114. Also, communication of secretary Oklahoma Pharmaceutical Association, urging the reduction of taxes on alcohol used in manufacture of medicines; to the Committee on Ways and Means.

115. By Mr. KINDRED: Petition of the Sheffield Manor Men's Club, protesting against the inactivity of the National Senate and House of Representatives with reference to the coal situation; to the Committee on Interstate and Foreign Commerce.

116. Also, petition of the Central Label Council of Greater New York, calling upon the Congress of the United States to conduct a thorough investigation of the plans and activities of the proposed bread trust; to the Committee on the Judiciary.

117. By Mr. McKEOWN: Petition of the Fortnight Club, of Colgate, Okla., favoring the World Court; to the Committee on Foreign Affairs.

118. Also, petition of American Legion, of Oklahoma, on extension of time to convert term insurance; to the Committee on Ways and Means.

119. Also, resolution of the United Confederate Veterans in convention, Dallas, Tex., to accompany House bill 3894, distributing $50,000,000 "cotton-tax fund"; to the Committee on Invalid Pensions.

120. By Mr. MORROW: Petition of Belen Chamber of Commerce, in regard to the Federal income tax law; to the Committee on Ways and Means.

121. By Mr. O'CONNELL of Rhode Island: Resolution of the Pawtucket Business Men's Association, relative to the erection of a new post office and Federal building at Pawtucket, R. I.; to the Committee on Public Buildings and Grounds.

122. By Mr. SINCLAIR: Petition of H. L. Shuttleworth and 37 others, of Minot, N. Dak., for a reduction on the tax on industrial alcohol; to the Committee on Ways and Means.

123. By Mr. WEFALD: Petition of 29 Chippewa Indians of International Falls, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

124. Also, petition of 36 Chippewa Indians of Lengby, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

125. Also, petition of 100 Chippewa Indians of Cass Lake, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

126. Also, petition of 37 Chippewa Indians of Callaway, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

127. Also, petition of 60 members of the Fond du Lac Band of Chippewa Indians of Minnesota, asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

128. Also, petition of 10 Chippewa Indians of Minneapolis, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

129. Also, petition of 27 Chippewa Indians, of Ebro, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

130. Also, petition of 24 Chippewa Indians, of Federal Dam, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

131. Also, petition of 16 Chippewa Indians, of White Earth, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

132. Also, petition of 75 Chippewa Indians, of Sprofka's Mill, Minn., asking Congress to enact a law providing for a per capita payment of $100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

SENATE

WEDNESDAY, *December 16, 1925*

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

Our heavenly Father, the author of our being, Thou dost continue unto us in Thy gracious kindness our lives for high purposes, noble endeavor, and the glory of Thy name. Be pleased to look into our hearts this morning and give us such a sense of Thy presence that all that is done may be for the advancement of the highest interests of humanity, for the glory of the Kingdom of God in the uttermost parts of the earth, and to our own loved land and all its responsibilities. Be pleased to be near to each of us and guide us along life's pathway until the day shadows into the night, to the glory and honor and praise of Thee, our God, in Jesus Christ. Amen.

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

REPORT OF THE NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1925, which, with the accompanying papers, was referred to the Committee on Printing.

PAYMENTS BY WAR DEPARTMENT TO LEATHER MANUFACTURERS

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States, transmitting a report with reference to payments made by the War Department to certain leather manufacturers, members of the National Saddlery Manufacturers' Association, in reimbursement of increase of wages paid to workmen when the contracts with said manufacturers did not provide therefor, etc., which, with the accompanying papers, was referred to the Committee on Appropriations.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Haltigan, its reading clerk, announced that the Speaker of the House had affixed his signature to the following enrolled joint resolutions, and they were thereupon signed by the Vice President:

S. J. Res. 1. Joint resolution to continue section 217 of the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes (Public, No. 506, 68th Cong.), approved February 28, 1925, in full force and effect until not later than the end of the second week of the second regular session of the Sixty-ninth Congress; and

H. J. Res. 67. Joint resolution authorizing payment of salaries of the officers and employees of Congress for December, 1925, on the 19th day of that month.

PERSONAL EXPLANATION

Mr. BRUCE. Mr. President, I rise to a question of personal privilege, and I shall take but a moment.

I observe in the Washington Post this morning a statement by Mr. Wayne B. Wheeler, general counsel of the Anti-Saloon League. In referring to the discussion of yesterday in regard to national prohibition, in which the Senator from New Jersey [Mr. EDGE] and I participated, he said:

> Neither Senator EDGE nor Senator BRUCE provided any new argument in the Senate yesterday against prohibition or for beer. If prohibition was as much of a failure as these two wet Senators claim, they would not complain so much about it. Their arguments do not come from the fullness of their hearts, but from the emptiness of their stomachs.

All I wish to say in reply is that from specimens of Mr. Wayne B. Wheeler's reasoning which I have read in the press from time to time, I am convinced that his arguments come from the emptiness of his head. [Laughter.]

PETITIONS

Mr. CAPPER presented resolutions adopted by a mass meeting of citizens of Topeka, Kans., favoring the participation of the United States in the Permanent Court of International Justice upon the terms of the so-called Harding-Coolidge plan, which were referred to the Committee on Foreign Relations.

Mr. WILLIS presented a petition of sundry citizens of Leipsic, Ottawa, Columbus Grove, and Vaughnsville, all in the State of Ohio, praying for the adhesion of the United States to the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

Mr. JONES of Washington presented petitions of the Woman's Century Club, the Woman's City Club, the Woman's Democratic Club, and Colonel Ethan Allen Circle, No. 61, Ladies of the Grand Army of the Republic, all of Seattle, and of the Tacoma Daughters of Pioneers of Washington, in the State of Washington, praying for the passage of legislation establishing a universal salute for the national flag, which were referred to the Committee on Military Affairs.

REPORTS OF THE LIBRARY COMMITTEE

Mr. FESS, from the Committee on the Library, to which were referred the following bill and joint resolution, reported them each without amendment:

A bill (S. 90) to amend an act entitled "An act to create a Library of Congress trust fund board, and for other purposes," approved March 3, 1925; and

A joint resolution (S. J. Res. 20) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

SENATOR FROM NORTH DAKOTA

Mr. ERNST. Mr. President, the Committee on Privileges and Elections instruct me to present the majority report (No. 3) and the views of the minority in the case of GERALD P. NYE, appointed a Senator from North Dakota.

The committee simply want to file these reports now, but have instructed me to give notice that upon the reassembling of the Senate after the Christmas holidays they will push the case for an immediate hearing.

Mr. ROBINSON of Arkansas. Mr. President, is the Senator from Kentucky filing both the majority and minority report?

Mr. ERNST. Both reports are filed together.

The VICE PRESIDENT. Without objection, the reports will be received and placed on file.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. SMOOT:

A bill (S. 1720) to provide for the construction of certain public buildings in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. COPELAND:

A bill (S. 1721) granting an increase of pension to Margaret F. Gallaher; to the Committee on Pensions.

By Mr. JONES of New Mexico:

A bill (S. 1722) to provide for the disposition of bonuses, rentals, and royalties received under the provisions of the act of Congress entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, from unallotted lands in Executive order Indian reservations, and for other purposes; to the Committee on Indian Affairs.

By Mr. BAYARD:

A bill (S. 1723) granting a pension to Harriet A. Callaway;

A bill (S. 1724) granting a pension to John Climer; and

A bill (S. 1725) granting a pension to William T. Smith; to the Committee on Pensions.

A bill (S. 1726) for the relief of the Atlantic & Caribbean Steam Navigation Co.;

A bill (S. 1727) for the relief of Carib Steamship Co. (Inc.);

A bill (S. 1728) for the relief of the owners of the steamship *San Lucar* and of her cargo;

A bill (S. 1729) to authorize payment of an indemnity to the Government of Norway on account of the losses sustained by the owners of the Norwegian bark *Janna* as a result of a collision between it and the U. S. S. *Westwood;*

A bill (S. 1730) to authorize the payment of indemnity to the Government of Great Britain on account of losses sustained by the owners of the British steamship *Mavisbrook* as a result of of collision between it and the U. S. transport *Carolinian;*

A bill (S. 1731) to authorize the payment of an indemnity to the Government of Sweden on account of losses sustained by the owners of the Swedish steamship *Olivia* as a result of a collision between it and the U. S. S. *Lake St. Clair;*

A bill (S. 1732) to authorize the payment of an indemnity to the Government of Norway on account of the losses sustained by the owners of the Norwegian steamship *John Blumer* as a result of a collision between it and a barge in tow of the U. S. Army tug *Brittania;* and

A bill (S. 1733) to authorize the payment of an indemnity to the Government of Denmark on account of losses sustained by the owners of the Danish steamship *Masnedsund* as the result of collision between it and the U. S. S. *Siboney* and U. S. Army tug *No. 21* at St. Nazaire, France; to the Committee on Claims.

By Mr. CUMMINS (by request):

A bill (S. 1734) to regulate interstate commerce by motor vehicles operating as common carriers on the public highways; to the Committee on Interstate Commerce.

By Mr. LENROOT:

A bill (S. 1735) for the relief of the devisees of William Rusch, deceased; to the Committee on Public Lands and Surveys.

By Mr. JONES of Washington:

A bill (S. 1736) to amend subdivision E of section 2 of an act entitled "An act to amend the act to prohibit the importation and use of opium for other than medical purposes," approved February 9, 1909, as amended; to the Committee on the Judiciary.

A bill (S. 1737) granting a pension to Francis A. Land; to the Committee on Pensions.

A bill (S. 1738) for the relief of Francis A. Land; to the Committee on Military Affairs.

By Mr. GREENE:

A bill (S. 1739) providing reimbursement for loss of personal effects of the officers and employees of the Public Health Service destroyed by fire at United States Public Health Service Hospital, Greenville, S. C., November 7, 1919; to the Committee on Claims.

By Mr. METCALF:

A bill (S. 1740) granting a pension to Henry L. Esten;

A bill (S. 1741) granting an increase of pension to Irene G. C. Beargeon; and

A bill (S. 1742) granting an increase of pension to Edwin E. Anthony; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 1743) for the relief of Albert Wood; to the Committee on Claims.

A bill (S. 1744) granting a pension to Eliza Wray; and

A bill (S. 1745) granting an increase of pension to Catherine E. Mauts; to the Committee on Pensions.

By Mr. EDGE:

A bill (S. 1746) to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; to the Committee on Commerce.

A bill (S. 1747) for the relief of the estate of Henry T. Wilcox; and

A bill (S. 1748) for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 1749) granting a pension to Orilla J. Luyster (with accompanying papers); to the Committee on Pensions.

A bill (S. 1750) to establish a woman's bureau in the Metropolitan police department of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 1751) to provide for uniform regulation of marriage and divorce; to the Committee on the Judiciary.

By Mr. WADSWORTH:

A bill (S. 1752) for the relief of the Near East Relief (Inc.); to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 1753) authorizing a survey for the control of excess flood waters of the Mississippi River below Red River Landing, in Louisiana, and on the Atchafalaya outlet by the construction and maintenance of controlled and regulated spillway or spillways, and for other purposes; to the Committee on Commerce.

By Mr. DILL:

A bill (S. 1754) reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, providing for the regulation of radio communication, and for other purposes; to the Committee on Interstate Commerce.

Mr. DILL. Mr. President, there is a question of jurisdiction here. Bills relating to radio have sometimes gone to the Commerce Committee and sometimes to the Interstate Commerce Committee, but, in view of the fact that our power to regulate radio is given by the interstate-commerce clause of the Constitution, it seemed to me that the bill should go to the Committee on Interstate Commerce.

Mr. JONES of Washington. I desire to say that in my judgment the bill which my colleague has introduced could very properly go to either the Committee on Interstate Commerce or the Commerce Committee, and for that reason I make no objection to the reference of the bill to the Com-

mittee on Interstate Commerce. The Committee on Commerce has about all it can do, anyhow.

The VICE PRESIDENT. The bill will be referred to the Committee on Interstate Commerce.

By Mr. McKINLEY:

A bill (S. 1755) for the relief of Francis J. Young; to the Committee on Claims.

A bill (S. 1756) granting an increase of pension to Thomas E. Roberts (with accompanying papers);

A bill (S. 1757) granting a pension to O. R. Van Ostrand (with accompanying papers);

A bill (S. 1758) granting an increase of pension to Mary S. Fuller;

A bill (S. 1759) granting an increase of pension to Margaret C. Porter (with accompanying papers);

A bill (S. 1760) granting a pension to Zachariah T. Pryor (with accompanying papers);

A bill (S. 1761) granting an increase of pension to Michael Quinlan (with accompanying papers);

A bill (S. 1762) granting a pension to John A. Robinson (with accompanying papers);

A bill (S. 1763) granting a pension to A. Severs (with accompanying papers);

A bill (S. 1764) granting a pension to John Sundberg (with accompanying papers); and

A bill (S. 1765) granting an increase of pension to George M. Withers (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 1766) to establish the Roosevelt national park in Billings County, N. Dak.; to the Committee on Public Lands and Surveys.

By Mr. ODDIE:

A bill (S. 1767) for the relief of Benjamin F. Spates; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 1768) authorizing a quarantine station at Sabine Pass, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. ROBINSON of Indiana:

A bill (S. 1769) granting a pension to Maggie D. Snack with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A joint resolution (S. J. Res. 29) to provide for appropriate military records for persons who, pursuant to orders, reported for military duty but whose induction or commission into the service was not, through no fault of their own, formally completed on or prior to November 11, 1918, and for other purposes; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 30) authorizing the establishment of a commission to be known as the sesquicentennial of American independence and the Thomas Jefferson centennial commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document; to the Committee on the Library.

By Mr. CAPPER:

A joint resolution (S. J. Res. 31) proposing an amendment to the Constitution of the United States relative to marriage and divorce laws; to the Committee on the Judiciary.

PROPOSED INVESTIGATION OF FOREIGN INDEBTEDNESS

Mr. REED of Missouri. Mr. President, I submit a resolution, which I ask to have read.

The VICE PRESIDENT. The resolution will be read as requested.

The Chief Clerk read the resolution (S. Res. 91), as follows:

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, is authorized and directed to investigate and ascertain whether any foreign government or any citizens or corporations of any foreign countries are or have been expending or furnishing any moneys or credits for the purpose of directly or indirectly influencing the action of the Government of the United States, and particularly of the Senate of the United States, in any manner affecting the foreign policies or relations of the United States. Said committee shall further investigate and ascertain the ability of the foreign countries indebted to the United States to pay and discharge said indebtedness. Further, said committee shall ascertain the extent to which individuals, firms, or corporations have made loans to foreign countries indebted to the United States or to the individuals or corporations of said countries, the disposition of the proceeds of such loans, and the terms and conditions under which such loans were made. And also to ascertain what moneys have been pledged or expended and what organizations exist to affect the action of the Government of the United States in its relations or contemplated relations with foreign governments.

Said committee shall report at the earliest possible time.

Mr. REED of Missouri. I ask unanimous consent for the present consideration of the resolution.

Mr. CURTIS. Mr. President, I hope that the Senator will let the resolution go over. I think it ought to go over until the Senator from Idaho [Mr. BORAH], who has just entered the Chamber, has had a chance to look at it. Let it go over until to-morrow under the rule.

Mr. REED of Missouri. I will say to the Senator that I am compelled to leave the city to-morrow afternoon and I wanted to get this matter disposed of before that time if possible.

Mr. CURTIS. I would like to talk with the chairman of the Foreign Relations Committee with reference to the resolution. I never heard anything about it until it was read at the desk, and I presume the chairman of the Foreign Relations Committee knows nothing about it. Under the rule it should go over until to-morrow.

Mr. REED of Missouri. Of course, if the Senator insists on it that course must be taken.

Mr. CURTIS. I ask that it go over until to-morrow under the rule.

The VICE PRESIDENT. Under the rule the resolution will be printed and go over until to-morrow.

INVESTIGATION OF CROP INSURANCE

Mr. McNARY submitted the following resolution (S. Res. 92), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That a committee, to be composed of three Senators appointed by the President of the Senate, is authorized and directed to investigate the subject of crop insurance, particularly with reference to (1) the kinds and costs of insurance now obtainable; (2) the adequacy of the protection afforded by such insurance; (3) the desirability of and practical methods for extending the scope of such insurance; and (4) the availability and sufficiency of statistics necessary to properly and safely issue additional crop insurance. Within six months after the adoption of this resolution the committee shall report to Congress the results of its investigations, together with its recommendations, if any, upon the most practical and efficient methods whereby the farmer can obtain, at a reasonable cost, adequate and safe crop insurance.

Such committee is authorized to hold hearings at such times and places as it may deem advisable, to send for persons and papers, to administer oaths, and to employ stenographers to report such hearings at a cost not exceeding 25 cents per 100 words to be paid from the contingent expenses of the Senate.

FLOOD CONTROL IN THE SACRAMENTO AND SAN JOAQUIN VALLEYS

Mr. JONES of Washington. Mr. President, I desire to submit to the Senate letters from the Secretary of War and the Chief of Engineers, transmitting a report by the Board of Engineers for Rivers and Harbors with reference to a report by the California Débris Commission in answer to a resolution of the Committee on Commerce. I ask that the report and accompanying papers be printed as a Senate document with an illustration.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY SECRETARY OF STATE ON SOME FOREIGN POLICIES OF THE UNITED STATES

Mr. WILLIS. Mr. President, on the evening of December 14, in the city of New York, the Secretary of State, a former distinguished Member of this body, delivered a notable address, which I think should be given rather wide publicity. I therefore ask that it be printed in the RECORD and also be printed as a Senate document.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio?

Mr. SMOOT. Mr. President, it has always been the rule in the past to print such addresses either in the RECORD or as a public document. I think the Senator ought to confine his request to one or the other. I have no objection if he desires to have the address printed in the RECORD, or, if not in the RECORD, to have it printed as a public document, but not both.

Mr. WILLIS. I think under the circumstances, on the suggestion of the Senator from Utah, I will ask to have it printed in the RECORD.

The VICE PRESIDENT. If there is no objection, it is so ordered.

The address is as follows:

SOME FOREIGN POLICIES OF THE UNITED STATES

(Address of the Hon. Frank B. Kellogg, Secretary of State, at the dinner of the Council on Foreign Relations, Hotel Ritz-Carlton, New York City, the evening of December 14, 1925)

During my residence abroad as ambassador to Great Britain and often in this country I have been asked the question, "What is the foreign policy of the United States?" or "Has the United States a foreign policy?" These questions, pertinent as they seem, often imply a certain amount of loose thinking. While the President or the Secretary of State may announce some radical change in our foreign policies, in the main it does not issue fully formed from the brain of any one man. It is something that grows and develops from the continuing task of guiding and regulating the relations of this Nation with other nations from hour to hour and day to day.

In the first place, there appears to be a popular impression that the Secretary of State, sitting in an office decorated with portraits of Jefferson, Clay, Webster, Seward, Blaine, Root, Hughes, and other distinguished predecessors and drawing inspiration from their lives, considers some great problem of international affairs which will go down in history as a distinctive American policy. I am somewhat loath to dispel this pleasing delusion. As a matter of fact, the Secretary of State through long hours is occupied with handling specific questions, many times of great moment, involving our relations with foreign countries, such as the construction of a treaty, the protection of American citizens abroad, the consideration of pecuniary claims by or against a foreign government, with passing upon questions of the rights of aliens in this country, or the determination of how best to foster American commerce in some distant part of the world. Few realize that the State Department is the medium through which all the departments of the Government communicate with foreign nations, and how tremendously the activities of this Government have increased in the last few years. Let us then get clearly in mind that the foreign policy of a country is a slow growth.

If you want to know what it is at a given moment you must take into account long-established custom, development of the principles of international law, treaties, and conventions—in fact, the whole history of the country, so far as its international relations are concerned—and when we mention treaties it is well to remember that these important expressions of foreign policy are not controlled by the executive branch of the Government alone. The Senate participates in the making of treaties. Personally, I regard this procedure as of first importance, the wisdom of which is testified to not only by the experience of this country but by the fact that the practice of submitting treaties for legislative approval is becoming more and more general. The framers of our Constitution believed that the independence, peace, and progress of the Nation depended to a great extent upon treaties made with foreign countries and that the treaty-making power should not, as was the case in some countries, be vested in the Executive alone or in the Executive and a mere majority of the Senate. However, this circumstance does to a degree militate against the concise definition of foreign policy by the Executive. In so far as foreign policy is embodied in rules for the conduct of international relations it will be found that there is great similarity the world over. All civilized nations now have much the same treaties of amity, commerce, and extradition, as well as postal, sanitary, copyright, and trade-mark conventions. But it is the original and distinctive features of foreign policies that really concern us most. Of these, the United States, in the course of the past century and a quarter, has accumulated its share. Our form of government, our geographical situation, our commercial needs, that indefinite factor which we designate our national characteristics, have all contributed to give color and form to our policy. For there can not be a bit of doubt that we do have a foreign policy resulting from the play and interplay of the factors I have just mentioned, one that is not the work of any individual or of any administration, simply the traditional and historically developed policy of the United States which every Secretary of State strives faithfully to interpret and apply. It is of two or three features of this policy that I would speak to you to-night.

I suppose all men will agree that the feature of our policy which gives it its chief distinction and at the same time is least understood and appreciated by the rest of the family of nations is the fixed determination to avoid participation in purely European political matters. This policy has its roots deeply embedded in our history, and we have clung to it consistently ever since we came to be a Nation. Its influence is no less controlling to-day than when the Farewell Address of Washington was delivered. Not since 1798 has the United States been a party to any military alliance with a foreign power. We shall go to the very limit of reasonable cooperation for all legitimate purposes, but we will not under any circumstance commit ourselves to the European system of alliances and counteralliances to maintain the balance of power upon that Continent. In Europe for centuries there have existed political combinations formed among nations to maintain the so-called balance of power—alliances offensive and defensive containing military commitments, such as the holy alliance, the triple alliance, and the triple entente, which preceded the Great War. These undoubtedly have been caused in some cases by a feeling of insecurity, many times caused by national jealousies, racial animosities, or commercial antagonisms. It is doubtful if they have ever really contributed to the maintenance of peace. They have contributed to competition in building both naval and military armament, and when war has come have broadened its scope and intensified the conflicts. It is these political commitments and military alliances which it has been the policy of the United States to avoid.

Much is constantly being said, especially in the foreign press, about our isolation as a country, our refusal to cooperate with other countries in the settlement of the economic and political problems now confronting the world. The difference between being a party to a political or military alliance and cooperating with and lending assistance in the economic restoration of the world is very wide. I believe that, within the limitations of its policy, the United States has cooperated in every way in solving the grave problems confronting Europe and lending encouragement and assistance in this economic reconstruction.

The United States has never turned a deaf ear to the call of distress, nor has it ever refused assistance when its aid has been sought in a way which would not involve us in the political controversies and domestic affairs of other countries. As a further evidence of the fact that the United States is not holding aloof from world affairs, I may say that this Government has sent representatives to postal, sanitary, and telegraph conferences, is represented in the agricultural conference, and has had representatives in the opium conference and the conference for the limitation of the sale of munitions of war and many others. The last two mentioned were held in Geneva during the present year. They were called by the League of Nations, but did not include simply countries belonging to the league. In the conference for the limitation of the sale of munitions of war we entered into a treaty providing generally for publicity in the sale of arms and munitions of war and included in the protocol the provision of the treaty of Washington prohibiting the use of poisonous gases in war. The United States has always been willing to attend these conferences and to aid in every way in the establishment of principles for the advancement of science, of trade and commerce, for the amelioration of the horrors of war, the settlement of the principles of international law, the prevention of disease, the aiding of agricultural and other activities which are subjects of international consideration.

Since the World War evidence that Europe is making a sincere effort to free itself from the old system of balance of power supported by military alliances is unmistakable. Recent events justify the hope that mutual distrust with its hateful paraphernalia, balance of power, military alliances, etc., may really be replaced by mutual confidence with its normal accompaniments, conciliation and arbitration. The Locarno conference is an outstanding accomplishment. While it contains military guaranties to Belgium, France, and Germany, it is not conceived on the basis of the old balance of power which divided Europe into military camps, ever jealous of each other and striving for additional armament and power. On the contrary, it was conceived in the spirit of uniting the European nations in a common pact of security and for conciliation, arbitration, and judicial settlements rather than an appeal to the arbitrament of arms. It followed naturally and completed the work of the Dawes committee, the London and Paris conferences.

When the Dawes committee took up its task reparations were not being paid, Germany was bankrupt and her economic and financial conditions presented an almost insuperable obstacle in the path of European peace and prosperity. The armies of France and Belgium were in the Ruhr and the rule of force at that moment had displaced the rule of law. The adjustment of these problems lay at the very foundation of the restoration of Europe and the maintenance of peace. The Dawes committee, made up of representatives of each of the Allied Powers and two citizens of this country, approached the constructive settlement of this problem on its economic side in the spirit of fairness to all nations which had engaged in the war. This was not a political committee. It was simply a group of business men applying practical common sense to the situation and thus laying the foundation, not only for economic but, for political stability in Europe.

After the Dawes committee had finished its labors, the London conference followed naturally and paved the way for the evacuation of the Ruhr and the Rhineland sectors. Germany's industries were restored to her; her payments to all of the Allied and Associated Powers were fixed; her banking system and currency were reorganized and arbitration was provided as a means of settling all disputes that might arise in this connection.

The Paris conference, which came next, regulated the distribution of German reparation payments among the Allied and Associated Powers.

Finally came the Locarno conference to deal with the purely political phases—security for France and Belgium and the prevention

of war throughout Europe. I shall not attempt to describe in detail the agreements entered into at Locarno. England, France, Italy, Belgium, and Germany entered into a treaty of mutual guaranty whereby the frontiers between Germany and Belgium and between Germany and France as fixed by the treaty of Versailles were declared inviolable.

This was supplemented by treaties of reciprocal guarantee between France and Poland and France and Czechoslovakia, providing that in the event of failure of observance of the other treaties forming a part of the general settlement, the contracting parties would lend to each other immediate aid and assistance, if such failure is accompanied by an unprovoked recourse to arms. Then separate conventions of arbitration were entered into by Germany with France, Poland, and Czechoslovakia whereby it was agreed that future disputes of every kind which can not be settled amicably by the normal methods of diplomacy shall be submitted either to an arbitral tribunal or to the Permanent Court of International Justice with the possibility of submitting such disputes in their preliminary stages to permanent conciliation commissions set up for the purpose. Here was not the old balance of power sustained by alliances on each side struggling constantly to maintain supremacy, both land and naval, but here was a regional pact, the very cornerstone of which was conciliation and arbitration, and certain guarantees entered into not only by the Allies but by Germany which must have a lasting effect upon the peace and prosperity of Europe.

I do not claim that the peace of the world is always going to be maintained by treaties and conventions or by conciliation commissions, arbitration, or judicial tribunals. These are powerful instruments for peace which, if the higher ideals of mankind are ever to be realized, must be the medium through which international disputes are to be settled. I place as much store upon the spirit of Locarno as upon the treaties of Locarno. I had the honor to represent the United States at the London and Paris conferences, and there was evidence at those conferences of a desire for accommodation, a spirit of helpfulness, and a wish to substitute arbitration for force which gave me great hope for the future of Europe.

I have seen comments in the European as well as some of the American press about the relation of the United States to these European questions which I exceedingly regret. They have been to the effect that the United States has held aloof, that it has not been willing to cooperate and lend its aid, that Europe at Locarno was able to settle its own problems without the assistance of the United States. As I have stated, it has been the settled policy of the United States not to interfere in purely European questions, certainly not unless invited, and there was no reason to invite the United States to attend the Locarno conference. It was called to settle purely European political questions involving regional guaranties directly affecting only those countries, and generally affecting the rest of the world only as it is concerned for the peace of Europe. The people of the United States were interested in all of these movements just as they are interested in every movement for the peace and advancement of civilization. I am sure that no people have been more gratified than the American people by the success of the London and the Locarno conferences.

CHINA AND THE FAR EAST

In China I think it may be said that we have a liberal and forward-looking policy. The United States has always been friendly to China. John Hay was foremost in advancing the open door—in other words, equal opportunity for trade, commerce, and intercourse with China as opposed to special concessions, spheres of influence, and leased territories. At the Washington conference a step forward was taken in the adjustment of the many Pacific and Far Eastern questions to which all the nine powers were a party. The treaties framed at the conference are, of course, familiar to everyone, but they deserve brief mention because their execution is taking place during my administration of the State Department.

As you know, for many years since 1842 the tariffs which the Chinese might apply to foreign products and the control that the Chinese Government might exercise over the actions and property of foreigners living in China have been regulated by formal conventions between China and the several powers. One of the Washington treaties provided for a tariff conference, to be held at Peking within three months after its ratification, for the purpose of giving consideration to China's desire for higher tariff rates. A commission was provided for by Resolution V of the conference to investigate the subject of extraterritoriality and report what steps will be necessary as preliminary to the renunciation of extraterritorial rights. The tariff treaty was not ratified until August 6 of this year, and the conference is now in session in Peking. So far there is evidence that this conference is endeavoring to find a means of meeting the desires of China. It has unanimously adopted a resolution whereby the powers recognize China's right to enjoy tariff autonomy and agree to remove the tariff restrictions contained in existing treaties between them respectively and China. The powers consent to the going into effect of the Chinese national tariff law January 1, 1929, while China agrees to abolish what is known as "likin"—that is, local taxes on goods in transit within China—simultaneously with the enforcement of the Chinese national tariff law. The duties on exports and imports to be applied pending the abolition of likin and the granting of tariff autonomy are now being considered. The commission on extraterritoriality, composed of commissioners, one from each of the Washington treaty powers and from such other powers having by treaty extraterritorial privileges in China as adhere to the Washington resolution, is to meet in Peking on the 18th of December. I have every hope that the aspirations of China to regain the control over her tariffs and to establish the jurisdiction of her courts over foreigners living within her borders will be worked out by the conference with the assistance of the commission on extraterritoriality.

It must not be forgotten, however, that the tariff conventions and extraterritorial rights were not forced upon China for the purpose of extending foreign influence, but were made by mutual agreement for the purposes of aiding commerce, protecting foreign citizens, and settling long-standing, difficult questions between China and the other nations. I believe the time has passed when nations capable of maintaining self-government can be expected to permit foreign control and domination. Nevertheless, one of the difficulties with which foreign countries have to deal in the case of China is the instability of its Government and the constant warfare between various contending political factions. China is a great nation; it has made wonderful progress, and is now struggling to maintain a republic. In this she has the sympathy and good will of the American people, and everything that we can legitimately do to aid her should be done.

FOREIGN DEBTS

This is a subject which I have refrained from discussing in the press or in public speeches, and I would not now do so but for certain criticisms in the foreign press and, I think, some misunderstanding of the situation among our own people. I do not, of course, lay the blame for press criticism upon the foreign governments, but there has been much said of late about the harsh terms imposed by us upon our debtors. Many have considered that we might have been more liberal toward the Allies with whom we fought and possibly might have canceled altogether their indebtedness to us. I want to say to you now that I believe this Government has at no time been unmindful of the suffering and losses of the debtor nations and the staggering burdens which their peoples are carrying. We have gone just as far as we possibly could in recognition of these extraordinary and deplorable conditions. Let me briefly review the facts: Some adjustment of these unprecedented international obligations was necessary from every point of view. The time had come when the United States must take action to settle this much-discussed and troublesome debt question. It was not only necessary as a domestic question, but it was equally necessary if Europe was to be rehabilitated, international credit maintained, currencies stabilized, budgets balanced, and the industries of Europe restored. I believe, in the main, foreign governments have come to take this view of the question. We have not hurried anybody. These obligations were all of long standing, and the time to take action had arrived. It is true that many of those countries suffered more than the United States, because they were the immediate theater of the war and lay in the path of its devastation.

Yet it should be remembered that had the United States not intervened the losses of these debtor countries would have been incalculably greater. And the broad facts relating to our intervention can not be lost sight of. We sent 2,000,000 men to foreign shores and mobilized our economic and man power to the limit. In the brief space of two years the United States spent nearly $30,000,000,000 on the war, in addition to $10,000,000,000 loaned to its allies. All of the $30,000,000,000 was an economic loss to the United States, and the full measure of such loss can not be arrived at without adding the extremely heavy burden entailed by the subsequent readjustment of artificially stimulated industry. During the war and for two years thereafter we imposed upon our people a burden of taxation equal to any, and in most cases far exceeding that imposed by any nation of Europe.

When we borrowed $10,000,000,000 from our own people and loaned it to foreign governments, we did so under specific agreements for repayment at the particular request of the foreign governments that such financial assistance should take the form of loans and not subsidies. The American people to-day pay taxes to meet the obligations which their Government thus incurred.

Furthermore, a large part of these loans to foreign governments was made after the armistice, when we might well have said, "the war is over and the object for which we went to war has been attained." It is one of the indisputable and outstanding facts of the period immediately following the war that the United States made a second intervention in Europe, which was fully as vital and significant as its intervention during the period of hostilities. In 1919 the menace of starvation, political and economic disorganization hovered over the continent of Europe. Of course, it is idle to speculate on what might have happened had events taken a different course, but we may as well recall that

many sober minds at that day entertained the conviction that Europe faced a situation comparable only to that following the 30 years' war, when one-third of the population perished. As I have stated, we were not obliged to make this second intervention, but we did do it, and huge advances comprised in the $10,000,000,000 total were then made.

Some of the stronger nations in Europe loaned much smaller sums after the armistice, and these relief and reconstruction loans were all coupled with written agreements that there should be no discrimination in the settlement or payment between the United States and the other countries making such advances. In the adjustment of post-armistice loans to Belgium, Czechoslovakia, Esthonia, Finland, Hungary, Latvia, Lithuania, Poland, and Rumania, the United States has given more generous terms than any other creditor, and as to the pre-armistice debts, our terms have been certainly as liberal as those offered by any of the other countries.

Naturally, we have had to seek a basis of compromise, taking into account actual conditions faced by the debtors and at the same time doing reasonable justice to our own people. Cancellation was impossible. I sincerely believe that such action, even if circumstances had permitted it, would have been, in the long run, unwise, would not only have saddled this country with the main burden but would not have been in the real interest of the debtor nations themselves. No American Government could contemplate an outright gift of billions of dollars. There were, however, certain factors which gave elasticity to the negotiations and free play to our desire to show liberality and to impose no insuperable burden upon others. There was the factor of time and that of interest; and so within these limits the debt commission has laid down the test of capacity to pay. The payment of principal has been spread over 62 years and various rates of interest have been imposed, the details of which it is not necessary to state. I maintain that no fair-minded American citizen and no European who is prepared to take a statesmanlike view of this matter can expect us to go further. I shall not discuss the details of each settlement—they will be submitted to Congress, which alone can decide whether the settlements shall be accepted or not—but the World War Foreign Debt Commission has approached the settlement with each country in a spirit of fairness, taking into consideration its indebtedness, its burdens of taxation, its exports and imports, and its general economic condition. I believe it has been the desire of the debt commission to treat each country upon this basis and not to lay a burden greater than it could bear. This, I think, is a good economic policy, as well as a policy which commends itself in all dealings between nations.

