Government, with the proviso that she was to be used only for commercial and in no event for military purposes. We have no quarrel with this perfectly proper condition. But we do venture to assail its consistence. It is absolutely contradictory to the limiting definition and shows it up as a ridiculous pretense. To distinguish by size alone between military and commercial airships is as accurate as it would be to describe an armored torpedo boat as a peace ship and the *Leviathan* as a man-of-war.

Small airships are to-day so valueless for any purpose that the effect of the limitation has been to suspend all activity in the industry. And unless the restriction is revised the industry will be killed, in so far as concerns the best existing plant, the originating, most competent engineers, and most experienced workmen. Does anyone deny that this involves a loss to business progress?

The council itself recognized this in its promise at the time the limitation was imposed to revise the restriction within two years; that is, by May 5, 1924. That promise at this time, 10 months after its maturity, remains unfulfilled. Why?

Do our European friends desire to curtail our air commerce as our marine commerce has been crippled through methods which morally are not essentially dissimilar? Britain is now engaged in building two comparatively huge dirigibles of 5,000,000 cubic feet gas content each, with Government help. Britain knows that American business is not nursed on subsidies. Britain knows further that American business does not need subsidies if permitted to buy in her material in the best markets without gratuitous foreign interference.

In airship construction Germany has easily proven herself the leader, as well as the birthplace of the practicable dirigible. Why is this important industry forbidden to contribute its share of reparation payments under the Dawes plan? Swift, safe communication of this character between nations is perhaps the most potent prospective factor for promoting world-wide international understanding and good will. Shall this handicap upon our aerial progress be permitted to continue because of French and British fear of commercial competition? For it is fear of German manufacture and American operation that is at the bottom of this conspiracy to withhold from us this opportunity to participate in the air commerce of the world.

Aeronautic progress and the advancement of mankind demand the resumption of dirigible construction by the one organization of proven ability to build safe craft economically. Our own Government recognized this in arranging with that organization for the delivery of the *ZR-3*.

It recognized the same principle when previously it contracted to buy from the Zeppelin Co. a 3,500,000 cubic-foot ship which was to fly around the world without stop. The contract for this giant of the air was signed by our then Secretary of War. The Zeppelin Co. bought $50,000 worth of materials to begin work in accordance with this signed contract. Construction was about to start when orders direct from Washington countermanded all previous orders from the same identical source and declared the deal off. Because the Allies came in and objected, and for that reason alone, our contract, written and signed by the two parties, was declared to be a scrap of paper. And the Zeppelin Co. has never been able to collect $1 of the $50,000 expended by it on this contract and due it from the United States.

Are our international commercial policies forever to be controlled by alien diplomatic coercion? Is our advantage in having the world's only known helium supply to be nullified by self-seeking, competitive, unfair, foreign influences?

It is our right to know why we are deprived of the freedom to buy airships from the best source; why the Council of Ambassadors has not kept its promise to revise the restrictions on Zeppelin-built airships for commercial purposes; if and when the council intends to make this promise good; why a peaceful commercial industry should continue to be under allied political ban, at great cost to Germany, to reparation payments, to aerial progress, to the United States, and to the world at large.

We propose to ascertain these facts.

On Thursday, the 15th of January last, the Allies were to have made public their reasons for the continued British occupancy of Cologne, which was to have been evacuated on January 10. Among the penalties imposed upon Germany was the destruction, immediately after the delivery of the *ZR-3* to the United States Government, of the one remaining sizable Zeppelin shed. Since the acceptance of the Dawes plan German workmen have been kept so busy at productive effort that failure to divert their energies to tasks of destruction surely should not be penalized further. We have received no

word that this act of vandalism has been enforced. But this violation, if such it can be called, is negative and harmless, for the shed lies idle; it would take the better part of a year to build a ship in it; and nothing of the kind could be done in secrecy. Yet the allied note is expected to make this omission appear in most heinous aspect.

Let us show that we have the sense at least to know the sort of political maneuvers these allied gentlemen are executing under cover of controversy about side-stepping their honest debts. Let us show that we have the gumption to protest against exclusion from the world's air commerce under cover of penalties upon Germany; penalties arbitrarily imposed after the treaty of Versailles was signed. Let us show that, even if we are tame enough to submit, we are not so foolish as to be entirely hoodwinked. Let us voice this protest in a tone and at a time that will cause its echoes to reverberate in Paris before this proposed infamous assault is committed against man's progress in the conquest of the air.

I repeat, it is our right to know which of our former Allies is in the main responsible for the action which has prevented America from buying airships from the best source. Is it Albion, and is it true, as has been said in other days, that his capacity for malignity is only equaled by his hatred and contempt for the United States of America? I pause for a reply.

ALABAMA ANSWERS NEVADA'S PROPOSAL TO AMEND THE EIGHTEENTH AMENDMENT

Mr. OLIVER of Alabama. Mr. Speaker, the Governor and attorney general of Alabama have, with an ardent devotion to the public good and in the interest of law enforcement, made a strikingly effective, direct, and frank answer to those who, professing to speak for Nevada, propose to amend and destroy the eighteenth amendment to the Constitution.

The answer strips from this so-called Nevada proposal its mask of specious propaganda, and rightly expresses a profound faith in the people, despite the oft-repeated slanders of liquor interests who seek to attribute to the entire Nation the vices of a small minority.

This is the reply of the Governor and attorney general of Alabama:

STATE OF ALABAMA, EXECUTIVE DEPARTMENT,
Montgomery, February 13, 1925.

Hon. A. S. HENDERSON,
Speaker of the Assembly, Carson City, Nev.

DEAR SIR: Our attention has been directed to the resolution introduced in the Senate of Nevada making application to the Congress of the United States to call a convention for proposing an amendment to Article XVIII of amendments to the Constitution of the United States, and we have been requested to write you whether or not we favored such action by Congress.

We are opposed to any action that has for its purpose legalizing the sale of intoxicating beverages. In Alabama experience has demonstrated that the entire prohibition of the sale and manufacture of intoxicating beverages and substitutes therefor which look like, taste like, and smell like such prohibited liquors has served to abolish to a large degree the recognized abuses of such liquors and beverages.

One of the greatest impediments experienced in enforcing laws against the sale and manufacture of intoxicating beverages is the legalized sale in bordering territory. We are therefore vitally interested in preventing any movement which will permit such a harassing condition to surround Alabama or any other State which is making a bona fide effort to give respect to this particular constitutional provision.

To conclude that the eighteenth amendment to the Constitution of the United States can not be enforced is to concede the failure of our Government and to acknowledge that a majority of the people of the United States have no respect for constituted authority where it interferes with their physical appetites or their pocketbooks. We have a greater faith in the people than to believe such facts are true, and it is our opinion that present violations are countenanced by an extremely small minority of the people and by some of this small minority for the purpose of lending some color to movements purposed to legalize the sale of such liquors and break down all restraints against this traffic.

Yours very truly,

W. W. BRANDON, *Governor.*
HARWELL G. DAVIS, *Attorney General.*

These high officials of my State, in the letter just quoted, have correctly interpreted what I believe to be the sentiment not only of the people of Alabama, but likewise the deep convictions of the people of the United States on this important social question.

I am gratified to find the press of Alabama are in full accord with the governor and attorney general, as evidenced by the following excerpt from the Anniston Star, one of our leading and influential dailies:

Those peaceful souls in the several States of the Union who are wont to sit back in their easy-chairs with a feeling of security for their boys and girls as far as the liquor menace is concerned, believing that all is well with the eighteenth amendment to the Constitution, making the traffic illegal, will do well to consider a recent action of the Legislature of the State of Nevada.