FOREIGN LOANS

In March, 1922, after a consultation with various financial houses, the President directed the Department of State to publish a circular requesting in substance that those desiring to float foreign bond issues in the American market should notify the Department of State, giving such information as they could furnish in reference to loans. The Department of State would then give the matter consideration in order that, in the light of the information in its possession it might, if it so desired, say whether objection to the loan did or did not exist. It was stated, however, that the department could not require bankers to consult it; that it would not pass upon the merits of foreign loans as business propositions nor assume any responsibility in connection with the loan transaction; and that offers of foreign loans should not state or imply that they were conditioned upon the expression of the department's views regarding them, nor should any prospectus or contract refer to the attitude of the Government. The object of this was that the Government might state whether it believed certain loans were not in the public interest, such as loans for armament, loans to countries not making debt settlements with the United States, or loans for monopolistic purposes. The department has received notice of a great many loans to foreign governments, municipalities, and industries. It has objected to loans to countries which had not settled their debts to the United States, as it believed that it was not in the public interest to continue to make such loans, and it has objected to certain loans for armament and the monopolization of products consumed in the United States. The department has not assumed and could not assume to pass upon the validity of loans or the security. It has not the authority of law, and it will be impossible for any department of the Government to parcel out foreign loans, pass upon their merits, their security, or upon them as business propositions. Where objection is not made the department universally states that it does not pass upon the merits of foreign loans as business propositions nor assume any responsibility in connection with such transactions, and that no reference to the attitude of the Government should be made in any prospectus or otherwise.

There has been a great deal of correspondence and considerable press comment upon the loans made to German municipalities and States. While the department has not thought itself called upon to object to such loans as against the public interest, it has called the bankers' attention to the fact that indiscriminate loans to municipalities and states were not, it was believed, favored by the German Government and might raise serious questions of transfer of funds sufficient to pay the principal or interest on such bonds. The department has further called the attention of the bankers to the fact that they should consider very carefully the question whether such loans were for productive purposes which would aid in procuring funds for transfer. It will probably be remembered that all the reparations paid into the Reichsbank must be transferred with the consent of the transfer committee, of which Mr. S. Parker Gilbert is the head, and the question naturally occurs whether the transfer committee could place obstacles in the way of States and cities procuring the necessary funds for transfer. I have no desire whatever to throw obstacles in the way of legitimate loans, but I do think American bankers should consider the question as to what extent State and municipal loans should be made.

ADMISSION OF ALIENS UNDER THE IMMIGRATION AND VISA LAWS

There is one question which of late has attracted public attention on which I desire to state the position of the State Department, and that is the admission of anarchists, revolutionists, agitators, and propagandists who advocate the overthrow of orderly government and those who are affiliated with societies for that purpose; in other words, undesirable aliens. The policy of this country, as plainly indicated by the acts of Congress, is to keep certain specified classes of aliens out of the country. Some people seem to think that the policy should be different; that the doors should be thrown open and the activities of undesirable aliens dealt with from the inside after they arrive. But that is not the policy of this country as emphatically declared by the Congress. All loose talk of an arbitrary and unjustified attitude of the Secretary of State or of the American consuls in this field is singularly futile. I am charged with the enforcement of this policy, and furthermore I believe in it. Let us see what the law declares:

On May 22, 1918, Congress passed an act entitled "An act to prevent in time of war departure from or entry into the United States contrary to the public safety." The material portion of this statute reads as follows:

"That when the United States is at war, if the President shall find that the public safety requires that restrictions and prohibitions in addition to those provided otherwise than by this act be imposed upon the departure of persons from and their entry into the United States, and shall make public proclamation thereof, it shall, until otherwise ordered by the President or Congress, be unlawful—

"(a) For any alien to depart from or enter or attempt to depart from or enter the United States except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions, as the President shall prescribe."

Pursuant to this statute, the President made Executive orders, one of which, dated August 8, 1918, reads as follows:

"SEC. 32. In accordance with the provisions of the presidential proclamation of August 8, 1918, a visa will be granted only when it shall appear that there is reasonable necessity for entering the United States and when upon investigation such entry is deemed to be not prejudicial to the interests of the United States."

At the close of the war, when restrictions were generally being repealed, specific attention was drawn to the case of aliens, and accordingly the following provision was embodied by Congress in the Diplomatic and Consular appropriation act of March 2, 1921:

"That the provisions of the act approved May 22, 1918, shall, in so far as they relate to requiring passports and visas from aliens seeking to come to the United States, continue in force and effect until otherwise provided by law."

The Executive order was from time to time amended and additional regulations covering visas were prescribed in general instructions of the Secretary of State issued under the authority of section 39. The last Executive order on the subject is dated January 12, 1925. It deals with the documents required of aliens entering the United States and with respect to nonimmigrant aliens, provides that they "must present passports or official documents in the nature of passports issued by the governments of the countries to which they owe allegiance, duly visaed by consular officers of the United States."

But the most important statute was the act of October 16, 1918, amended by the act of June 5, 1920, the material portion of which is as follows:

"That the following aliens shall be excluded from admission into the United States:

"(a) Aliens who are anarchists;

"(b) Aliens who advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that advises, advocates, or teaches opposition to all organized government;

"(c) Aliens who believe in, advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches: (1) the overthrow by force or violence of the Government of the United States or of all forms of law; or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either by specific individuals or of officers generally) of the Government of the United States or of any other organized government because of his or their official character; or (3) the unlawful damage, injury, or destruction of property; or (4) sabotage;

"(d) Aliens who write, publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, distribution, publication, or display, any written or printed matter advising, advocating, or teaching opposition to all organized government, or advising, advocating, or teaching (1) the overthrow by force or violence of the Government of the United States or of all forms of law, or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage.

"(e) Aliens who are members of or affiliated with any organization, association, society, or group that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subdivision (d).

"For the purpose of this section: (1) The giving, loaning, or promising of money or anything of value to be used for the advising, advocacy, or teaching of any doctrine above enumerated shall constitute the advising, advocacy, or teaching of such doctrine; and (2) the giving, loaning, or promising of money or anything of value to any organization, association, society, or group of the character above described shall constitute affiliation therewith; but nothing in this paragraph shall be taken as an exclusive definition of advising, advocacy, teaching, or affiliation."

This act makes it the duty of the Secretary of State to exclude all aliens falling within the defined classes quoted. Obviously, the question whether an alien does or does not come under one or more of the excludable classes is one involving the exercise of judgment or discretion. The State Department receives from the various diplomatic and consular agents of the United States all the information possible in relation to these undesirable aliens. One would think from some of the comments in the press that a foreigner had some inherent right to come to the United States which is being denied by the State Department. No foreigner has any such right whatever. Congress may admit or exclude anyone it sees fit. The law has specified what classes shall be excluded, and, until the law is changed, it will be enforced; and it will be enforced without regard to their station in life, for the law applies to prince and peasant alike. Nor am I going to enter into a public discussion of the facts of every case on which the exclusion is based. The law imposes the duty upon the Secretary of State and the American consuls to refuse visas if, in their opinion, the persons applying come within the prohibited classes. If, from the information in their possession, they have a reason to believe a given individual is inadmissible, the visa is refused. The Secretary has not acted in an arbitrary manner, and he has good reason for every refusal he makes. Nor is it in the public interest to disclose the facts upon which each decision is based, since the information is often of a most confidential kind and would not be obtained at all if it were not treated as confidential. Foreigners seeking entrance into this country are not entitled to such information. There is not one of the prohibited classes who would not be delighted to enter into a controversy over the subject and who would not deny activity or connection with organizations barred by the Government. There is no question of free speech involved. They can speak as freely as they please in their own country just as Americans can do here, but they are not entitled to come to this country to make it a platform for their revolutionary theories.

I believe in carrying out the letter and the spirit of the American Constitution guaranteeing free speech. I believe it is one of the priceless heritages of liberty which we should preserve, but I decline to recognize that this applies to aliens who desire to come over here to teach their pernicious doctrines of communism, revolution, sabotage, and destruction of orderly government. If they wish to carry on this propaganda, they had better stay in their own countries. I know it is said that this action is arbitrary and narrow-minded; that the best way is to let them come over and say what they please. I know of some of the leading countries of Europe which have pursued that policy and regret seriously the disorders which followed on account of it. We have a representative democracy and a Constitution guaranteeing the continuance of that Government and guaranteeing to every individual liberty of action, freedom of religious belief and worship, freedom of speech, freedom of the press, protection of property, protection to the home, equal opportunity in the avenues of enterprise—guaranties which were not easily obtained but which came from the struggles of our ancestors through centuries. The maintenance of this Government and of these guaranties of liberty depend upon the education, the moral standards, and the enlightenment of the people. Why make this country the haven of all the agitators and revolutionists to appeal to the youth of the land for the overthrow of that Government which is the greatest heritage any people ever had? We have been so long in the enjoyment of these privileges of an enlightened Government that I sometimes fear we have forgotten at what cost they were obtained. I am glad to say that in this work of combating the communists and revolutionists the American Federation of Labor has taken a leading part, and if those well meaning but misguided individuals among us who are engaged in promoting the cause of anarchy, and Bolshevism under the guise of liberty and free speech would take the same manly stand as labor, there would be infinitely less danger over the dissemination of pernicious doctrines inimical to our institutions.

SETTLEMENT OF FOREIGN INDEBTEDNESS

Mr. SMOOT. Mr. President, there are on the calendar six bills authorizing settlement with six different countries of their indebtedness to the United States. I do not think they will require very much discussion, and I now ask unanimous consent that the Senate proceed to the consideration of the six bills—of course, one at a time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. REED of Missouri. Mr. President, I certainly do not want to obstruct the Senator from Utah in any matter in which he has an interest, but these bills will provoke discussion, and I think very long discussion. The resolution I introduced this morning has to do with that very subject matter. I have been making some investigation and expect to speak at length on the bills. They involve a matter of gravest importance and billions of dollars. These billions of dollars will either come out of the pockets of the American taxpayer or they will come out of the pockets of the peoples of foreign countries who have contracted to pay us.

I can not give consent to take up these questions and pass these bills through hurry scurry and haphazard without debate and consideration. I am rather astonished that it would be expected that matters of this great importance should be passed through the Senate without the fullest discussion. I hope indeed they will go over until after the holidays, when we can get some facts to lay before the Senate. I have no objection to the bills being considered to the extent of the Senator from Utah speaking to them and explaining them to us. He can do that now, if he so desires, but so far as giving consent to their consideration with the idea of passing them, I can not do it.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. How many of these settlements are there?

Mr. SMOOT. There are six of them. I am quite sure there are four of them that will cause no discussion.

Mr. NORRIS. There may be some of them as to which, so far as I am concerned, I have no objection. I have no objection to making settlement with a country if it is made in accordance with the settlement made after full discussion with Great Britain, but there are some that are not made that way.

Mr. SMOOT. Yes; there are two of them—Italy and Belgium.

Mr. NORRIS. So far as those bills are concerned, I feel that there is going to be considerable debate. I have not myself looked into them and some other Senators with whom I have talked have not done so. I think there will be considerable discussion, and I do not believe it will be possible, in view of what is coming on that has been made a special order for to-morrow, to dispose of those two cases at least before the adjournment for the holidays.

It seems to me we might as well be frank. I want to say to the Senator from Utah that while I have no disposition to prolong unnecessarily or unreasonably the consideration of any of the settlements, yet I do feel very deeply, as I think other Senators do, in regard to some of these settlements, and I am very much opposed to them. When they do not comply with the settlement made with Great Britain, they ought to be debated, and the country as well as the Senate ought to be fully informed on them. I do not think the Senator ought to try to crowd them through now. I have no objection to having the Senator from Utah or anyone else discuss them. So far as I know, there will be no opposition to those which followed the discussion and settlement of the debt of Great Britain, but there will be a great deal of opposition to the others, and I do not believe we ought to try to take them up at this time. If the Senator from Utah or anybody else wants to debate them, I have no objection, but there ought to be an understanding that as to those settlements which did

not follow the settlement with Great Britain there will be no effort made to crowd them through at this time.

Mr. JOHNSON and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I will yield first to the Senator from California, and will later yield to the Senator from Tennessee.

Mr. JOHNSON. I want to suggest that there are others as well who agree with all that has been said by the Senator from Missouri and by the Senator from Nebraska. There is one of those settlements at least that requires, from the standpoint of some of us, discussion, information, and the like. If that information could be afforded to-day by the Senator from Utah and he desires to present the Italian debt settlement I would be very glad, too, indeed, for one, if he could proceed; but to proceed to a determination of that particular settlement at this time I would not consent, for I desire further information in respect to it, and I desire to know more than has been conferred upon us by the mere press reports.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I entirely concur in what has been so well said by the Senator from Missouri [Mr. REED], the Senator from Nebraska [Mr. NORRIS], and the Senator from California [Mr. JOHNSON]. I hope the Senator from Utah will not undertake to press this matter at this time; but I should be glad to have the Senator give us the facts upon which these various settlements have been made and the reasons actuating the commission in undertaking to make them in a particular way.

Mr. SMOOT. Mr. President, I wish the Senate to understand that I am in no particular hurry about the disposition of these measures, other than for this reason: The House of Representatives before the adjournment for the Christmas holidays will pass the revenue bill which is now pending in the House. I think every Senator desires that that bill shall become a law before March 15 next. The Finance Committee yesterday met and agreed to begin the consideration of the House revenue bill on January 4, the same day that the Senate reconvenes after the Christmas holidays.

Mr. SIMMONS. The Senator refers to the consideration of the revenue bill in the Committee on Finance of the Senate?

Mr. SMOOT. Yes; of course I refer to the consideration of the bill by the committee. After consideration of the bill shall have been begun every member of the committee will be tied up from early in the morning, perhaps, until late in the evening. We shall have little opportunity to spend much time upon the floor of the Senate. I thought that if we could have these debt settlement bills taken up and passed before taking a recess for the Christmas holidays, the House of Representatives could take them up immediately after the reconvening of Congress and that such action would materially hasten the enactment of the legislation.

However, Mr. President, I see that there is objection to taking that course, and I know at this particular time it would be perfectly useless to try to force these bills through before the holiday recess shall be taken. It is not yet 1 o'clock, and I could not now even make a motion to take the bills up. Therefore, out of deference to the opinions of Senators who have already made the statements which they have, I shall certainly not move the consideration of the bills to-day. So I withdraw my request for unanimous consent to proceed to the consideration of the bills.

Mr. SWANSON. Mr. President, before the Senator from Utah takes his seat will he permit me to make a suggestion?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. Yes.

Mr. SWANSON. I may be mistaken, but I understand that the House of Representatives insists that the debt settlement bills affect the raising of revenue and, therefore, must originate in the House of Representatives. Though I do not concur in the contention of the House, it does seem to me that to have a long debate in the Senate and to pass the bills, and then for the House of Representatives to insist on what it claims is its constitutional prerogative and refuse to receive the Senate bills, requiring us to go over them a second time, would be a futile thing to do. The Senator will recall what occurred in connection with the bill proposing to increase postal rates. If it is insisted upon by the House of Representatives, which I understand it will be, that these bills affect the raising of revenue and, therefore, must originate in that body, it seems to me the wise course to pursue would be when the House shall have passed the revenue bill first to take up this proposed legislation there.

Mr. SMOOT. Mr. President, the very question raised by the Senator from Virginia was discussed in the Committee on Finance on yesterday. Representative TILSON, either on Saturday or on Monday, though I think it was on Monday, came on the floor of the Senate and told me that there were some Members of the House of Representatives who insisted that if the Senate should consider the debt settlements bills first it would be contrary to the Constitution of the United States. I doubt whether there is a Senator who would take that position.

If the Senate should agree with the position I have stated, if that be the position of the House of Representatives—and I only speak of it from what I have heard Representative TILSON say—then the hands of the Senate of the United States would be tied, and this body could not pass a bill for the purchase of a piece of real estate anywhere unless such a measure had first passed the House of Representatives, because the money would have to come from the Treasury of the United States. The Constitution does not provide that bills "affecting the revenues" of the Government must originate in the House. I have conferred with 20 Senators at least and there has not been one of them who has not agreed with the position that the Senate of the United States could first act upon these bills.

Mr. SWANSON. Mr. President, if the Senator from Utah will permit me, further I desire to say that I agree with the Senator that there is no ground for the contention of the House of Representatives. I was simply discussing the matter from the standpoint of the best method of procedure.

I know when I was Chairman of the Committee on Naval Affairs I had added to the naval appropriation bill an amendment authorizing the sale of bonds. The bill itself originated in the House of Representatives, but that body refused to consider the amendment. They returned it to us immediately and it had to be eliminated, as I did not wish to have any contention and a delay of three or four days or more on that issue. The contention of the House then was that the selling of bonds was raising revenue, and they now insist that getting rid of debts is of the same character as selling bonds. I think that is a far-fetched contention, but we wish to have an orderly conduct of business and there is no use of getting into a contention with the other House as to which will consider the legislation first. The House of Representatives will have leisure to consider these measures after they shall have passed the revenue bill, and I see no object in having a row and wrangle precipitated and the matter consequently delayed. Let the House of Representatives first proceed with the measure and we can then consider them.

Mr. SMOOT. All I desire to say further regarding the constitutional provision is that the Constitution provides that bills for the raising of revenue shall originate in the House, and the legislation that authorized the creation of these debts originated in that body. The Constitution does not say that the House of Representatives must first consider legislation affecting revenue, but it refers to the raising of revenue.

Mr. NORRIS. I wish to ask the Senator if the bills providing for the settlements with Great Britain and the other countries did not first pass the Senate?

Mr. SMOOT. No; I think the House of Representatives acted upon those bills before we did.

Mr. NORRIS. I was under the impression that the Senate had first acted.

Mr. SMOOT. That may have been true as to one or two of the bills. I think, however, in all cases the House of Representatives first acted on the legislation. I will say to the Senator from Nebraska.

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

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. Yes.

Mr. FLETCHER. The Senator, evidently, has the data and the material on his desk justifying these settlements, and I think it would be desirable to let the Senator proceed to explain the settlements and lay before us the information. Such a course will probably save debate. If he is ready to do that to-day, it might aid, I think, in promoting the final disposition of the measures.

Mr. SMOOT. I wish to say to the Senator that I am prepared to proceed at any time; but if these bills are not to be considered this morning, there is the aviation bill which Senators are anxious to have considered to-day. I told the Senator from Connecticut [Mr. BINGHAM], who has that bill in charge, that all I was interested in now was in getting these measures passed so that they might go to the House.

Mr. ROBINSON of Arkansas. Mr. President, there has been some understanding that a question of the highest privilege would be presented to the Senate to-day. I had understood that a resolution affecting the right of a claimant to a seat in the Senate would be reported and acted on to-day. Of course, if that resolution is not to be reported, if for any reason the Senate does not desire to proceed to the consideration of that question of high privilege, I think it would be entirely proper for the Senator from Utah to make a statement respecting these debt settlement measures. The Senate would like the information, even though the bills themselves are not now under consideration. It is perfectly apparent to me—and I presume it is to the Senator from Utah—that the measures can not be immediately disposed of, and for that reason can not be formally taken up at this time.

I wish, however, to express my dissent from any suggestion that the Senate is precluded from considering such bills until the House has acted on them. The provision of the Constitution is familiar to all Senators. It is found in section 7, Article I, and reads:

> All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

The question naturally arises whether this class of bills may be properly designated as bills for raising revenue. Unquestionably they can not be so classed, even though the result may be to collect debts due the United States and to increase the fund in the Treasury of the United States. The term "revenue bill" has a significance which it is not difficult to determine.

Mr. SMOOT. The money represented by these debts was collected in 1919 from the taxpayers of the country; that is when the revenue was raised.

Mr. ROBINSON of Arkansas. This must not become a precedent.

Mr. SMOOT. Absolutely not.

Mr. ROBINSON of Arkansas. The provision can not be construed so as to prevent the Senate when it desires to do so and at an opportune time from considering measures that are not properly bills for raising revenue.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

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

Mr. BORAH. I want to ask the Senator from Utah how many of these settlements correspond substantially with the settlement of the English debt?

Mr. SMOOT. Four of them. I may add, however, that two of them follow the settlement made with Poland, which for a first few years allowed a partial moratorium; but where a 5-year partial moratorium was allowed the amount of the deferred payments, so to speak, was all added and spread over the other 57 years.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Utah permit me to ask the Senator from Idaho a question?

Mr. SMOOT. Yes.

Mr. ROBINSON of Arkansas. What is meant by the expression "correspond substantially with the settlement of the English debt"? Does the Senator mean that the United States is proceeding to collect the same or approximately the same percentage of the total obligations as in the case of Great Britain?

Mr. SMOOT. The same rate of interest and the same payments on principal.

Mr. ROBINSON of Arkansas. That is quite a different thing in its net result, as I understand, and it works out quite differently in these cases from the manner in which it works out in the British case. My information is that, as a matter of fact, the total amount, computing the interest on a normal basis, the basis of interest that is charged on the Liberty loans, Great Britain pays 82 per cent, Belgium 55 per cent, and Italy 27 per cent. We should not only take into consideration the rate of interest but we should consider also the terms and time of payment; and when that is done we find, I think it is fair to state, that Great Britain pays approximately 82 per cent, Belgium 55 per cent, and Italy 27 per cent, or something near those figures.

Mr. SMOOT. I will say to the Senator that is figuring upon the cash value to-day.

Mr. ROBINSON of Arkansas. Upon the present value of the debts.

Mr. SMOOT. Yes; upon the present value of the debts.

Mr. ROBINSON of Arkansas. And I think that is the fair way to determine what the payments are.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to me to answer his suggestion?

Mr. ROBINSON of Arkansas. I have not the floor.

Mr. SMOOT. I yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. There are four of these settlements; those with Rumania, with Latvia, with Czechoslovakia, and with Esthonia, that are substantially the same as the British, in that the present value of the amount to be received represents the same proportion of the debt as in the case of Great Britain; the interest rates are the same, and the period of payment is the same. The only difference is a trivial one in the adjustment of the payments during the first five years, but any shortage there is made up in one case by increasing the payments during the next five years, and in the others by increasing the payments during the next 57 years. In both cases, however, all deferred amounts bear the interest at the English rate; so that in those cases excluding Belgium and Italy, we have the British terms.

Mr. ROBINSON of Arkansas. I was speaking particularly of the important settlements, the settlements that deal with considerable sums. The cases to which the Senator is referring relate only to small amounts.

Mr. REED of Pennsylvania. Those were the cases to which the Senator from Idaho referred. I am only trying to answer his question about the amounts. They aggregate about $170,000,000 of principal. Nobody disputes them. I do not see why the Senator does not ask unanimous consent to get rid of those four right now.

Mr. ROBINSON of Arkansas. I have no objection to that course being taken.

Mr. REED of Missouri. Mr. President, I do not know whether we are going to dispute them or not dispute them.

Mr. SMOOT. That is what I thought.

Mr. REED of Missouri. I want to examine these bills, and I am going to examine them. I am going to know what I am doing. I saw this country make a settlement with Great Britain which, if it is carried through for the 66 years, and we have to pay the same interest that we pay now, with compound interest upon our payments, makes a difference to us of $2,200,000,000 at the end of 66 years.

Mr. REED of Pennsylvania. To answer that suggestion of the Senator, if he will permit me, we will probably pay in the next 62 years about an average of 3 per cent.

Mr. REED of Missouri. Very well.

Mr. REED of Pennsylvania. And if we do, we are going to get much more from these four countries than the amount that we will have to pay.

Mr. REED of Missouri. Let me answer the Senator. We put a proviso in the English settlement that at any time they can pay us in our bonds, so that if we refund our bonds at a lower rate of interest Great Britain gets the advantage of it, and if we do not refund them at a lower rate of interest we pay the difference.

Mr. REED of Pennsylvania. Why, if the Senator will think about that proposition for a moment he will realize that the amount we are paying on our bonds has nothing whatever to do with the amount of itnerest they owe us—of course not.

Mr. REED of Missouri. The Senator is mistaken.

Mr. REED of Pennsylvania. If they owe us 4¼ per cent or 3½ per cent interest, they will have to pay it. It is only a question of the medium of payment.

Mr. REED of Missouri. Yes; and they can immediately take our bonds, if we issue them at a lower rate, and hand them over to us in lieu of their debt; so that if our interest goes down they get the advantage of it, and if our interest stays up we pay the difference. That is all there is to that.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I yield.

Mr. HARRISON. As I understood the Senator from Utah, he concedes that there is a difference between the Belgian settlement and the Italian settlement, on the one hand, and the settlement with Great Britain on the other.

Mr. SMOOT. A great difference, I will say to the Senator.

Mr. HARRISON. A great difference. It amounts to billions of dollars in the case of the Italian settlement?

Mr. SMOOT. No; not in the case of the Italian settlement.

Mr. HARRISON. We have some figures to show that. I want to ask the Senator a further question. He wrote the Republican platform last year.

Mr. SMOOT. No.

Mr. HARRISON. Is that a compliance with the Republican platform on foreign debts, which I will read:

> In fulfillment of our pledge in the national platform of 1920 we have steadfastly refused to consider the cancellation of foreign debts. * * * Our position has been based on the conviction that a moral obligation such as was incurred should not be disregarded.
>
> We stand for settlements with all debtor countries similar in character with our debt agreement with Great Britain. * * *
>
> The justness of the basis employed has been formally recognized by other debtor nations. Thirty-five per cent of the total foreign debt is now in progress of liquidation.

Are the Italian and the Belgian settlements in compliance with that pledge?

Mr. SMOOT. Mr. President, if the Senator wants to go into the discussion of that matter——

Mr. HARRISON. That is easy to answer.

Mr. SMOOT. I will say that they are not the same as the British settlement in terms; but Great Britain is capable of paying the rate that she is paying now even more than Italy is the rates that we have agreed she should pay.

Mr. HARRISON. The Senator can say at least that it is as much of a compliance with that pledge as in the case of the other promises of the Republican Party in this platform?

Mr. SMOOT. Of course, every promise we make in that platform is going to be fulfilled. I have not any doubt about that.

Mr. REED of Missouri. When?

Mr. SMOOT. I do not think there will be much trouble about the settlements when fully discussed on a basis of ability to pay.

Mr. REED of Missouri. If the Senator will pardon me, what does he mean by "ability to pay"?

Mr. SMOOT. I mean this, Mr. President: It is very doubtful to me whether Italy can pay even what she has agreed to pay under the terms of the settlement. Taking into consideration her resources, her exportations, her importations, her income from every source, and her standing expenses for maintaining her Government, cut to the bone as they are, it is very doubtful whether she can pay even the amount that she has promised to pay the United States, especially when we take into consideration the fact that she owes Great Britain more than she owes the United States and expects to make the same terms with Great Britain that she has made with the United States.

Mr. REED of Missouri. Mr. President, if the Senator will pardon me, this doctrine of "ability to pay" is a new doctrine.

Mr. SMOOT. It is not a new doctrine in business, Mr. President.

Mr. REED of Missouri. Yes; it is a new doctrine in business as the Senator applies it. When a creditor wants to take the benefit of the bankrupt act and be discharged under it—which is only a matter of grace under the law—he turns over all of his assets. He does not say that his ability to pay is according to his net income. We are settling with these countries upon the basis of the Government being able to pay out of its revenues that it now collects——

Mr. SMOOT. Oh, no, Mr. President.

Mr. REED of Missouri. And not going into the capital account of its people.

We, however, are canceling a debt which rests upon this country because our people went into their capital account and took their money and put that money into these obligations which we loaned to Italy, and Italy should at that time have given us her bonds similar in terms as to ultimate payment and as to interest and as to every other term to the bonds which we issued to the American people.

Mr. MOSES. Mr. President, may I ask the Senator a question at that point?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. REED of Missouri. I hope the Senator will let me complete the sentence. Now, Italy did not do that.

Mr. SMOOT. And Italy could not do it.

Mr. REED of Missouri. Italy at least can carry out her obligations and issue her paper to us. It is now proposed to say that the Italian Government, not having sufficient revenues at the present time to pay, shall be substantially released from the payment of this debt. I have not had time to examine this document, but if I have been correctly informed we are in substance and effect canceling the greater part of the Italian debt.

Mr. MOSES. Mr. President, may I now ask the Senator a question?

Mr. SMOOT. Before the conclusion of the debt payments she will pay us about $2,407,000,000.

Mr. REED of Missouri. In what?

Mr. SMOOT. In money.

Mr. REED of Missouri. In interest?

Mr. SMOOT. In interest and principal.

Mr. REED of Missouri. I shall have some figures on the proposed settlement, and I think I shall be able to demonstrate that it amounts to a repudiation of the greater part of the Italian debt.

Mr. SMOOT. I will say to the Senator that taking the present value of the debt I agree with what he says, if figured on a basis of 4¼ per cent interest for the full 62 years, and that is the way the present value is arrived at. However, I have here the figures on what 3 per cent amounts to, and I will say to the Senator that for 50 years before the war the average rate of interest that was paid by Great Britain was 2.9 per cent; and I can not conceive of the world being in such a condition that for the next 62 or 57 years the rate of interest that will be paid by any first-class country will be 4¼ per cent.

Mr. REED of Missouri. What does the Italian Government pay under this agreement?

Mr. SMOOT. In total?

Mr. REED of Missouri. No; annually. What stipend does it pay—1.8 per cent, is it?

Mr. SMOOT. No; it begins at one-eighth of 1 per cent, after five years on which at first there is no interest, though it is made up later. Then it proceeds until it reaches 2 per cent. That is the settlement, Mr. President.

Mr. REED of Missouri. I undertake to say that we had better have paid to us in cash to-day a few hundred thousand dollars and employ the cash to take up our 4¼ per cent bonds. I have not figured it out, but I think it can be figured out.

Mr. SMOOT. Oh, no, Mr. President.

Mr. MOSES and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I yield to either Senator.

Mr. McKELLAR. I want to ask the Senator this question: He speaks of the ability of Italy to pay. I saw in the papers a few days ago that perhaps within 10 days after this settlement with the American Debt Commission the Government of Italy floated in this country $100,000,000 of bonds at par. If that can be done, it seems to me that Italy is not bankrupt, to say the least; or were the bonds conditioned upon this settlement?

Mr. SMOOT. Mr. President, if the various foreign countries are ever going to get back to a normal condition, the only way they will ever do so and make their currency a stable currency is to get some gold back of it; and those loans are made for that purpose—the stabilizing of their currency.

Mr. REED of Missouri. The loans are made for that purpose, and run for how many years—66 years?

Mr. SMOOT. I am speaking in answer to the Senator from Tennessee of the loans that were made from New York.

Mr. REED of Missouri. Of course, if we permit them in substance and effect to repudiate their debt to us, I grant you that that will make their credit very good with the bankers of New York who are loaning them money at 6 and 7 and 8 per cent.

Mr. SMOOT. If they repudiated their obligations to the United States, they could not borrow a dollar from the bankers of New York.

Mr. REED of Missouri. No; but if we graciously whitewash the repudiation for the benefit of the New York financiers—I do not speak of them disrespectfully; the international financiers—if we will just release our loans, or reduce them to nothing, of course then they can borrow money from these gentlemen; but what is the matter with looking after Uncle Sam a little bit in this transaction?

Mr. SMOOT. I think that is exactly what the commission have been doing—looking after Uncle Sam. The Senator from Missouri says that this settlement is based upon their income at the present time. That is not the case. When we take into consideration the situation that exists in Italy to-day, with no coal, no iron, no phosphate, nothing but man power——

Mr. REED of Missouri. How much of a standing army have they?

Mr. SMOOT. It has been reduced to a little above what it was before the war.

Mr. REED of Missouri. That is indefinite. What was it before the war?

Mr. SMOOT. I have not those figures before me now. I did not bring them here. I did not suppose the question of standing armies would come up, but I will give the number

to the Senator if he desires. I shall be glad to furnish it to him.

Mr. REED of Missouri. I will have the figures before this debate is over.

Mr. SMOOT. When we take into consideration the resources of Italy, I want to say to the Senate of the United States that the settlement which has been made is the only settlement that they would possibly undertake to carry out. I hope they will be able to do so, but I have my doubts.

Mr. NORRIS. Mr. President, if this settlement is being made on the basis that Italy can not pay one hundred cents on the dollar of what she owes, may I ask the Senator why it is that that concession and reduction of debt is only made to apply to what she owes us and does not apply to everybody else? If Italy wants to get the benefit of the same procedure that a bankrupt does, then she ought to put on the table all her assets and her indebtedness, and everybody else to whom she owes money ought to be required under a bankruptcy settlement to accept the same settlement that we must take.

Mr. SMOOT. An individual can go into bankruptcy; a country can not very well do so.

Mr. NORRIS. I do not like to have a country go into bankruptcy as to us and not as to anybody else.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to answer that?

Mr. SMOOT. In relation to that, I will say that France's largest creditor, England, will never get a better settlement with Italy than we have made with her. In fact, it would be perfectly useless to try to get better terms. There is not enough produced from the soil of Italy and from all their resources, their man power, and everything else to pay the obligation to England and to the United States upon the same basis on which England settled with us. It is an absolute impossibility, and that can be demonstrated.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to add a word there?

Mr. SMOOT. Certainly.

Mr. REED of Pennsylvania. The Senator from Nebraska asks why they do not treat their other creditors as harshly as they treat us. They have two other creditors; first, the vast mass of owners of Italian internal bonds, a floating debt, and they have repudiated, if you please, or canceled, 80 per cent of that by the depreciation of their currency to the stabilized value of about 4 cents for a lira that was loaned to them in gold value at 19.28. There, in that fact alone, with the stabilization of the lira at about 4.5, they have canceled about 80 per cent on all of their internal debt, and on any calculation that is reasonably made as to the present value of the settlement they are paying us over 40 per cent in principal and interest that is due to us.

Mr. NORRIS. This reduction has come about by a juggling of their financial system.

Mr. SMOOT. It is no juggling; it is a reality.

Mr. NORRIS. Are they going to pay Morgan & Co. this big loan upon the same basis on which they are going to pay us? Are they expected to pay them a hundred cents on the dollar?

Mr. REED of Pennsylvania. Of course, they promise to pay in full for the new money they are getting now.

Mr. NORRIS. Yes; but they promised to pay in full for the money they got of us, and if they do not pay it because they can not pay it, because it is impossible, then why not apply the same rule to every one of their creditors?

Mr. SMOOT. Let Mr. Morgan look out for that.

Mr. NORRIS. Yes; but Mr. Morgan is looked out for already to get 100 cents on the dollar, and Uncle Sam is looked out for to get 40 cents on the dollar.

Mr. HARRISON. How much interest did they pay Morgan & Co.?

Mr. SMOOT. Seven per cent.

Mr. REED of Missouri. What was the brokerage charge?

Mr. REED of Pennsylvania. It was a pretty liberal discount. I imagine they paid about 9 per cent to get the money, simply because their credit is so low they could not get it at any better rate.

Mr. REED of Missouri. Exactly, and we find the representative of the house of Morgan & Co. getting up and denouncing the Senators as being "last centers"; yet Morgan & Co. are taking 7 per cent interest and 9 per cent discount, and they are lending money to Italy.

Mr. REED of Pennsylvania. There is just this difference—I did not know the Senator was so thin-skinned that he cared about what Morgan thought about it——

Mr. REED of Missouri. I do not, except that that bank and its satellites have been carrying on a tremendous propaganda here to influence our foreign relations. That is the only objection I have to it.

Mr. REED of Pennsylvania. There is this difference: We have our money in, and he had his money in his pocket. If it were a question of our lending to Italy to-day for Uncle Sam, we ought to ask 9 or 10 per cent, and I think we ought to hesitate a long time before lending at that rate. But our money is in, and his is not. That is the difference.

Mr. REED of Missouri. Our money, being in, is to be sacrificed, and Italy's credit is to be restored for the benefit of a lot of gentlemen who are charging these extortionate rates of interest.

Mr. JOHNSON. Let me add that contemporaneously——

Mr. SMOOT. Just a moment.

Mr. JOHNSON. Just one sentence, if the Senator will permit me. Contemporaneously with the settlement of our debt a loan is made by Morgan & Co. at 7 per cent interest, and the interest that is given to the people of the United States upon their debt is one twenty-eighth what Italy pays to the house of Morgan.

Mr. HARRISON. In that connection, will the Senator state——

Mr. SMOOT. Mr. President, if I were a banker and were dealing with a bankrupt country—and that is what Italy will be unless she has help—I would make the best terms I could with her in the hope of getting something out of the wreck.

Mr. REED of Missouri. Since the Senator referred to the fact that he was a banker——

Mr. SMOOT. I did not. I said if I were a banker.

Mr. REED of Missouri. That is what I meant. If I were an American banker, I would tell the representatives of any foreign country that came to me to borrow money that it first must deal honestly with my country before it got any more money from me.

Mr. SMOOT. Mr. President, when this matter shall come before us for action, so that we can talk long enough to explain the reason why this action was taken upon it, and when the country understands the situation in Italy and why the settlement was made on terms to which some are objecting, I think there will be a different feeling than manifested here to-day.

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

Mr. SMOOT. Certainly.

Mr. HARRISON. The Senator has before him all kinds of figures about this subject matter, I know. Will he tell the amount of interest Italy is to pay, according to the agreement made with Italy, or the amount the Italian taxpayer is to pay?

Mr. SMOOT. Yes; I can tell the Senator exactly.

Mr. HARRISON. The figures I have are $365,677,000. They were made by the actuary, so I presume they are the same as those the Senator has.

Mr. SMOOT. The Senator has taken the amount due on June 15, 1925, and the amount of interest to be paid then was just what would be paid during each of the 62 years.

Mr. HARRISON. The point I want to get at is that the interest the Italian taxpayer pays is approximately $365,000,000 under the terms of the agreement.

Mr. SMOOT. Oh, no, Mr. President.

Mr. HARRISON. Then the actuary is all wrong, and the Senator from Utah is absolutely right.

Mr. REED of Pennsylvania. There is $390,000,000 of interest from Italy to us already accrued which they agreed to pay, so that figure must be wrong.

Mr. HARRISON. Interest to November 15?

Mr. SMOOT. To June 15, 1925, $355,000,000.

Mr. HARRISON. Has the Senator figures showing how much that same money will cost the American taxpayer during the operation of this agreement, at the 4½ per cent rate?

Mr. SMOOT. I know what the Senator is driving at——

Mr. HARRISON. If the Senator has not the information, I have. It is $3,680,000,000, the American taxpayer paying just $3,000,000,000 more than the Italian taxpayer pays.

Mr. SMOOT. Mr. President, the amount the Italian taxpayer pays is $2,407,677,500.

Mr. HARRISON. The Senator is including principal and all. I am talking about the interest that he pays under the terms of this agreement.

Mr. SMOOT. If the Senator wants to know the exact amount, I can tell him.

Mr. HARRISON. The Senator gave it to me—$355,000,000.

Mr. SMOOT. That is not what they are going to pay. They pay the difference between $2,042,000,000 and $1,648,000,000 in addition to the $355,000,000. We have added that amount on interest to the principal debt, as I have already stated.

Mr. HARRISON. The Senator gave me the figures $355,000,000 a moment ago, from some date in 1925—June, I think——

Mr. SMOOT. June 15, 1925.

Mr. HARRISON. As the amount of interest the Italian taxpayer pays, according to the terms of the agreement. I asked the question to show that the American taxpayer at the same time would pay $3,680,000,000.

Mr. SMOOT. That is not what the Senator stated. The Senator stated that the $355,000,000 was all the interest they would pay; but that is not so.

Mr. REED of Missouri. Mr. President, the Senator talks about the accrued interest. We borrowed from the American people every dollar of what is termed the principal of the Italian loan, did we not? And we paid out of taxes levied on the American people the interest at 4¼ per cent. We are out that interest and that principal, just as much out the interest as we are out the principal, for we have paid the interest. What is the use of distinguishing between the money we loaned Italy and the interest which we have paid on the money we borrowed to loan them? We are out that much money.

Mr. SMOOT. If we had not paid it, or it had not been in the account, the Senator from Mississippi was correct.

Mr. REED of Missouri. It was in the account.

Mr. SMOOT. I was answering the statement of the Senator from Mississippi.

Mr. REED of Missouri. It was in the account. When they got this money from us, instead of Mr. McAdoo saying, "Hand me a bond conditioned as the bond that we have given is conditioned," he took from them an obligation in lieu of that that they would give bonds, and in the meantime they would pay 5 per cent. Nobody, I think, will say that we want to collect a penny more from them in interest than we had to pay. The moral obligation running through that contract was that they would make good to us dollar for dollar the money we loaned them and the interest we had to pay on it. So, when they talk about cutting off the interest, let us remember that interest has already been paid by the taxpayers of America, and we are out that money just the same as we are out the money on the bonds. Italy owes us a certain amount of money, which we have paid out for her benefit. Part of it is interest and part of it is principal, and that is her debt to us to-day. She has no more right to repudiate the interest than she has to repudiate the principal.

Mr. HOWELL. Mr. President——

Mr. SMOOT. Let me answer this, and then I will yield to the Senator.

I want to assure the Senate and the American people that it has been my policy to make the very best settlements possible to be made, taking into consideration the ability of the countries to pay the obligations they undertook to assume. I am positive, as positive as I live, that if we had not made this settlement with Italy we would not have gotten any settlement. I do not know what is going to happen. When France's representatives first came over here they bluntly told us that they did not owe us anything. I think the Italian people have been led to believe that there was not to be anything paid on this debt, that it was a political debt. I have heard no Italian representative state that, but I know that the people have not expected to pay.

What happened when the Parmentier commission came over here and made a gesture of a settlement? At that time the franc was at about 12¾ cents. I made the statement then in conference that unless a settlement were made there could be but one result—their financial affairs would be unbalanced and unsafe, and that the franc would decline; that the French franc can not help declining until there is some kind of a settlement of her obligations with England and the United States, and, in addition to that, a loan whereby she can say that back of the currency she issues and the franc that is authorized by her Parliament stands the gold to make her franc secure.

There has to be a settlement before long. They have to get some money somewhere or the franc will go down, just as the German mark went down; and such a thing would be a distinct loss to America, let me say, to see France go to the dogs financially. That would not help the United States and would not help the world, but the contrary, and the quicker we can get the balance of the world on a stable basis, their currency stabilized so that every man knows that just what he receives is worth every cent it is represented to be, the better off we will all be. To-day that is not the case. I hope the time will come when that may be done, but it will never be done by demanding that they pay the same rate that England pays, because, I say to the Senator from Missouri, it can not be produced from the ground; it can not be made from labor; and the foreign government has got to live and can not possibly make a surplus to pay the interest that would be imposed upon them by any such a settlement as he demands.

Mr. SIMMONS. Mr. President, I want simply to make an inquiry of the Chair. Has unanimous consent been given for the consideration of the bills presented by the Senator from Utah?

Mr. REED of Missouri. It has not.

The VICE PRESIDENT. Unanimous consent has not been granted.

Mr. SMOOT. I withdrew the request.

Mr. SIMMONS. What is before the Senate?

The VICE PRESIDENT. There is nothing before the Senate in the regular order.

Mr. SIMMONS. Does the Senator from Utah abandon his motion to take up the bills?

Mr. SMOOT. I abandoned my request to take them up by unanimous consent, because of the fact there was an objection, and I could not do otherwise.

Mr. SIMMONS. I was going to suggest to the Senator that he make a motion, if he wants to discuss the bills now, and not take up the time of the Senate with matters not before the Senate.

The VICE PRESIDENT. The calendar under Rule VIII is in order.

Mr. REED of Missouri. May we have the first bill on the calendar reported, and I then desire to address the Senate.

Mr. HOWELL. Mr. President, I would like to make a statement in reference to this Italian debt. The total amount carried upon the books of the Treasury as of June 15, 1925, was $2,150,000,000.

Mr. SMOOT. No; $2,042,000,000.

Mr. HOWELL. I beg your pardon; the Foreign Debt Commission agreed to a discount at once of $108,000,000 from the amount carried upon the books of the Treasury. The total carried on the books of the Treasury as presented to the Italian Government was $2,150,000,000.

Mr. SMOOT. It was not that. It was to be that amount, provided we charged the full 4¼ per cent from 1922 up to June 15, 1925.

Mr. REED of Missouri. Why should we not charge it?

Mr. SMOOT. And that was because of the fact that England had not paid more than 3 per cent.

Mr. REED of Missouri. That is a fine reason!

Mr. SMOOT. Three per cent brought it to $2,042,000,000, but, if the 4¼ per cent were charged, the Senator's statement is correct.

Mr. HOWELL. I obtained this information from the Treasury Department. The total payments, interest, principal, and everything, that Italy is to make is 1.8 per cent upon that amount, $2,150,000,000, for 62 years and then the debt is automatically canceled. We do not get a dollar of the principal. We get 1.8 per cent of the principal for 62 years and then the debt is canceled. During that period we pay the difference between 4¼ per cent, the interest rate on our taxable Liberty bonds, and 1.8 per cent, or 2.45 per cent. These interest payments will exceed $3,000,000,000 during that period, and with the cancellation of the debt it means that at the end of 62 years the Italian debt will have cost the people of the United States over $5,000,000,000. That is the settlement that has been made. We do not get a dollar of principal. We get 1.8 per cent interest merely for 62 years and then Italy is through. All that is necessary to do for proof is to divide the total payments to be made, $2,407,677,500, by 62 and then determine what rate of interest each of those sixty-second parts is upon $2,150,000,000.

Now if the representatives of the Italian Government came over here and stated "That is all we will pay," the people of the United States ought to know that fact. The last or sixty-second payment to be made is something over $90,000,000. Does the debt commission mean it to be inferred that at the end of 62 years the Italian Government will have exhausted itself? Could it not pay another $90,000,000 in the sixty-third year?

Mr. SMOOT. They have only paid $5,000,000.

Mr. HOWELL. I say that in the sixty-second year the payment is to be in the neighborhood of about $90,000,000. Are we to understand that the Italian Government said in substance "We will pay for 62 years and then we will stop and we will not pay you another dollar?" "We will repudiate." Why could they not pay an equal amount in the sixty-third year and in the sixty-fourth year?

I am willing to go as far as anyone in the settlement of the debts of these countries, but I think we ought to treat them as any banker would treat his customer. He would say "Yes, I will help you. I will not press interest demands, but

if you ever can pay you ought to pay. In the meantime pay what you can." That is my position respecting the matter. If the representatives of the Italian Government came over here and announced that the sixty-second year's was the last payment they would make under any circumstances, tell the people of the United States the facts. Do not try to mislead them into believing that they are going to collect this debt, under the terms of the settlement made, because they will not. At the end of 62 years we will still owe at least $2,150,000,000 of our war debt, and up to that time we will have paid 4¼ per cent interest unless we issue renewal bonds free of taxation. Therefore, after deducting all the Italians agree to pay us we will pay in addition over $3,250,000,000 during that 62 years, in interest alone, and then cancel the debt, meaning that this debt will have cost the American people about $5,400,000,000. I do not believe that is the kind of settlement the people will approve.

Mr. CURTIS. I ask that the unfinished business be laid before the Senate so there will be something pending before the Senate.

The VICE PRESIDENT. The Chair lays the unfinished business, Senate bill 41, before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

Mr. REED of Missouri. Mr. President, I had intended, and intend yet, to invite the attention of the Senate to an analysis of some of the debt settlements in order that the Senate may have information before it upon which to act.

resolution this morning, which went over until to-morrow morning.

May I have the attention of the senior Senator from Kansas?

Mr. CURTIS. Certainly.

Mr. REED of Missouri. I was stating that in order to get the information upon which the Senate could act with reference to these particular debt-settlement bills I introduced a resolution this morning asking for an investigation of certain facts which bear upon the debt settlement and bear upon the propaganda behind them. The Senator from Kansas asked that the resolution go over until to-morrow morning, stating that he had had a consultation with the Senator from Idaho [Mr. BORAH]——

Mr. CURTIS. I stated that I had not had a conversation with the Senator from Idaho.

Mr. REED of Missouri. Yes; that is correct. Subsequently the Senator from Kansas made the statement, but he made it to me privately. I want to know now if the Senator from Kansas will not consent that we may take up that resolution for consideration?

Mr. CURTIS. I could not consent at this time.

Mr. REED of Missouri. Very well.

Mr. President, what I am about to say touching this settlement will, in view of the fact that the information has not yet been obtained, be only of a general character; but I want to call attention to a few facts which I think the Senate ought to consider and as to which I think the country ought to be advised. If I begin back a little ways, it is for the sake of making, if possible, a logical statement.

When we were in the war the European countries came here and asked for aid. We passed three bills authorizing the borrowing of money wheresoever it could be borrowed; but, of course, it would come chiefly from the American people. We provided in those three acts that loans could be made to various foreign countries for the purpose of enabling them to carry on the war. Each of the acts contained a clause that the money should be paid to them upon their delivery to us of their obligations conditioned as to payment and as to interest and as to all other conditions as our bonds were conditioned, the idea being that while we would borrow this money from the American people the American people would never be taxed a single dollar for either interest or principal, because the foreign country borrowing the money would be obligated to pay us the same amount of interest that we were paying for the money we had borrowed to loan them, and in the end would pay the principal at the same time our bonds matured, and thus we were simply loaning to those countries our credit, and it was not, in fact, costing our people any money.

That agreement the then Secretary of the Treasury violated. I do not say this in harsh criticism, because we were engaged in war. Instead of receiving their bonds he took from them an obligation in writing conditioned that they would give the bonds thereafter and that in the meantime they would pay 5 per cent interest. So we borrowed this money from our people and told them they must pay until they were bled white; and they all paid this money to our Government upon an implied contract between them and the Government that they never would be taxed to pay either the interest or the principal or any part of it.

That is the starting point. The war was fought out. I do not say America won the war, but I do say that if America had not entered the war it would not have been won by the parties who did win it. Then came forward a propaganda by international bankers—and I have no enmity against bankers, but it came forward from the international bankers—that America should cancel the indebtedness of foreign countries to America. It came from the house of Morgan. It came from all of these gentlemen who had themselves been making loans. The Morgan house had negotiated some billions of dollars of European securities. Of course that house knew and all other international bankers and financiers knew that if the United States would cancel the indebtedness due to the United States Government their private loans would immediately be much nearer the point of payment. It was this cry from these bankers and financiers who were engaged in international speculation, who had loaned their money at immense discounts and at high rates of interest, which, in my opinion, first planted in the brains of European statesmen the thought that all they had to do was to stand out, and finally they could force the United States to cancel the indebtedness they had solemnly obligated themselves to pay.

Mr. President, we are confronted by the situation to-day that a new doctrine has been set up; the doctrine of "ability to pay." What is the ability of a nation to pay? Who can look into the future and say that the present ability of a nation to pay is its final ability to pay? The fact is that certain nations stand before us to-day, in substance and effect, repudiating their debts.

I want to call the attention of the Senate and the country to one fact which they may contrast with this attitude. Russia had been under a diabolic form of government for centuries. Her people had been oppressed to a point that is indescribable. Their laws were represented by a Cossack on horseback, with a rifle thrown across his saddle bow, and a knout lashed to his wrists to lay across the naked backs of an oppressed people. About ten men out of a hundred had been permitted to learn how to read and write. At last that ignorant and oppressed population arose and overthrew its rulers, overthrew that old government entirely. Then they said, "We will not pay the debts of the old government that incurred those debts in oppressing us." Because Russia said that, the world refused to do business with her; nations refused to receive her representatives; and this country led in that movement. Russians came here with gold wanting to buy American goods, and they were told that the gold would not be coined at our Treasury. The great reason offered by our Secretary of State for ever refusing to recognize Russia was the fact that Russia had repudiated her debts. That was the same reason that was offered by Great Britain for a long time and also offered by other European countries for refusing recognition to Russia. I am not here at this present moment to criticize our Secretary of State for taking that attitude; it may have been a wise attitude; I do not care to commit myself upon it at the present time.

What is the spectacle presented in these countries coming here and saying, "We will not pay our indebtedness in full; we will not even sign our promissory notes agreeing to pay you at some time in the future; we will not issue new notes in lieu of the old notes which you now hold in the form of the agreement"—of which I have spoken—"and we will pay you or not pay you as we please; but, if we pay you at all, we will pay you but a small part of our debt." That is how it figures out; we need not deceive ourselves at all. Until the $10,000,000,000 we borrowed and loaned to Europe has been wiped out we must pay the interest at 4¼ per cent up to date—whether it ever can be reduced or not is a question for the future—and we must finally pay the principal. We can not repudiate, though they propose to repudiate by saying, "We will only pay a small part of the indebtedness," on the ground that presently, at this time, they are so situated that they say their governments can not raise more money. Then we are told that we must accede to that, because if we do not their currency will fall in value and their governments will get into trouble.

Mr. President, so far as I am concerned, I am opposed to America undertaking to act as guardian ad litem for all the other nations of the world. I am opposed to America undertaking now, notwithstanding the fact that we expended first and last probably $50,000,000,000 in the World War, in which we had only a small concern compared with other countries, to stand back of the finances of other countries and restore

their lire and their francs to full value. We owe no such obligation to them and we ought not to undertake it.

Mr. SMOOT. And we are not undertaking to do so.

Mr. REED of Missouri. But it was the point of the Senator's argument that if we did not do this their money would still continue to tumble. I say let it tumble until they learn that a nation can not repudiate its honest debts and still have credit in the world. Let it fall. That is their business and not ours.

But let us see where we come out in this business. They say they must now borrow more money, and they borrow that money and expect to pay it. They are paying 9 or 10, and I think, if the truth were found out, in some instances 15 per cent discount on the original loan, and then they are paying 6 or 7 per cent interest, and I am informed that as to one of the last loans of a hundred million dollars made by Morgan & Co. to one foreign country Morgan & Co. not only took out their discount in advance but then stipulated that $50,000,000 of the money should be paid to Morgan & Co. upon an old loan. I may be incorrect in that statement, but I do not think I am; that is my information; and that is the reason, or one of the reasons, I want this resolution passed, in order that we may find out the facts.

Let us follow this matter a little further. The United States borrowed some other money from the American people and loaned it to the farmers of this country, and the farmers found themselves in a very bad situation because of other conditions growing out of the war. They found their markets largely destroyed; they found themselves in a pinch; they found they were unable to pay the mortgages upon their farms; they found their homesteads being sold. It was a lamentable condition and one that the Senate has spent many hours considering.

Why not give to our farmers the same consideration we are going to give to foreign countries? Why not borrow more money and then proceed to loan it to our farmers, and to stipulate in the loan "You shall pay this if you are able to pay," and then construe the clause "if you are able to pay" as meaning if you are able to pay out of your net income? We do not do that way with our farmers. If one of them has borrowed from one of the farm-loan banks and he can not pay the debt, his mortgage is foreclosed; we take his farm, we take his goods, his wares, and his chattels, because that is business; we take his capital; but when it comes to the money which we loaned to Italy it is proposed to say that they shall pay according to the income of their Government. Well, their Government would have more income if it laid more taxes in Italy. Oh, they can not do that, it is said, because the people will rebel or do something else. There is not one of them over there that is not living on a higher plane than before the war and spending more money.

Let us take France; that nation affords a good example. What is France doing to-day when she says she can not pay us what she owes us and what she agreed to pay us? She is down in Africa trying to conquer a free people. Spain and France are united in destroying the liberties, in stealing—"stealing," I use the term in all its nastiness—the land, stealing the liberties of a people that were free people when the inhabitants of France were wearing the skins of wild beasts. Down there stealing land and expending millions and millions of dollars, and then saying that she is so poor, because she is spending her money to steal these lands and to oppress these people, that she can not pay us.

Mr. President, I send to the desk and ask to have read as part of my remarks a very illuminating article by a distinguished lawyer of Chicago, Mr. Levinson. I think the article will throw some light on this situation.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Without objection, the Secretary will read as requested.

The Chief Clerk read as follows:

CAPACITY TO PAY

Phrase making has an irresistible attractiveness both to the maker and the hearer. International conferences have worked this side of the street to the limit; indeed, it is not too much to say that international phrases, coined from time to time, have indefinitely prolonged the infamous visit of the war system to this planet. Now, this highly prized process has been carried over to the economic field. Recently a new financial philosophy has been invented and put to emergency use, entitled, "Capacity to Pay." Of course, this means a debtor's capacity to pay his creditor. At present this invention is in the sole monopolistic use of governments. But the contagion may spread. Debtors generally may be eager to expose themselves to the negative germ of "incapacity to pay."

It should be admitted at the outset that there are some conditions under which the expression "capacity to pay" seems to be relevant and really has some sense. If I go to the bank to-morrow and ask for a loan of $50,000, my "capacity to pay" would seem to be a very important thing for the banker to inquire into before he lets go of the money. And again, if I owe a lot of money and don't pay it, go into bankruptcy, turn over all my assets, and my entire estate is thoroughly investigated, then my "capacity to pay" can be ascertained by establishing a ratio between all my assets and all my liabilities. This, however, is rather the capacity of my assets to pay than my own capacity to pay, for it takes no account of my future capacity to pay.

But in the international field it is not so. There is no such inquiry as "capacity to pay" when the money is borrowed. The United States would not have insulted France or Belgium or Italy by inquiring of their respective capacities to pay when the money was loaned, or when the goods were sold.

This would be too much like sordid business relations and the "100 per centers" would have screeched like so many eagles. No; the new philosophy of "capacity to pay" looms on the horizon on the very day when the debt comes due. And, mark you, this capacity to pay is not determined as it is in common business affairs by a balance sheet of assets and liabilities. Not at all. Some theoretical experts on each side figure out by the charted curves of the franc or the lire, or by the processes of inflation and deflation that have marked the past half century, or by a lot of bewildering statistics neatly prepared, what the new-fangled governmental "capacity to pay" of a reluctant debtor is. It never occurs to the debtor government to turn over to the United States any of its assets even located handily in this hemisphere; it apparently never occurs to our Government to ask for assets to be turned over as security or in payment. That is not the way governments do business with one another. Only sordid business men and bankers do that. The French, having tried for something like four years to secure an utter cancellation of our debt, finally shifted gears and proceeded by degrees to offer an amount that sounds to the uninitiated ear like full payment, but which in fact is equivalent to about 25 cents on the dollar in real money; that is, in the kind of money they got from us.

Some strange factors enter into France's capacity to pay. For example, her present capacity to pay is manifestly reduced by the paramount necessity of waging a "righteous" (?) war against the Riffians in Africa. The hundreds of millions of real dollars thus required would seem to take easy precedence over the payment of her honest debt to our country.

Where does this lead to? What becomes of honesty, common sense, and honor if this elastic, absurd, treacherous principle of "capacity to pay" is to be established in our economic life. If Mr. Mellon, for example, were to let the debtors of the Mellon National Bank retain their assets and compromise their indebtedness to the bank largely on the basis of their own figuring as to their "capacity to pay," the Mellon National Bank would be blotted out of existence within 24 hours. And the same would be true, of course, as to all other banking institutions.

Suppose, further, that the large issues of bonds sold to our citizens by the international bankers on behalf of the French Government and French municipalities, when they come due from now on, are to be paid according to the "capacity" of France and her municipalities to pay. Judging by the offers of compromise lately made to the Calliaux Commission our Government's judgment as to France's "capacity to pay" is not to exceed 40 cents on the dollar. The French "capacity to pay" being thus established, are these other bonds, sold by the international banking houses, also to be compromised for 40 cents on the dollar? If not, what becomes of this new great theory? Is it to be applied to dealings between governments and has it no application to debts owing by the same government to individuals and banking houses? If so, then France will pay the bankers' bonds 100 cents on the dollar, principal and interest, but will pay our people's bonds less than 50 cents on the dollar.

Take the case of the Chicago, Milwaukee & St. Paul Railroad. This road was taken charge of by our Government in war time for war purposes and it is claimed the railroad was much the worse for the Government's wear. During the war the Government loaned to the St. Paul road, which was under its own control, $55,000,000 at 6 per cent interest, compounded.

About a year ago the distressed St. Paul road tried to get relief from the 6 per cent rate of interest, but the Government refused to change the written obligation or to grant any relief. The capacity of the St. Paul road to pay was then, or at least is now, well known of all men. It has become bankrupt. It is in the hands of receivers. Our Debt Commission has just settled the prearmistice debt owing by Belgium to the United States for about 1¾ per cent interest, payable annually for 62 years, whereupon the entire principal is to be canceled. Will the United States Government make the same settlement with its own citizens, the stockholders of the St. Paul Railroad, that it made with the citizens of Belgium? Or will our Government give

the St. Paul road the 40 per cent compromise already offered France or even reduce the interest to 1 per cent for the next five years as just offered to France? If not, why not? If "capacity to pay" has any economic sense, here is a case to which it could easily be applied. By a "Belgian" or "French" settlement of this St. Paul debt the Government could enable the railroad immediately to get out of receivers' hands, with resulting boon to the thousands of stockholders and bondholders who are American citizens. But the Government would consider this paternalistic, unscientific, socialistic, or communistic. That is the same view it took when the farmers of the West, crying for help, were refused governmental aid. If it is paternalistic and unscientific for our Government to give our farmers a hundred or two hundred million dollars, why is it not at least equally paternalistic and unsound to give hundreds of millions of dollars, yes, billions of dollars, to aliens?

The money owing to our Government by France and Belgium is the people's money. The international bankers sold bonds on private loans to some of our people, and these bonds are owned by some of our people. The French debt under discussion is owned by all of our people. Why is it that the money of some of our people is sacrosanct, whereas the money of all of the people is something like stage money, the melodramatics taking place on the international stage? Also, why is it that "some of the people" can get 8 per cent interest from foreign governments for their money, while "all of the people" can get not to exceed 2 per cent or 3 per cent interest from the same governments? Is the people's money counterfeit? Or have we reached a stage of internationalism in which the money of the American people belongs in large part to the community chest of the world?

No wonder the French people laughed when they first saw our income-tax lists and read names of our gullibly honest citizens who pay their tax debts. The French propose to levy no income taxes for our debt. Their program as disclosed here called for a total amount of money to be paid to all France's creditors very much less than the amount France is to collect from Germany alone. This means that France is not willing to tax herself one dollar to pay us any part of our debt, principal or interest. What kind of "capacity to pay" is this? A very large part of our Government's income is derived from income taxes. We pay either the largest or the next to the largest income taxes of any country in the world. France has the same power to levy income taxes that the United States has. Our own "capacity to pay" would be seriously crippled if the power so to tax or the willingness so to tax our people were taken away. Now, either France is unwilling to collect income taxes from her own citizens to pay her honest debts, or her citizens are unable to pay income taxes and are bankrupt. No one in his right mind believes that either the French Government or the body of French citizens are bankrupts. Therefore, if France has no "capacity to pay," based on income-tax collections, it must clearly be because of her unwillingness to enforce such taxation. That is to say, France is perfectly happy to have us enforce burdensome income taxes on our citizens and wholly unwilling to pursue the same policy with her own citizens. It seems that France has great "capacity to borrow" in war time and little or no "capacity to pay" in peace time. If this financial philosophy is to be adopted, suppose it be widened so that our Government will loan money to another government on that government's "capacity to borrow." That will fix the amount of the loan. Then the question of payment back will be solved by the capacity of that same government to pay, both "capacity to borrow" and "capacity to pay" to be determined by the debtor nation. This would make an ideal quixotic foreign policy, and we surely ought thus to escape the epithet "Shylock."

The recognition and adoption of any such theory of payment by debtors as "capacity to pay" will threaten the whole structure of credit, honor, and confidence in commercial relations. Under the guise of this specious principle the people's money is exposed to waste, gifts, manipulation, and imperialistic uses. Sovereign promissory notes and bonds become "scraps of paper," indeed, and the savings of the people become the strategic plaything of political negotiators. If the American people ever have an opportunity to pass judgment on this thing they will hit it hard by merely applying President Coolidge's great domestic theory of common sense to international relations.

S. O. LEVINSON,
134 South La Salle Street, Chicago.

REGULATION OF AIRCRAFT IN COMMERCE

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

Mr. JONES of Washington. Mr. President, I think the bill that is the unfinished business has not been read. I ask that it may be read.

The PRESIDING OFFICER. The Secretary will read the bill.

The legislative clerk proceeded to read the bill.

Mr. McKELLAR. I desire to ask a question, but I do not see the author of the bill in the Chamber.

Mr. JONES of Washington. I had asked to have the bill read, as it has not yet been read.

Mr. McKELLAR. May I ask the Senator a question about subdivision (c), which provides, "To designate and approve air routes suitable for air commerce"? Should there not be a proviso there that no such designation and approval shall create a vested interest in anyone using the route?

Mr. JONES of Washington. I do not believe that is necessary.

Mr. McKELLAR. I think it would be prudent to put that in. It is not the purpose, I understand, to create or to give exclusive rights.

Mr. JONES of Washington. Certainly not. We could not very well do that as to the air, anyway.

Mr. McKELLAR. If we do not intend to do it, why not have it specifically stated that it is not to be done?

Mr. JONES of Washington. Of course, if that were necessary, I would have no objection to it. In fact, I personally have no objection to it, although I do not think it is necessary. But I will let the Senator submit his question to the Senator from Connecticut [Mr. BINGHAM], in charge of the bill, who is now in the Chamber.

Mr. McKELLAR. I will ask the Senator from Connecticut if he will accept an amendment, on page 2, line 16, as follows: "*Provided*, That no such designation or approval shall constitute an exclusive right," or "a vested right, in any person or corporation" in that particular route, or to any route.

I will have to draft the amendment, but this is my purpose: Air transportation is in its infancy, as I believe, and we do not want by license to preclude others from using any route that might be designated. I understand that is not the purpose of the Senator, or the purpose behind the bill, and I think it ought to be specifically stated in the bill that no vested interest shall go to any licensee under this provision or designation.

Mr. BINGHAM. Mr. President, I have no objection whatsoever, and shall be very glad if the Senator will draw an amendment.

Mr. McKELLAR. I will draw the amendment. I understand that the bill is now being read for the information of the Senate.

Mr. BAYARD. Mr. President, I want to ask a question about subsection (c), which reads:

To designate and approve air routes suitable for air commerce.

I did not understand the Senator to say whether or not the Secretary of Commerce would have complete control over such matters and could refuse a designation. In other words, suppose Mr. A lives in Maryland and Mr. B lives in Pennsylvania, a short distance away, and for their purposes they can establish a short air route. Would that have to be submitted for approval to the Secretary of Commerce?

Mr. BINGHAM. Not at all. This only applies to air routes suitable for interstate commerce, and when such an air route has received the approval of the Secretary, then and then only would it be possible for him to apply money appropriated by Congress for furnishing radio directional facilities, lights, and other facilities to such route.

Mr. BAYARD. In other words, individuals in two separate States could establish a route, but they would not get these accommodations from the Secretary unless they conformed to his rules and regulations?

Mr. BINGHAM. Exactly. There is nothing to prevent them from establishing a route.

Mr. BAYARD. But, other things being equal, if they conform to other regulations, there is nothing to compel him to give them all accommodations required under the act. That is purely arbitrary on his part?

Mr. BINGHAM. It is his duty, as he gets appropriations, to approve air routes and to provide them with facilities; but nobody is obliged to follow such routes, and it would not prevent anyone from laying out any route he might see fit to lay out himself.

Mr. BAYARD. Is there not a provision in the bill giving the Secretary of Commerce punitive power, in the event other people than the Secretary's agents or the Secretary himself, shall erect air beacons for guidance at night? Or, put it this way, assuming the Secretary laid out a course covering two or more States, and supposing two people have a course at right angles to that covering two or more States, their signals, as the Senator can well understand, might operate to distract people flying on the Secretary's course who observed the signals on the private course. Is there not a provision in the bill giving the Secretary punitive power to stop such matters as that?

Mr. BINGHAM. Yes; that is true, and it should be so, just as is done in a harbor or bay, where no one may exhibit any false light or signal to mislead navigation.

Mr. BAYARD. Suppose it is not for the purpose of misleading, although it does mislead, and the parties are carrying on a legitimate interstate operation?

Mr. BINGHAM. The punitive clause does not apply unless it is done for the purpose of misleading.

Mr. BAYARD. Who is to determine that?

Mr. BINGHAM. I suppose the court would pass on that. The Senator is referring to section 12?

Mr. BAYARD. Yes.

Mr. BINGHAM. It is a court matter entirely and is not in the hands of the Secretary of Commerce. That is a matter involving a $5,000 fine or imprisonment for not more than five years.

Mr. BAYARD. It is a very substantial penalty.

Mr. BINGHAM. It would have to be a court matter, and it would be necessary to prove in court that the lights were exhibited with intent to interfere with air navigation.

Mr. BAYARD. Suppose they did interfere, but the operation itself of the transverse course were a perfectly legitimate one. Would the Secretary's route and the Secretary's signals have precedence in that case over the private route and the private signals?

Mr. JONES of Washington. Section 12 simply requires that the establishment of the lights or signals must be with intent to interfere.

Mr. BAYARD. I understand that, but what I do not understand is this: Assuming the Secretary lays out a route that necessitates night signals, and assuming two other parties lay out another route at right angles, with their own private signals, and assuming the lights of the individuals interfere as a matter of fact, though with no intent to interfere with the proper operation of the route established by the Secretary. They are not breaking the law, having no intent to interfere, but they are by interfering with a matter supervised by a Government officer.

Mr. JONES of Washington. They are presumed to intend what their acts accomplish, and I take it that if they put up a light that would interfere with a light on an established route the law might presume the intent to interfere.

Mr. BAYARD. Yet they are pursuing a perfectly legitimate course.

Mr. JONES of Washington. I should not say they were, if deliberately, after a route has been established and lights have been located along the route established by the Secretary of Commerce, they come in and establish another light that interferes with one already there.

Mr. BAYARD. Then in the last analysis the Secretary, by establishing a system of night lights, determines absolutely the routes to be followed in interstate commerce.

Mr. JONES of Washington. Oh, no.

Mr. BAYARD. It must be so.

Mr. JONES of Washington. You may follow any other route you want to, if you do not want to follow the route designated by the Secretary of Commerce.

Mr. ROBINSON of Arkansas. Of course, you could not follow a route, particularly at night, without lights or some sort of signals.

Mr. JONES of Washington. Certainly not.

Mr. ROBINSON of Arkansas. If commercial aviation goes forward, as we all hope it will and intend that it shall, it means necessarily that Government regulation of the matter shall become an exclusive regulation.

Mr. BAYARD. Absolutely.

Mr. ROBINSON of Arkansas. And that private individuals shall not attempt to establish air routes. I think it is right and proper, if it is necessary for the Government to enter the field at all, that the Government shall occupy it exclusively, and I think it would be exceedingly hazardous if private individuals were permitted to establish signals that would actually interfere with the signals established by the Secretary of Commerce. Such legislation as is proposed means Government control of the navigation of the air. That is what it is designed to mean, and with all due respect to the Senators in charge of the bill I think that is about the strongest proposition in support of their measure.