While it is not believed that there is any immediate probability of a majority of the States of the Union concurring in the action of the Nevada Legislature, much less the necessary two-thirds, every time a step of this kind is taken, however, it weakens the sentiment in the country at large that is favorable to prohibition and gives heart to the enemy to redouble his efforts to reinstate himself in his nefarious traffic. And every time sentiment in favor of prohibition is struck an injurious blow the business of the bootlegger is given encouragement and the difficulty of getting the funds necessary for a strict enforcement of prohibition statutes is strengthened.

The fight for nation-wide prohibition in the United States is not over. It will not be over until every State in the Union shall have elected dry leaders to every State and Federal office, to the end that there may be coordination of effort all over the country to make the law effective. This can be done only in proportion as those who believe in prohibition give of their time, thought, and money to educate the country to the benefits of the eighteenth amendment.

But in spite of the propaganda that is being disseminated everywhere against prohibition, the enforcement statutes are being made more effective every year. The people are learning of the advantages that are to be obtained by the outlawing of an uneconomic beverage and they are becoming prohibitionists for business reasons, if for no other. But eternal vigilance is still the price of our liberty from the influence of the liquor traffic in our public affairs, as will be evidenced by the Nevada action; and as long as there is hope of a "come-back" in the breast of the brewers and distillers there will be a necessity for such an organization as the Anti-Saloon League to combat their activities.

In this connection, I invite public attention to a very remarkable document, to the same effect, published by the Manufacturers Record Publishing Co. of Baltimore, giving the views and experiences of leading manufacturers, lawyers, bankers, farmers, doctors, laborers, and so forth, from every State in the Union. Suffice it here to say that the views and experiences so collated furnish an unanswerable indorsement of the beneficial results of the eighteenth amendment.

The following are some of the results stressed in this document: The disappearance of the absentee trouble following pay days; an accentuation of interest in home life; increase school attendance, both public and Sunday schools; larger savings deposits; better community morale; and so forth.

In conclusion, this significant announcement is made:

It is our observation that the laboring man and the poor are not the lawbreakers, but it lies more largely with the rich and the well to do, who seem to think it smart; these are the real malefactors. Their smartness in this is the rankest stupidity, for as a class they would suffer most should the lawless get control and break up all law.

VISÉ FEES

Mr. RAKER. Mr. Speaker, in addition to my remarks on H. R. 11957, known as the visé fee bill, when it was considered by the House of Representatives on February 19, 1925, I desire to insert a letter with tabulations as to the Consular Service from Secretary Hughes. That letter and statement are as follows:

DEPARTMENT OF STATE,
Washington, February 28, 1925.

The Hon. JOHN E. RAKER,
House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter dated February 14, 1925, requesting statistics regarding the sums collected by the Government as alien visé fees since July 1, 1924.

I regret to inform you that the department does not have at its disposal at this time complete records from which the information desired could be furnished.

The receipts from alien visés, both nonimmigrant and immigrant, for the quarter beginning July 1, 1924, ending September 30, 1924, were $944,001.50. This figure does not include reports from five distant consular officers, which are not yet received in the department. The reports covering the quarter ending December 31, 1924, are not yet sufficiently complete to form the basis of a statement which would be of value, and I have not therefore deemed partial statistics for that quarter of practical utility.

I am also inclosing in response to your oral request a statement showing the estimated expenditures of the consular branch of the Foreign Service for visé work during the fiscal years 1918, 1921, 1923,

and 1924, together with a statement of the total cost of the administration of the consular branch of the Foreign Service for each year beginning with 1917 and a statement of the consular fees received during the same period.

I have the honor to be, sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR,
Assistant Secretary.

[Inclosures: Statement of estimated expenditures of consular branch of Foreign Service for visé work. Statement of total cost of administration of consular branch from 1917. Statement of consular fees received.]

American Consular Service

[February 18, 1925]

Country	1917–18, total expenditure	1920–21		1922–23		1923–24	
		Total expenditure	Expenditure for visé work	Total expenditure	Expenditure for visé work	Total expenditure	Expenditure for visé work
Austria		$23,325	$7,775	$27,360	$6,840	$30,070.23	$7,517.55
Belgium		55,547	18,516	38,993	9,748	48,261.17	12,065.30
Bulgaria	$7,800	12,030	4,010	10,260	2,565	10,756.16	2,689.04
Czechoslovakia		18,670	6,224	46,465	11,616	48,856.77	12,214.19
Danzig		9,680	3,227	13,180	3,295	13,398.11	3,349.53
Denmark	16,280	39,520	13,174	32,940	8,235	30,997.55	7,749.39
Esthonia		8,815	2,938	11,055	2,764	12,263.12	3,065.78
Finland	7,460	29,695	9,898	15,725	3,931	15,482.99	3,870.75
Fiume		540	180	10,610	2,653	12,024.44	3,006.11
France	148,758	272,814	90,938	253,527	63,382	259,938.52	64,984.63
Germany				263,637	65,909	264,657.95	66,164.49
Great Britain	213,760	342,340	114,113	355,601	88,900	369,424.05	92,356.01
Greece	29,410	48,271	16,090	54,599	13,650	54,443.56	13,610.89
Hungary		6,452	2,150	30,460	7,615	31,304.23	7,826.06
Italy	90,912	167,599	55,866	219,392	54,848	223,976.49	55,994.12
Latvia		9,877	3,292	24,890	6,222	26,698.14	6,674.53
Lithuania				18,220	4,555	16,174.55	4,043.64
Netherlands	26,270	55,945	18,648	50,932	12,733	49,771.11	12,442.78
Norway	39,410	44,310	14,770	40,235	10,059	45,278.43	11,319.61
Poland		39,224	13,075	48,552	12,138	53,207.02	13,301.75
Portugal	19,410	31,461	10,487	39,194	9,798	40,818.08	10,204.52
Rumania		13,710	4,570	31,604	7,901	34,145.40	8,536.35
Serbia, etc.		33,879	11,293	31,948	7,987	31,250.46	7,812.62
Spain	66,608	103,545	34,515	114,148	28,537	91,414.38	22,853.59
Sweden	26,099	42,118	14,039	53,096	13,274	55,765.76	13,941.44
Switzerland	49,651	81,472	27,158	89,772	22,443	90,704.34	22,676.08
Constantinople		39,130	13,044	48,153	12,039	48,135.87	12,033.97
Estimated expenditure for visé work at offices outside of Europe			75,000		50,000		50,000.00
	741,828	1,529,969	584,990	1,974,548	543,637	2,009,218.88	552,304.72

It is difficult to estimate the amount expended for carrying out the war-time visé regulations during the year 1917–18. Approximately $30,000 was granted for clerk hire from the special war fund for the employment of additional clerks to assist in this work. However, at that time invoice and other work was considerably reduced on account of war conditions and at many offices it was possible to carry on the work without additional assistance, especially as the number of immigrants was not large, particularly in Europe.

The performance of visé work in various offices is so intermingled with the performance of other services, particularly on account of the fluctuation during the various months of the year in visé work, that it is most difficult to give a correct estimate of the amount expended at each individual office. However, 11 representative offices have been selected and data with reference to these offices has been carefully examined. Upon the basis of these offices it is estimated that the average expenditure of each office in Europe for visé work, including salaries of career officers, American and foreign clerks, and contingent expenses for the years 1922–23 and 1923–24 is one-fourth of the total of these items. For the year 1920–21 it is estimated that the cost was one-third, since during that year the visés were about 60 per cent more under the unrestricted immigration. The amount actually expended under the alien visé appropriation for the fiscal year 1923–24 was $254,147.07; for 1922–23 was $249,341; and for 1920–21 was $340,419. This appropriation, of course, did not cover the salaries of career officers who devoted their time to the work, or the compensation of a considerable number of clerks paid from the regular clerk-hire allotment, but who devoted their time to visé work.