Mr. JONES of Washington. I think that is all right, but if someone who thinks there are objects which would direct him so that he could follow the course at night, there is nothing to prevent him from doing it.

Mr. ROBINSON of Arkansas. That would only be possible in a sphere where no navigation exists. Of course, the routes that are practical are going to be occupied pretty shortly. If any development comes as a result of this legislation, if we make the progress it is hoped we will make, it will be only a few years before we will be having litigation touching rights in the air and rights of way in the air. We may all anticipate that. Necessarily, any private individual who establishes a route will, within a very short time, interfere with a Government route, if one shall have been established nearby, and when he does that, of course his route will have to give way to the one established by the Government.

Mr. JONES of Washington. I think that is true, if it interferes.

Mr. BINGHAM. I will say to the Senator that the analogy between air navigation and ocean and water-borne navigation is very close. One can imagine two people living along the Hudson River, let us say, who desire for their own purposes to navigate at night between their two houses, and who erect red lights and green lights and other lights for that purpose, which would interfere with the navigation of the river by the public. Such a thing would be prevented by law to-day, and should be prevented, and there should be no question whatever that if the Secretary of Commerce, in promoting air navigation, finds that any lights have been established which do interfere with the general navigation of the air by the public at night, those lights should be removed.

Mr. BAYARD. I do not think the Senator's simile is a very happy one, for the reason that he is taking a river for comparison, which flows in a course to which we are all confined. But we have a broad expanse of land, 3,000 miles wide, and are not confined to any one course.

Mr. BINGHAM. It is like the ocean, if I may change the simile.

Mr. BAYARD. No; I do not think it is like the ocean. I do not agree with the Senator there at all. It is a different thing. People are spread all over this land, and people are not spread all over the ocean. People do not live on the ocean; they do live on the land. I can not see that the simile is a good one.

Mr. BINGHAM. In all arguments regarding air navigation we are so accustomed to thinking in terms of railroads and in terms of automotive transportation that we think that because the air touches all the villages and hamlets there can be air navigation between all such, just as though we should think that because the water touches all parts of the coast line there could be harbors in any part of the coast line and seaports could be established anywhere. As a matter of fact, the amount of air navigation that can be carried on is limited, just as the amount of water navigation is limited, by the contour of the land, by the possibility of securing landing fields, and by other things which come up, so that actually air ports can not be established wherever there is air any more than you could establish a seaport wherever there is water, but only where it is suitable to have a port.

Mr. ROBINSON of Arkansas. The wind would have something to do with it, too.

Mr. BINGHAM. Undoubtedly.

Mr. GEORGE. On that point I would like to make an inquiry of the Senator. In section 17 it is provided that—

> The Secretary of the Treasury is authorized to designate places in the United States as ports of entry for aircraft engaged in foreign commerce.

What I wish to suggest is that it does seem to me that it would be very much better that the Secretary of the Treasury, or some other official, should prescribe rules under which places in the United States might be designated as ports of entry for aircraft engaged in foreign commerce. In other words, why the necessity of giving to one man such broad power? That is just one instance in the bill, but I want to call attention to it. There is not a particle of excuse for it, in my judgment. It concentrates in his hands the absolute power to say what place shall be a port of entry for aircraft engaged in foreign commerce. Why is it not better, and acceptable to the Senate, to give to the Secretary of the Treasury power to prescribe rules and regulations under which any place would be entitled to qualify as a port of entry if it could qualify?

Mr. BINGHAM. I will say to the Senator that my understanding is that if a place is designated as a port of entry, then the Secretary of the Treasury must provide officials to operate it.

Mr. GEORGE. I understand; but the Senator's bill gives it to the Secretary flatly to designate these ports, and perhaps it will grow more important in the future. It gives to one man the power to say what place shall be a port of entry for all aircraft engaged in foreign commerce coming into the United States.

That is too much authority to place in a man's hands. It would be going a long way to permit him to prescribe the rules and regulations to be complied with by any place that wanted to be designated as a port of entry. I am just calling the Senator's attention to it. If the Senator will refer to the penalty provisions of the bill, for instance, section 12, he will find that it reads:

Any person who, with intent to interfere with air navigation, exhibits within the United States any false light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal prescribed by the Secretary of Commerce under this act, or regulations made thereunder, or for a light or signal—

And so forth.

The penalty imposed upon one convicted for that offense is punishment by fine of not more than $5,000 or imprisonment for not more than five years, or both. That is to say, if a man exhibits a light at any point in the United States which is likely to be mistaken for a light which the Secretary of Commerce may designate in his office at Washington without public notice to anybody who is not familiar with that office, he is guilty and that penalty may be imposed upon him. In other words, in the broad field of air navigation we are prescribing a severe penalty, and the very basis of the action against the man who violates it is an order issued by the Secretary of Commerce.

Mr. BINGHAM. I think the Senator has failed to notice the first line of section 12, which prescribes that "any person who with intent to interfere with air navigation," and so forth.

Mr. GEORGE. Oh, I know; but the matter of intent is inferred from an act, and we charge every responsible man with the natural effect of his voluntary action.

Mr. ROBINSON of Arkansas. One is presumed to intend the natural consequences of his act. If his act is found by a jury to be calculated to interfere with the regulations of the Secretary of Commerce, he would be presumed to have intended that result.

Mr. GEORGE. Certainly. What I wanted to say to the Senator from Connecticut is that I have full sympathy with the purposes of the bill, but if the time ever comes when we shall cease to delegate all authority to bureaus in Washington, it would seem to be an appropriate time when we enter the air field to commence our legislation in that field. The bill gives too much power. I am pointing out merely two sections, but the bill gives too much power to a single official here in Washington—for instance, the Secretary of Commerce in section 12—and quite too much power which might be arbitrarily exercised by the Secretary of the Treasury under section 16 of the bill, to which I have already called attention.

I am not calling attention to these sections for the purpose of putting myself in opposition to the general purposes of it. We all recognize that legislation is proper and perhaps necessary in this particular field, but I do not think a bill ought to be framed that gives so much power to one single individual. I do not think when the Congress of the United States is imposing such a severe penalty as $5,000 in money and imprisonment for not more than five years or both, that we should fail in our duty to specifically declare the act which would be criminal and not make it depend upon a regulation of the Secretary of Commerce. It is a public act, of course; and I understand, of course, that we often have to resort to regulations of that kind and prescribe penalties for the violation of acts and orders of the various heads of departments; but we are entering this field, and I can not see the necessity for delegating so much power and authority to these individual officials.

Mr. BINGHAM. The intent of this section which has met with the Senator's objection was to make air navigation at night as safe as possible. If any court should find that any person, with intent to interfere with navigation, had exhibited a false light or signal in such manner as to be mistaken for a true light or signal, and should find him guilty, the court could then, in its discretion, impose any penalty up to $5,000 or imprisonment for five years. It rests entirely with the court. It does not rest with the regulations of the Secretary of Commerce.

If the Senator objects to the phrase in lines 22 and 23, "or regulations made thereunder," the committee, so far as I am able to speak for them, would be entirely satisfied to accept an amendment from him striking out those words. The object is merely to protect those who go in the air, which is perhaps in some ways the most dangerous form of navigation when it does not receive proper protection of lights, and it may be made very safe if it does receive that protection. Only the other day in Pennsylvania one of our splendid air mail pilots was wrecked in a time of mist and fog and was killed. It is assumed by some—though no one will ever know the facts, because there were no witnesses—that he mistook a light he saw along the route for a directional light and consequently got off his route and crashed into the side of the mountain. It is extremely important that there be no mistake about these lights that are exhibited at night.

Mr. ROBINSON of Arkansas. Mr. President, with respect to the suggestion of the Senator from Georgia [Mr. GEORGE], I think the Senate might very well strike out the language which attaches a severe penalty to a violation of a regulation which has not even yet been promulgated or decided upon by the Secretary of Commerce. It might be that the Secretary will adopt regulations which the Senate would feel loath at least to impose such a penalty as section 12 carries. I think it is objectionable to make criminal a violation of a regulation which has never been adopted. It is bad enough to make criminal a violation of a departmental regulation after it has been adopted.

But with respect to the broader subject, the establishment of lights for the direction of air navigators, my opinion is that the time will speedily come when it will be necessary for the Government exclusively to establish lights and to forbid the establishment of lights for air-navigation purposes by private persons or associations of persons.

The inevitable result of two or more agencies undertaking to regulate the navigation of air would be confusion, accidents, destruction of property, and loss of efficiency in service. For my part I would rather see a statute providing that no lights for navigation purposes shall be established except upon the approval of some board or the head of some department, so that any person who desires to establish an air signal would be required to present his application to a Government agency and have it passed upon, to the end that confusion might be avoided.

I want to say that if the Department of Commerce does not operate under the provisions of this bill any better than it does under the act of 1912 authorizing the regulation of radio communication, if it permits the establishment of lights calculated to confuse air navigators as it has granted permits which are in conflict with one another under the radio act, we would find it necessary to repeal the act and find some other agency that would perform this service intelligently, efficiently, and with due regard to vested rights.

Mr. GEORGE. I recognize the necessity for the display of lights in air navigation. There is no question about that. I myself agree with the Senator from Arkansas that no light should be allowed to be displayed until it had first been submitted to and permitted by some official or board in Washington. What I merely called attention to was the severe penalty attaching in advance of such regulation of the Secretary of Commerce.

Mr. ROBINSON of Arkansas. There is no objection to attaching the severest possible penalty to the act of a person who is guilty of intentionally establishing a light for the purpose of interfering with air navigation, because his act is in its nature bad and it is essentially criminal; but one might violate a regulation set up by the Secretary of Commerce, and the regulation itself might be ill considered, unwise, and unfair, as regulations sometimes are.

Mr. BINGHAM. Will the Senator from Georgia offer an amendment?

Mr. GEORGE. I did not know we were reading the bill for the purpose of amendment. If so, I will offer the amendment.

The VICE PRESIDENT. The bill is subject to amendment at any time.

Mr. GEORGE. I did not know it was open to amendment. I ask that the section may go over until I prepare an amendment. What I want to strike out is "or regulations made thereunder."

Mr. BINGHAM. We are now proceeding with the formal reading of the bill.

Mr. GEORGE. Commencing with the word "or," in line 22, page 6, and ending with the word "thereunder," in line 23, of section 12, I move to strike out the language.

Mr. ROBINSON of Arkansas. I ask unanimous consent, with the permission of the Senator from Connecticut, to dispense with the formal reading of the bill, and that the bill be read for amendments, if the Senator is ready to proceed in that way.

PROPOSED ROOSEVELT MEMORIAL

Mr. KING. Mr. President, in view of the activities of persons connected with the Roosevelt Memorial to secure the approval of Congress of the plans which the Roosevelt Memorial Association have prepared, I desire to submit a brief state-

ment and have read an editorial appearing in the New York World of yesterday.

I have received a letter from the association, and doubtless each Senator and Congressman has received a similar one, which, in effect, asks Congress to approve the report of the association. Accompanying the letter was an elaborate statement, beautifully bound and artistically formed, and also a photograph of the memorial and its relation to the Washington Monument and the Lincoln Memorial and the public grounds in the vicinity of these national monuments. The report and the photograph referred to show the purpose of the association to erect a monument to Mr. Roosevelt near the Washington Monument, and in such a position that it will be linked with the Monument and the Lincoln Memorial.

In the language of the editorial which I have just referred to—

> it would place Roosevelt on a par with Lincoln and Washington and there would be no room left to honor any other American of the past or the future.

The plan is to take the one available site in the vicinity of the Washington Monument and the Lincoln Memorial and devote it to a memorial to Mr. Roosevelt, to the exclusion, of course, of all except Washington and Lincoln who have preceded him, and the immortal figures in our national life who were his contemporaries or who may come after him. I have no purpose to disparage the achievements of Mr. Roosevelt or to attempt in any way to detract from his admirable record as a citizen and as a public servant. But I respectfully submit that it is an ill-advised, if not an audacious, plan which contemplates the placing of Roosevelt's name alongside that of Washington and Lincoln, and the creation of a great national triumvirate by constituting Mr. Roosevelt the third member in this illustrious and immortal group.

No one will object to a suitable monument erected to the memory of Theodore Roosevelt; indeed, there will be general approval of a plan to erect at some suitable place in the District of Columbia a monument or memorial to a man who has twice been President of the United States. There will be, however, and properly so, objections to erecting a monument or memorial at such a place as will indicate a purpose to apotheosize Mr. Roosevelt and declare to the world that the three immortal figures in our history are Washington, Lincoln, and Roosevelt.

Mr. President, we have no statue or suitable memorial in the District of Columbia to Benjamin Franklin. Many American people would say that Franklin, the diplomat, the statesman, the scientist, the writer, is worthy of a memorial such as that which is indicated in the report and the photograph which I have referred to. His great personality, his towering intellect, and his matchless services in the establishment of this Republic entitle him to a place within the hearts of the American people. There are many people in this country and throughout the world who regard Thomas Jefferson as the greatest political philosopher that has come to bless humanity and to point the way to liberty and progress; author of the Declaration of Independence, the statute for religious freedom, the founder of the University of Virginia, the President who embedded the principles of justice and liberty in eight years of glorious administration. The name of Hamilton will live as long as our country lasts. His genius and his achievements entitle him to a high place among the mightiest of our country. James Madison is one of the giant figures to whom no suitable memorial has been erected. He is justly called the father of the Constitution, and he gave to his country years of faithful service. Andrew Jackson, Daniel Webster, and other heroic figures pass before our gaze as we look upon the marching forces that have carried forward the flag of our country and advanced it to its exalted position among the powers of the earth.

I do not ask that a comparison be instituted between Theodore Roosevelt and those whose names I have mentioned. It is not necessary, but I feel sure the American people will not be willing to yield to Mr. Roosevelt the place, physical or otherwise, which the association, it would appear, insists he shall occupy. I hope the association will not press its demand. The editorial referred to is a temperate one, and I think will meet the approval of the American people. I send it to the desk and ask that it be read by the clerk.

The VICE PRESIDENT. Without objection, the editorial will be read as requested.

The principal clerk read as follows:

A MISPLACED MEMORIAL

It is most unfortunate that there should be any possibility of controversy over the erection of a memorial to President Roosevelt. There would be none but for the proposal of the Roosevelt Memorial Association that the monument be placed in the one spot of all spots in the United States where it can not and should not be placed.

Those who have been to Washington or have seen a plan of the site which the association is asking Congress to approve can not fail to see how inappropriate it is. They will remember the Washington Monument, with the four great vistas that lead out from it. At the end of one vista stands the Capitol; at the end of another the White House; at the end of a third the Lincoln Memorial. The fourth and last is still vacant. It is this site which the Roosevelt Memorial Association proposes to take as an exclusive memorial to Theodore Roosevelt. If the request were granted, Roosevelt would be placed on a par with Lincoln and Washington, and there would be no room left to honor equally any other American of the past or the future.

Mr. Roosevelt died in 1919. That is about seven years ago. The Roosevelt Memorial Association is ill-advised to challenge comparisons with Washington and Lincoln so soon. The verdict of history on Roosevelt has not yet been delivered and the popular verdict of his contemporaries is by no means unanimous. He was a great personality, but it is far from established that his services put him on the same plane with the Father of his Country or the preserver of the Union. It is possible to believe that Theodore Roosevelt was a great man without believing that he was as great as all that.

It has been suggested that the memorial be placed in Rock Creek Park. That is a good suggestion. It has been suggested that the site opposite the White House be used not as a memorial to one man but as a memorial to many men. That also is a good suggestion. It has been proposed that the site be used to build a home for the Supreme Court. That also is a good suggestion. The only bad suggestion is to use up this last remaining site as a memorial to one President whose place in history is still uncertain.

The Roosevelt Memorial Association ought to withdraw its request. It ought not to put Congress and the President and the people of this country in the embarrassing position where they have to compare Roosevelt with Washington and Lincoln and have to refuse one kind of honor to a man whom they would gladly honor in another way. But if the request is not withdrawn there is no doubt that it is the duty of Congress to deny it.

PROPOSED INVESTIGATION OF FOREIGN INDEBTEDNESS

Mr. CURTIS. I ask unanimous consent that the resolution submitted by the Senator from Missouri [Mr. REED] this morning, which went over on my objection, be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

REGULATION OF AIRCRAFT IN COMMERCE

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

The VICE PRESIDENT. Is there objection to the request which has been made by the Senator from Arkansas that the formal reading of the bill may be dispensed with? The Chair hears none, and it is so ordered.

Mr. McKELLAR. I offer the following amendment to the bill: On page 2, after the word "commerce," in line 16, I move to add the following proviso:

> *Provided*, That designation and approval shall create no vested interest in the licensee, and the license may be withdrawn at any time by the Secretary of Commerce.

Mr. BINGHAM. I see no objection to that amendment.

Mr. ROBINSON of Arkansas. Let the language of the amendment be stated from the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 16, after the word "commerce," it is proposed to insert the following:

> *Provided*, That designation and approval shall create no vested interest in the licensee, and the license may be withdrawn at any time by the Secretary of Commerce.

Mr. ROBINSON of Arkansas. I should like the Senator from Tennessee to state the object of his amendment. I understand the effect of it.

Mr. McKELLAR. I do not think the Senator from Arkansas was present in the Chamber at the time the subject was discussed. In my judgment, when air routes are established, no vested interest should be created in the routes, which may be designated and approved. As I understand the Senator in charge of the bill, it was not the purpose of the bill to create any vested interest in such routes. I, therefore, ask him to accept the amendment.

Mr. ROBINSON of Arkansas. Does the Senator from Tennessee think that by mere legislative declaration we can escape the vesting of rights if the conditions, which legally are incident to the vesting of rights, shall exist?

Mr. McKELLAR. If rights are carried by this bill in any way, then we have a right to limit those rights. If we wish to say that they shall not be vested rights but mere licenses, we can so provide in my judgment, and that is what the amendment proposes to do.

Mr. BINGHAM. I know of no place in the bill which proposes to give the Secretary of Commerce power to license anyone to use an air route or which gives him the power to license an air route.

Mr. McKELLAR. I will refer to the point in the bill which I have in mind. A subsequent section, as I recall, indicates that it does.

On page 7, paragraph (c) of section 14 gives the Secretary the power—

To publish from time to time a bulletin setting forth all licenses and permits issued or revoked under the provisions of this act.

That indicates that he is to issue licenses for a route, or that he might do so.

Mr. FLETCHER. That refers to licenses for flying airplanes.

Mr. BINGHAM. The only licenses referred to, I will say to the Senator, are licenses for pilots after examination, licenses for airplanes after they have been shown to be air worthy, and licenses for mechanics after they have been shown to be capable for aviation work.

Mr. McKELLAR. Then, in section 13—

The Secretary of Commerce is authorized to chart commercial air routes and to arrange for the publication of maps of such air routes, utilizing the facilities of existing Government agencies so far as practicable.

The inference, as it seems to me, is that he has the right to license routes. I merely want to guard against vested interests accruing.

The same question arose in the matter of radio, and we know that there are already claims made of vested rights to the use of radio service.

Mr. ROBINSON of Arkansas. Mr. President, there is no reason in the world why Congress should attempt to take away from a person rights which have vested. I think legislation of that character is the worst form of legislation in which Congress can indulge. I know of instances under the very statute referred to by the Senator from Tennessee where thousands of dollars have been invested under permits granted by the Secretary of Commerce for the operation of radio stations. Does the Senator believe that the Secretary ought to have the arbitrary right to revoke those permits and to deprive the citizens who made the investment of their rights? If so, upon what theory does he proceed? I know of nothing more wholesome as a safeguard of legislation than to say that when Congress enacts a law and gives to a man a right he shall have the enjoyment of it; that Congress will not deprive him of his property after he has acquired it. Now is the time to determine whether we want to give the Secretary of Commerce the power to establish these routes; but, having established them, we ought to preserve them, unless necessity calls for a change.

I do not think there is anything in this bill that gives the Secretary the right to license an individual to the exclusive enjoyment of an air route. I do not find it anywhere in the language employed; but I am not willing to subscribe to a measure couched in terms which permits a citizen to acquire rights and then says, "Notwithstanding we have granted you this privilege and this right, we reserve the power to take it away from you whenever it becomes valuable to you." If we wish to encourage or promote the navigation of the air, the best way to do it is to make it profitable to navigate the air. We can not do it by holding out the threat to the man who is to engage in an enterprise that the minute his property becomes valuable we will take it away from him.

I assume the Senator from Tennessee has given great study to this subject. If he has, I should be very strongly disposed to follow his suggestion in the matter; but I do not find anything in the language of this bill which reposes in the Secretary of Commerce the power to revoke his action without cause and to withhold from the beneficiary of the legislation the advantages of his diligence, his enterprise, and his energy.

Mr. BINGHAM. I will ask the Senator if the situation could be met by an amendment such as the one I am about to read:

Provided, That nothing in this act shall be construed as granting any exclusive right in the use of an air route.

Mr. McKELLAR. That will be entirely satisfactory. It is, in substance, what I have in my amendment.

Mr. President, I desire to say as to exclusive rights that, as I understand, the air is somewhat similar to water. We would not for a moment think of establishing exclusive rights in Lake Michigan, which is entirely within the limits of the United States, and say that a vested interest to any particular part of Lake Michigan should accrue to a private licensee of the Government. So it seems to me the air, being the common property of all the people, no exclusive route should be granted to any particular licensee, and to guard against that I offered the amendment. The amendment which the Senator from Connecticut has suggested, it seems to me, covers the case entirely, and if that course will be satisfactory I will be very glad to agree that it may be substituted for the one offered by myself.

The VICE PRESIDENT. The question is upon the amendment offered by the Senator from Connecticut.

Mr. ROBINSON of Arkansas. Mr. President, I just want to say that the proposition as submitted by the Senator from Connecticut is, to my mind, a very different one from what I understood the proposal of the Senator from Tennessee to be.

Mr. McKELLAR. If there is any difference between them, I do not understand it. There may be.

Mr. ROBINSON of Arkansas. For instance, what are now designated as exclusive routes. I suppose that means the exclusive right to enjoy the route or to use it. I have no objection to that, of course; but after one has once been granted a permit, I shall object to taking it away from him unless he forfeits it by misconduct or violation of the conditions of the permit.

Mr. BINGHAM. The amendment that I offered reads:

Provided, That nothing in this act shall be construed as granting any exclusive right in the use of an air route.

Mr. McKELLAR. That will be entirely satisfactory. It covers it exactly, it seems to me.

Mr. FLETCHER. Where does that come in?

Mr. BINGHAM. On page 2, line 16, after the word "commerce."

Mr. FLETCHER. I have no objection to that. I do not think there is anything in the bill which would give the Secretary any authority to do that, anyhow. Certainly I should oppose that. I think clearly the power ought not to be given to any department to grant some individual or some concern the exclusive right to operate aircraft on a certain route. The air is public property, just as the ocean is. It is a highway, and we can not divest the public of its rights in the air; and, even if we tried to do so, I do not believe we could vest in the head of any department the authority to parcel out the air. Does the Senator from Georgia see any objection to that amendment?

Mr. GEORGE. None whatever, except a slight suggestion that he might have some such right.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

Mr. KING. Mr. President, I move to amend section 2—if we are still on section 2—page 1, lines 10 and 11, by striking out the words "every way possible and to do all things necessary therefor," and striking out the word "cooperating," and inserting in lieu thereof the following:

such manner as Congress shall provide, and he shall cooperate.

And on the next page, to complete that amendment, I move to strike out the word "consulting" and insert the word "consult," so that it will read as amended:

It shall be the duty of the Secretary of Commerce to foster commercial air navigation in such manner as Congress shall provide, and he shall cooperate and consult with all other established governmental agencies—

And so forth.

I offer that amendment, may I say, because I am rather suspicious of some of these departments. If we say to the Secretary of Commerce that he shall do everything possible and do all things necessary to accomplish a certain end, he may conceive it necessary to do something not authorized by Congress, and which Congress had not contemplated. We certainly do not want to give him carte blanche authority to exercise an unlimited and unlicensed and unrestricted discretion to enter into every scheme and every project which he may conceive to be necessary or proper in the development of aerial navigation.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I do.

Mr. McKELLAR. Does not the Senator think that it ought to be further limited, so as not to apply to all other established governmental agencies? There is no necessity that he should cooperate with all of them. There are a great many governmental agencies, as the Senator knows.

Mr. KING. Yes.

Mr. McKELLAR. I suggest the use of the words "all other appropriate governmental agencies." Surely we do not want to build up a vast machine here.

Mr. KING. Perhaps the amendment suggested by the Senator from Tennessee is an appropriate one, although in my hasty reading of the section I took it for granted that the Secretary would only cooperate and consult with those agencies of the Government that were actively interested in the promotion of aviation. I do not object, however, to the language suggested by the Senator.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator have the language read as it will read if his amendment should be incorporated in it?

Mr. KING. I have not yet handed it to the Secretary. Will the Secretary get it and read it?

Mr. ROBINSON of Arkansas. I just want to make this suggestion to the Senator: I think the language can be improved. The words "in every way possible and to do all things necessary therefor" are quite general, and at the same time not the best form; but the object of this bill is, as I understand, to put on the Secretary of Commerce the initiative of stimulating and promoting commercial air navigation. I am afraid that the language which the Senator has used would deny him that initiative and put it on the Congress; and I think that is a very important distinction, and one that we may well keep in mind in the consideration of this proposed legislation.

I think it a good thing to intrust somebody with the responsibility of promoting the development of this branch of industry, and I think an executive department can do it better than the Congress can, for many reasons which I am sure will appeal to my friend the Senator from Utah. Now, since always the Secretary is under the necessity of justifying his plans and proposals by presenting his requests for appropriations, my judgment is that it would be better to leave the initiative with the Secretary rather than to impose it upon the Congress. In other words, every time he wanted to take a certain action, I do not think we should require him to come to Congress and get consent to that immediate action. It seems to me the better way to do it would be to let him submit his budget or his proposal justifying the items of appropriation that he asks and then the Congress would accept such as it believed proper and reject the others. In that way I think we would get better results than we would if we were to say that before anything could be done the Congress must outline just what should be done.

Mr. KING. Mr. President, I have so much respect for the judgment of my leader, the able Senator from Arkansas, that whenever he makes a statement I usually agree instantly. If I thought that the amendment which I had offered contemplated or would be construed as requiring the Secretary of Commerce, before initiating any movement, to secure the specific approval of Congress, I should not press my amendment under any circumstances. It does seem to me, though, that a proper construction of my amendment would not lead to the interpretation or to the conclusion which has just been stated by my friend. Let me read it again:

> It shall be the duty of the Secretary of Commerce to foster commercial air navigation in such manner as Congress shall provide, and he shall cooperate and consult with all other established governmental agencies, Federal or State, and take advantage to the fullest degree possible of the facilities they can offer.

Mr. ROBINSON of Arkansas. Will my friend yield for just a moment?

Mr. KING. Yes; I yield.

Mr. ROBINSON of Arkansas. I am convinced now that the language is open to the suggestion I made a minute ago after hearing it read by the Senator from Utah. Under this bill, if it is amended as the Senator from Utah suggests, the only way in which the Secretary of Commerce shall proceed is in such manner as Congress shall direct. That means that Congress must tell him first what he shall do to promote commercial air navigation. I think the primary object of the Senator from Utah can be accomplished by striking out the words "in every way possible and to do all things necessary therefor," which are surplusage in a measure, and add nothing to the legal authorization contained in the bill, so that it will read:

> It shall be the duty of the Secretary of Commerce to foster commercial air navigation, cooperating and consulting with all other established governmental agencies, Federal or State, and taking advantage to the fullest degree possible of the facilities they can offer.

Mr. KING. I am willing to accept that. That will reach the end which I have in view.

Mr. ROBINSON of Arkansas. Very well.

Mr. FLETCHER. Mr. President, the further objection which was raised by the Senator from Tennessee could be obviated by striking out the word "all," so as to read "consulting with other established governmental agencies."

Mr. KING. Let us deal with my amendment first.

Mr. FLETCHER. That is a part of the Senator's amendment.

The VICE PRESIDENT. The question is upon agreeing to the amendment submitted by the Senator from Arkansas [Mr. ROBINSON].

Mr. KING. If the Senator will offer that as his amendment, I shall withdraw mine.

Mr. ROBINSON of Arkansas. Very well. Then I move to strike out the words commencing on line 10, "in every way possible and to do all things necessary therefor," and, on page 2, line 1, strike out the word "all" after the word "with."

Mr. BINGHAM. I have no objection to that amendment, Mr. President.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Connecticut a question. Has the Senator from Connecticut any idea as to what is going to be the cost of this undertaking? Has he had any estimate made or could he say what would be the cost of enforcing the provisions of this bill?

Mr. BINGHAM. There is no appropriation provided for in the bill.

Mr. McKELLAR. Oh, I understand that, but money will be asked for to carry out its provisions; and what I want to know is whether the Secretary of Commerce has ever furnished any estimate as to what it would cost.

Mr. BINGHAM. He has not furnished any estimate as yet; but, as he has told one of the investigating committees, it is not believed that the expense at first will be very great. Commercial air navigation is so much in its infancy, Mr. President, that we are in danger of trying to give it too much regulation and too little free assistance.

Although I offered no objection to the elimination of the words just stricken out in the amendment offered by the Senator from Arkansas, I should have had to object to the amendment offered, but later withdrawn, by the Senator from Utah [Mr. KING], because in the growth of an art and a science so much in its infancy as aviation it is necessary to give a free hand, and not to have to come to Congress to ask for certain specific things even before it is known that they are required. The amount of money needed for this purpose will not be very great at the beginning; but it will have to be provided in a separate appropriation bill, and can be discussed at that time.

Mr. McKELLAR. Of course that is true; but I was just wondering if the Secretary of Commerce—who evidently is in full sympathy with the bill, I take it—would be willing to give to the Congress some estimate of how much it would cost.

Mr. FLETCHER. Mr. President, I take it that that depends on the development.

Mr. McKELLAR. I do not know what sort of machinery he is going to set up for the enforcement of the bill, and I imagine that he has in his own mind something that he proposes. He will have to have it as soon as the appropriation bill comes up.

Mr. BINGHAM. I will say to the Senator that after the passage of a similar bill by the Senate of the last Congress and by the Senate of the Congress preceding that and its failure to pass the House, the House Committee on Interstate and Foreign Commerce, in connection with the Department of Commerce and a committee from the American Bar Association, drew up a very long and complicated bill which provided for the promotion and regulation not only of interstate and foreign air commerce, as this bill does, but for the regulation of intrastate air commerce.

The estimates which were made and the plans which were drawn in that bill, looking a long way ahead toward the growth of air navigation, and providing for inspection in each State and in a great many different places, were quite different from the very simple basic principles incorporated in this bill. Until the House has passed a bill corresponding to this, or this bill

with amendments, it would be almost a work of supererogation for the Secretary of Commerce to say how much the thing would cost.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. The Senator from Ohio [Mr. WILLIS] has been standing for some time. The Chair recognizes the Senator from Ohio.

Mr. WILLIS. I desired to offer an amendment to a different section. If the Senator from Georgia desires to make some comment on this section, I will yield to him.

Mr. GEORGE. I merely desire to offer two amendments to two different sections of the bill. They are very short.

Mr. WILLIS. I yield to the Senator.

The VICE PRESIDENT. The Senator from Georgia.

Mr. GEORGE. Mr. President, I am not sure but that the amendment suggested by me awhile ago to section 12 of the bill was accepted; but in order to make certain of that, I move that beginning with the word "or" on line 22, section 12, page 6 of the bill, and going through the word "thereunder" in line 23 of the same section on the same page, reading "or regulations made thereunder," be stricken from the bill.

Mr. BINGHAM. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. I move on page 9, section 16, lines 1 and 2, that the words "is authorized to designate" be stricken out and that in lieu of those stricken words the following words be inserted: "shall, by regulation, provide for the designation of," so that the clause as amended will read:

> The Secretary of the Treasury shall, by regulation, provide for the designation of places in the United States as ports of entry for aircraft engaged in foreign commerce.

On that I merely wish to say that as the bill now stands it gives the Secretary of the Treasury the arbitrary right to designate the places, and the purpose of the amendment is to require the Secretary to provide by regulation for the designation of these places.

Mr. ROBINSON of Arkansas. So as to prevent discrimination in localities.

Mr. GEORGE. That is all.

Mr. BINGHAM. I am very glad to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. WILLIS. Mr. President, I desire to direct the attention of the Senator from Connecticut to section 4 of the bill. Under the head of registration it is provided, among other things, that—

> No aircraft shall be so registered * * * unless it is owned by (a) an individual who is a citizen of the United States or its possessions or (b) a partnership of which each member is an individual citizen of the United States or its possessions, or (c) a domestic corporation, of which the president and three-fourths or more of the board or directors or managing officers thereof, as the case may be, are individual citizens of the United States.

It has been brought to my notice that there is at least one instance in which there is an organization greatly interested in aircraft production which could not quite comply with that requirement, where it is provided that three-fourths or more of the board of directors shall be individual citizens of the United States, but could comply with it if it were amended so as to provide for two-thirds. I move to strike out "three-fourths," in line 4, page 4, and to insert in lieu thereof "two-thirds."

Mr. BINGHAM. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. WILLIS. That having been agreed to, there ought to be a similar amendment in line 7 to strike out "75" and to insert in lieu thereof "66⅔."

Mr. BINGHAM. Let it be read.

The LEGISLATIVE CLERK. On page 4, line 7, strike out "75" and insert "66⅔," so that as amended it will read:

> (b) A partnership of which each member is an individual citizen of the United States or its possessions, or (c) a domestic corporation of which the president and two-thirds or more of the board of directors or managing officers thereof, as the case may be, are individual citizens of the United States or its possessions, and in which at least 66⅔ per cent of the interest is owned by persons who are citizens of the United States.

Mr. BINGHAM. I have no objection to that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. KING. Mr. President, I direct the attention of the Senator from Connecticut to paragraph (i), beginning on line 4, page 3, reading as follows:

> To operate, and for this purpose to purchase, when appropriations shall have been made to do so, such aircraft as he may deem necessary for carrying out the provisions of this act.

I will ask the Senator whether his understanding of this provision is that the Secretary of Commerce may operate aircraft for commercial purposes and purchase aircraft for those purposes.

Mr. BINGHAM. I do not so understand it.

Mr. KING. Or that it contemplates that the Government, through the Department of Commerce, shall embark upon the transportation business through the air.

Mr. BINGHAM. Not at all. It merely gives the Secretary of Commerce the power to purchase and use such aircraft as he may deem necessary for carrying out the provisions of this act. These provisions do not relate to establishing any commercial line, but they do provide for the inspection of planes, for the investigation of motors, and for the certification and licensing of airmen. If he is to do that effectively, and at a minimum of expense of time and money, it would be better for his inspectors to fly around the country rather than to have to use other means of transportation.

Mr. KING. I think I can assure the Senator that if this bill goes through with that section in it the amount required to meet the expenditures under subdivision (i), if we develop any amount of commercial aviation in the United States, will aggregate hundreds of thousands of dollars annually, and perhaps will run into the millions. I do not need to state to the able Senator from Connecticut that the operation of airplanes is expensive; that the cost of airplanes is enormous. Before the war you could buy a standard machine and some of the airplanes we were using for the training of our boys for $5,000. Now, you can not get a good airplane for less than $25,000. Some of them cost very much more, probably running up to $50,000. If this section goes through unamended, applications will be made to Congress for a large number of planes, and the life of a plane, as the Senator knows, is only a few hours, probably an average of 200, certainly less than 500 hours.