The above table of expenditures covers only expenditures in the field and does not cover expenditures at the department for furniture, stationery, and printing, or any transportation of officers or employees.

During the year 1917–18 a considerable number of offices in Europe were closed on account of the war, and a number of these offices were still closed during the year 1920–21.

AMERICAN CONSULAR SERVICE

Expenditures for the administration of the Consular Service

Fiscal year ending June 30, 1917	$2,551,632.17
Fiscal year ending June 30, 1918	3,577,572.74
Fiscal year ending June 30, 1919	4,051,287.77
Fiscal year ending June 30, 1920	5,106,804.11
Fiscal year ending June 30, 1921	4,928,493.12
Fiscal year ending June 30, 1922	4,801,238.17
Fiscal year ending June 30, 1923	4,922,723.35
Fiscal year ending June 30, 1924	4,811,943.58

Total consular fees, 1917–1924

Fiscal year ending June 30, 1917	$1,477,936.86
Fiscal year ending June 30, 1918	1,364,300.87
Fiscal year ending June 30, 1919	1,319,135.86
Fiscal year ending June 30, 1920	2,792,473.12
Fiscal year ending June 30, 1921	8,517,020.47
Fiscal year ending June 30, 1922	4,723,335.35
Fiscal year ending June 30, 1923	6,765,608.32
Fiscal year ending June 30, 1924	6,548,001.30

FEBRUARY 17, 1925.

Consular fees for the fiscal years 1917–1923

Source	Fiscal year 1917	Fiscal year 1918	Fiscal year 1919
Consular invoices	$1,180,057.66	$1,067,299.71	$819,283.79
Landing certificates	8,194.00	5,551.50	27,460.40
Bills of health	82,685.98	68,357.40	62,919.60
Miscellaneous	206,999.22	223,092.26	409,472.07
Total	1,477,936.86	1,364,300.87	1,319,135.86

Source	Fiscal year 1920	Fiscal year 1921	Fiscal year 1922
Consular invoices	$1,448,178.31	$1,338,672.54	$1,464,810.73
Landing certificates	41,182.83	45,015.30	10,786.92
Bills of health	67,716.65	116,306.45	104,741.08
Miscellaneous	[1] 1,079,853.33	[1] 6,841,088.70	343,137.11
Passport fees	155,542.00		150,423.00
Excess fees		175,937.48	52,210.51
Visé fees			2,597,226.00
Total	2,792,473.12	8,517,020.47	4,723,335.35

[1] Visé fees not segregated until fiscal year 1922.

Consular fees for the fiscal years 1923–24

Source	Fiscal year 1923	Fiscal year 1924
Consular invoices	$1,962,026.80	$1,961,885.45
Landing certificates	6,570.00	3,707.00
Bills of health	116,608.00	120,771.14
Miscellaneous	574,159.14	368,611.27
Excess fees	90,395.88	79,738.33
Visés, alien passports	4,015,848.50	3,747,345.34
American passports		265,942.77
Total	6,765,608.32	6,548,001.30

THE REASONS FOR PROHIBITION

Mr. BARKLEY. Mr. Speaker, prohibition is morally imperative. Christians can not be actual partners in a business which ruins the souls of men and women. The license system made the people silent partners in every saloon. In the name of the people the license was issued. The license fee was an advance payment to the Public Treasury of the profits to be realized from the sale of that which thwarted religion, sapped moral standards, debased manhood and womanhood physically, and fertilized the seeds of vice and crime. No redemptive work by the church could ever fully counteract the evils wrought by the liquor traffic. The good seed sown by Christian people was trampled under the unsteady feet of the patrons of the corner saloon. From the hopeless task of salvaging a few of the human wrecks caused by the license system the church turned to the prevention of these wrecks. After centuries of effort to keep men from liquor the moral enthusiasts of this Nation abolished the traffic which could not be controlled. It was morally imperative.

Prohibition is physically imperative. Modern life is lived at a speed far in excess of the pace of past generations. The complexity of our civilization is a heavy burden upon the bodies and the nervous systems of the greater part of humanity. Psychologists find in this the source of much peril. Neuroses are increasing. The demands made upon the mind of a child of 12 to-day exceed those made upon a mature man of affairs a century ago. Alcohol, in Shakespeare's phrase, "steals away the brains" of men. A serious factor in our mounting insanity rate was removed with the elimination of beverage alcohol as a social habit. Modern methods of hygiene are in-

creasing longevity. They have been hampered by the drink habit. Insurance figures show that drinkers have shorter lives than abstainers. Prohibition decreased the susceptibility to disease by placing a ban on that which weakened the body's powers of resistence to infection or contagion. It diverted to strength-building powers which had before been absorbed in repairing wastes caused by alcoholic excess. The saving in lives since the adoption of prohibition is equivalent to 1,000,000 fewer deaths than would have occurred had the average death rate of the normal wet years continued.

Prohibition is politically imperative. The liquor traffic was the dominant force in the political life of many States and cities. It threatened to assume dictatorship by barring from public life all who opposed it. It corrupted the electorate. It sought to subsidize the public press. It tried to insinuate its influence in the courts. Investigations made by the United States Senate revealed the penetration of much of our public life by this cancerous parasite. Prohibition alone was able effectively to outlaw this enemy of democratic government.

Prohibition is racially imperative. Alcohol is a racial poison. It attacks the reproductive glands. It weakens the integrity of the nervous system of the unborn child. It sterilizes the mentally brilliant while failing to interfere with propagation by the sheerly animal men. It promotes the degeneration of the race.

Prohibition is imperative in a mechanical age. Moderate use of alcoholic beverages slow the reflex activities of the muscles. Accidents are multiplied thus. An age of high-powered machinery, swift motor cars, flying airplanes, and whirling dynamos can not tolerate a habit which puts on the brakes in the wrong place and steps on the accelerator when brakes are needed. Prohibition was imperative to keep our highways and factories from becoming shambles.

Prohibition is imperative as a military measure. Kaiser Wilhelm, in opening the Kiel Canal, warned the world that the next war would be won by the Nation that adopted prohibition. Military experts found that the use of beer slowed the production of explosives and military material in England and that it dulled the responsiveness of soldiers in the field. Rejections of men for physical deficiencies reached alarming proportions both in England and America. The best preparedness for defense against aggression is in the human resources. Sound minds and sound bodies are military essentials. Prohibition develops these.

Prohibition is imperative as a philanthropic measure. Constructive philanthropy was handicapped by the diversion of funds to repair social damage wrought by drink. Family welfare work, district nursing, school clinics, and scores of allied activities could not be effectively developed because funds were lacking. Prohibition brought a reduction of 74 per cent in the cases of poverty due to drink. It released millions of dollars yearly for constructive work.

Prohibition is imperative industrially. Black Monday following alcoholic indulgence on Saturday half holiday and Sunday slackened production. Beer drinking at lunch hour produced a marked slow-down in afternoon output in factories. Accidents resulted with greater frequency among workers who used intoxicants even moderately. Costs of production were increased by these by-products of the drinking habit. Prohibition was inevitable, industrially, to increase efficiency, decrease accidents, lower production costs, and stabilize mass production.

Prohibition is imperative commercially. The former drink bill of two or three billion dollars annually was a direct drain on our legitimate business enteprises. It was especially felt by department stores, grocery and meat stores, and clothing stores. Each branch of trade, however, was seriously affected. The upward leap in the volume of sales in these establishments that came after prohibition marks the seriousness of the liquor competition from which they are now freed.

Prohibition is imperative financially. Capital has two great reservoirs from which to draw the loans which our business world must have; savings deposits and insurance treasuries. These are the two most important single items in our financial life. Each one has gone through an amazing growth since prohibition stopped the drain on the family purse. Much of the former drink bill enters one or the other of these two forms of savings and becomes swiftly available as an agent of prosperity.

Prohibition is imperative for the welfare of labor. Too often the influence of the liquor business hindered and diverted the development of organized labor, and not infrequently labor disputes which might have been amicably adjusted developed into chronic battles because of the influence of liquor and its adherents. Strikes instituted in righteous protest against unbearable conditions were sometimes lost because the saloons had absorbed the workers' pay, which left them without funds to finance their lack of employment. Others were lost at times because the unfortunate use of readily accessible liquor lessened the degree of caution and forbearance necessary for the preservation of order and public confidence. When the liquor business flourished the saloon willingly cashed the pay check in the hope that it would receive the amount it represented in return for liquor consumed. By offering free places of assembly it prevented the development of labor temples. Since the advent of prohibition labor has created a chain of strong labor banks and now owns suitable and commodious labor buildings in many centers of population. The laboring man is no longer compelled to fight the temptations of the swinging door, but, instead, hastens to the bosom of his family.

Prohibition is imperative as a police measure. The saloon was a breeding place of crime. Drunkenness, breaches of the peace, assaults, murders, sex offenses, and a host of other violations of law were the offspring of the drink habit. The years after the war were marked everywhere by lowered moral standards, a jazzed excitability, and a craving for the daring or unusual. If the general use of intoxicants had further complicated this postwar fever, the wave of crime would have been tidal in its strength.

Prohibition is imperative as a legislative measure. Local option and State prohibition had proved that no community could remain dry while it had wet neighbors. The liquor interests invaded every dry zone that was established. Every suggested method of control had been tested. None had succeeded. The lawless character of the traffic negatived the possibility of successful regulation. The experience of wards, towns, cities, counties, and States definitely proved that. National prohibition was inevitable, since the only alternative was abject surrender to a traffic which ruined its customers and fattened on the life of the Nation.

GENERAL DAWES'S RIDE

Mr. BYRNS of Tennessee. Mr. Speaker, the first vote which was taken in the United States Senate on the confirmation of Mr. Warren for Attorney General of the United States resulted in a tie. The Vice President was not present to cast the deciding vote. Our distinguished friend and colleague, Hon. FRITZ G. LANHAM, of Texas, has treated of this incident in the following very clever parody on the poem General Sheridan's Ride, and which was written immediately after the vote occurred:

GENERAL DAWES'S RIDE

(With apologies to Thomas Buchanan Read)

Down from the east at bright midday,
Bringing a Willard guest fresh dismay,
The affrighted phone with a shudder bore,
Like a herald in haste, through the chieftain's snore,
The terrible grumble, and rumble, and roar,
Telling the battle was on once more,
And Dawes some fifteen blocks away.

And wilder still those billows of war
Thundered along on the phone afar;
And louder yet to the Willard rolled
The roar of insurgency uncontrolled,
Making the blood of the listener cold,
As he thought of the stake in that fiery fray,
And Dawes some fifteen blocks away.

But there is a road for the Willard guest,
A good, broad highway from the west,
Through the flush of the midday light,
And there, a taxi, black as the steeds of night,
Was seen to pass as with eagle flight.
As if it knew the terrible need
It metered away with its utmost speed.
Maria and hell, how it purred its lay!
With the general thirteen blocks away.

Still sprang from those swift tires, thundering east,
The dust, like smoke from a piping feast,
Or the trail of a comet, sweeping faster and faster,
Foreboding to traitors the doom of disaster.
The hand of the meter, the heart of the master
Were beating like prisoners assaulting their walls,
Impatient to be where the battle field calls;
Every nerve of the chauffeur was strained to full play,
With the general only ten blocks away.

Under its spurning wheels the road,
Like an arrowy Alpine river flowed,
And the buildings sped away behind
Like thistles flying before the wind;
And the car, like a bark fed with gasoline,
Swept on with the rush of a rent machine;
But, lo! it is nearing the fearful scene;
It is puffing its smoke for the roaring frey,
It is puffing its smoke for the roaring fray,

The first that the general saw were the groups
Of stragglers, and then the retreating troops;
What was done? what to do? a glance told him both.
Then, striking his stride, with a terrible oath,
He dashed down the line, 'mid a storm of guffaws,
Then dashed back again, for the lack of applause;
The sight of the master was hailed with "Ha-ha's."
With fear and with dust the blanched chauffeur was gray;
By the flash of his eye, and the red nostril's play,
He seemed to the whole great army to say:
"I have brought the general all the way
From the Willard Hotel to lose the day!"

Guffaw! Guffaw for General Dawes!
Guffaw! Guffaw for the car! Because
Whenever their statues are placed in sight
Under the Capitol's dome some night,
The American Statesman's Temple of Fame,
There, with the furious general's name,
Be it said, in letters both bold and bright;
"Here is the car that lost the day
When carrying General Dawes to the fight
From the Willard—some fifteen blocks away!"

APPOINTMENTS TO SUNDRY COMMISSIONS

The SPEAKER laid before the House the following appointments:

To vacancy in Public Buildings Commission caused by resignation of Representative CLARK of Florida: Mr. LANHAM.

Member of Capitol Park Commission: Mr. ZIHLMAN.

Temporary Committee on Accounts: Mr. MACGREGOR, Mr. UNDERHILL, and Mr. GILBERT.

Bunker Hill Commission: Mr. UNDERHILL, Mr. BACON, Mr. TAGUE, and Mr. GILBERT.

Mecklenberg Commission: Mr. FAUST, Mr. WYANT, Mr. BULWINKLE, and Mr. O'CONNELL of Rhode Island.

House Office Building Commission: Mr. LONGWORTH.

Lexington-Concord Commission additional member: Mr. ROGERS of Massachusetts as chairman of the commission.

RECESS

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that the House stand in recess until 10.30 o'clock a. m.

The SPEAKER. Is there objection?

There was no objection.

Accordingly (at 10 o'clock and 13 minutes a. m.) the House stood in recess.

AFTER THE RECESS

At 10.30 o'clock a. m., the recess having expired, the House was called to order by the Speaker.