Mr. BINGHAM. May I interrupt the Senator?

Mr. KING. Certainly.

Mr. BINGHAM. I will say to the Senator, in regard to the life of a plane, that he has been misinformed, for there are now planes operating between London and Paris, carrying passengers every day between those two great capitals, under the licensing and approval of the air boards, which have been in the air for 3,000 hours. I will also say to the Senator, in regard to this section, that the second clause on page 3, lines 4 and 5, reads, "when appropriations shall have been made to do so."

Mr. KING. I understand.

Mr. BINGHAM. I am sure that the Congress would not approve any extravagant appropriations to permit inspectors to travel around the United States, but if the Secretary of Commerce is to lay out proper air routes, he must use airplanes in doing it. It can not be done from the ground.

Mr. KING. I have no doubt that if this section becomes part of the law—and that is what I was proceeding to state—there will be applications from the Department of Commerce for appropriations exceeding hundreds of thousands of dollars, and perhaps amounting to millions, to carry out the provisions of this section. The Senator knows that if you have airplanes you must have pilots and all of the accessories that go with the furnishing of pilots. You must have your airdromes, and the multitude of employees that will be required will be astonishing. The Senator knows that it takes a great many employees for every pilot. I think that in some of the aviation fields the proportion of employees to pilots has been 20 to 1, in some instances 30 to 1, and in some instances as many as 50 to 1. So, with the purchase and operation of airplanes, and with the pilots, and with the necessary machine shops to care for the planes, and with the necessary civilian employees to aid the pilots and to repair the planes, you will have mounting bills, so that the inquiry of the Senator from Tennessee [Mr. MCKELLAR] will be answered when we are called upon to appropriate millions of dollars for the execution of the purposes of this act.

I shall not move to amend, but I express now my dissatisfaction with this provision, and I think the Senator will live

long enough to regret that more restrictive language was not placed in the bill.

Mr. HARRISON. Mr. President, unfortunately I did not hear all the remarks of the Senator from Connecticut. Is this bill designed to carry out one of the recommendations of the so-called Morrow Commission, which was appointed by the President to look into aviation?

Mr. BINGHAM. It is.

Mr. HARRISON. This is one of its recommendations?

Mr. BINGHAM. The board recommended that appropriate legislation be passed by Congress as soon as possible for the promotion of commercial air navigation. The board did not feel that it was in a position, or was requested by the President, to go into details as to what should be done, but left that to the Congress, making very strong recommendations for legislation providing for a new Assistant Secretary of Commerce and such legislation as might be needed in the judgment of Congress for promoting civil air navigation.

Mr. HARRISON. Did the committee, in the consideration of this proposed legislation, consider the question of a unified air service under one head—to put aviation in the military branch and in the naval branch and in the post-office branch and in this commercial service all under one head?

Mr. BINGHAM. It gave very long consideration to that; and if the Senator will examine the report of the President's Aircraft Board, a copy of which was sent the Senator some days ago, he will find early in the report, in reply to one of the five principal questions which the board undertook to answer in regard to future policy, the question as to whether commercial aviation should be put under the same head with military and naval aviation, a very emphatic "No," with all the reasons given therefor. If the Senator would like to have me do so, I shall be glad to give the reasons.

Mr. HARRISON. That was a unanimous report?

Mr. BINGHAM. It was a unanimous report.

Mr. HARRISON. Did the Commerce Committee consider the question?

Mr. BINGHAM. The Commerce Committee did not consider the question.

Mr. HARRISON. I ask that for this reason: That I think it was four years ago that President Harding recommended to the Congress the appointment of a joint commission on reorganization in the Government departments. The Senate appointed three members, the House appointed three, and the President appointed one. They worked for some three or four years on the question of reorganizing the departments, wiping out waste, and coordinating the bureaus as that could be done. We heard much about it. We heard it upon the stump; we heard it here and elsewhere, what great savings were going to be effected to the American taxpayer, how these departments should be put together under one head, so that economy and efficiency in service would be effected; but nothing has been done about it.

I was a little bit surprised the other day when the distinguished Senator from Utah [Mr. SMOOT], who has been one of the dominant figures on that commission, offered another resolution, backing up on his original proposition of reorganization, evidently, and now, after collaboration with the Secretary of Commerce and the President, wanting two Senators appointed, and two Members of the House appointed, the President to appoint the fifth person. There is to be another commission, who can recommend to the President certain changes, and upon that recommendation the President can put the changes in force. So I suppose we will hear nothing else about the former reorganization proposition, about which the Senator from Utah talked so much and so long, and to which I suppose the Senator from Connecticut alluded in the campaign a time or two, but that we are to hear more about this new so-called Smoot-Mapes proposition, which I do not think will get very far.

The administration is apparently trying to put the various bureaus together to effect a saving, and this bill would accomplish just the opposite result.

I was wondering if the committee, an agency of the Senate, with so much conversation about this particular question, had given any consideration to putting the military branch of aviation and the naval branch of aviation and the post-office branch of aviation together with this commercial branch, in order that a great saving may be effected; but the Senator tells me that they have not considered that question, so I suppose when we pass the bill, which I am in favor of, and it goes to the President, he will veto it, because it will be against his reorganization policy.

Mr. KING. Mr. President, I would like to ask the Senator, in view of the comments of the Senator from Mississippi, whether the work or activities provided for in the bill and to be performed under the direction of the Secretary of Commerce, might not be more effectively provided for and executed if we had a combined aeronautical service—an organization that properly cared for aviation for the Army, for the Navy, and for the Post Office. If this bill passes, or some other bill passes providing for aviation, it will provide for the development of aviation along this particular line. Why could not the work assigned here to the Department of Commerce be performed by some aeronautical department—call it a bureau or department or agency? Why could not that organization care for the work which here is to be devolved upon the Department of Commerce, and at the same time care for the necessities of the Army, of the Navy, and of the Post Office, especially with respect to the technique and the construction of aircraft and the rules for operating in interstate commerce?

Mr. BINGHAM. I may say to the distinguished Senator from Utah that the Aircraft Board gave very long and very careful consideration and read a great deal of testimony in regard to the matter which he has mentioned. The conclusion was finally reached that it was contrary to the policy of the United States to mix war and commerce; that we would not think of placing our merchant marine under the Navy nor the Navy and the merchant marine under the same head; and that in a similar way it would not lead to a proper development of commercial aircraft to put commercial aircraft and military aircraft under the same head, for either that head would cleave to the one and disregard the other or cleave to the other and disregard the one. If we want to promote commercial aviation we must put it under the control of a department to whom the Congress has intrusted the business of promoting commerce. If we want to promote military aviation, then we have to put it under the head of the department of the Government whose business it is to promote the military policy and national defense.

I ask the adoption of the committee amendment on page 8, to strike out all of section 16.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Committee on Commerce.

SEVERAL SENATORS. Let it be read.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. It is proposed to strike out section 16 of the bill in the following words:

SEC. 16. The National Advisory Committee for Aeronautics is hereby transferred to the Department of Commerce and shall perform its duties in accordance with rules and regulations approved by the Secretary of Commerce and under his general direction. The committee's annual report shall hereafter be submitted through the Secretary of Commerce, who shall transmit it to Congress with such recommendations as he may deem proper. The President is authorized to appoint three additional members of said committee, one an Assistant Secretary of War, one an Assistant Secretary of the Navy, and one an Assistant Secretary of Commerce, who shall be chairman of said committee. All unexpended appropriations or allotments therefrom for the National Advisory Committee for Aeronautics are hereby transferred to the Department of Commerce and shall be treated as if the Department of Commerce had been directly named in the laws making such appropriations. Such appropriations shall be expended under the general direction of the Secretary of Commerce.

The amendment was agreed to.

Mr. BAYARD. Mr. President, on page 7, section 15, line 25, between the words "duties" and "as" I move to amend by including the words "in relation thereto," so the sentence as amended would read:

To aid the Secretary of Commerce in fostering air navigation and to perform such duties in relation thereto as the President or the Secretary of Commerce may direct, etc.

The purpose of my amendment is that the Assistant Secretary of Commerce shall be confined to the duties set forth in this act. If we take the bill as drawn, we will find that under the language of the bill, section 15, the Assistant Secretary of Commerce may become a sort of Handy Andy to the President of the United States. If we do believe, and I think all of us must believe, that this is a tremendous operation we are starting, that the Secretary of Commerce does need an assistant to help out in it and that the major part of the work will fall upon the shoulders of the assistant, then my amendment should be adopted. I think he will have his hands entirely occupied with this matter, and I do not think it is fair to him individually or fair to the Government in the experimental stage through which they must go to ask that he be made a supernumerary for the benefit of presidential operations. I think he ought to be confined absolutely to this operation of our Government and for

that purpose I offer the amendment. I hope the Senator from Connecticut will accept it.

Mr. BINGHAM. Mr. President, I am obliged to object to the amendment offered by my friend the Senator from Delaware. I am afraid that it would not be in the interest of economy. While it is true that at the beginning of the duties which the bill would confer upon the Secretary of Commerce or the new Assistant Secretary of Commerce, he would find his hands more than full with promoting aviation, yet after he got it well organized it might be entirely possible that the Secretary of Commerce would intrust to him the supervision of other bureaus of the department, which would not overwork him and which would not interfere with his duties in connection with aviation. It does not seem to me, in view of our desire to promote economy, that we should tie the hands of the Secretary of Commerce so that the new Assistant Secretary could not do anything except in connection with aviation, although in the beginning and possibly for the first two or three years aviation would occupy most of his time.

Mr. BAYARD. May I ask the Senator from Connecticut why it is necessary to have him so directly under the government of the President? Why not put him under the Secretary of Commerce?

Mr. BINGHAM. I would not object to an amendment striking out the words "the President."

Mr. BAYARD. I would be satisfied with that. I withdraw my amendment, if I may, and now move to strike out the words "the President or" on line 25, page 7, and line 1, page 8.

Mr. BINGHAM. I have no objection.

The VICE PRESIDENT. The Senator from Delaware offers an amendment, which will be stated.

The CHIEF CLERK. In section 15, page 7, line 25, and page 8, line 1, strike out the words "the President or," so the section will read:

SEC. 15. To aid the Secretary of Commerce in fostering air navigation and to perform such duties as the Secretary of Commerce may direct, there shall be an Assistant Secretary of Commerce, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall be entitled to a salary of $7,500 a year, to be paid monthly.

Mr. KING. Mr. President, a parliamentary inquiry. Will that amendment, if agreed to, preclude a motion to strike out the entire section?

Mr. BINGHAM. It is a different section.

Mr. KING. I thought we were still on section 14.

Mr. BINGHAM. Old section 16 has already been stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Delaware.

The amendment was agreed to.

Mr. KING. For the purpose of eliciting information from the Senator from Connecticut, I move to strike out section 15, which calls for the creation of another office with a salary of $7,500 per annum.

We are apparently greatly interested in multiplying the number of officials in the Federal Government and extending their powers and jurisdiction. We are not sufficiently bureaucratic and paternalistic yet, so we must increase the personnel.

We have heard a great deal about economy from our Republican friends, but they have preached but not practiced economy. For several years we have heard nothing but economy; but the appropriations prove the insincerity of the party in power. We are now told by the President that we have reached the limit of economy. That statement will be taken as a commission by the Republicans in Congress to increase the expenses of the Government and multiply the number of officeholders, but the examination reveals that the noisy declarations about economy have been without merit. With nearly $4,000,000,000 of taxes expended this year by the Government as against $1,000,000,000 before the war, and with a large increase in the bureaus and executive agencies which will be created by this Congress under a Republican administration, under the driving power of the Republican Party and Mr. Coolidge, who is so devoted to economy, the appropriations for the next fiscal year will be much larger and probably result in deficits to be met at the next session of Congress.

The program of economy witnesses at the beginning of the session the creation of a new Assistant Secretary of Commerce, with a salary of $7,500 a year. But that is not the end of it, of course.

The Assistant Secretary of Commerce must have rooms and desks and all the paraphernalia that accompany that high office. Then he must have secretaries, assistant secretaries, stenographers, and messengers. Then we will have airplanes and airdromes and places for the repair of airplanes, and more airplanes. This bill will increase the expenses of the Department of Commerce hundreds of thousands of dollars annually.

Sitting at the feet of Gamaliel and desiring information, I ask the Senator from Connecticut whether it is necessary to create another Assistant Secretary? There are some efficient men in the Department of Commerce who do really fine work. There are some who have made investigations along the line indicated by the bill. The activities of those agencies in the department may be coordinated by the Secretary of Commerce. He has the power to do it, and he may allocate to one individual the work which is being done now by any number of the branches in his department, or he may indicate some person who shall have charge of these various agencies which are devoting themselves more or less to aviation work. It seems to me that with the power of the Secretary to change the positions and activities of employees in his department, he could find some person qualified to perform the duties which this bill devolves upon a new Assistant Secretary of Commerce and thus save the Government many thousands of dollars.

Mr. BINGHAM. Mr. President, I hope my friend the Senator from Utah will withdraw his amendment. It would be most unfortunate if it were adopted. The Secretary of Commerce needs, or let us say, the Department of Commerce needs, a competent official, well paid and able, for the next two years to devote all of his time and attention to promoting air navigation in the United States. We are spending from $14,000,000 to $16,000,000 annually in promoting ocean navigation. We have not spent a cent to promote air navigation. There is not another country in the world that considers itself a world power or a country of the first magnitude that is not spending annually hundreds of thousands of dollars, if not millions of dollars, in promoting commercial air navigation.

The amendment of my friend from Utah would suggest that we can not afford to pay a man $7,500 a year to devote his time and attention to fostering commercial air navigation in every way possible within the limits of the appropriations granted him by Congress and within the limits of the provisions of the bill. A similar bill passed by the Senate at the last Congress and one passed by the Senate in the Congress preceding provided an additional bureau. The Senator does not seem to realize that the pending bill does not provide an additional bureau. It provides merely an official of high grade who shall have the power of coordinating the existing bureaus and thereby save the expense that would come with the creation of an additional bureau and the appointment of the head of the bureau, and so forth. I hope the Senator from Utah will withdraw his amendment.

Mr. KING. The Senator, if I understood his position, said that the bill would not create an additional bureau. I think the Senator does not quite understand the activities of the assistant secretaries of the various departments. I repeat, if I may be permitted, that if we create a new Assistant Secretary, that creation carries with it something more than a bureau. It carries with it or will carry with it the appointment of a large number of employees. As I understood the Senator, the duty of the particular official for which this section makes provision is to coordinate the activities of agencies now existing in the Department of Commerce. I attempted to state when I had the floor a moment ago that there are agencies in the department that are giving attention to aviation. I stated that the Secretary of Commerce could designate one of these agencies, or some person who was qualified, to coordinate their activities and to integrate the work of all agencies now devoting attention to the question of aviation. It is not necessary that a new office be created. We do not need an Assistant Secretary of Commerce to coordinate the work of agencies which are now giving attention to aviation.

The Secretary of Commerce has the power to coordinate their work, to designate some one to take charge of and to direct them. I suggest to the Senator that some of the men in the department who are at the head of bureaus will be more familiar with the work which this bill calls for than some outside man who would be brought in. Why not promote one of the employees in the department or give him additional powers instead of creating a new office and providing for a multitude of additional employees?

I do not think, Mr. President, that my amendment, if it shall prevail, will at all interfere with the efficient working of this bill. I think the Senator ought to consent to the amendment. He ought to be willing now to turn his face in the direction of economy. If we shall pass this bill, if the Secretary of Commerce shall have the powers that are

provided for in the bill, then he can, out of the employees of his department, select one who will be suitable for the position; but if there is no one suitable for the position under existing law, I have no doubt the Secretary of Commerce could draw from the civil service some technician, some person qualified with respect to aviation, who could assume the responsibilities which this position will impose.

Mr. BINGHAM. Mr. President, I shall have to object to the amendment. The President's Aircraft Board, in considering a great many possible measures for promoting aviation, finally reported that in the present condition of the art and science it was impossible to state what was the best plan to look forward to, but laid its greatest emphasis on the best method of reaching good results and the desired attainment of the promotion of aviation. The Aircraft Board stated that it pinned its chief hope upon the fact that the Congress might provide three new assistant secretaries—an Assistant Secretary of War, an Assistant Secretary of the Navy, and an Assistant Secretary of Commerce—who would for their different departments promote aviation in those departments. Of course, we are not now considering the other assistant secretaries, but, if Congress should authorize the others, it is then the intention to introduce legislation which would confer upon the three assistant secretaries for aviation certain duties looking forward to coordinating and cooperating all the possible activities of the Government in promoting aviation.

I admit, as the Senator from Utah has stated, that it is going to be expensive. We can not look forward to promoting aviation without expense. We have tried to do it in the past; we have tried to go on since the World War without appropriating a single penny to the Department of Commerce for the promotion of aviation, but we have got to change our plan if we are to promote commercial aviation. I shall, therefore, have to object to the amendment proposed by the Senator from Utah, and I hope it may not be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. KING].

The amendment was rejected.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and is open to further amendment. If there be no further amendment, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BINGHAM. I ask that the Secretary be authorized to renumber the sections.

The VICE PRESIDENT. It will be so ordered.

HOLIDAY RECESS

Mr. WARREN. From the Committee on Appropriations I report back favorably without amendment House Concurrent Resolution 3. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The resolution (H. Con. Res. 3) was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn Tuesday, December 22, 1925, they stand adjourned until 12 o'clock meridian, Monday, January 4, 1926.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 3 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 17, 1925, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 16, 1925

MEMBER OF THE FEDERAL TRADE COMMISSION

Charles W. Hunt, of Iowa, to be a member of the Federal Trade Commission for the term expiring September 25, 1932. (Reappointment.)

MEMBER OF THE UNITED STATES SHIPPING BOARD

John Henry Walsh, of Louisiana, to be a member of the United States Shipping Board for the unexpired term of six years from June 9, 1923, to which office he was appointed during the last recess of the Senate, vice Frederick I. Thompson.

UNITED STATES DISTRICT JUDGE

Grover M. Moscowitz, of New York, to be United States district judge, eastern district of New York, vice Edwin L. Garvin, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16, 1925

MEMBER OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION

C. F. McIntosh.

MEMBER OF THE UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Harry Bassett.

SECRETARY OF THE TERRITORY OF ALASKA

Karl Theile.

SECRETARY OF THE TERRITORY OF HAWAII

Raymond C. Brown.

UNITED STATES DISTRICT ATTORNEY

Sawyer A. Smith, eastern district of Kentucky.

UNITED STATES MARSHALS

Benjamin E. Dyson, southern district of Florida.
Clarence R. Hotchkiss, district of Oregon.

POSTMASTERS

CONNECTICUT

Alfred W. Jeynes, Ansonia.
Moses G. Marcy, Falls Village.
William H. Gould, Fairfield.
Joseph Brush, Greenwich.
Ethel B. Sexton, Hazardville.
Edna M. Jenkins, Middlefield.
Manley J. Cheney, Milford.
Claude M. Chester, Noank.
Ellis Sylvernale, Norfolk.
Elbert W. Scoble, Orange.
Joseph V. Serena, Saugatuck.
Dexter S. Case, Sound View.
Louis M. Phillips, South Coventry.
Willis Hodge, South Glastonbury.
Wilbur C. Hawley, Stepney Depot.
Benjamin D. Parkhurst, Sterling.
Rollin S. Paine, Stony Creek.
Lewis B. Brand, Versailles.
Robert J. Benham, Washington.
Gertrude W. Tracy, Wauregan.
Edward F. Schmidt, Westbrook.
John L. Davis, Wilton.
William T. McKenzie, Yalesville.
S. Howard Bishop, Yantic.

MONTANA

Hazel F. McKinnon, Bearcreek.
Ezra A. Anderson, Belfry.
Fred B. Selleck, Buffalo.
John J. Kendig, Circle.
Emma E. Waddell, Custer.
Thomas Hirst, Deer Lodge.
William H. Jenkinson, Fort Benton.
George W. Edkins, Glacier Park.
Myrtle C. De Mers, Hot Springs.
Robert M. Fry, Park City.
Archie H. Neal, Philipsburg.
Harry L. Coulter, Plains.
Harry J. Waters, Rapelje.
Clark R. Northrop, Red Lodge.
Jean W. Albers, Redstone.
Harry O. Gregg, Richey.
Luther M. Hoham, Saco.
Harry W. Rhone, Sunburst.
William A. Francis, Virginia City.
Roy C. Stageberg, Westby.
Ray E. Willey, Wisdom.
Jessie Long, Worden.

NEBRASKA

Faith L. Kemper, Alma.
Edith F. Francis, Belden.
Astor B. Enborg, Bristow.
Cora E. Saal, Brock.
William L. Hallman, Bruning.
May T. Douglass, Calaway.
Esther Schwerdtfeger, Cambridge.

Lulu Woodbury, Center.
Charles E. Cram, Craig.
Henry Eichelberger, Crete.
Ruby H. Gable, Crookston.
Leo R. Conroy, Eddyville.
John F. Brittain, Elsie.
Garry Benson, Ewing.
Lewis A. Meinzer, Falls City.
Laurence B. Clark, Faith.
Charles A. Shoff, Grafton.
Catharine M. Coleman, Greenwood.
Ernest T. Long, Haigler.
Loren W. Enyeart, Hayes Center.
Daniel W. Roderick, Hubbell.
Ernest W. Clift, Humboldt.
Lucile A. Lewis, Humphrey.
Mary J. Flynn, Jackson.
Elias E. Rodysill, Johnson.
Tillie Valentine, Johnstown.
Elizabeth Hempel, Kilgore.
Henry C. Hooker, Leigh.
Hattie M. Stone, McCool.
Charles M. Houston, Miller.
Archie B. Jones, Mitchell.
Lester C. Kelley, Monroe.
Leroy B. Gorthey, Murdock.
Charles E. Putnam, Naper.
Donald K. Warner, Oakdale.
Edwin A. Baugh, Oakland.
Frank H. Bottom, Ong.
Isaac B. Lamborn, Palmyra.
Esther R. Beers, Petersburg.
Katie Heiliger, Plymouth.
Amos W. Shafer, Polk.
Luther J. Saylor, Rising City.
Peter J. Johnson, Rosalie.
Isaac L. Pindell, Sidney.
Calvin E. Lewis, Stamford.
William A. Pearson, Stella.
Mary E. Hossack, Sutherland.
August Dickenman, Talmage.
Katherine Honey, Uehling.
Harry C. Rogers, Upland.
Harry P. Cato, Valley.
Elroy A. Broughton, Venango.
Inez M. Smith, Verdon.
Albertus N. Dodson, Wilber.
Edgar A. Wight, jr., Wolbach.
John Q. Kirkham, Wood Lake.

NEW MEXICO

Berthold Spitz, Albuquerque.
Perry E. Coon, Gallup.
William W. Dedman, Hurley.
Fred D. Huning, Los Lunas.
Philip N. Sanchez, Mora.

PORTO RICO

Juan Aparicio Rivera, Adjuntas.
Concepcion Torrens de Arrillaga, Anasco.
Francisco Arrufat, Arroyo.
Alfredo Giminez y Moreno, Bayamon.
Alfredo Font Irizarry, Cabo Rojo.
Ramona Quinones, Catano.
Julio Ramos, Cayey.
Angel de Jesus Matos, Coamo.
Eduvigis de la Rosa, Isabela.
Angel F. Colon, Juana Diaz.
Luis Clos, Naguabo.
Augusto M. Garcia, Sabana Grande.
Hortensia R. O'Neill, San German.
Rafael del Valle, San Juan.
Francisco Valldejuli, Yabucoa.
Simon Semidei, Yauco.

TENNESSEE

Frank B. King, Alcoa.
James M. Yokley, Baileyton.
Thomas M. Boyd, Bruceton.
Willard J. Springfield, Chattanooga.
Carus S. Hicks, Clinton.
Glenn A. Fortner, Cumberland Gap.
David H. Hughes, Eagleville.
Roscoe T. Carroll, Estill Springs.
Lula L. Shearer, Farner.
Peyton B. Anderson, Greenback.
Thomas D. Walker, Kerrville.
James E. Miller, Kingsport.
Arthur Taylor, Lenoir City.
John D. M. Marshall, Lookout Mountain.
William S. Gentry, McEwen.
Thomas W. Thompson, Mount Juliet.
Evan D. Phillips, Oliver Springs.
William S. Stanley, Oneida.
John W. Wiggs, Paris.
William A. Reed, Pocahontas.
Otis E. Jones, Prospect Station.
James C. Key, Riceville.
Clifford B. Perkins, Roan Mountain.
Mettie M. Collins, Rutledge.
William R. Hurst, Savannah.
James H. Christian, Smithville.
John L. Goin, Tazewell.
Ben Sloan, Vonore.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *December 16, 1925*

The House met at 12 o'clock noon.

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

Almighty God, Thou art still going on with life. Unto us may it mean something that is intense and filled with mighty and eternal consequences. Help us to meet the claims that conform to Thy holy will and to ever feel the constraints that are upon us. O Thou giver of life, take our lives, so often misused and contradictory, and restore, renew, and simplify them. Give us strength to use them better and wiser. Continue to work through us Thy great purposes which Thou hast for our country. Teach us that our love and faith are tested by what we are willing to suffer and sacrifice. Also impress us that these are the graces that bring us at the last to our heavenly Father. In the name of Christ we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMMIGRATION

Mr. VAILE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Germany and the immigration quota.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. BEGG. Reserving the right to object, is it the gentleman's own remarks?

Mr. VAILE. My own remarks.

There was no objection.

Mr. VAILE. Mr. Speaker, an organization composed of American citizens of German birth or descent, known as the Steuben Society of America, is waging a vigorous campaign for the amendment of the immigration act of 1924. The society is composed of representative and high-class citizens and its propaganda is dignified and expressed in a reasonable tone. That propaganda is, however, a complete mistake and is based upon a total misunderstanding of the facts of the case.

The amendment advocated is one which would prevent the going into effect of the new basis of immigration quota calculation known as the "National Origins Method," which, according to the language of the statute, is to become operative July 1, 1927. The amendment proposes to continue permanently the present method, based on the census of 1890, which the act intended to be temporary and to continue only until the Census Bureau should have had time to work out the other plan.

The matter will not be entirely clear without explanation, even to Members of Congress, unless they have had opportunity to follow the several steps of restrictive immigration legislation. Doubtless it is the lack of such opportunity which has caused the members of the Steuben Society to get so completely off the track. But to those who are in the least familiar with the recent development of immigration policy of the United States there is one fact which stands out as clearly as any fact can possibly stand out, and that is that far from discriminating against or in favor of any racial group, Congress has endeavored to treat them all with the most even-handed justice. When the removal of the last remaining vestige of discrimination is the purpose of the very provision of which the Steuben Society complains, the charge that that provision is discriminatory is one which ought to be promptly and emphatically refuted. Especially is such refutation due since it

is charged that the discrimination was slipped into the bill as a joker when the attention of Congress was occupied with something else. It is evident that the gentlemen who make the latter charge are unfamiliar with the voluminous record of congressional action of the subject, to which I shall refer in a following paragraph.

Let me make a preliminary observation in order to emphasize the generosity of the American Congress. We have an undoubted right to discriminate if we wish to do so. There are some countries whose emigrants, notwithstanding notable individual exceptions, have not on the whole done well here. We might in the proper exercise of sovereignty have said, "We will give those countries a smaller proportion of the total."

We said nothing of the kind.

There are some countries whose people, for the most part, have come so recently that they are not fully assimilated into our body social and politic. We might very well have said "their value to us is not yet fully proved; we will grant the privilege of entry only to those peoples who have fully demonstrated that they can become a part of us." That position would not have been unreasonable, and it would certainly have been within our powers. It would only have involved the assumption that the people from whom we derive our laws, our language, and the major part of our blood are more assimilable than people of different language, ancestry, and customs.

But we did not frame our legislation on that theory.

As against the very group which is now addressing us through the Steuben Society, it was urged that they represented the blood of a nation which had recently been at war with our own country, a people who, concededly of great strength and ability, were accustomed to establish communities of their own, proudly and tenaciously maintaining in our midst their own language and customs—language and customs which, however meritorious, are not the language and customs of the United States. It was therefore urged that the proportionate contribution of this group to the future population of the United States should be reduced.

We refused to adopt any such policy, but adopted instead, though by degrees and slowly, because it was the only way we could work it out, a policy which will treat all countries of the white race with exact justice, so far as that can be accomplished by any method within our power to devise. It has been necessary, however, for Members of Congress to explain to many dissatisfied constituents that the present very great discrimination in favor of Germany is temporary, due to the working out of the process, and that when that process shall have been completed Germany will have a proportionate share no greater than that of England, France, or Scandinavia.

For although, knowing something of the personnel of the Steuben Society, I am confident that its propaganda is issued in good faith and with a firm belief in its merits, its effect if successful would be to preserve discriminations and not to destroy them.

It is perhaps a general attribute of human nature that we are unable to see a discrimination when it is in our favor, while its removal looks like a discrimination against us. The loss of a special privilege—when it is one that we ourselves have enjoyed—becomes the denial of a right. The suggestion that the "racial origins" plan of computing immigration quotas is discriminatory is—innocently, I am sure—the exact opposite of the truth. The fact is that that method will end existing discriminations of which Germany is at present by far the greatest beneficiary.

This will sufficiently appear, I believe, from a brief examination of the recent progress of immigration legislation and consideration of some figures bearing on the subject.

In 1921 we passed the so-called 3 per cent law, admitting to this country from any other country not to exceed 3 per cent of the number of people born in that country and resident in the United States by the census of 1910. This was by its terms a temporary measure intended to limit totals, to establish the then new principle of numerical limitation, and to be the basis for a more scientific plan in the future. This law provided for admission under the quota (to which, however, there were many exceptions, including all countries of the Western Hemisphere) of some 355,000 immigrants annually.

This statute, though it did have the effect of limiting immigration and though it met with the approval of a great majority of the people of the United States, was subject to two principal objections: First, the total of admissions was too large, in the opinion of a majority of people; second, there was a very great preponderance of people from southern and eastern Europe, for the obvious reason that people from those countries comprised a very large percentage of the more recent immigration and consequently a very large percentage of the base for measurement as fixed by the statute. Germany suffered under this law in common with England, France, and the Scandinavian countries, if their equites should be measured by their total contributions to the present blood of the United States.

That theoretical standard has seemed the one to be aimed at. If immigration quotas are to be based on the number of people born in different countries who are residing in this country at a given time, it is obvious that the use of a late census will give a far greater quota to such countries as Italy, Greece, and Poland; that the use of a census, say, in the middle of the preceding half century would give a greater allowance to Scandinavia and Germany; and that the use of a very early census would practically limit immigration to the people of the British Isles.

No apportionment based on the census of any given year would be entirely fair to all countries. Nevertheless, a census base is one capable of immediate application, and there is one, 1890, lying between the extremes above mentioned which does effect a proportionate equilibrium between two groups of countries.

The plan of basing immigration quotas upon the proportion of aliens from each country who had become naturalized, was suggested, and bills were introduced to carry it into effect, but very brief consideration showed that it would not give us a fair or desirable solution of the problem. The people who become naturalized most quickly are those who give up the least when they surrender their former allegiance. Those who become naturalized most slowly are, in the main, those whose mother countries are most like our own. The Armenian, fleeing from the rule of the Sultan, is about the first to arrive at the bar of the naturalization court. The Englishman is generally the last. Germans have varied a good deal at different times in our history, probably on account of changing political conditions in their own country, but they are by no means the first.

I have yet to see any plan suggested which meets more general approval than that of basing the proportion of immigration from different countries upon the proportion of our total present blood which those countries have contributed. It is a plan of which no country can justly complain. It is a declaration to all countries, "We don't want the blood of the United States to be further changed, but we are willing to accept people from all of you at their face value on the basis of your aggregate past contribution to our present blood."

Let those who are dissatisfied with this plan propose a fairer one, always bearing in mind that if they advocate a scheme which will favor themselves some other group will be working for something which will put the advantage in their own laps. Germany, for example, which in common with other northern and western countries was discriminated against by the application of the 1910 census, might find that as a result of Germans' agitation for the retention of a census base which favors them, they would get a census base, indeed, but one which would discriminate against them more than the first one did, 1920 for example. That one has in its favor a good "talking point," namely, that it is our last one. But it would leave Germany without any appreciable immigration at all.

The history of the debates in Congress and the hearings before the Immigration Committees of the two Houses shows very strong advocacy of the 1920 census by powerful groups such as the Italians, Poles, and Hungarians, which are very aggressive, are led by capable men, are supported by a numerous press, and in their aggregate might present a much stronger numerical front than the Germans.

The 1890 census base was adopted in the 1924 act, to govern the first three years of its operation, in order to accomplish an apportionment between the countries of northern and western Europe on the one hand and the countries of southern and eastern Europe on the other hand, in accordance with the total relative contribution of those countries, as two groups, to the present (1920) white population of the United States.

Under the 1920 census we had white persons to the number of 92,286,237.

Of these, the total contribution of northern and western Europe was 78,833,838, or 85.02 per cent.

Southern and eastern Europe, 13,496,968, or 14.62 per cent.

Great Britain and Ireland, 56,174,047, or 60.74 per cent.

Germany, 13,557,510, or 14.67 per cent.

It will, of course, be understood, that the figures above given in numbers of individuals from each of the countries

or groups of countries mentioned, represent not the number of pure-blooded individuals of the given stock, but the total amount of the blood of that stock in the whole population, most of us, of course, being of mixed blood.

Now, as between the two groups of countries, northern and western Europe as compared with southern and eastern Europe, the use of the 1890 census base effected a practically exact proportion on the basis of the above percentages. This was a great improvement, as was also, in our opinion, the reduction of the total from 355,000 to 164,667, which was effected by making the allowance 2 per cent instead of 3 per cent of the accepted census base.

But although the proportion was accurate as between the two groups of countries it was not accurate at all as between countries within those groups, and the purpose of providing for the national-origins method of computation on a total of 150,000 instead of 164,667 was to extend the principle of equality of treatment throughout each group as soon as that base could be fully worked out by the Bureau of the Census.

Germany's very great relative advantage on the 1890 base will appear from the following figures:

Total quota immigration (2 per cent of 1890), 164,667.

Quota of Great Britain and Ireland and Irish Free State, 52,574, or 31.93 per cent.

Quota of Germany, 51,227, or 31.19 per cent.

It will thus be observed that under the present quota (2 per cent of 1890) Germany is allowed within less than 1 per cent of the number allotted to Great Britain and Ireland. It is obviously impossible to justify this equality of numbers on any theory consistent with the relative contributions of these two countries to the present total white population of the United States. No observer, though not a statistician, could doubt for a moment that the British contribution has been far greater. The Bureau of the Census has not yet completed its calculations. The foregoing figures are derived from previous census publications and, of course, involve estimates, but they are believed to be approximately correct. If Germany has contributed, first and last, 14.67 per cent of the present blood of the United States, she is now receiving more than twice her just share of the total immigration allowance. If Great Britain and Ireland have given us 60.74 per cent of our blood, those islands are now receiving only about one-half of their equitable immigration allowance.