PRESIDENTIAL APPROVALS

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

On March 4, 1925:

H. R. 12101. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1926, and for other purposes.

Received and approved at the Capitol March 4, 1925:

H. R. 12392. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1925, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1925, and June 30, 1926, and for other purposes;

H. R. 21. An act to amend the patent and trade-mark laws, and for other purposes;

H. R. 1446. An act for the relief of Charles W. Gibson, alias Charles J. McGibb;

H. R. 1579. An act authorizing the disposition of certain lands in Minnesota;

H. R. 2421. An act for the relief of Matthew Thomas;

H. R. 2688. An act providing for sundry matters affecting the naval service, and for other purposes;

H. R. 3556. An act for the relief of Herman R. Woltman;

H. R. 4904. An act for the relief of Jesse P. Brown;

H. R. 5143. An act for the relief of First Lieut. John I. Conroy;

H. R. 5481. An act to provide for the carrying out of the award of the National War Labor Board of July 31, 1918, in favor of certain employees of the Bethlehem Steel Co., Bethlehem, Pa.;

H. R. 6001. An act for the relief of John E. Walker;

H. R. 6723. An act to provide for reimbursement of certain civilian employees at the naval torpedo station, Newport, R. I., for the value of personal effects lost, damaged, or destroyed by fire;

H. R. 7269. An act to authorize and direct the Secretary of War to transfer certain materials, machinery, and equipment to the Department of Agriculture;

H. R. 7744. An act for the relief of Wesley T. Eastep;

H. R. 7934. An act for the relief of Benjamin F. Youngs;

H. R. 8236. An act for the relief of the Government of Canada;

H. R. 8672. An act for the relief of Robert W. Caldwell;

H. R. 9131. An act for the relief of Martha Janowitz;

H. R. 9969. An act for the relief of the New York Shipbuilding Corporation for losses incurred by reason of Government orders in the construction of battleship *No. 42;*

H. R. 11702. An act granting the consent of Congress to the village of Spooner, Minn., to construct a bridge across the Rainy River;

H. R. 12029. An act for the relief of sufferers from the fire at New Bern, N. C., in December, 1922;

H. R. 12030. An act for the relief of sufferers from cyclone in northwestern Mississippi in March, 1923;

H. R. 12156. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians;

H. R. 12261. An act authorizing the appropriation of $5,000 for the erection of tablets or other form of memorials in the city of Quincy, Mass., in memory of John Adams and John Quincy Adams;

H. R. 12264. An act granting the consent of Congress to the State of Minnesota and the counties of Sherburne and Wright to construct a bridge across the Mississippi River;

H. R. 12308. An act to amend the World War veterans' act, 1924;

H. R. 12344. An act to extend the time for the commencement and completion of the bridge of the Valley Transfer Railway Co., a corporation, across the Mississippi River in the State of Minnesota;

H. R. 12376. An act to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States;

H. R. 12405. An act granting the consent of Congress to the city of Rockford, in the county of Winnebago and State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River;

H. J. Res. 226. Joint resolution for the relief of special disbursing agents of the Alaskan Engineering Commission, authorizing the payment of certain claims, and for other purposes, affecting the management of the Alaska Railroad;

H. J. Res. 264. Joint resolution authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.; and

H. J. Res. 294. Joint resolution extending the sovereignty of the United States over Swains Island and making the island a part of American Samoa.

CALL OF THE HOUSE

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

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently, there is not.

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

The motion was agreed to.

The doors were closed and the Sergeant at Arms was directed to bring in absent Members.

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

[Roll No. 102]

Bankhead	Burdick	Collins	Curry
Brand, Ohio	Butler	Connolly, Pa.	Deal
Browne, N. J.	Casey	Corning	Dickinson, Mo.
Buckley	Clark, Fla.	Cummings	Dickstein

Dominick	Kindred	O'Connor, La.	Sullivan
Doyle	Kunz	O'Sullivan	Swoope
Eagan	Kvale	Oliver, N. Y.	Tinkham
Fairfield	Langley	Park, Ga.	Tucker
Favrot	Larson, Minn.	Parks, Ark.	Vare
Fish	Lilly	Peavey	Volgt
Free	Logan	Pou	Ward, N. Y.
Fulbright	Lyon	Prall	Ward, N. C.
Gallivan	McKeown	Roach	Watson
Gambrill	McNulty	Rogers, Mass.	Wefald
Garner, Tex.	McSwain	Rogers, N. H.	Weller
Graham	Miller, Ill.	Rouse	Williams, Tex.
Hooker	Mills	Salmon	Wolff
Johnson, W. Va.	Minahan	Sanders, Ind.	Wurzbach
Jost	Montague	Schall	Yates
Kendall	Morin	Sears, Fla.	
Kincheloe	O'Brien	Spearing	

The SPEAKER. Three hundred and fifty Members have answered to their names; a quorum is present.

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

The motion was agreed to.

The SPEAKER. A quorum is present.

EXTENSION OF REMARKS

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD.

The SPEAKER. The gentleman from Ohio asks unanimous consent that all Members may be permitted to extend their remarks in the RECORD. Is there objection?

Mr. RANKIN. For how long?

Mr. LONGWORTH. Until the 16th of March, I think it is.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman has that permission.

Mr. RANKIN. No; I have not. I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from the Bureau for American Ideals, thanking me for my efforts to get Washington's Farewell Address read in this House on February 23. [Applause.]

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The letter is as follows:

BUREAU FOR AMERICAN IDEALS,
New York, N. Y., March 1, 1925.

Hon. JOHN E. RANKIN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am privileged to express to you the congratulations of the Bureau for American Ideals on your effort to procure the reading of Washington's Farewell Address, according to the splendid custom that has prevailed up to the present time. It is the wish of our members that you may be highly instrumental in reviving the faithful observance of this well-established custom.

Respectfully,

DANIEL J. DOWNING,
Corresponding Secretary.

RETIREMENT OF SAMUEL E. WINSLOW

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent to address the House for five minutes. [Applause.]

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for five minutes. Is there objection? [After a pause.] The Chair hears none. The Chair would like to state the program is that at 11.45 the House shall form, the Sergeant at Arms, the Speaker and the Speaker elect, the majority and minority leaders, and then the other Members, and proceed in that order to the Senate.

Mr. BARKLEY. Mr. Speaker, though I am fond of music and sometimes annoy my neighbors in attempting to produce it, I am not given to swan singing. I can not, however, allow this Congress to adjourn without saying just a few words with respect to a very distinguished, a very able, a very courteous, and a very efficient legislator in the person of the gentleman from Massachusetts [Mr. WINSLOW], who retires from Congress on this day. [Applause.] The gentleman from Massachusetts and I entered this House together in the Sixty-third Congress. I became a member of the Committee on Interstate and Foreign Commerce, of which I have been a member ever since, having served on no other committee during my membership. Two years later the gentleman from Massachusetts became a member of that committee, and for the last four years has served as its chairman. The gentleman from Texas [Mr. RAYBURN] and I are the only two members now on the committee who were on it in the Sixty-third Congress, and we have seen the entire membership of that committee change since then except for him and me. There have been many distinguished men who have occupied the position as chairman of that great committee. It has frequently been said, and, I think, will be generally agreed, that for the variety of legislative jurisdiction there is no committee in the House that compares with the Committee on Interstate and Foreign Commerce, and I think I may say there is no committee on the whole which has more ably functioned in all these years than has that committee. The gentleman from Illinois, Mr. James R. Mann, was once chairman of that committee. Mr. Hepburn prior to that was chairman of that committee. Judge Adamson, of Georgia, served for many years as chairman of that committee. Also Judge Sims, of Tennessee, and John J. Esch, one of the ablest men who ever served in this House [applause], and now a member of the Interstate Commerce Commission.

Ordinarily it takes long service not only in the House but on a committee for a man to arrive at the position of chairman. Not within my recollection has any man ever become chairman of that committee after shorter service on that committee or in the House than did the gentleman from Massachusetts [Mr. WINSLOW]. I want to say that the gentleman from Massachusetts has systematized that committee until its deliberations have been as well ordered and as systematic as the deliberations of any committee in this House. He has been thorough; he has been industrious; he has been courteous; and though not a lawyer, and although many of the measures and propositions which come before that committee require the training of a legal mind, the gentleman from Massachusetts has shown a grasp of the problems which have come before that committee that has not been surpassed by any other chairman who served since I have been a Member of the House. [Applause.] As is well known here, he and I have differed sometimes on fundamental questions; but it is the pride of that committee that it has never divided along party lines. There has never been a vote in the Committee on Interstate and Foreign Commerce that was partisan, and there has never been a division of sentiment that was marked by political lines. The gentleman from Massachusetts in the toil and labor which is incumbent upon the chairman has added to the pleasure of his service by his keen wit, by his universal sense of humor, and he has performed not only excellent and valuable service here in the House, but at times he has risen to the brilliant. I think the most brilliant performance I have witnessed in the House was the gentleman's speech on the maternity bill, wherein he occupied an hour and a half and succeeded in concealing from the most attentive his real views on that great measure. [Laughter.]

The gentleman is retiring of his own volition. He is going back to his home in Massachusetts; and I, as the ranking Democrat on the committee, speaking not only for the Democrats but, I trust, also all the Republicans of that committee as well as the Members of this House, express the hope that in going back to private life he may enjoy the laurels which he has won as a legislator; and if he ever does grow old—which I hope he will never do—and begins to ruminate on the days past, and watches the vanishing events of former years pass by his vision, he may remember with great pleasure and with some consolation the service he has rendered to his country as a Member of this House and the friendships which he has made here. And I can assure him, as he departs in a few moments from the scene of his service for 12 years, that our prayers will go with him and his good family for length of days, for prosperity, and happiness, and our sincere wish that he will be regarded, when the children of to-day are grown to manhood, as the Grand Old Man of Massachusetts. [Applause.]

I hope he may come back to visit us in the future. I hope our meetings may be at intervals not too widely separated; but if our paths should not again meet in this world, I hope that our friend from Massachusetts may meet us on that distant shore which stretches out beyond. [Applause.]

Mr. WINSLOW. Mr. Speaker and my brethren of the House, at 12 o'clock to-day my connection with Congress will terminate. I go into the cold world. [Laughter.] When I go, however, I shall go neither as a lame duck nor a dead one. [Laughter.] When I entered this body I had in mind to work as hard and as well as I could, and I further intended and have tried to get on peaceably with everybody here in the hope of affectionate association rather than otherwise. I have enjoyed the scraps on this floor. I have tried to be actuated by the kind of sporting motive which I think ought to characterize men who are contenders in anything, unless it is real war. It has been my purpose to bare my face to my opponent and to catch what he might give me when he hits me above the belt, if I were not able to guard and counter for my own protection. I shall go forth without feeling animosity or resentment toward anyone with whom I have associated here for 12 years. I have not the suspicion of a grouch nor acidity in my system. [Laughter.]

I have more than once in public given expression to my thoughts, which have been that the Members of Congress—and for the purpose of this last song I will take in the Senate too [laughter]—are far more sinned against than sinning. I am not here to scold. I want to be cheerful all the while. We do have too many small considerations affecting the exercise of our judgment and the registration of our real opinions, but I do not attribute those situations, as the newspapers and critics do, to the fact that Members of Congress are "small peanuts" or unduly selfish. I attribute them to the fact that the constituents of Members of Congress demand that they shall above everything else deliver what the home people wish locally. [Applause.] I have many times observed a good man, a fine man, vote otherwise than in accordance with his best views, not wholly on the principle of safety first but because he felt that he must at the behest of his constituency vote one way or another, whether or not his judgment told him that such was the best way.

I would boil it down and throw out for the consideration of everybody, so far as anybody will consider what I say, the idea that we all wish our constituencies to broaden, and we desire our constituents to say, "Go ye into the congressional vineyard and be a national legislator, and do not be content with being merely a local representative." [Applause.]

The gentleman from Kentucky [Mr. BARKLEY], my associate on our committee, has been more than generous in his kindly words in reference to myself, yet I am none the less deeply grateful. It is a pleasure to receive expressions of commendation from friends. I rejoice that they have been spoken while I am alive to know of them. I do not mean to rehearse much of the committee's work or otherwise tire you with detail, but I do wish to say to you that as chairman of that committee I have done the best I could, and if you will pardon me, I shall say I think we have been rather successful in making our hearings occasions for getting information, rather than opportunities for giving the "third degree" to witnesses.

As to the thoughts of the moment, which after all is the purpose of my speech, it is quite impossible for me, and I imagine almost everybody, to leave an association of this character without any pulls at the heartstrings. There are many reasons why I would prefer above everything else to stay here and work. There are many reasons why I would like to keep on with the men with whom I have been long and happily associated and whom I respect. There are other things, however, to consider. I do not need to rehearse those, but in balancing up my accounts in respect of life's responsibilities it has seemed to me that my call was more away from here than here, and so I have acted.

It is a joy to be going out with the feeling that I have had such support as has been given to me in the doing of my part of the work of the Congress. There is nothing I can do more than to tell you that I hope the blessings of life may fall generously on each of you and that your ways may run in pleasant places. [Applause.]

CLOSE OF SIXTY-EIGHTH CONGRESS

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. LONGWORTH]. [Applause.]

Mr. LONGWORTH. Mr. Speaker, and you, my colleagues, I flatter myself that I look rather cheerful for a man who in a few moments is going to lose a big job. The leadership of this House is a big job. It combines more different things in it than I ever supposed could appertain to any sort of official position. At times I have had my difficulties in addition to my responsibilities, but I can say that as a whole in the last two years I have enjoyed every minute of it. [Applause.] I have learned to like, more than I ever did before, the men with whom I have come in contact, both my supporters and those with whom I had occasional quarrels. Among those I might mention the gentlemen who have—I hope only temporarily—absented themselves from the Republican Party.

The one thing, gentlemen, that has impressed itself upon me with major force as a result of my experience as majority leader is that this House can not properly do its duty to the country under any other system except the party system. [Applause.] I have come to the inevitable conclusion that the European bloc system of administration of the affairs of Congress will not work in the House of Representatives. [Applause.] We must frame legislation by debate in the open; we must not legislate in Congress by whisperings across the aisle or by back-alley trading. I say that with a profound liking for the gentlemen who have represented that system in the present Congress. With regard to majority party government I will say with emphasis that I want to see in this House a strong Democratic Party, but not too strong [laughter and applause], and I want to see a strong Republican Party [applause], a party which is able and willing to take full responsibility for crystallization into legislation of the popular will.

It has been a pleasure to cross swords with the leader of the Democratic Party in this House. [Applause.] There is no man in public life to-day for whom I have a more genuine admiration than I have for the gentleman from Tennessee [Mr. GARRETT.] [Applause.] He is a patriot; he is a scholar, and he is a gentleman. [Applause.] Then there is another great leader of Democracy. I speak of one who has been in the valley of the shadow, and nothing ever cheered me more than the sure knowledge that he is on his way to safe recovery. [Applause.] I am about to violate all precedents of this House, so far as I know, and I do not believe the Speaker will call me to order, when I ask you to give three cheers for JACK GARNER. Are you ready? [Three cheers were given.]

My colleagues, I am proud in the new office to which I have been called to succeed the gentleman from Massachusetts. [Applause.] He, like his colleague [Mr. WINSLOW], is going out into a cold world. [Laughter.] No Speaker of the House has ever fulfilled the duties of that office with more grace, more distinction, and more absolute fairness than has the present Speaker. [Applause.] I realize that in so saying I am trespassing somewhat upon the functions of my learned friend, the leader of the minority, and I close now with the expression that I want to thank every Member in this House—and I like you all—for the very friendly spirit in which you have treated me in my arduous times during the two years of session of this Congress. [Applause.]