But our friends of the Steuben Society assert that the national-origins plan is unfair and discriminatory because it will—

> enforce as a standard for fixing quotas the relative numbers of such elements in this country as early as 1790, thereby giving British subjects an undue preference over all other races, regardless of merit.

Are we to understand that we should embark upon a policy of considering the merits of different races in fixing immigration quotas? There is much to be said in favor of it, if matter of opinion could be readily reduced to matter of fact in an applicable form. But, as already stated, we rejected that plan in the interest of an absolutely nondiscriminatory law. Personally, I am thoroughly convinced that an attempt to weigh the relative merits of different racial elements of our population would stir up endless antagonisms and bitterness, could not possibly accomplish a beneficial result, and would be bound to be decided, not on its merits, phychological, physical, or economic, but by majorities regardless of merit.

In fact, the Steuben Society itself recognizes the undesirability of such a discussion when it says—I can not conceive on what reasoning—that the result of the application of the racial origins method will be—

> to classify members of those races (the later arrivals), now citizens of this country both by birth and naturalization, as of inferior stock and thus accentuate race differences in this country, with the evils resulting therefrom.

What, I respectfully inquire, could more accentuate those differences than an attempt to apportion immigration on the basis of the assumed superior merit of one group over another group? What would less accentuate them than an apportionment based on numbers only?

Our population of German descent, concededly a very valuable element, would in my opinion be making a grave mistake to raise such an issue. At all events, this method of fixing immigration quotas has been definitely rejected by Congress.

But they say in their circulars that the racial origins amendment was a "joker" that was passed unnoticed during the session when the Japanese exclusion act occupied the attention of Congress. Japanese exclusion and the national-origins plan were not, as this statement would imply, the subjects of separate acts of Congress. They were parts of the same act; and, without stopping to make a calculation of the number of pages of the CONGRESSIONAL RECORD devoted to each subject, I would say that the latter was discussed much more than the former. At all events, it was certainly not something that was "slipped over" while nobody was looking. It was sponsored by Senator REED of Pennsylvania and by that judicially minded statesman, Hon. John Jacob Rogers, of Massachusetts, now deceased, but whose spirit still remains with us in the person of his gifted wife.

These gentlemen, with the scholarly care which has distinguished all their public service, proposed this plan and discussed it at length, presenting elaborate tables in its support. Mr. Rogers submitted the amendment to the House at least three separate times, commencing at the very beginning of the debates on the bill, as will be seen by examination of the CONGRESSIONAL RECORD of April 8, 1924, pages 5847–5848; April 11, 1924, pages 6110–6112; and April 12, 1924, pages 6226–6227. In the other body Senator REED of Pennsylvania discussed it at full length in a running fire of debate participated in by many other Members as early as April 3. That discussion occupies 11 of the closely printed double-column folio pages of the CONGRESSIONAL RECORD of that day, extending from page 5460 to page 5471. The Rogers-Reed tables are there inserted at pages 5470–5471. The total of references to the subject by other Members of both Houses, both at the time of the original debates on the bill and subsequently in the debates on the conference report, are too numerous to be here inserted. As I myself had the honor of opening the debate in behalf of the immigration bill in the House on April 5, I make bold to refer to my own remarks in the RECORD of that day, pages 5643–5647, because, although they were not directed to this particular point, they contain tables and a chart which are applicable to this discussion.

The immigration bill was not finally passed in both Houses until more than a month later—May 15, 1924, RECORD, page 8589—and during most of the intervening period it was in conference. I was one of the conferees, and I can say now that this amendment was one of the things most discussed in the conference committee.

The suggestion that the attention of Congress was not called to it is a total error. It was more discussed in both Houses than any other single feature of the bill, though the Japanese exclusion matter undoubtedly was given more space in the press.

I may say further that while the bill was in conference I had several conversations regarding it with Dr. Otto Wiedfeldt, the then ambassador of Germany, at his home in Washington. Of course this was not official in any sense. A diplomatic representative does not attempt to influence legislation of the country to which he is accredited, and Doctor Wiedfeldt was a man who, notwithstanding his zeal for the best interests of his countrymen, was always punctilious in his regard for the proprieties of his position. But he was my personal friend. Our families exchanged visits, and we were occasionally entertained at his house. I could not help knowing that he was disturbed, as my friends of the Steuben Society are disturbed, by the prospect of a cut in the German quota. Intensely and energetically interested in the material prosperity of his countrymen and entertaining the friendliest feeling for the United States and its people, he would have been glad to see many more Germans admitted to this country, to become a part of it and partners with its people in its government. I took it upon myself to explain the situation to him. I am sure that I succeeded in convincing him that Germany would be receiving more than her share of our total immigration so long as the 1890 census base should be applied, and that Germany would receive no less than her share when the national-origins plan should come into effect.

Of course, he regretted any cut in the German quota, no matter how it should be effected.

But the Steuben Society impugns not only the fairness but the accuracy of the national-origins method, saying:

> An immigration quota, based upon the unauthoritative figures of a census of 1790, must always remain open to dispute and attack, as the records of this census were partly destroyed when the British burned our Capitol in Washington in 1812.

It is true that a small part of these records were so destroyed. I take the following statement from the introduc-

tion to the reprint of the 1790 census, which gives the names of the heads of families of all the people enumerated:

The first census of the United States (1790) contains an enumeration of the inhabitants of the present States of Connecticut, Delaware, Georgia, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, and Virginia.

A complete set of the schedules for each State, with a summary for the counties, and in many cases for the towns, was filed in the State Department, but unfortunately they are not now complete, the returns for the States of Delaware, Georgia, Kentucky, New Jersey, Tennessee, and Virginia having been destroyed when the British burned the Capitol at Washington during the War of 1812. For several of the States for which schedules are lacking it is probable that the Director of the Census could obtain lists which would present the names of most of the heads of families at the date of the first census. * * * The loss of Virginia's original schedules * * * is so unfortunate that every effort has been made to secure data that would in some measure fill the vacancy. The only records that could be secured were some manuscript lists of State enumerations made in the years 1782, 1783, 1784, and 1785; also the tax lists of Greenbrier County from 1783 to 1786. * * * The counties for which the names of the heads of families are returned on the State census lists are 39 in number, and contained in 1790 a population of 370,000; 41 counties with 377,000 population are lacking; this publication covers, therefore, only about one-half the State.

But the total number of people in the United States, exclusive of slaves, as appearing in the First Census, is a record that was not lost. That number was 3,231,533. It was only the names, in 5½ of the 17 States which were lost. Now there was no appreciable German population in any of those 5½ States, with the possible exception of Delaware. Most of them were in Pennsylvania, whose names we have. If the 5½ States should be averaged on the basis of the other States, whose records were not destroyed, Germany would be credited with probably more than her actual share in the population of the United States in 1790.

This objection of the Steuben Society would seem to give the impression that the 1790 census is the whole basis for computation under the national-origins method. It is just the beginning of that basis, because it was the beginning of our population statistics. Should it be excluded in an estimate of the elements of our present population because it is not complete in all of its details? The national-origins calculation will be based upon our original stock (census of 1790) plus their estimated descendants, plus all the people who have come since, down to 1920, plus their estimated descendants, these estimates being made according to approved formulae for calculating population growth. It is true that the calculation will not and can not be exact. It is just as true that it will be a fair approximation, the possible errors of which will be insignificant.

Let those who have a fairer plan propose it. But any plan which involves leaving out elements which founded this country, won its independence, and established its government, elements which were here since the very beginning, will be out of court before its case is submitted.

And, finally, let me point out a singular inconsistency in the attitude of our critic friends. They want the 1890 census base retained. That base rests also upon the census of 1790 to exactly the same extent as does the national-origins plan. It was justified on the theory that it effects an equitable apportionment between two groups of countries, basing such equitable proportion on the contributions of those groups to our total present population, and calculating those contributions back to the country's beginning in the way just described. Its only defect is that it is not fully applied to work out such equitable proportions between countries within those two groups.

Our friends are hardly entitled to claim the advantage of an element in the calculation while repudiating the disadvantage of the same element more completely and scientifically applied.

Leave the 1790 census out of our calculation and there is no argument left for the 1890 census base. The Steuben Society would be cutting the ground from under its own feet. Our German-American citizens must stand on that ground, like any other group, with its disadvantages as well as its advantages.

The national-origins plan is fair to all; it avoids completely all racial discrimination, and it will preserve the blood of the United States in its present proportions.

ENROLLED JOINT RESOLUTIONS SIGNED

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

S. J. Res. 1. A joint resolution to continue section 217 of the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes (Public, No. 506, 68th Cong.), approved February 28, 1925, in full force and effect until not later than the end of the second week of the second regular session of the Sixty-ninth Congress; and

H. J. Res. 67. A joint resolution authorizing payment of salaries of the officers and employees of Congress for December, 1925, on the 19th day of that month.

STANDING COMMITTEES OF THE HOUSE

Mr. TILSON. Mr. Speaker, I send to the desk the following resolution for the majority members on the standing committees of the House.

The Clerk read the resolution, as follows:

House Resolution 50

Resolved, That the following Members be, and they are hereby, elected chairmen and members of the following-named standing committees of the House, to wit:

ASSIGNMENT OF MAJORITY MEMBERS TO STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Elections No. 1.—Don B. Colton, of Utah (chairman); Carroll L. Beedy, of Maine; George A. Welsh, of Pennsylvania; Robert G. Houston, of Delaware; F. D. Letts, of Iowa; and Godfrey G. Goodwin, of Minnesota.

Elections No. 2.—Bird J. Vincent, of Michigan (chairman); Robert Luce, of Massachusetts; Randolph Perkins, of New Jersey; Henry R. Rathbone, of Illinois; Thomas A. Jenkins, of Ohio; and Carl G. Bachmann, of West Virginia.

Elections No. 3.—Charles L. Gifford, of Massachusetts (chairman); William I. Swoope, of Pennsylvania; Willis G. Sears, of Nebraska; Charles Brand, of Ohio; Albert R. Hall, of Indiana; and Albert E. Carter, of California.

Judiciary.—George S. Graham, of Pennsylvania, chairman; Leonidas C. Dyer, of Missouri; William D. Boies, of Iowa; Charles A. Christopherson, of South Dakota; Richard Yates, of Illinois; Ira G. Hersey, of Maine; Earl C. Michener, of Michigan; Andrew J. Hickey, of Indiana; Nathan D. Perlman, of New York; J. Banks Kurtz, of Pennsylvania; C. Ellis Moore, of Ohio; John J. Gorman, of Illinois; George R. Stobbs, of Massachusetts; and James F. Strother, of West Virginia.

Banking and Currency.—Louis T. McFadden, of Pennsylvania (chairman); Edward J. King, of Illinois; James G. Strong, of Kansas; Robert Luce, of Massachusetts; Clarence MacGregor, of New York; E. Hart Fenn, of Connecticut; Guy E. Campbell, of Pennsylvania; Elmer O. Leatherwood, of Utah; Carroll L. Beedy, of Maine; William Williamson, of South Dakota; Joseph L. Hooper, of Michigan; John C. Allen, of Illinois; and Godfrey G. Goodwin, of Minnesota.

Coinage, Weights, and Measures.—Randolph Perkins, of New Jersey (chairman); Albert H. Vestal, of Indiana; Lloyd Thurston, of Iowa; Harry I. Thayer, of Massachusetts; Frederick W. Magrady, of Pennsylvania; Florence P. Kahn, of California; W. T. Fitzgerald, of Ohio; John M. Wolverton, of West Virginia; Florian Lampert, of Wisconsin; O. J. Kvale, of Minnesota; and Dan A. Sutherland, of Alaska.

Rivers and Harbors.—S. Wallace Dempsey, of New York (chairman); Richard P. Freeman, of Connecticut; Nathan L. Strong, of Pennsylvania; Cleveland A. Newton, of Missouri; James J. Connelly, of Pennsylvania; M. A. Michaelson, of Illinois; Walter F. Lineberger, of California; W. M. Morgan, of Ohio; William E. Hull, of Illinois; George N. Seger, of New Jersey; W. W. Chalmers, of Ohio; M. E. Crumpacker, of Oregon; and John B. Sosnowski, of Michigan.

Merchant Marine and Fisheries.—Frank D. Scott, of Michigan (chairman); Wallace H. White, jr., of Maine; Frederick R. Lehlbach, of New Jersey; Arthur M. Free, of California; Charles Brand, of Ohio; Frank R. Reid, of Illinois; Robert L. Bacon, of New York; Charles L. Gifford, of Massachusetts; Fletcher Hale, of New Hampshire; Harry E. Rowbottom, of Indiana; Edmund N. Carpenter, of Pennsylvania; William R. Johnson, of Illinois; Frederick M. Davenport, of New York; and Dan A. Sutherland, of Alaska.

Agriculture.—Gilbert N. Haugen, of Iowa (chairman); Fred S. Purnell, of Indiana; Melvin O. McLaughlin, of Nebraska; J. N. Tincher, of Kansas; Thomas S. Williams, of Illinois; Charles J. Thompson, of Ohio; John C. Ketcham, of Michigan; Thomas Hall, of North Dakota; Harcourt J. Pratt, of New York; Franklin W. Fort, of New Jersey; Franklin Menges, of Pennsylvania; August H. Andresen, of Minnesota; and Charles Adkins, of Illinois.

Foreign Affairs.—Stephen G. Porter, of Pennsylvania (chairman); Henry W. Temple, of Pennsylvania; James T. Begg, of Ohio; Theodore E. Burton, of Ohio; Benjamin L. Fairchild, of New York; Hamilton Fish, jr., of New York; Cyrenus Cole, of Iowa; William N. Vaile, of Colorado; Edgar C. Ellis, of Missouri; Morton D. Hull, of Illinois; Joseph W. Martin, jr., of Massachusetts; Charles A. Eaton, of New Jersey; and Henry Allen Cooper, of Wisconsin.

Military Affairs.—John M. Morin, of Pennsylvania (chairman); W. Frank James, of Michigan; Harry C. Ransley, of Pennsylvania; John Philip Hill, of Maryland; Harry M. Wurzbach, of Texas; Louis A. Frothingham, of Massachusetts; B. Carroll Reece, of Tennessee; John C. Speaks, of Ohio; J. Mayhew Wainwright, of New York; James P. Glynn, of Connecticut; Loren E. Wheeler, of Illinois; Noble J. Johnson, of Indiana; and Allen J. Furlow, of Minnesota.

Naval Affairs.—Thomas S. Butler, of Pennsylvania (chairman); Fred A. Britten, of Illinois; George P. Darrow, of Pennsylvania; A. E. B. Stephens, of Ohio; Clark Burdick, of Rhode Island; Francis F. Patterson, jr., of New Jersey; A. Piatt Andrew, of Massachusetts; John F. Miller, of Washington; Roy O. Woodruff, of Michigan; James M. Magee, of Pennsylvania; William R. Coyle, of Pennsylvania; and Ralph E. Updike, sr., of Indiana.

Post Office and Post Roads.—W. W. Griest, of Pennsylvania (chairman); C. William Ramseyer, of Iowa; Archie D. Sanders, of New York; Samuel A. Kendall, of Pennsylvania; M. Clyde Kelly, of Pennsylvania; Elliott W. Sproul, of Illinois; Laurence H. Watres, of Pennsylvania; Herbert W. Taylor, of New Jersey; Frank H. Foss, of Massachusetts; Ralph E. Bailey, of Missouri; David Hogg, of Indiana; Harold S. Tolley, of New York; and Joshua W. Swartz, of Pennsylvania.

Public Lands.—Nicholas J. Sinnott, of Oregon (chairman); Addison T. Smith, of Idaho; Don B. Colton, of Utah; Charles E. Winter, of Wyoming; Scott Leavitt, of Montana; Phil D. Swing, of California; Samuel S. Arentz, of Nevada; F. D. Letts, of Iowa; Lawrence J. Flaherty, of California; Joseph L. Hooper, of Michigan; Frederick M. Davenport, of New York; Victor L. Berger, of Wisconsin; and Fiorello H. LaGuardia, of New York.

Indian Affairs.—Scott Leavitt, of Montana (chairman); W. H. Sproul, of Kansas; George F. Brumm, of Pennsylvania; Grant M. Hudson, of Michigan; Gale H. Stalker, of New York; Harold Knutson, of Minnesota; William Williamson, of South Dakota; Thaddeus C. Sweet, of New York; Harry I. Thayer, of Massachusetts; F. D. Letts, of Iowa; S. J. Montgomery, of Oklahoma; Elbert S. Brigham, of Vermont; James A. Frear, of Wisconsin; and Dan A. Sutherland, of Alaska.

Territories.—Charles F. Curry, of California (chairman); Albert Johnson, of Washington; Cassius C. Dowell, of Iowa; Louis T. McFadden, of Pennsylvania; James G. Strong, of Kansas; Richard N. Elliott, of Indiana; Ernest W. Gibson, of Vermont; Anderson H. Walters, of Pennsylvania; Ed. M. Irwin, of Illinois; Florian Lampert, of Wisconsin; and Dan A. Sutherland, of Alaska.

Insular Affairs.—Edgar R. Kiess, of Pennsylvania (chairman); Charles E. Fuller, of Illinois; Frederick N. Zihlman, of Maryland; Harold Knutson, of Minnesota; Carroll L. Beedy, of Maine; Grant M. Hudson, of Michigan; George F. Brumm, of Pennsylvania; Robert L. Bacon, of New York; Charles L. Underhill, of Massachusetts; Elbert S. Brigham, of Vermont; Albert R. Hall, of Indiana; Albert E. Carter, of California; Lloyd Thurston, of Iowa; and Felix Cordova Davila, of Porto Rico.

Railways and Canals.—Oscar E. Keller, of Minnesota (chairman); Roy G. Fitzgerald, of Ohio; Harry C. Woodyard, of West Virginia; Anderson H. Walters, of Pennsylvania; Charles E. Kiefner, of Missouri; Joseph D. Beck, of Wisconsin; George J. Schneider, of Wisconsin; and John C. Schafer, of Wisconsin.

Mines and Mining.—John M. Robsion, of Kentucky (chairman); William Williamson, of South Dakota; Don B. Colton, of Utah; Charles E. Winter, of Wyoming; W. H. Sproul, of Kansas; George F. Brumm, of Pennsylvania; Joe J. Manlove, of Missouri; Arthur M. Free, of California; Edmund N. Carpenter, of Pennsylvania; and Dan A. Sutherland, of Alaska.

Public Buildings and Grounds.—Richard N. Elliott, of Indiana (chairman); J. Will Taylor, of Tennessee; Daniel A. Reed, of New York; William F. Kopp, of Iowa; Gale H. Stalker, of New York; Charles Brand, of Ohio; Anderson H. Walters, of Pennsylvania; Clarence J. McLeod, of Michigan; Harry I. Thayer, of Massachusetts; Ed. M. Irwin, of Illinois; Charles J. Esterly, of Pennsylvania; John M. Wolverton, of West Virginia; and F. H. LaGuardia, of New York.

Education.—Daniel A. Reed, of New York (chairman); John M. Robsion, of Kentucky; William P. Holaday, of Illinois; George A. Welsh, of Pennsylvania; Robert L. Bacon, of New York; E. Hart Fenn, of Connecticut; Fletcher Hale, of New Hampshire; and Florence P. Kahn, of California.

Labor.—William F. Kopp, of Iowa (chairman); Frederick N. Zihlman, of Maryland; Joe J. Manlove, of Missouri; George A. Welsh, of Pennsylvania; Lawrence J. Flaherty, of California; Stewart H. Appleby, of New Jersey; Harry E. Rowbottom, of Indiana; and Joseph D. Beck, of Wisconsin.

Patents.—Albert H. Vestal, of Indiana (chairman); Randolph Perkins, of New Jersey; Clarence J. McLeod, of Michigan; Charles J. Esterly, of Pennsylvania; Godfrey G. Goodwin, of Minnesota; Henry L. Bowles, of Massachusetts; Florian Lampert, of Wisconsin; and Knud Wefald, of Minnesota.

Invalid Pensions.—Charles E. Fuller, of Illinois (chairman); Richard N. Elliott, of Indiana; Edward M. Beers, of Pennsylvania; William I. Swoope, of Pennsylvania; Thaddeus C. Sweet, of New York; W. T. Fitzgerald, of Ohio; Elbert S. Brigham, of Vermont; John M. Nelson, of Wisconsin; and Knud Wefald, of Minnesota.

Pensions.—Harold Knutson, of Minnesota (chairman); John M. Robsion, of Kentucky; William F. Kopp, of Iowa; Elmer O. Leatherwood, of Utah; Gale H. Stalker, of New York; Joe J. Manlove, of Missouri; Stewart H. Appleby, of New Jersey; and Edward Voigt, of Wisconsin.

Claims.—Charles L. Underhill, of Massachusetts (chairman); Oscar E. Keller, of Minnesota; Bird J. Vincent, of Michigan; Willis G. Sears, of Nebraska; Anderson H. Walters, of Pennsylvania; William R. Johnson, of Illinois; Stewart H. Appleby, of New Jersey; Edmund N. Carpenter, of Pennsylvania; and Joseph D. Beck, of Wisconsin.

War Claims.—James G. Strong, of Kansas (chairman); William I. Swoope, of Pennsylvania; Charles E. Winter, of Wyoming; Thaddeus C. Sweet, of New York; John M. Wolverton, of West Virginia; Joseph L. Hooper, of Michigan; Frederick W. Magrady, of Pennsylvania; James H. Sinclair, of North Dakota; and Hubert H. Peavey, of Wisconsin.

District of Columbia.—Frederick N. Zihlman, of Maryland (chairman); Oscar E. Keller, of Minnesota; Charles L. Underhill, of Massachusetts; Clarence J. McLeod, of Michigan; Ernest W. Gibson, of Vermont; Edward M. Beers, of Pennsylvania; Henry R. Rathbone, of Illinois; Gale H. Stalker, of New York; Frank R. Reid, of Illinois; Henry L. Bowles, of Massachusetts; Frank L. Bowman, of West Virginia; Robert G. Houston, of Delaware; and Florian Lampert, of Wisconsin.

Revision of the Laws.—Roy G. Fitzgerald, of Ohio (chairman); Charles E. Fuller, of Illinois; William I. Swoope, of Pennsylvania; Willis G. Sears, of Nebraska; Frank R. Reid, of Illinois; Carl G. Bachmann, of West Virginia; Frederick W. Magrady, of Pennsylvania; and Edward Voigt, of Wisconsin.

Civil Service.—Frederick R. Lehlbach, of New Jersey (chairman); Addison T. Smith, of Idaho; Ernest W. Gibson, of Vermont; Grant M. Hudson, of Michigan; Joe J. Manlove, of Missouri; Lloyd Thurston, of Iowa; Carl G. Bachmann, of West Virginia; and Edward E. Browne, of Wisconsin.

Election of President, Vice President, and Representatives in Congress.—Hays B. White, of Kansas (chairman); Charles L. Gifford, of Massachusetts; Randolph Perkins, of New Jersey; W. T. Fitzgerald, of Ohio; Frank L. Bowman, of West Virginia; Harry I. Thayer, of Massachusetts; Arthur M. Free, of California; and Frederick W. Magrady, of Pennsylvania.

Alcoholic Liquor Traffic.—Grant M. Hudson, of Michigan (chairman); Addison T. Smith, of Idaho; W. T. Fitzgerald, of Ohio; Edward E. Browne, of Wisconsin; James H. Sinclair, of North Dakota; Fiorello H. LaGuardia, of New York; and O. J. Kvale, of Minnesota.

Irrigation and Reclamation.—Addison T. Smith, of Idaho (chairman); Nicholas J. Sinnott, of Oregon; Elmer O. Leatherwood, of Utah; Scott Leavitt, of Montana; Charles E. Winter, of Wyoming; Phil D. Swing, of California; Samuel S. Arentz, of Nevada; John C. Allen, of Illinois; and Frederick M. Davenport, of New York.

Immigration and Naturalization.—Albert Johnson, of Washington (chairman); J. Will Taylor, of Tennessee; Hays B. White, of Kansas; Arthur M. Free, of California; William P. Holaday, of Illinois; Bird J. Vincent, of Michigan; William I. Swoope, of Pennsylvania; Robert L. Bacon, of New York; Thomas A. Jenkins, of Ohio; and Benjamin M. Golder, of Pennsylvania.

Expenditures in the State Department.—J. Will Taylor, of Tennessee (chairman); E. Hart Fenn, of Connecticut; Edward E. Browne, of Wisconsin; and James H. Sinclair, of North Dakota.

Expenditures in the Treasury Department.—Ernest W. Gibson, of Vermont (chairman); Edgar R. Kiess, of Pennsylvania; S. J. Montgomery, of Oklahoma; and Knud Wefald, of Minnesota.

Expenditures in the War Department.—Thaddeus C. Sweet, of New York (chairman); Charles L. Gifford, of Massachusetts; Florence P. Kahn, of California; and John C. Schafer, of Wisconsin.

Expenditures in the Navy Department.—George F. Brumm, of Pennsylvania (chairman); William F. Kopp, of Iowa; and Edith Nourse Rogers, of Massachusetts.

Expenditures in the Post Office Department.—Phil D. Swing, of California (chairman); Harry E. Rowbottom, of Indiana; Charles E. Kiefner, of Missouri; and Hubert H. Peavey, of Wisconsin.

Expenditures in the Interior Department.—William Williamson, of South Dakota (chairman); Samuel S. Arentz, of Nevada; George J. Schneider, of Wisconsin; and John M. Nelson, of Wisconsin.

Expenditures in the Department of Justice.—Willis G. Sears, of Nebraska (chairman); George A. Welsh, of Pennsylvania; Albert R. Hall, of Indiana; and James A. Frear, of Wisconsin.

Expenditures in the Department of Agriculture.—Edward J. King, of Illinois (chairman); Harry C. Woodyard, of West Virginia; Edward M. Beers, of Pennsylvania; and Edward Voigt, of Wisconsin.

Expenditures in the Department of Commerce.—Henry R. Rathbone, of Illinois (chairman); Roy G. Fitzgerald, of Ohio; Harold Knutson, of Minnesota; and Bird J. Vincent, of Michigan.

Expenditures in the Department of Labor.—Carroll L. Beedy, of Maine (chairman); Guy E. Campbell, of Pennsylvania; William P. Holaday, of Illinois; and Robert G. Houston, of Delaware.

Expenditures on Public Buildings.—Elmer O. Leatherwood, of Utah (chairman); Frank L. Bowman, of West Virginia; Lawrence J. Flaherty, of California; and Victor L. Berger, of Wisconsin.

Rules.—C. William Ramseyer, of Iowa.

Accounts.—William R. Johnson, of Illinois.

Mileage.—Hubert H. Peavey, of Wisconsin.

Census.—E. Hart Fenn, of Connecticut (chairman); Clarence J. McLeod, of Michigan; Robert L. Bacon, of New York; Hays B. White, of Kansas; Albert E. Carter, of California; Lloyd Thurston, of Iowa; William R. Johnson, of Illinois; Frederick W. Magrady, of Pennsylvania; Henry L. Bowles, of Massachusetts; and Edward Voigt, of Wisconsin.

Industrial Arts and Expositions.—George A. Welsh, of Pennsylvania (chairman); Daniel A. Reed, of New York; Roy G. Fitzgerald, of Ohio; Henry R. Rathbone, of Illinois; W. H. Sproul, of Kansas; Edith Nourse Rogers, of Massachusetts; Benjamin M. Golder, of Pennsylvania; O. J. Kvale, of Minnesota; and Victor L. Berger, of Wisconsin.

Roads.—Cassius C. Dowell of Iowa (chairman); John M. Robsion, of Kentucky; Clarence MacGregor, of New York; Charles Brand, of Ohio; Joe J. Manlove, of Missouri; Don B. Colton, of Utah; W. H. Sproul, of Kansas; William P. Holaday, of Illinois; Henry L. Bowles, of Massachusetts; Joseph L. Hooper, of Michigan; Charles J. Esterly, of Pennsylvania; Edmund N. Carpenter, of Pennsylvania; and John M. Nelson, of Wisconsin.

Woman Suffrage.—Wallace H. White, jr., of Maine (chairman); Edith Nourse Rogers, of Massachusetts; John C. Schafer, of Wisconsin; Fiorello H. LaGuardia, of New York; and Knud Wefald, of Minnesota.

World War Veterans' Legislation.—Royal C. Johnson, of South Dakota (chairman); Robert Luce, of Massachusetts; Randolph Perkins, of New Jersey; Roy G. Fitzgerald, of Ohio; Bird J. Vincent, of Michigan; Ernest W. Gibson, of Vermont; George A. Welsh, of Pennsylvania; Thaddeus C. Sweet, of New York; Charles J. Esterly, of Pennsylvania; Ed. M. Irwin, of Illinois; Fletcher Hale, of New Hampshire; S. J. Montgomery, of Oklahoma; and Edith Nourse Rogers, of Massachusetts.

Library.—Robert Luce, of Massachusetts (chairman); Robert L. Bacon, of New York; and John C. Allen, of Illinois.

Printing.—Edward M. Beers, of Pennsylvania (chairman); and Edgar R. Kiess, of Pennsylvania.

Flood Control.—Frank R. Reid, of Illinois (chairman); Charles F. Curry, of California; Roy G. Fitzgerald, of Ohio; William F. Kopp, of Iowa; Phil D. Swing, of California; Anderson H. Walters, of Pennsylvania; Willis G. Sears, of Nebraska; Charles E. Kiefner, of Missouri; and James A. Frear, of Wisconsin.

Disposition of Useless Executive Papers.—Edward H. Wason, of New Hampshire (chairman).

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GARNER of Texas. Mr. Speaker, I offer the following resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 51

Resolved, That the following-named Representatives be, and they are hereby, elected members of the standing committees of the House, as follows:

COMMITTEE ASSIGNMENTS OF THE MINORITY

Agriculture.—James B. Aswell, of Louisiana; David H. Kincheloe, of Kentucky; Marvin Jones, of Texas; F. B. Swank, of Oklahoma; Hampton P. Fulmer, of South Carolina; Thomas L. Rubey, of Missouri; Thomas A. Doyle, of Illinois; and John McSweeney, of Ohio.

Alcoholic Liquor Traffic.—William D. Upshaw, of Georgia; John C. Box, of Texas; and R. A. Green, of Florida.

Banking and Currency.—Otis Wingo, of Arkansas; Henry B. Steagall, of Alabama; Charles H. Brand, of Georgia; William F. Stevenson, of South Carolina; Eugene Black, of Texas; T. Alan Goldsborough, of Maryland; Anning S. Prall, of New York; and Harry C. Canfield, of Indiana.

Census.—John E. Rankin, of Mississippi; Arthur H. Greenwood, of Indiana; George C. Peery, of Virginia; Ralph F. Lozier, of Missouri; Meyer Jacobstein, of New York; Virgil Chapman, of Kentucky; and Samuel Rutherford, of Georgia.

Civil Service.—Lamar Jeffers, of Alabama; Emanuel Celler, of New York; Clifton A. Woodrum, of Virginia; Luther A. Johnson, of Texas; and Gordon Browning, of Tennessee.

Claims.—John C. Box, of Texas; A. L. Bulwinkle, of North Carolina; Loring M. Black, jr., of New York; Elmer Thomas, of Oklahoma; Emanuel Celler, of New York; Adolph J. Sabath, of Illinois; and John Morrow, of New Mexico.

Coinage, Weights, and Measures.—Bill G. Lowrey, of Mississippi; Charles L. Abernethy, of North Carolina; Edgar Howard, of Nebraska; Andrew L. Somers, of New York; John J. Douglass, of Massachusetts; Oscar L. Auf der Heide, of New Jersey; Bolivar E. Kemp, of Louisiana; and R. A. Green, of Florida.

Disposition of Useless Executive Papers.—Arthur B. Rouse, of Kentucky.

District of Columbia.—Christopher D. Sullivan, of New York; Thomas L. Blanton, of Texas; Ralph Gilbert, of Kentucky; William C. Hammer, of North Carolina; Allard H. Gasque, of South Carolina; Mary T. Norton, of New Jersey; Chauncey B. Little, of Kansas; and Joseph Whitehead, of Virginia.

Education.—Bill G. Lowrey, of Mississippi; William W. Hastings, of Oklahoma; Loring M. Black, jr., of New York; Millard E. Tydings, of Maryland; William L. Nelson, of Missouri; John J. Douglass, of Massachusetts; and Brooks Fletcher, of Ohio.

Election of President, Vice President, and Representatives in Congress.—Lamar Jeffers, of Alabama; William E. Cleary, of New York; Ralph F. Lozier, of Missouri; Millard E. Tydings, of Maryland; and Oscar L. Auf der Heide, of New Jersey.

Elections No. 1.—C. B. Hudspeth, of Texas; Edward E. Eslick, of Tennessee; and Virgil Chapman, of Kentucky.

Elections No. 2.—Gordon Browning, of Tennessee; T. Webber Wilson, of Mississippi; and John J. Douglass, of Massachusetts.

Elections No. 3.—Guinn Williams, of Texas; John H. Kerr, of North Carolina; and Heartsill Ragon, of Arkansas.

Expenditures in the Department of Agriculture.—Frank Gardner, of Indiana; R. A. Green, of Florida; and Lindsay Warren, of North Carolina.

Expenditures in the Department of Commerce.—Miles C. Allgood, of Alabama; and J. B. Reed, of Arkansas.

Expenditures in the Interior Department.—Sol Bloom, of New York; Brooks Fletcher, of Ohio; and Bolivar E. Kemp, of Louisiana.

Expenditures in the Department of Justice.—Frank Oliver, of New York; Jeff Busby, of Mississippi; and John M. Evans, of Montana.

Expenditures in the Department of Labor.—Thomas L. Blanton, of Texas; and Allard H. Gasque, of South Carolina.

Expenditures in the Navy Department.—Charles L. Abernethy, of North Carolina; William E. Cleary, of New York; and Bill G. Lowrey, of Mississippi.

Expenditures in the Post Office Department.—Guinn Williams, of Texas; Meyer Jacobstein, of New York; and William W. Hastings, of Oklahoma.

Expenditures in the State Department.—George C. Peery, of Virginia; William L. Nelson, of Missouri; and Samuel Rutherford, of Georgia.

Expenditures in the Treasury Department.—Heartsill Ragon, of Arkansas; and Sam B. Hill, of Washington.

Expenditures in the War Department.—Arthur H. Greenwood, of Indiana; William P. Connery, jr., of Massachusetts; and Jacob L. Milligan, of Missouri.

Expenditures on Public Buildings.—Samuel Dickstein, of New York; John H. Kerr, of North Carolina; and William C. Lankford, of Georgia.

Flood Control.—Riley J. Wilson of Louisiana; William J. Driver, of Arkansas; Luther A. Johnson, of Texas; William L. Nelson, of Missouri; W. M. Whittington, of Mississippi; and E. E. Cox, of Georgia.

Foreign Affairs.—J. Charles Linthicum, of Maryland; Charles M. Stedman, of North Carolina; Tom Connally, of Texas; R. Walton Moore, of Virginia; Martin L. Davey, of Ohio; David J. O'Connell, of New York; S. D. McReynolds, of Tennessee; and Charles G. Edwards, of Georgia.

Immigration and Naturalization.—Adolph J. Sabath, of Illinois; John E. Raker, of California; Riley J. Wilson, of Louisiana; John C. Box, of Texas; Samuel Dickstein, of New York; Samuel Rutherford, of Georgia; and John W. Moore, of Kentucky.