TRIBUTE TO CONGRESSMAN M'KENZIE

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. GARRETT].

Mr. GARRETT of Texas. Mr. Speaker and gentlemen of the House, just a word before we part, just a word before we go. There are men who come to this House and go from it who never sell for what they are actually worth upon the floor of this House. It is too often true that great intellectuality yields to timidity. I want to pay my compliments and my respects to one whom I consider one of the strong men of this House, a man who, I regret to say, is voluntarily retiring from the public service—the genial, noble-hearted, strong-minded, and, above all else, honest JOHN CHARLES MCKENZIE, of Illinois. [Applause.]

Mr. MCKENZIE was born and reared upon the farm, educated in the public schools of his native State and learned life's most valuable lessons at the feet of that hard teacher, experience. It is regrettable, Mr. Speaker, that men of his ability, character, and training should feel impelled to voluntarily retire from the public service.

He came in the Sixty-second Congress, just before me. In the Sixty-third Congress we went on the Committee on Military Affairs together and have served there ever since. Very soon after we became associated together as members of that great committee I learned that JOHN MCKENZIE was a dependable man, who, when he said a thing, meant it and remained steadfast.

We were together during that stormy Congress that provided revenues for the World War. I want to say to this House and to the country to-day that this country and the service men and the President of the United States, who at that time was a Democrat and Commander in Chief of the Army and the Navy, never had a truer or a better friend on the Committee on Military Affairs than JOHN MCKENZIE, a man who stood for his country and its soldiers first, last, and all the time. [Applause.]

Our committee has never had any politics in it. Mr. MCKENZIE has recently become chairman of the Committee on Military Affairs by virtue of the death of our lamented chairman, Mr. Kahn, a lovable character from the State of California, a strong man who served many years in this House. I want to assure our retiring chairman that as he voluntarily retires from Congress, something that but few men ever do, and goes back to private life, that he will carry with him the admiration, affection, yea the adoration of every Democratic member of that great committee, as well as that of his own party, and that we and each of us wish for him in private life every good thing that may come to man in this world. We shall remember always his hard work on that committee, and the people of the country from which I come will not forget the work of such men as JOHN MCKENZIE, JAMES of Michigan, and MILLER of Washington in their endeavor to save Muscle Shoals for the farmers of this country for the manufacture of cheap fertilizer in time of peace and the manufacture of explosives for the defense of our common country in time of war. We shall not forget his arduous labors and the things that he has done that it took courage to do. I tell you, my friends, it

takes more courage to say no sometimes than it does to say yes, and JOHN CHARLES MCKENZIE, when the time came, could say no if his judgment and his conscience said so.

So in this last hour, speaking for my colleagues on the committee, I wish to say to you, Mr. MCKENZIE, you have our confidence, esteem, and best wishes, and may the blessings of the Father of us all be upon you and yours in the days to come. [Applause.]

RETIREMENT OF MR. BYRNES OF SOUTH CAROLINA

Mr. BYRNS of Tennessee. Mr. Speaker, we regret that many very strong and able men are leaving Congress at the close of this session. I know that I express the unanimous sentiment of the Members of the House on both sides of this Chamber when I say that we greatly regret that our friend and colleague, Mr. BYRNES of South Carolina [applause], is to voluntarily retire from the House at the close of this term.

The greatest, and the only real, compensation that a Member of Congress enjoys is the satisfaction he gets from being a part of his great Government, and in endeavoring to render a real public service, and also the pleasant associations and friendships which he forms here; and I trust I may be permitted to say I have had no more pleasant association, I have formed no friendship of which I am more proud during my service in Congress than that which I have enjoyed with JIM BYRNES, our friend and colleague from South Carolina. [Applause.] In making this statement I am sure I but voice the sentiment of all the Members of this House. I have labored with him for years and by his side on the Committee on Appropriations. The members of that committee have had opportunity to come into even closer contact than the membership of the House generally with his keen intellect, his discriminating judgment, his fairness, his loyalty and intense devotion to duty in the quiet committee room, in the hearings, and in the preparation of the various great supply bills for the Government. We know the very great value of his public service and that by his intelligent effort he has saved many, many vast sums of money to the people of this country and to its Treasury. [Applause.]

It is unfortunate that the country is to lose the services of a man such as he. He is still a young man, and I hope he may soon decide to return to public life and that there are yet greater and higher honors in store for him at the hands of the people of his splendid State. [Applause.] We wish for him the greatest success in the practice of his chosen profession, and we wish the country to know that the House will miss him in its deliberations during the next session and the next term, and that his retirement is a very great public loss. We wish for him Godspeed in his every endeavor. [Applause.]

TRIBUTE TO SPEAKER GILLETT

The SPEAKER. The Chair will ask the gentleman from North Carolina, Mr. POU, to take the chair. [Applause.]

Mr. POU assumed the chair as Speaker pro tempore.

Mr. GARRETT of Tennessee. Mr. Speaker, I offer the following resolution:

The Clerk read as follows:

Resolved, That the thanks of the House are presented to the Hon. F. H. GILLETT, Speaker of the House of Representatives, for the able, impartial, and dignified manner in which he has presided over its deliberations and performed the arduous and important duties of the Chair during the present term of Congress.

[Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, the resolution which has just been read is conventional in form but the spirit that is back of it is much more than conventional. It speaks the truth. In all the history of the Congress I am quite sure there has never been a Speaker who has presided with greater fairness or with more rigid impartiality, with a truer conception of what the office of Speaker meant to the House and to the country than has the gentleman who is now at the end of his third term as Speaker and is retiring from that position and from the House. [Applause.]

I think, indeed I am sure, that no Member of the minority has ever had any cause to complain of any action of the Speaker as Speaker, and I am sure that the minority as an aggregate body has had no cause of complaint. [Applause.]

Just why the Speaker desired to embalm himself in another place, of course, I do not know. [Laughter.] But as our good will and our good wishes have been with him throughout his term as Speaker, so our good wishes will follow him into his newer and lesser place. [Applause.]

Mr. SNELL. Mr. Speaker, I consider myself very fortunate to have been so closely associated during my service in the House with the distinguished gentleman from Massachusetts who has so ably, impartially, and judicially presided over this body for the last six years. [Applause.] On the morrow Mr. GILLETT will finish 32 years' continuous service in the House of Representatives. [Applause.] If I mistake not, this is the longest period of continuous service that any one man from the same district has ever had in the history of the American Congress.

Such long and distinguished service in these troublesome times is no mere accident; he must have possessed qualities of leadership and ability to a greater degree than come to the average man.

During these long years he has occupied nearly every position in this House, from the humblest to the highest. In each one he has rendered such efficient service that he has always been called to a higher one, until he has culminated his work by being elected Speaker, the highest honor within the power of his colleagues and, in my judgment, one of the greatest honors that can come to any American citizen. [Applause.] During his occupancy of this high position he has commanded the respect and admiration of every Member on either side of the aisle.

His every act has been one to reflect dignity and honor to the American Congress, and in a superlative degree has he maintained that high standard that is necessary for a great Speaker of the House of Representatives.

I should sorely regret if his ability, courage, and experience were no longer to be in his country's service, but I am pleased to say he is going to another body, where he will have ample opportunity to use those qualities of mind and heart that have made him a leader in the House of Representatives.

Mr. Speaker, we regret your going; our love and best wishes go with you. I simply want to congratulate the great Commonwealth of Massachusetts that she has added to the long list of distinguished and honored men that have represented her in the United States Senate the name of FREDERICK HUNTINGTON GILLETT. [Applause.]

Mr. TILSON. Mr. Speaker, but a single minute remains to me before we must go elsewhere from this Chamber. I shall use that minute in emphasizing one thing in connection with our beloved Speaker that has not been emphasized, if, in fact, touched upon. I refer to his work as a parliamentarian, the work that is going to live after him, the work that will live when we are all gone from this scene of action. The rulings of the Speaker become a guide to future Congresses. They influence and direct future Congresses and are therefore of very great importance. The Speaker who is now going from us has performed a service of great value in this direction. His rulings have not only been fair and impartial but have been founded upon sound reasoning as well as precedent, in fact, such rulings as may hereafter be cited and used for the better and more effective work of this body in the legislation for the years that are to come. [Applause.]

My purpose in taking the floor is simply to testify to the great value of Speaker GILLETT's service to his country in this regard. We all join in wishing for him in his new service all the good things that may come to a "rookie" Senator and in the hope that he may remain in the Senate long enough to become the dean of that body as he is now the dean of this House. [Applause.]

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was unanimously agreed to by a rising vote.

The Speaker resumed the chair.

The SPEAKER. For 32 years—the life of a generation—I have been a Member of this House. I can not discover that anyone for so long a period has represented continuously any district. It has been my life work and I do not believe that I should have enjoyed any other vocation so well.

It is the fashion to sneer at Congress, as it always has been the fashion, and I have no doubt always will be, because Congress is expected by legislation to put into concrete and definite form the hazy and contradictory ideals of the people, and as realization generally falls short of expectation, as "man never is but always to be blest," so congressional action must always be disappointing.

But as a field of service I do not know what is finer. We deal with subjects of broad scope and intrinsic interest, subjects which may well absorb and stimulate the strongest intellect and which have such a direct and far-reaching influence that the sense of responsibility and power and accomplishment is ever present. Then there is the constant clashing with other minds, the interesting discovery of how much one's outlook is affected by environment and what startling differences of opinion can result from the same premises; and there is the agreeable intimacy with strong men studying the same problems, exchanging information, quickening mutual interest with

mutual enlargement of views, and laying the foundation of life-long friendships.

My constant contact with my fellow Members has given me both education and enjoyment.

We sometimes hear criticism of the decadence of this House. As I look back a generation I confess a few of the men who were here then seem to tower with a more impressive superiority than any to-day. But I wonder how much of that feeling is due to the magnifying effect of time and the hero worship of a young man for his leaders. Oratory, so called, is perhaps less fervent and effective now than then. We have become more businesslike. We are a little critical toward appeals to the emotions. And yet the popularity of true oratory can not die; and when Bourke Cockran, whom I consider one of the greatest orators I have known, who had the ingeniousness of thought, the epigrammatic brilliancy of expression, the fervent emotion, the splendid voice, and the impressive presence which combine to form a great orator—when he came back here after 20 years' absence he always attracted a large and fascinated audience, as he did when I first came

But I think the House has less tolerance than formerly for second-rate oratory, for the man who aims at the effect without the genuine qualification. What really gives a man influence to-day is a fund of knowledge. The more attractively he can express it the better; but the House will pardon defects of manner if the matter is there, and it learns unerringly who the men are that can furnish it, and they become the real leaders. What the House values most in its Members is knowledge and sincerity. What it wants of a debater is information. Here knowledge is power. Possibly the House is not as brilliant as it was 30 years ago. It certainly is not as dissipated It does more work. And, in my opinion, weighing carefully my words, the average ability, industry, and serious devotion to duty is higher to-day than when I came.

I often think what a distorted idea of our membership the readers of the CONGRESSIONAL RECORD must form. They see the men who strive to make themselves conspicuous, they read the carefully revised and extended remarks of the men who use the RECORD for self-advertisement, and they must often imagine that men are leaders whose influence is the most insignificant and whose advocacy of a measure harms rather than helps it. [Laughter and applause.]

This House becomes in time a pretty infallible judge of a Member's merit. It learns to appraise motives. It discriminates between the modest men who with sincerity are trying to render service and the men who are working only for display and self-advancement. And it is refreshing to note that although the home folks may often be deceived by the fake statesman who is always playing to the gallery, yet here the sincere and industrious and modest man has his recognition and his reward. I would deem the genuine esteem and respect and confidence of this body the highest tribute a man could earn.

One can not terminate a relationship of 32 years without emotion. I have enjoyed it all, and the last six years when I have been Speaker I have enjoyed the most.

You may remember that when first elected Speaker I said that I had attained the goal of my desires and my ambition was completely satisfied. I feel exactly now as I did then. Thanks to you, my friends, my enjoyment of it has been equal to my anticipation. I would rather be Speaker of this House than hold any other position in the world, and it was no ambition or initiative of my own that led me to relinquish it.

Lord Roseberry once said, "There are two supreme pleasures in life. One is ideal, the other is real. The ideal is when a man receives the seals of office from his sovereign. The real pleasure comes when he hands them back."

My feelings are very different. With me the ideal was also the real. Anticipation did not exceed realization and I have enjoyed the whole six years. It is with genuine reluctance that I leave you. I appreciate that the complimentary words spoken about me here have exaggerated both my merits and your regard, but you have all on both sides of the House been so uniformly kind, friendly, considerate, and helpful that it has made my service a pleasure and has left me an enduring feeling of gratitude and affection for you all that I can not express. For it all I thank you from my heart. I am sure the friendships will continue and with the most sincere good will and regret I bid you good bye. [Prolonged applause.]

ADJOURNMENT

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 11 o'clock and 52 minutes a. m.) the House adjourned without day.

PETITIONS, ETC.

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

3970. By Mr. CRAMTON: Petition of E. C. Stringer and other residents of Tuscola County, Mich., opposing passage of the Sunday observance bill; to the Committee on the District of Columbia.

3971. By Mr. KETCHAM: Petition of sundry citizens of Allegan, Mich., protesting against S. 3218, a bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

3972. By Mr. LINEBERGER: Petition of sundry citizens of Palmdale, Calif., and surrounding territory, urging passage of S. 3314, providing for increase of pension to veterans of the Spanish war and their widows; to the Committee on Pensions.

3973. By Mr. RAKER: Petition of Ella M. Heath, department president, Daughters of Veterans of the Civil War, Bakersfield, Calif., and letter from H. W. Hutchins, North San Juan, Calif., urging passage of the Bursum pension bill (S. 3314); to the Committee on Invalid Pensions.

3974. Also, letter from the Mutual Orange Distributors, of Redlands, Calif., relative to Federal legislation relating to our marketing systems; to the Committee on Agriculture.

3975. Also, letter from the California Corrugated Culvert Co., of West Berkeley, Calif., urging participation by the United States in the Pan American Road Congress at Buenos Aires, Argentina; to the Committee on Foreign Affairs.

3976. Also, telegram from Red Bluff Chamber of Commerce, Red Bluff, Calif., and the Lincoln Chamber of Commerce, Lincoln, Calif., protesting against the elimination of the Pullman surcharge; to the Committee on Interstate and Foreign Commerce.

3977. Also, telegram from Ernest D. Wichels, of Mare Island, Calif., urging passage of the civil service retirement bill; to the Committee on the Civil Service.

3978. Also, telegram from Dr. G. W. McKinnon, of Arcata, Calif., urging passage of the Lineberger bill (H. R. 6484); also, telegram from James K. Fisk, department adjutant, American Legion of California, urgently requesting passage of Bursum bill; to the Committee on Military Affairs.