Indian Affairs.—Carl Hayden, of Arizona; William J. Sears, of Florida; John M. Evans, of Montana; William W. Hastings, of Oklahoma; Edgar Howard, of Nebraska; Sam B. Hill, of Washington; John Morrow, of New Mexico; and Chauncey B. Little of Kansas.

Industrial Arts and Expositions.—Fritz G. Lanham, of Texas; Clifton A. Woodrum, of Virginia; Sol Bloom, of New York; T. Webber Wilson, of Mississippi; William C. Hammer, of North Carolina; Oscar L. Auf der Heide, of New Jersey; and Thomas S. McMillan, of South Carolina.

Insular Affairs.—Christopher D. Sullivan, of New York; Guinn Williams, of Texas; Jacob L. Milligan, of Missouri; Frank Gardner, of Indiana; Heartsill Ragon, of Arkansas; T. Weber Wilson, of Missis-

sippi; Adolph J. Sabath, of Illinois; and Butler B. Hare, of South Carolina.

Invalid Pensions.—Mell G. Underwood, of Ohio; Ralph F. Lozier, of Missouri; Arthur H. Greenwood, of Indiana; William L. Carss, of Minnesota; Andrew L. Somers, of New York; and Lindsay Warren, of North Carolina.

Irrigation and Reclamation.—Carl Hayden, of Arizona; C. B. Hudspeth, of Texas; John E. Raker, of California; William C. Lankford, of Georgia; J. B. Reed, of Arkansas; Miles C. Allgood, of Alabama; Sam B. Hill, of Washington; and W. M. Whittington, of Mississippi.

Judiciary.—Hatton W. Sumners, of Texas; Andrew J. Montague, of Virginia; John N. Tillman, of Arkansas; Fred H. Dominick, of South Carolina; Samuel C. Major, of Missouri; Royal H. Weller, of New York; William B. Bowling, of Alabama; Zebulon Weaver, of North Carolina; and Henry St. George Tucker, of Virginia.

Labor.—William D. Upshaw, of Georgia; William P. Connery, jr., of Massachusetts; Meyer Jacobstein, of New York; Luther A. Johnson, of Texas; William L. Carss, of Minnesota; and Mary T. Norton, of New Jersey.

Library.—Ralph Gilbert, of Kentucky; and A. L. Bulwinkle, of North Carolina.

Merchant Marine and Fisheries.—Ladislas Lazaro, of Louisiana; Ewin L. Davis, of Tennessee; Schuyler Otis Bland, of Virginia; Clay Stone Briggs, of Texas; William W. Larsen, of Georgia; Tom D. McKeown, of Oklahoma; George W. Lindsay, of New York; and Jeremiah E. O'Connell, of Rhode Island.

Military Affairs.—Percy E. Quin, of Mississippi; Hubert F. Fisher, of Tennessee; William C. Wright, of Georgia; Daniel E. Garrett, of Texas; John J. McSwain, of South Carolina; John J. Boylan, of New York; Lister Hill, of Alabama; Fred M. Vinson, of Kentucky; and William P. Jarrett, of Hawaii.

Mines and Mining.—Arthur H. Greenwood, of Indiana; Mell G. Underwood, of Ohio; Joseph Whitehead, of Virginia; Andrew L. Somers, of New York; Butler B. Hare, of South Carolina; and Virgil Chapman, of Kentucky.

Naval Affairs.—Carl Vinson, of Georgia; James V. McClintic, of Oklahoma; Herbert J. Drane, of Florida; Patrick Henry Drewry, of Virginia; Morgan G. Sanders, of Texas; John F. Quayle, of New York; J. Alfred Taylor, of West Virginia; and Stephen W. Gambrill, of Maryland.

Patents.—Fritz G. Lanham, of Texas; William C. Hammer, of North Carolina; Sol Bloom, of New York; J. B. Reed, of Arkansas; Mell G. Underwood, of Ohio; and Thomas S. McMillan, of South Carolina.

Pensions.—William D. Upshaw, of Georgia; William C. Hammer, of North Carolina; William E. Cleary, of New York; Luther A. Johnson, of Texas; Allard H. Gasque, of South Carolina; Clarence Cannon, of Missouri; and John W. Moore, of Kentucky.

Post Office and Post Roads.—Thomas M. Bell, of Georgia; Arthur B. Rouse, of Kentucky; James M. Mead, of New York; John H. Smithwick, of Florida; Milton A. Romjue, of Missouri; William W. Arnold, of Illinois; John H. Morehead, of Nebraska; J. Zach Spearing, of Louisiana; and William P. Jarrett, of Hawaii.

Printing.—William F. Stevenson, of South Carolina.

Public Buildings and Grounds.—Fritz G. Lanham, of Texas; Edward B. Almon, of Alabama; Frank Oliver, of New York; John H. Kerr, of North Carolina; Jeff Busby, of Mississippi; Clifton A. Woodrum, of Virginia; E. E. Cox, of Georgia; and Edward E. Eslick, of Tennessee.

Public Lands.—John E. Raker, of California; William J. Driver, of Arkansas; Charles L. Abernethy, of North Carolina; John M. Evans, of Montana; Sam B. Hill, of Washington; Elmer Thomas, of Oklahoma; John Morrow, of New Mexico; Edgar Howard, of Nebraska; and William P. Jarrett, of Hawaii.

Railways and Canals.—William C. Lankford, of Georgia; Gordon Browning, of Tennessee; William L. Carss, of Minnesota; R. A. Green, of Florida; and W. M. Whittington, of Mississippi.

Revision of the Laws.—A. L. Bulwinkle, of North Carolina; George C. Peery, of Virginia; Loring M. Black, jr., of New York; E. E. Cox, of Georgia; and Chauncey B. Little, of Kansas.

Rivers and Harbors.—Joseph J. Mansfield, of Texas; John McDuffie, of Alabama; John J. Kindred, of New York; Homer L. Lyon, of North Carolina; Joseph T. Deal, of Virginia; James O'Connor, of Louisiana; Stanley H. Kunz, of Illinois; and Charles A. Mooney, of Ohio.

Roads.—Edward B. Almon, of Alabama; William J. Sears, of Florida; C. B. Hudspeth, of Texas; Frank Gardner, of Indiana; Clarence Cannon, of Missouri; George C. Peery, of Virginia; Elmer Thomas, of Oklahoma; and Bolivar E. Kemp, of Louisiana.

Territories.—William C. Lankford, of Georgia; John E. Rankin, of Mississippi; William J. Driver, of Arkansas; Charles L. Abernethy, of North Carolina; Millard E. Tydings, of Maryland; Guinn Williams, of Texas; Brooks Fletcher, of Ohio; and William P. Jarrett, of Hawaii.

War Claims.—Bill G. Lowrey, of Mississippi; Miles C. Allgood, of Alabama; C. B. Hudspeth, of Texas; Edward E. Eslick, of Tennessee; Butler B. Hare, of South Carolina; and Joseph Whitehead, of Virginia.

Woman Suffrage.—John E. Raker, of California; Christopher D. Sullivan, of New York; Thomas L. Blanton, of Texas; Clifton A. Woodrum, of Virginia; Charles L. Abernethy, of North Carolina; and Thomas S. McMillan, of South Carolina.

World War Veterans' Legislation.—Carl Hayden, of Arizona; A. L. Bulwinkle, of North Carolina; John E. Rankin, of Mississippi; Lamar Jeffers, of Alabama; Jacob L. Milligan, of Missouri; Gordon Browning, of Tennessee; William P. Connery, jr., of Massachusetts; and Mary T. Norton, of New Jersey.

Mr. GARNER of Texas. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, prophecy has become history, at least in part. Beginning on the morning after the elections of last November the country began to be filled with predictions, some of them emanating from eminent and potential Republican sources, that when the Sixty-ninth Congress should be organized certain gentlemen who in the Sixty-eighth had been assigned as Republicans on the committees of the House would be removed from the places which they occupied and assigned to other positions upon committees lower in rank.

I observe that that prophecy has been fulfilled by the adoption of the committee recommendations just offered by my distinguished friend from Connecticut [Mr. TILSON]. I have, however, in view of some of the events occurring on the day of the organization of this House, wondered just exactly what the real test was in determining the status of those gentlemen so removed. It was given out that one of the tests would be the vote that gentlemen would cast upon the official program of the powers that be relative to the rules of the House. It was demanded that 71 gentlemen who at the beginning of the Sixty-eighth Congress thought a discharge rule was proper should change their votes, demanded that they should eat the bravest word that many of them ever spoke in order to maintain their standing with the party.

Well, I observe that 43 gentlemen did that. I have a list here and, without reading, I shall ask permission to insert it in the RECORD.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to insert a list in the RECORD. Is there objection?

There was no objection.

The list is as follows:

LIST OF REPUBLICANS IN HOUSE WHO VOTED FOR THE DISCHARGE RULE IN THE SIXTY-EIGHTH CONGRESS WHO VOTED FOR THE SUBSTITUTE IN THE SIXTY-NINTH CONGRESS

Bixler
Boles
Brand of Ohio
Brumm
Burton
Butler
Clague
Colton
Cooper of Ohio
Cramton
Dowell
Fairchild
Fish
Garber
Gibson
Haugen
Hull, Morton D.
Hull, William E.
Ketcham
King
Knutson
Leatherwood
Leavitt
Mapes
Michener
Miller
Moore of Ohio
Morgan
Purnell
Robinson of Iowa
Robsion of Kentucky
Scott
Sinnott
Snell
Stephens
Strong of Kansas
Summers of Washington
Taylor of Tennessee
Thatcher
Tincher
Vincent of Michigan
Wainwright
Williams of Illinois.

Mr. GARRETT of Tennessee. There were others who did not change their votes, but who do not seem to be affected in their committee assignments by that fact. A very limited number have been so affected, and somehow or some way most of them, it so happens, come from Wisconsin, the State in which the Republican Party was born. And so it would seem that these gentlemen are now being punished by those in authority because of the fact that they happen to stand in a large measure by the principles of Abraham Lincoln.

That, at least, I understand to be their claim, and, Mr. Speaker, while I may not be able to qualify as an expert, I can qualify as a disinterested party when I say to the gentlemen on the majority side that, as a matter of fact, if I have read political history aright, these gentlemen do stand much nearer to the teachings of Abraham Lincoln than the persons that are now in control of the House [applause], because these latter stand for what Hamilton stood for, and, if I have read history aright, there were not many of the things that Hamilton stood for that Lincoln was in sympathy with. Gentlemen, I wonder why that discharge rule was looked upon as such a block in the pathway of the organization in the House?

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. GARNER of Texas. Mr. Speaker, I yield the gentleman five minutes more.

Mr. GARRETT of Tennessee. Bear in mind, Mr. Speaker, that rule was never abused in the last Congress. There was no effort made to use it for any party purposes. The only measure that they sought to bring before the House was a nonpartisan measure, the motion being signed by Members on both sides of the House, without reference to party. I myself was not one of those who signed it. The rule was not abused, but the gentlemen had to get it out of the way, and why? I think I can tell you and tell the country why. Because they realized the fact that if that rule remained as one of the rules of procedure of the House, then before this session was ended they would have to face a vote upon a question looking toward giving the people of this country relief in some measure at least from the obnoxious and outrageous rates that are contained in the Fordney-McCumber tariff bill. [Applause on the Democratic side.]

The gentleman from Tennessee [Mr. HULL], my distinguished colleague, has introduced a resolution in this House upon which we should like to have had some action under that discharge rule. We may make an effort, though I fear it can amount to but little more than a gesture, to utilize the innocuous thing which you gentlemen put in the rule along that line. Of that perhaps I shall have more to say anon.

My colleague has issued a statement explaining his resolution which, under permission granted, I give here. Mr. HULL says:

> The joint resolution urges two separate economic policies to meet our national and international financial, industrial, and trade situation. The fight for tariff reform to a level of moderate rates in the way of the introduction of bills dealing with excesses in existing tariffs and an insistent demand for their consideration will be waged. Tariff revision to this extent now is not only justifiable but absolutely necessary if the United States is to maintain a sound rather than a growing artificial economic structure and if it is to maintain an increasing and healthy foreign trade, so as to avoid stagnation in many domestic industries on account of overproduction capacity. Tariff reform is the paramount proposal in the resolution.
>
> The proposed international trade agreement organization would in no sense question or affect the right of a nation to determine whether it desired to maintain high tariffs or low tariffs, but, instead, it is intended to bring about the removal by mutual consent of the many hurtful and unfair discriminations, impediments, restrictions, and other barriers in international trade, finance, and commerce, and the resulting promotion of fair, equal, and friendly relations among commercial nations. No better illustration could be pointed to than the case of combinations between producers and their governments artificially to inflate prices of rubber, coffee, and certain other raw materials where a monopoly of supply and production exists. Secretary Hoover recently declaimed against these outrageous practices in the case of rubber and coffee as dangerous, against world interest and progress, and hinted at methods of retaliation. The proposed international trade agreement organization, as a part of its functions, would recognize, anticipate, deal with, and avoid such manifestly unfair practices in advance of their injurious operation by urging and in most cases securing the permanent abandonment of vicious governmental cooperation in aid of such practices. This method is far superior to retaliation and trade wars.
>
> It is my unalterable opinion that the resolution presents the two sound and timely economic policies which our country should promptly adopt, and which must strongly appeal to every business man, farmer, and laborer not hopelessly obsessed with the idea of extreme high tariffs and economic isolation.

Because it was thought that the minority might force an issue upon this legitimate question of the tariff, it was demanded of men on the Republican side that they retract the word which they spoke two years ago, that they face about and vote for the innocuous discharge rule which prevents the making of an issue.

I do not know what to say to comfort my friends on the other side of the House who have been punished. Perhaps they can go to the old source to which so many have turned for comfort in times of sorrow——

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Gladly.

Mr. MADDEN. What degree of liberality was extended by the gentleman and his party in the making of the rules for the last Congress of which they had control?

Mr. GARRETT of Tennessee. Oh, we had a discharge rule which we subsequently changed. I answered that the other day. We changed that rule because of the deliberate purpose manifested in the action of the other side of the House, by the leader of the party, to render it innocuous by presenting so many propositions that they could not be reached for consideration. I started to say that I presumed my friends from Wisconsin and those other States, who have been punished, can turn to the Scriptures, that source to which so many have turned in times of stress and strain, for comfort and consolation. I find that St. Paul——

Mr. FREAR. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. FREAR. I appreciate very highly, and I think all of my colleagues from my State do, the kindly spirit in which the gentleman is speaking of our troubles at this time, but I believe I speak the feelings of every member of the delegation when I say that we do not ask for sympathy, and that in the future we will be able to take care of ourselves.

Mr. GARRETT of Tennessee. I knew the gentleman would be modest about the matter. [Laughter.]

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Surely.

Mr. ROMJUE. Take these Lincoln Republicans who have been kicked out of the party. Can the gentleman tell us the status of the followers of those men, the men who supported them in the last election? Where are they?

Mr. GARRETT of Tennessee. I do not know. Nor do I know what sort of coercion the gentleman from Connecticut [Mr. TILSON] exercised upon the gentleman from Ohio [Mr. LONGWORTH] before they permitted him to be elected Speaker, to get him to change his vote. [Laughter.] Well, really, I now recall that the gentleman from Ohio did not change his vote, for, of course, the Speaker does not have to vote. Therefore I take it the Speaker is still of the same sentiment in respect to the rule. [Laughter and applause.]

Mr. MOORE of Virginia. Mr. Speaker, if the gentleman will permit, I trust that he will not be so diverted as to forget to tell me what St. Paul said about this thing.

Mr. GARRETT of Tennessee. I was just going to do that, and it is particularly appropriate in view of the remarks made by my friend from Wisconsin [Mr. FREAR].

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes, indeed.

Mr. MADDEN. I wonder if the gentleman would tell the House now frankly what the policy of his party would be under similar circumstances?

Mr. GARRETT of Tennessee. The policy of my party would be to permit that discharge rule to stand until it was demonstrated that there was an effort, as was demonstrated before, to destroy the rule by the illegitimate or frivolous use of it.

Mr. MADDEN. The gentleman admits, then, that his party was not in favor of the rule if it could be worked.

Mr. GARRETT of Tennessee. Oh, the gentleman is mistaken about that.

Mr. GREEN of Iowa. If I correctly understand the gentleman, he was in favor of letting the rule stand so long as it was not used for work? [Laughter and applause.]

Mr. GARRETT of Tennessee. No, no. Evidently the gentleman from Iowa is afraid of the rule, because he is afraid it will work. The gentleman is familiar with the history of the change of the rule during the Democratic administration and understands perfectly well that the gentleman from Illinois, Mr. Mann, set himself deliberately to destroy that rule by making frivolous issues with it. Let me now get back to what St. Paul said; and I ask the gentleman from Wisconsin to give his particular attention to this, particularly in view of his statement that they want no sympathy. St. Paul in his Epistle to the Romans said:

> Let every soul be subject unto the higher powers. For there is no power but of God; the powers that be are ordained of God.
>
> Whoso therefore resisteth the power, resisteth the ordinance of God; and they that resist shall receive to themselves damnation.

[Laughter and applause.]

Mr. GARNER of Texas. Mr. Speaker, I yield five minutes to the gentleman from Connecticut [Mr. TILSON].

Mr. TILSON. Mr. Speaker, I have no disposition to go with my friend from Tennessee into a post-mortem examination of what took place here on the first day of the present session in regard to the discharge rule. If I had such a disposition, I could surely show that when we substituted the rule which we adopted for the old rule of Democratic days we were simply swapping a Roland for an Oliver, because certainly the gentleman from Tennessee [Mr. GARRETT] will not undertake to say that the rule which his party kept in force for eight years would work any better than the one we adopted on the first day of this session. We found a discharge provision that had been placed in our rules in the last Congress under unusual circumstances. We believed that

it would work badly if it worked at all. We believed that it would do mischief instead of doing good, because it placed in the hands of a minority of five more than one-third of the membership the power at any time they pleased to take control from the responsible party and force action on any bill that 150 men might propose. We simply eliminated this provision, substituting a better one.

Mr. CRISP. Will the gentleman yield?

Mr. TILSON. I will.

Mr. CRISP. My friend does not contend that the rule would permit anything less than a majority of the House voting—a quorum voting—to discharge a bill from a committee?

Mr. TILSON. I did not say that.

Mr. CRISP. The gentleman said, put in the hands of the majority the right to take charge and control.

Mr. TILSON. I said control to the extent of forcing the responsible majority to take action upon any matter that 150 men might determine to have the House take action upon, and that statement is correct.

Mr. CRISP. Is it wrong that on two days in each month, if 150 Members desire to put the majority on record on any fair question, that they should not have the right under the rules of doing so?

Mr. TILSON. Yes; I say it is wrong as a legislative proposition. I do not believe that it is proper procedure for a great deliberative body. When a party is clothed with power, when a majority of that party is made responsible to the country, then the majority under the rules should have the power to work its will after fair debate and consideration on the part of the minority.

Mr. MADDEN. Will the gentleman yield?

Mr. TILSON. I yield to the gentleman.

Mr. MADDEN. The gentleman's statement to the effect that it puts the minority in control is literally true, because that is the fact. Did not Mr. BARKLEY, one of the Members of the minority, have control of the bill sought to be taken away from the committee?

Mr. CRISP. He had charge after a majority of this House, made up of Democrats, Republicans, and Progressives, had voted with him for the immediate consideration of the bill; and when he had charge he was not representing a minority but a majority of the House. [Applause.]

Mr. TILSON. But my friend from Georgia will not deny that 150 men signing a motion under the rule could force the entire House to take action. This is what I said in the beginning, and it is true.

Mr. CRISP. That is the whole object of the discharge rule.

Mr. TILSON. To that extent at least I believe it to be wrong.

Mr. TINCHER. Will the gentleman yield?

Mr. TILSON. I will.

Mr. TINCHER. Does not the gentleman think the admission on the part of the minority floor leader of this House that he intended to use that rule this session for the purpose of a general revision of the tariff by the minority is sufficient reason for any Republican voting to abolish the rule?

Mr. TILSON. I think it is sufficient for anybody, Republican or Democrat. It is a sufficient reason to show that the minority ought not to have the power under any rule to take control from a responsible majority. [Applause.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TILSON. I will.

Mr. GARRETT of Tennessee. I would like to ask the gentleman from Kansas if that is the real reason why he deserted me this time? [Laughter.]

Mr. TINCHER. I want to ask——

The SPEAKER. The time of the gentleman has again expired.

Mr. TILSON. May I have a little more time?

Mr. GARNER of Texas. I will yield the gentleman five additional minutes.

Mr. TINCHER. I will say to the gentleman from Tennessee that I only voted for that discharge rule at the last session to prevent the gentleman's party and the Wisconsin delegation from organizing the House. Every one knows it was a compromise and the only way we could organize the House and we passed the rule, and that is the reason for the vote.

Mr. FREAR. Will the gentleman yield?

Mr. TILSON. I prefer not to go too deep into this matter, but I will yield once more. [Laughter and applause.]

Mr. FREAR. Let me say, Mr. Speaker, that no man on this floor can truthfully say that the Wisconsin delegation was engaged with any other organization seeking to organize the House. We at that time were endeavoring to secure a modification of the rules, and we refused to take part with the regular organization until that was done, and then we cooperated with the organization.

Mr. TILSON. Mr. Speaker, I did not wish to be drawn away from the discussion of the real question which the gentleman from Tennessee [Mr. GARRETT] raised. I did not care to add another chapter to the post-mortem examination of the discharge rule, because that question was settled at the beginning of the session, and it was settled right. No good purpose can be served by rehashing it at this time.

The gentleman from Tennessee did, however, raise a question to which I wish to address myself for a moment, and that is in regard to placing certain Members on the committees.

Soon after the convening of the last session of the Sixty-eighth Congress, after the election of 1924, it was commented upon in the newspapers to the effect that the men who had left the Republican Party in the 1924 election would not retain their former committee places. The comment was widespread throughout the papers of the country. Finally, the gentleman from Ohio, our honored Speaker, who was then the majority leader of the House, made a speech on this floor in which he said that those men who had voluntarily left the Republican Party and supported a candidate different from the Republican candidate for President upon a platform different from the platform adopted by the Republican Party would not be retained in key committee positions on the Republican side. This sentiment was apparently approved by the House, and it has been acted upon ever since.

When we came to assign Members to the committees these men who, as I say, had voluntarily left us were not left upon those committees which we deemed to be decisive in party program matters. There was no attempt to punish; we had no right to punish and no means of punishing. These gentlemen had the right to do as they did, but they have not the right to come here and claim that, after having left us in the time of our need in the election, they should now come in and ask to be considered as Republicans. They have not claimed such a right. No one has claimed it except some of our friends on the Democratic side. My friend from Wisconsin [Mr. FREAR] has just said that he asks no pity of anybody. None is needed. He can take care of himself.

The action of the Committee on Committees was consistent throughout and needs no apology or explanation. We have not placed these Members in key positions, where party policies are to be determined. There would be neither fairness nor justice in such a course. We should be doing an injustice to the people of this country who have placed the Republican Party in power if we were to turn around and give their former places of importance and power to men who voluntarily left the party and voted for a different candidate and supported a different platform, and thereby put them into positions where they could control party policies. No test other than this was applied in the action of the Committee on Committees. We have gone straight forward along this course from the beginning. From the time the gentleman from Ohio first made his statement in this House we have never deviated from the path then indicated, and this morning we have brought in our list of committees made up on that basis. [Applause.]

Mr. LAGUARDIA rose.

Mr. GARNER of Texas. Does the gentleman from New York want some time?

Mr. LAGUARDIA. Yes.

Mr. GARNER of Texas. Mr. Speaker, I do not want to trespass on the rights of the Committee on Ways and Means to pass this tax bill. How much time does the gentleman from New York desire?

Mr. LAGUARDIA. Five minutes.

Mr. GARNER of Texas. I yield five minutes to the gentleman; but I give notice now that I will call for a vote on the resolution when he concludes.

The SPEAKER. The gentleman from New York is recognized for five minutes.

Mr. LAGUARDIA. Mr. Speaker, it strikes me at this moment this morning that perhaps the distinguished floor leader of the Democratic Party [Mr. GARRETT of Tennessee] was a little too harsh with his Republican colleagues to-day, because after all the Republican majority has recognized the fact that 1 Progressive has more ability and has more vision than 11 Republicans on a committee. [Laughter.] Hence the removal of the Progressives from the major committees. [Renewed laughter.] There is nothing in the argument which the Republican floor leader [Mr. TILSON] makes that they have removed Progressive Members from key positions on committees. There is no such thing as key positions on committees. Every Member stands on an equal footing. But they did remove Pro-

gressives from important committees because they recognized the fact that Progressives do good work and come on the floor well prepared, and do not simply come in here and say "Me too" and follow a chairman. We would have had a minority report of the Committee on Ways and Means from the gentleman from Wisconsin [Mr. FREAR], for example, if the gentleman from Wisconsin had been retained on that committee, but he was eliminated. The Republicans have recognized the existence of a Progressive Party in this House, and you can not ignore a man's standing as a Member by saying he is not a Republican and strip him of proper committee assignments. If that is done you must recognize their entity as a separate group. The manly thing to have done would have been to assign us certain places on committees as Members of a third party and permit us to make nominations as the minority party. They did not do that. Gentlemen should remember that in 1927, when we come back in December of that year——

Mr. BEGG. Mr. Speaker, will the gentleman yield there?

Mr. LAGUARDIA. In a moment. When we come back here in December, 1927, we shall be under no moral obligation to the majority party, and I serve notice now that the Progressives now in the House who will be in the Seventieth Congress will proceed to organize the House under conditions which will be most favorable to their cause. We are free now from all ties of the past.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. The gentleman is speaking for the Progressive Socialists, or is he speaking for the Progressive Republicans?

Mr. LAGUARDIA. Oh, the gentleman has repeated that so many times that it is not funny any more. [Laughter.] My position is perfectly clear. I filed independent petitions under the Progressive Party. I was indorsed by the Socialist Party. I appreciate the compliment, and I stand by it. You can take a man and put him on at the foot of a committee list, but you can not take the ideas out of his head. [Applause.]

Mr. CHINDBLOM. The gentleman speaks of "a group." What group?

Mr. LAGUARDIA. I speak of the Progressive group, who welcome all independent, progressive-minded men and women. You recognize it by putting me on the important Committee on Woman Suffrage. [Laughter.]

Now the Democratic Party in another body did not take Senator WHEELER off his committee assignments——

Mr. WEFALD. Mr. Speaker, will the gentleman yield there?

Mr. LAGUARDIA. Yes.

Mr. WEFALD. I think the gentleman will have very distinguished company on that committee, because I was on it in the last Congress. [Laughter.]

Mr. LAGUARDIA. Well, I will tell my colleague from Minnesota that they can not take us off the floor. There is nothing in the Constitution which requires party membership to qualify as a Member of the House. That is all bunk.

Gentlemen, I might have been irregular; I might have jumped the traces, and I might have disobeyed the commands of a boss, but as a Republican I never degenerated to the low depths of political insincerity by coming here and pleading about States' rights, as the majority is now doing to pass an iniquitous revenue bill.

The SPEAKER. The time of the gentleman from New York has expired. The question is on agreeing to the resolution.

The resolution was agreed to.

PRIVILEGES OF THE HOUSE

Mr. GREEN of Iowa. Mr. Speaker, I rise to a question of the highest privilege—the privileges of the House. Those who were Members of the last House will remember that during its sessions there was presented for the consideration of Congress the settlement of a foreign debt, and that it devolved upon Congress to express its approval or disapproval of such settlement. At that time the House was very clearly of the opinion that under the Constitution the right to initiate proceedings upon such a matter rested with this body. Unfortunately, the Senate, with a haste which I might say, to speak mildly, has not always been manifest in its proceedings, and without giving the House time to act, proceeded to take up the matter of the debt settlement and passed a bill approving it before the House could take any action thereon. Members will recall that at that time I thought it was necessary to call to the attention of the House the fact that its privileges had been violated.

Mr. BLANTON. Mr. Speaker, I make the point of order—only for the purpose, however, of orderly procedure—that the rules require the gentleman to present a resolution before he can speak on the privileges of the whole House.

Mr. GREEN of Iowa. The gentleman from Texas is entirely mistaken.

Mr. BLANTON. If the Chair will consult the parliamentarian, I think he will tell him that the precedents require the presentation of a resolution before the gentleman can speak on a question of the privileges of the whole House.

Mr. GREEN of Iowa. I have spoken a number of times on the privileges of the House.

Mr. BLANTON. Mr. Speaker, I submit that the precedents of the House require the presentation of such a resolution. I am with the gentleman from Iowa [Mr. GREEN] in what he is saying, and it is only in the interest of orderly procedure that I make the point of order. I agree heartily with his speech, however, but we should proceed in accordance with the rules.

The SPEAKER. The Chair thinks the gentleman from Texas is correct in stating that the precedents of the House require that when the privileges of the House are in question a resolution should be introduced, and then the gentleman should speak on the resolution.

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa may make his statement.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the gentleman from Iowa may make his statement. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Speaker, as I was about to observe, at that time I called to the attention of the House the fact that the Senate was infringing upon its rights and privileges under the Constitution, and the House respectfully returned the bill to the Senate.

My recollection is that the House acted with entire unanimity at that time. If, indeed, there was any objection it came from so few that it seems to me there ought to have been no misunderstanding whatever as to the position of the House upon a question of that kind. The Senate subsequently rescinded its action; the matter was brought up in the proper way in the House; a bill approving the settlement was passed, sent to the Senate, and was there adopted.

There are now, as gentlemen are aware through the message of the President, several of these debt settlements pending before Congress. Gentlemen are also aware that this House has been busy every moment since it convened and has been unable to take up these matters. Nevertheless, at this particular time and while I am speaking the Senate is proceeding, as I am informed, to a consideration of these particular settlements that are to be determined by Congress. I endeavored—but I can not say with what success—prior to my rising at this time to convey to the Senate, particularly to the chairman of the Finance Committee, the views which the House and the Committee on Ways and Means hold with reference to this situation. There ought, of course, to have been no need for anything of that kind, but, apparently, it has had no result.

I wish to announce to the House at this time that should the Senate proceed as it did before I shall feel it my duty to protect as far as possible the rights and privileges of this House by taking such action as the House took in the last Congress with reference thereto. [Applause.]

Mr. GARNER of Texas. Will the gentleman yield?

Mr. GREEN of Iowa. Certainly.

Mr. GARNER of Texas. If I understand correctly, at the last session of Congress the House simply ignored the action of the Senate and went ahead and passed its own bill.

Mr. GREEN of Iowa. That is correct.

Mr. GARNER of Texas. I want to ask the gentleman from Iowa whether he will not state to the House what occurred in the Committee on Ways and Means this morning, when that committee unanimously expressed the opinion that it was his duty, as chairman of the Ways and Means Committee, if that legislation should come over from the Senate, to present a resolution to the House for its action and respectfully return it to the Senate with a declaration that the Constitution placed that responsibility on the House. I think the gentleman ought to tell what was done by the Ways and Means Committee and what his purpose is in case that legislation is sent over by the Senate.

Mr. GREEN of Iowa. The gentleman from Texas is quite correct. On the motion of the gentleman from Texas [Mr. GARNER], every member of the Ways and Means Committee concurring, a resolution was adopted to the effect that in the

event the Senate took this action—which it appears is contemplated and is apparently now in motion—that a resolution should be introduced by the chairman of the committee respectfully returning such legislation to the Senate upon the ground that it infringes upon the rights of the House under the Constitution.

Mr. CRISP. Will the gentleman yield?

Mr. GREEN of Iowa. I will gladly yield to my colleague on the committee.

Mr. CRISP. As a member of the Debt Funding Commission I agreed to these settlements. I think they are wise and the best settlements that could be made. I am very anxious that no conflict should arise between the House and the Senate over ratification of the settlements. They are international in character and not domestic questions. Billions of dollars are involved. I hoped, and still hope, when they are considered by the House they can be considered on their merits without any extraneous matter being injected. My offhand opinion is that they are revenue matters and should be first considered in the House. I have not given the matter mature consideration. This morning I requested Mr. TUCKER, of Virginia, a great constitutional authority, to investigate the subject and to give me his opinion. I shall make a similar request of Judge GRAHAM, the chairman of the House Judiciary Committee. I have great respect for this House, and as an humble Member of it will always stand up for its dignities, rights, and prerogatives, but this is a constitutional question, and in view of what has been said here on the floor, in my judgment, if the Senate should pass those bills and they should come to the House, the matter of the constitutionality should be thoroughly investigated before the House proceeds to take any steps in the premises. We must be careful and absolutely sure of our position. I felt constrained to make these observations in view of the remarks of my chairman, Mr. GREEN.

Mr. GREEN of Iowa. I thank my distinguished friend and colleague on the committee for his remarks.

Mr. HASTINGS. Will the distinguished chairman advise us when this matter is likely to come up in the House for consideration? It is a very, very important matter and is one I am sure a great many Members want to study, and I would like to ask whether it is the purpose to bring this matter up before the holidays or how soon thereafter?

Mr. GREEN of Iowa. So far as I can advise the gentleman at present, it is my intention to bring the matter before the Ways and Means Committee as soon as we finish the revenue bill, and I had hoped it might be possible to present it to the House before the holidays.

Mr. HASTINGS. And have action taken by the House?

Mr. GREEN of Iowa. And have action taken by the House.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. GREEN of Iowa. I yield to the gentleman.

Mr. BANKHEAD. The gentleman stated he had been informed that at this time this matter was before the Senate. Is it the gentleman's information it has been presented in a formal legislative way for action by the Senate or that it is merely being discussed by the Senate?

Mr. GREEN of Iowa. The RECORD of yesterday contained the announcement, placed in the RECORD by the distinguished chairman of the Finance Committee of the Senate, that he would bring these settlements up for consideration the first thing this morning, and on telephoning over to the Senate I found they were proceeding with the discussion.

I think that is all I care to say about the matter, Mr. Speaker.

Mr. WEFALD. Will the gentleman yield for a question?

Mr. GREEN of Iowa. Yes.

Mr. WEFALD. I should like to know why the Ways and Means Committee has not taken steps up to this time to discuss this matter?

Mr. GREEN of Iowa. I am somewhat surprised at the question. Can the gentleman tell me when I have had any time, day or night, or when the committee has had any time to take up these matters up to the present moment? There has been absolutely no opportunity. I have not had a moment. I doubt if any member of the Ways and Means Committee has had any time, and the House itself has not had time to take up the matter.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. GREEN of Iowa. I yield to my colleague.

Mr. CHINDBLOM. Some of these settlements have been made since the committee convened on the 19th of October and began the consideration of the revenue bill, and that consideration has been continued until this moment.

Mr. WEFALD. The revenue bill is not a pressing matter at this time.

Mr. GREEN of Iowa. The gentleman does not seem to understand that the House ought to pass it this week and that it should be sent to the President before March 1.

THE REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1.

The motion was agreed to.

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

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of H. R. 1, which the Clerk will report by title.

The Clerk read the title as follows:

A bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

The term "collector" means the collector of internal revenue of the district in which was the domicile of the decedent at the time of his death, or, if there was no such domicile in the United States, then the collector of the district in which is situated the part of the gross estate of the decedent in the United States, or, if such part of the gross estate is situated in more than one district, then the collector of internal revenue of such district as may be designated by the commissioner.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word.

I rise, Mr. Chairman, for the purpose mainly of making a correction in the remarks I made in general debate, by which I inadvertently did an injustice to a very valuable official in the Treasury Department and also gave a little more credit than was deserve in another direction.

I stated that a very important reform had been inaugurated in the practice of collecting income taxes in the way of decentralization of the work; that provision had been made whereby the returns in the case of persons of small incomes, where no very doubtful question arose, might be audited and finally disposed of in the district where the taxpayer resided without being referred to Washington at all. I gave credit for this reform to Mr. Gregg, the present Solicitor of the Internal Revenue Bureau. I am now informed by Mr. Gregg, who does not wish to take any credit that does not belong to him, and, indeed, has credit enough that does belong to him so he does not need to reach outside for any other, that this important reform was inaugurated by the income-tax division over which the very efficient chief, Mr. Nash, presides, a gentleman of great ability and one whom I desire to specially commend.

I think my friend the gentleman from Georgia [Mr. CRISP] inadvertently yesterday in his remarks made the same mistake. I say inadvertently; I ought to say that probably by reason of the error I had committed, following my misdirected footsteps, the gentleman made the same mistake. I now wish to have all Members understand where this credit belongs.

And while I am on my feet I want to speak of another matter. In the course of general debate a statement was made that in England when the chancellors of the exchequer rose to discuss a budget bill they were always ready to answer any question without having any experts by their side.

I happen to be personally acquainted with a very distinguished gentleman who for several years was Chancellor of the Exchequer of the British Empire, and also to have personal acquaintance with the very distinguished gentleman who is now Chancellor of the Exchequer. My acquaintance is quite limited, but nevertheless I have had the opportunity of discussing with them revenue questions and revenue bills, and I am very sure, indeed, that neither of them would undertake to answer any question with reference to the technical administration of these laws without the assistance of some expert.

While I have never been present at any discussion of a budget bill, except toward the latter stage of it, I do know from reading the parliamentary debates—and I have read them on every budget bill that has come up for many years—that the Chancellor of the Exchequer is never asked any technical question in the debate, and it is only by his own consent, as I understand the practice, that he is asked any questions at all. I am quite well aware that members of the cabinet stand up and answer questions on frequent occasions, but they are questions that have been propounded at least the day be-

fore. I have forgotten the precise time required, but they have to be propounded ahead of the time when they are to be answered; and, of course, the questions having been propounded at least the day before, and having had the opportunity, if they desired, of consulting their technical expert. The English practice has much to commend. Every lawyer takes time to answer complicated questions involving legal technicalities, unless he has recently gone over the precise question involved.

Mr. RAMSEYER. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. RAMSEYER. Is the gentleman referring to the humorous remark I made with special reference to what the gentleman from Texas said?

Mr. GREEN of Iowa. I thought at least the remark might be misunderstood.

Mr. RAMSEYER. I certainly did not mean to reflect on the gentleman from Iowa or the gentleman from Texas. I remember the statement of the gentleman from Texas; I do not recall what the gentleman from Iowa said. The remark I made was taken in a humorous vein by gentlemen of the House. If the gentleman will look into the RECORD, he will see that the reporter put in parenthesis after the sentence to which the gentleman refers the word "Laughter." If I have hurt anybody's feelings by anything I have said, I wish to assure the House it was not so intended.

Mr. RAINEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman and gentlemen, I take this time to congratulate the leaders on the other side who have so far successfully piloted this bill. The ship under these master mariners has been so skillfully handled that there is not even a scratch on the paint. I know when I have been beaten. I do not believe this bill can be amended. I do not want to interrupt any more than I can help as the further reading of this bill progresses. I shall not even insist that the Clerk read it; hereafter he can skip as much as he likes, and I shall not again object. My position now is that "if it were done when 'tis done, then 'twere well it were done quickly." And so in order that I may not interfere too much with the proceedings hereafter and in the interest of saving time, as I want this bill to pass now as soon as possible, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he proceed for 15 minutes. Is there objection?

Mr. GREEN of Iowa. Reserving the right to object, do I understand that this is in lieu of further requests for time?

Mr. RAINEY. Oh, no.

Mr. GREEN of Iowa. I do not see how it is going to shorten the proceedings.

Mr. RAINEY. The gentleman knows that I can get all the time I want by making pro forma amendments, and I think we will get through the bill quicker if I can now proceed for 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAINEY. I do not want to say any unkind things about anybody as I proceed, neither do I want my friends on the committee to get the impression that so far as this bill is concerned I am now singing a swan song, because I am not.

At the end of the reading of the next subdivision I shall introduce an amendment raising the estate taxes provided therein. Later on in the bill I expect to try to get some of the sales taxes reduced or eliminated. Still later on in the bill I am going to try to get the alcohol tax restored, upon the theory that while this may be a multimillionaire's bill it will not be a bootlegger's bill with my consent.

And then later on, at the end of it all I propose to submit, if I can get recognition for the purpose, a motion to recommit, based on my surtax amendment in order that gentlemen on both sides of this House may have an opportunity to go on record on this important matter.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. RAINEY. I do not care to yield just now.

Mr. CHINDBLOM. Right on this point.

Mr. RAINEY. Very well.

Mr. CHINDBLOM. Would the gentleman care to say whether there would be anything in his motion to recommit other than the surtaxes?

Mr. RAINEY. At present I can not say, but that will be in it. I do not object to interruptions but I would like to proceed until I get nearly through before I am interrupted again.

Mr. CHINDBLOM. I beg the gentleman's pardon.

Mr. RAINEY. I shall yield, however, to any gentleman who desires to interrupt me in compliance with the courtesy I always extend when I have the floor.

I congratulate the Progressives. I have no sympathy for them; none whatever. They have been promoted. They are too big to be Republicans, and you admit it on that side. You paved the way for the passage of this bill by removing from the Ways and Means Committee the gentleman from Wisconsin [Mr. FREAR], the biggest and the bravest of all of them. You dared not face in committee or in caucus or on this floor the arguments that he could present and information he has at hand. He was a thorn always in the side of the Secretary of the Treasury, and you in your tender consideration for these malefactors of great wealth have kindly removed temporarily that irritating thorn by demoting him. Then you have demoted the rest of them. You have put them on committees that never meet. I congratulate them again. They belong to the Committee of the Whole, and you can not take them off of that, and they have now opportunities upon this floor which they would not have had if you had given to them important committee assignments, because they can devote all their time to proceedings here. I do not sympathize with them. I congratulate them upon their separation from the company they have had heretofore. I congratulate COOPER of Wisconsin. You have demoted him in spite of his long service here. You will hear from him. He is a man of experience and of great ability. The only offense any of them have committed is the offense of standing for correct economic propositions.

Mr. MILLS rose.

Mr. RAINEY. Not now, later on.

Mr. MILLS. Will the gentleman yield for just a question?

Mr. RAINEY. Yes.

Mr. MILLS. Does the gentleman mean to discuss the revenue bill at this time? If so, I would like to hear him.

Mr. RAINEY. Yes; I am discussing it now. I hope the gentleman will not leave.

Mr. MILLS. Not if the gentleman is going to discuss the revenue bill.

Mr. RAINEY. I may say something that he would not like to miss before I get through. So far in this bill you have triumphantly accomplished this. You have secured a reduction in taxes which even the greatest malefactor among the malefactors of great wealth in this country dared not even to expect. In order to accomplish this you have removed the real captains of industry in this country far from the hope of reduction in their surtax rates, the men paying surtaxes on $44,000 and under. In order to accomplish it you have contemptuously hurled a present, a gift, a bribe of $10 each to 2,300,000 men in this country, and have said to them, "We propose to go on in our career; we propose to steer in the direction of a sales tax, and we have bribed you with $10; we have given you that, and you can continue to pay these sales taxes, and we are going to eventually increase them in periods of distress, when we need more money." You will surely need more money. The ordinary expenses of this Government have been increasing all of the time. It is the diminution of war activities that has made possible this reduction. You claim credit for it! Why, during the year 1920—the last year of Democratic control—we reduced the expenditures of this Government $13,000,000,000. In the four years which have passed since then under your guidance you have reduced the expenses of the Government about $2,300,000,000. I do not mention that to claim credit for a Democratic achievement. These expenses ought to have been reduced. I mention it simply to show that the party which reduced war expenses $13,000,000,000 in one year would not have taken, if it had been continued in power, four years to make a further reduction of $2,500,000,000 in war expenses. It costs more than it ever did to run this Government in its various departments. The cost is increasing in almost geometrical ratio, and in time you will need more money, and you know it; and in time you expect to go to sales taxes, and as a step in that direction you strike down the income-taxing system of the country by striking the blow at both ends of it, at the top and at the bottom.

In your kindness for millionaires and multimillionaires you have made it impossible for the people of this country to find out how rapidly their number is increasing and how rapidly the great fortunes in this country are increasing in number, and how they are increasing in amounts. You have done that; but there was one member, Mr. LAGUARDIA, of New York, whom you have demoted to-day, and whom you have kicked out on the Republican side, who rose in his place and endeavored to restore the publicity features of this bill. You

can not terrify that kind of man. I remember when he left this House—when the war clouds hung thick over this Nation, when there were times when the blue of the flag seemed about to fade away in the blue of the skies.

Unlike the rest of you, he left his safe position here and entered a service, the most hazardous in the war. A man who could fearlessly steer and direct his squadron of bombing planes above the clouds amid the bursting bombs of the enemies' aircraft guns, can not be terrified by anything that you can do to him on this floor. You have removed him from the committees, but he had enough courage to stand up here and try to put back that publicity clause, and he comes from the very lair of the multimillionaires who are promoting this bill and who stand back of all of you on that side of the House.

What has made possible the perpetration of these taxing outrages at the present time? Let me tell you. Bryan is dead, Wilson is dead, Roosevelt is dead, LaFollette is dead, Gompers is dead.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Not now, later on—very well, I yield.

Mr. MILLS. Is it not a fact that President Wilson recommended a reduction of the surtax rates to a reasonable point?

Mr. RAINEY. Oh, yes; and we all stood for reductions below the war rates. He would not, if living, favor the ruinous reductions proposed in this bill. These men now belong, all of them, to the ages. I was in the convention in Chicago in 1896, and I heard Mr. Bryan's speech. It comes ringing down to me through the decades—

> Thou shalt not bear down upon the brow of labor this crown of thorns; thou shalt not crucify mankind upon a cross of gold!

As long as he lived you could not do it, but now that he is dead you are going to do it in this House, if you can. I joined in the parade around the hall, the parade of thousands when we tore up the State banners. We have done it since then, but under controlled applause and in a perfunctory way. It was never done before in a national convention. And I followed the great Ollie James, of Kentucky, as he led that cheering parade around the halls in the convention chamber, which struck so much terror into the hearts of the men you represent now, that they assembled a corruption fund of $20,000,000 to beat him in those elections. As long as he lived you could not do what you are doing now. [Applause on the Democratic side.] He died as he lived, a martyr to the principles in which he believed. He died fighting for the fundamental principles of the faith to which he adhered, a martyr to devotion to duty.

And then we had another leader, Wilson, who grows ever taller and taller upon the horizon of the nations who forced reluctant premiers to agree to the treaty and to the covenant under which the disputes of all the world are now being settled.

The only great nations which will soon not belong to the League of Nations are Mexico, Russia, and, with shame I say it, the United States of America. The time will come when Wilson will not have lived in vain. Bryan, born in the northland, died in the southland. Wilson, born in the southland, died in the northland. They are both entombed here in Washington. On the heights of Arlington lies Bryan; on the heights of St. Albans are the remains of Wilson, faithful always during their lives to their trust and their duty. You think you can now perpetrate this outrage which you would not have dared to attempt while they were living. They were both my personal friends; I followed them during their careers; their deaths were untimely. Roosevelt; I pronounce the name with veneration and with admiration. I happened temporarily to be in a position in this House where I was able, when the news came of his death, to move that the House adjourn and delivlivered the first eulogy in his memory. He was the greatest phrase maker of all the ages. Thunderbolts came then from the White House, and millionaires in whose presence you bow and cringe were apprehensive. [Applause.] There are no thunderbolts coming from the White House now. In kind submission the present occupant of the White House encourages the policies for which you stand and encourages that class in their accumulation of great wealth which Roosevelt fearlessly called malefactors of great wealth. Their representative upon this floor, who a few minutes ago tried to inject himself into this debate while I was mentioning these great men—their representative on the floor who is the real leader on that side of the House—admitted that they would falsify the returns, and that in order to keep them from doing it you must be easy on their taxes. Roosevelt rests to-day where the waves along the shores of Long Island beat a requiem; his memory is enshrined in the hearts of his countrymen. If he were living, you could not do to-day what you are doing now. La Follette, leader of men, who towered high above contemporary leaders in this House, is dead and entombed in the capital city of the State he loved. His mantle has fallen upon his son. More power to the arm that wields the sword which reaches him from the nerveless hands of the great dead. He was my personal friend. Gompers is dead; patriot always to the last. You would not dare attempt this if he were living. I remember not long ago how a speeding train brought him rapidly across parallels of latitude toward the Rio Grande and across the international boundary in order that he might die, as he desired, in the land he loved; and finally there came his last words as he faintly whispered, "The Constitution, may it always be preserved. My Government, may it live forever." He is entombed to-day in the very midst of the great industrial district where millions toil amid clanking machines under the smoking chimneys of great factories.

Their lives, all who toil, are made better and broader on account of the fact that he lived, and their hours of labor are less on account of the fact he lived and wrought here. He was my friend. These are the great whom I have named on this roll, and you could not do this if they were alive. They may have differed in many matters; but if they were all living, they would unite in their opposition to this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAINEY. May I have five minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five minutes longer. Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. And now may I mention the names of some other leaders on this side. You will recognize them as I mention them—Clark, DeArmond, James, Kitchin, Padgett, Moon, Flood, who died, all of them, at their posts of duty, fighting, all of them, during their lives—and their deaths seem untimely—against the principles for which you gentlemen stand. Oh, other leaders will rise. These puny and little leaders who control now will not control always. I apologize. I had almost violated the rules and traditions of this House. I do not want to do that. I have been here too long to do that, and I apologize for calling them puny and little leaders. I apologize for that, and now, having done that, as I ought to do with my long service in this House, I apologize to the country for calling them puny and little leaders. They do not even rise to that standard.

Other leaders will come hereafter and will take up the standards dropped from the nerveless, dead hands of Bryan and Wilson and Roosevelt and La Follette, and Gompers. Other leaders will come and carry their standards, and when they do they will not be alone. There is a God who doeth all things well in this world in spite of what you gentlemen stand for. [Applause.] And when that leadership does come and we are enabled to follow in line back of it and advance toward a common enemy—when that comes there will be found fighting in the air, above the advancing hosts, the pale ghosts of Bryan and Roosevelt and Wilson and La Follette and Gompers and these other great leaders whose names I have reverently pronounced. We do look forward with hope to the future. Our temporary defeat in this House means nothing.

A hundred years ago the great Napoleon advanced into the very heart of Russia, riding at the head of crushing squadrons of cavalry with nodding plumes. Cities opened their gates and pulled down their walls before his resistless advance. It seemed impossible to withstand the great onrushing advance of the greatest army Europe had ever seen. But even in that moment of his victorious triumph, when everything seemed yielding to him—at that moment his complete destruction and banishment to an obscure island in the Mediterranean Sea was only a few months away. The complete overthrow of the party responsible for this bill before an awakened public sentiment may be nearer than many on the Republican side of this Chamber are able to see with the limited vision they possess. [Applause.]

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following resolution:

House Concurrent Resolution 3

Resolved by the House of Representatives (the Senate concurring), That the two Houses adjourn Tuesday, December 22, 1925. They stand adjourned until 12 o'clock meridian, Monday, January 4, 1926

The committee resumed its session.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 301. (a) In lieu of the tax imposed by Title III of the revenue act of 1924, a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 303) is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States;

One per cent of the amount of the net estate not in excess of $50,000;

Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $200,000;

Four per cent of the amount by which the net estate exceeds $200,000 and does not exceed $400,000;

Five per cent of the amount by which the net estate exceeds $400,000 and does not exceed $600,000;

Six per cent of the amount by which the net estate exceeds $600,000 and does not exceed $800,000;

Seven per cent of the amount by which the net estate exceeds $800,000 and does not exceed $1,000,000;

Eight per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

Nine per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

Ten per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $2,500,000;

Eleven per cent of the amount by which the net estate exceeds $2,500,000 and does not exceed $3,000,000;

Twelve per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $3,500,000;

Thirteen per cent of the amount by which the net estate exceeds $3,500,000 and does not exceed $4,000,000;

Fourteen per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

Fifteen per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $6,000,000;

Sixteen per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $7,000,000;

Seventeen per cent of the amount by which the net estate exceeds $7,000,000 and does not exceed $8,000,000;

Eighteen per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $9,000,000;

Nineteen per cent of the amount by which the net estate exceeds $9,000,000 and does not exceed $10,000,000;

Twenty per cent of the amount by which the net estate exceeds $10,000,000.

Mr. RAINEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAINEY: Page 143, strike out lines 1 and 2 and insert:

"Twenty per cent of the amount by which the net estate exceeds $10,000,000 and does not exceed $15,000,000;

"Twenty-one per cent of the amount by which the net estate exceeds $15,000,000 and does not exceed $20,000,000;

"Twenty-two per cent of the amount by which the net estate exceeds $20,000,000 and does not exceed $30,000,000;

"Twenty-three per cent of the amount by which the net estate exceeds $30,000,000 and does not exceed $40,000,000;

"Twenty-four per cent of the amount by which the net estate exceeds $40,000,000 and does not exceed $50,000,000;

"Twenty-five per cent of the amount by which the estate exceeds $50,000,000."

Mr. RAINEY. Mr. Chairman, this, like the surtax amendment I offered, is moderate, indeed. It will reach, when they die, 214 men in the United States who evidently, from the income-tax publicity they received, have estates of $10,000,000 and over that. It increases their burden of taxation after they die.

I realize that it can not be done in this House while they live. These 214 men have estates aggregating in amount $3,000,000,000; more than that, rather than less than that; $3,000,000,000 does not mean much as you write it on paper and visualize it. It is only by comparison that you can understand how much $3,000,000,000 is. Three billion dollars is just half of the amount of money we have in circulation in the United States at the present time, and that is how much these men are worth; at least that. Heretofore they have paid 40 per cent on their great estates, on the amount that exceeded $10,000,000, and the 40 per cent applies only to so much of their estates as exceeds that amount. These 214 men are responsible for this bill. There are only 214 men who paid 40 per cent on their incomes, and they only paid 40 per cent on the highest brackets. They are the only men who will pay that much on their estates when they die if the law remains the same, and that only in the higher brackets. If we can not equalize matters with them when they live we ought to do something to equalize matters after they are dead.

This Mellon plan, to which the majority side of this House cringes and creeps, hinges about the estate tax. This is the tax that Mr. Mellon wants removed above all taxes. And may I tell you why? We have built up in this country in the last few years a new industry, the industry of selling money abroad. At the present time $9,000,000,000 loaned abroad brings in $710,000,000 interest every year, and that is a little more than our balance of trade. In other words, this new industry, this millionaire-making industry in which we are now engaged, sells its product abroad and it sells it for more than we get in exchange for the goods we send abroad.

I have confidence in the perpetuity of this Government, as much confidence as Gompers and all the rest of them had. But I recognize that we are an emotional people here in the United States, as emotional as they were in France a hundred years ago, as emotional as they are everywhere else; and unless in some way you cut down these tremendous estates, the greatest the world has ever known——

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. May I have five minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he may proceed five minutes more. Is there objection?

There was no objection.

Mr. RAINEY. Something may happen in the future in this country of ours. But without vision the present leadership proceeds along the road which may lead to destruction, and it may come sooner than you think, because we must realize now that with this tremendous influx of interest these loans will double themselves, compounding interest, in seven or eight years. This tremendous influx of interest, added to our balance of trade, added to the amount of our balance, is already starting an incoming tide of gold. England has been waiting for it to happen for three or four years. At last it seems to be coming. The English are encouraging it. Certain cities in Germany are rebuilding their wharves with money furnished by Wall Street in order that Germans may more successfully compete with us and get their products over here more cheaply. A dozen German cities whose indebtedness was paid off a few years ago in depreciated marks have now been favored by the men who control the capital of this country in the loans that have been made over there.

We now propose to loan to the Province of Ontario $30,000,000; to Cuba, $25,000,000; and the most startling proposition of all is that we are proposing to loan to the Roman Catholic Church in Bavaria $30,000,000, the first loan of that kind every made in the history of the world, because church properties are not considered safe in those Slavic and Latin countries; but we are now advised that they are proposing to make that kind of a loan in order to develop their agricultural resources, so that they may compete with the farmers of this country.

At a conference in New York between these captains of finance, who direct and control this bill and pull the strings in this House, and the representatives of Soviet Russia, it was determined to make a loan to that country, the object being to bring about trade and friendly relations between that great country and our country. I am not opposed to that, but this conference was evidently the result of the statement recently made by the Minister of Finance of the Soviet Republic to the effect that they wanted to negotiate a loan of $4,000,000,000 in this country. If they can do that, and if we can divert more and more of our savings and send them over there, no matter whether they are safe or not, the incoming tide of gold, with its period of rising prices and increased production costs, can be stemmed and held back perhaps until after the next election, because immediately before and probably during the next campaign a period of depression must follow the period of expansion upon which we are now about entering. The estate tax must be killed or greatly reduced in order to safely embark upon this new industry of selling money abroad. Why? Because all these bonds must reach par. They are being negotiated now below par in order to yield 8 per cent, and they are climbing up slowly to par until some of them are selling above par, while our own Government bonds sell in New York, some of them, at below par. Now, as the holders of these fortunes die, these bonds, in order not to pay a Federal tax, must be

thrown upon the market. They are not afraid of a State inheritance tax; they can live in a State which does impose such a tax, and as these bonds are thrown upon the market the time is further and further postponed when they can reach par or go above par, and so this new industry upon which we have now engaged can not be successfully carried on unless they kill the estate tax.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAMSEYER. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Illinois, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Iowa offers a substitute for the amendment offered by the gentleman from Illinois, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAMSEYER as a substitute for the amendment offered by Mr. RAINEY: Strike out all beginning with line 14, page 141, to page 143, line 2, inclusive, and substitute in lieu thereof the following:

"One per cent of the amount of the net estate not in excess of $50,000;

"Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

"Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $150,000;

"Four per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

"Five per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000:

"Seven and one-half per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

"Ten per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

"Twelve per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $2,000,000;

"Fifteen per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

"Eighteen per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

"Twenty-one per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $6,000,000;

"Twenty-four per cent of the amount by which the net estate exceeds $6,000,000 and does not exceed $8,000,000;

"Twenty-seven per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000;

"Thirty per cent of the amount by which the net estate exceeds $10,000,000."

Mr. RAMSEYER. Mr. Chairman and gentlemen of the committee, I shall not take up much of your time to-day. The House very generously on last Friday, with a larger attendance than there is here right now, listened to me on this proposition for nearly one hour and a half.

The gentleman from Illinois [Mr. RAINEY] has offered a motion to leave the rates as they are in the bill in the brackets below $10,000,000. He adds brackets, and the last bracket is the one over $50,000,000 where he makes the rate 25 per cent. Of course, it does not mean a great deal of additional revenue by adding brackets and increasing rates over the $10,000,000, for reasons I have pointed out to you before.

I have taken the present law, which goes from 1 per cent on the first bracket of $50,000 to 40 per cent on the bracket over $10,000,000, and the bill that is before you, which goes from 1 per cent on the first $50,000 bracket to 20 per cent on the bracket over $10,000,000 and split the difference in rates, beginning with 1 per cent and ending with 30 per cent over $10,000,000. I think the schedule of the brackets and the rates in my amendment are logically arranged.

I wish to extend my congratulations to both the chairman of this committee and the gentleman from Texas [Mr. GARNER], the ranking Democratic member. Last year when this fight was on both gentlemen had a sympathetic attitude for my position and voted for the rates in the present law. At that time the maximum rate was placed at 40 per cent on that portion of the net estate over $10,000,000. The one thing I wish to commend them on especially is that under the circumstances which surrounded the making of this bill they came out with as good a bill as this is, in so far as the estate-tax provisions are concerned. Now, what applies to them standing by the committee bill does not apply to the membership of this House. If this bill goes through unamended, it will be the first revenue bill within 10 years that the Ways and Means Committee has brought in on the floor of this House and put through without amendments. If a bill of this magnitude goes through this House without a single amendment, it simply means not that the Ways and Means Committee is perfect but that this is a mindless House. [Applause.]

I do not think the committee should take such particular pride either in itself or in its bill and get sensitive about it if the membership of this House should see fit to amend it in one particular place. The committees of the House are the agents of the House and not the dictators of the House.

As I stated the other day, the reasons for making the increases last year are exactly the same for maintaining present rates this year. There has not been a change in conditions in the country.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAMSEYER. I would be willing to stand here and defend the rates of last year, but I know that is absolutely hopeless. I am trying to meet the committee halfway. I am trying to meet the committee on a proposition so that every time Congress convenes we will not be up against the proposition of repealing the estate taxes or changing the rates.

What I should like to have is reasonable estate-tax rates that you can leave on the statute books unamended for a period of 10 or 15 years. The rates should be uniform from year to year in order to be just toward the estates and properties that must be administered on from time to time. To have rates of 25 per cent last year, 40 per cent this year, and 20 per cent next year simply shows an instability upon the part of the membership of the Congress that can have no other effect upon the country than to decrease the respect that the people have for legislative bodies.

Mr. FREAR. If the gentleman will yield right there, I would like to add just one thought. We allow 80 per cent of that amount.

Mr. RAMSEYER. Yes; in the way of credit in this bill. Last year this House, when this bill was voted upon, by a rising vote stood 267 to 107, or over 2 to 1, in favor of existing rates. About three-fourths on that side and fully half of the membership on this side rose up and stood as bravely as I ever saw men stand up to be counted by the Speaker. There has been no change in conditions. There has been no reason offered here why a reduction should be made that did not equally apply against the increases last year. I am here to say that there has been no change in the individual minds of the membership here, and I say, with all kindness, and I exempt the members of the Ways and Means Committee, that if there were as many rigid backbones in this House as there are convinced minds, an amendment along the line I am proposing here would carry by a vote of at least 3 to 1.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. RAMSEYER. Let me first proceed a little further, please.

As I stated the other day, I want to get this fight out of the way. I want the Congress to establish itself on this matter upon reasonable rates, and rates that the country will understand are going to be uniform over a period of years. Then the States can develop their inheritance tax laws.

The gentleman from Tennessee [Mr. HULL] has been referred to——

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more, and then I shall not ask any further time.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAMSEYER. The gentleman from Tennessee [Mr. HULL] has been referred to here time and again as the man who has made a very intensive and careful study of both the income and inheritance tax laws. He was here when those laws had their beginning in this body, and the arguments that gentleman made here the other day, both relative to the estate taxes and the income taxes, and especially the income taxes, to my mind have not been answered by anyone.

We must develop both the income tax and the inheritance tax on such a basis as will tend, with the aid of the laws of the States along that line, to relieve the direct property tax. It is conceded by everybody that those taxes are becoming too onerous to be borne. We are raising the exemptions here on income tax and relieving the heavy income taxpayers. We are relieving income taxpayers at both ends, and, as ably stated here by the gentleman from Tennessee, we are making the

whole structure lopsided. In that he is right. That is also true about the estate-tax structure.

The provisions in this bill with regard to the estate tax have been put in the bill largely at the suggestion of the Delano committee, selected by an organization to bring about the repeal of the estate taxes.

As I stated the other day, if I could get the Ways and Means Committee to agree with me that the estate tax should be part of the permanent tax system of the country, and also agree on about what amount should be raised by Federal and State estate and inheritance tax laws—the amount we raise now is very small compared with what other countries raise, but if we can agree on the principle as to the continuance of these taxes as part of the Federal system, and as to the amount that should be raised by both State and Federal Governments, I am willing to turn the matter over to the Ways and Means Committee to arrange brackets and rates.

I am offering this amendment for your consideration. I do not wish further to take up the time of the House, but if I have a minute left I will now yield to the gentleman from South Dakota. Before yielding, I wish to state that the committee proposal represents the irreducible minimum. My amendment, while moderate, if adopted will have longer life. This question will not down. If it is settled more nearly right than the committee has it, it will be a long while before we hear from the advocates of repeal or the advocates of inincreased rates. I now yield.

Mr. WILLIAMSON. The question I would like to ask the gentleman is this: Some of us are interested in following the schedules, and would like to know how much money under this amendment would be raised in addition to what is raised under the bill as written.

Mr. RAMSEYER. Probably $40,000,000 or $50,000,000. The committee itself is unable to furnish estimates on its proposal after next year because of the credit provision. Nobody knows just how that will work or just how much it will bring in after next year.

Mr. MILLS. Mr. Chairman and gentlemen of the committee, it is always a pleasure to listen to the gentleman from Iowa, because he bases his remarks on sincere conviction, which in turn is based on real study and knowledge. This, of course, requires anyone who does not reach the same conclusion to answer the argument in the same spirit.

Now the gentleman from Iowa in his remarks last week took the English rate as a fair and normal peace-time rate at which the inheritance should be applied in the United States. He quoted extensively from the speech of the British Chancellor of the Exchequer in presenting the last British budget. Let me take the liberty of quoting Mr. Churchill on the subject of estate taxes. Mr. Churchill said:

> I propose certain additions to the rates of estate duty. They are not general throughout the scale. They do not affect estates of modest amount—the increases only begin after £12,500—nor do they affect estates of the greatest magnitude, the duties on which were heavily increased in 1919 and leave no room for any alteration except in a downward direction.

That is what Mr. Churchill says of a 40 per cent rate, that it leaves no room for revision except in a downward direction. Why do they impose a 40 per cent rate on inheritances in Great Britain? Because they are driven to it from sheer necessity. That country, with a national wealth of about $70,000,000,000, is obliged to raise $4,000,000,000 annually to meet budget requirements. If our situation were the same as Great Britain's, we would be presenting a bill that would not raise $2,500,000,000, but a bill that would raise approximately $10,000,000,000. If that were the situation, I should be standing here side by side with the gentleman from Iowa urging you to keep it at 40 per cent.

But that is not our situation. Our situation is the normal peace-time situation of the average European country before the war.

What were the maximum rates imposed by the British Government before the war? Fifteen per cent. What were the maximum rates first applied by the British Government even in war time? Twenty per cent. When did they go to 40 per cent rate? When they had exhausted every other source of taxation and when British statesmen after statesmen had been compelled to recognize that the British Government is staggering under such a load of taxation that it is difficult for them to see the light, is it upon a system born of such conditions that the United States should predicate its peace-time system? And, gentlemen, this 40 per cent rate we are now proposing to repeal and which Mr. Churchill, on whom my friend from Iowa relies, recognizes as a maximum is not the maximum in the United States by any manner of means.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MILLS. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLS. Do you realize that in addition to the 40 per cent rate which we now apply, no less than six States in the Union impose a 10 per cent rate on direct heirs. There is 50 per cent for you.

Mr. RAMSEYER. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. RAMSEYER. Under the present law you give 25 per cent credit and under this bill you give 80 per cent credit. That wipes that out altogether.

Mr. MILLS. That is why the 80 per cent was put in. I am talking about the 40 per cent, and I say that it is not 40 per cent, for in six States they have 10 per cent, which makes 50 per cent on the direct heirs, and in three States the rate is 40 per cent on collateral heirs. It is not a 40 per cent rate. We are taking in some cases about 80 per cent. In England they only have one estate tax to pay, whereas in the United States we do not have one inheritance tax—we have at least two, that of the State of residence and the Federal Government, and in a number of cases there are other State taxes, to which I shall next refer.

But even if we take the two—the State of residence and the Federal Government—the so-called 40 per cent rate to-day is not a 40 per cent rate at all, but it runs from 40 per cent to 80 per cent, depending upon the State of residence and depending upon the nature of the relationship. Thus, even in the case of direct heirs, we have under the present law a 50 per cent rate in six States in this Union, diminished, of course, by the 25 per cent credit.

Mr. McKEOWN. But there are also exemptions allowed, are there not?

Mr. MILLS. Oh, yes. We are talking about the rates on the taxable estate. But this is not the whole story, gentlemen, by any manner of means. The State of residence is not the only State that undertakes to tax estates under our American form of inheritance taxes. These are actual cases, not imaginary cases, which I shall now cite.

A Pennsylvania estate of approximately $600,000 was required, in addition to Federal taxes, to submit to inheritance taxes in 16 different States. A New York estate of $564,000 required, in addition to the Federal-tax proceedings, inheritance-tax proceedings in 12 different States. A New York estate, in addition to Federal-tax proceedings, required inheritance-tax proceedings in 20 different States, 19 of which imposed an inheritance tax on that particular estate. In three Illinois estates administered by one corporate executor, 35 separate inheritance-tax proceedings in various States were required. I am going to put these illustrations in the RECORD. One New York trust company reported to the committee—and this is the Delano committee—that its records indicated that it had been necessary to institute inheritance-tax proceedings in approximately eight States, and to pay inheritance taxes to approximately six States on the average for each estate handled by that trust company—an average of inheritance taxes to six States, in addition to the Federal Government tax, paid by every estate handled by one of the large New York trust companies, and those State rates run anywhere from 2, 3, 4 to 10 per cent on direct, and to 40 per cent on collateral heirs.

I append hereto at this point the extract from the report of the Delano committee, just referred to, from which I quote:

> In its investigations the committee culled from authentic and reliable sources a number of cases illustrative of the serious consequences of present inheritance-tax conditions in the United States. In addition to those cited in the text of the report the committee submits the following cases selected from its files:
>
> CASES ILLUSTRATING NUMBER OF STATES IN WHICH INHERITANCE-TAX PROCEEDINGS ARE REQUIRED
>
> A Pennsylvania estate of approximately $600,000 required in addition to Federal-tax proceedings inheritance-tax proceedings in 16 different States.
>
> A New York estate of $564,000 required in addition to Federal-tax proceedings inheritance-tax proceedings in 12 different States.
>
> A New York estate of $346,317.49 required in addition to Federal-tax proceedings inheritance-tax proceedings in eight different States.

A New York estate of $1,271,980.23 required in addition to Federal-tax proceedings inheritance-tax proceedings in 13 different States.

A New York estate of $16,052,408.77 required in addition to Federal-tax proceedings inheritance-tax proceedings in 12 different States.

A New York estate in addition to Federal-tax proceedings required inheritance-tax proceedings in 20 States, 19 of which imposed inheritance taxes upon the estate.

In three Illinois estates administered by one corporate executor 85 separate inheritance-tax proceedings in various States were required.

The following tabulation of cases from among those reported to the committee shows that these conditions are not limited to a few estates nor to estate of any particular size:

Number of States in which proceedings necessary	Value of estate	Number of States in which proceedings necessary	Value of estate
14	$407,373.86	8	$171,608.72
9	465,858.66	13	152,800.00
12	377,112.90	18	730,000.00
7	368,539.09	12	450,000.00
10	786,997.80	13	438,000.00
8	893,713.92	14	101,000.00
8	168,312.28	12	127,000.00
7	70,555.73	17	365,400.00
6	49,401.63	15	108,800.00
10	689,380.97	9	230,000.00
6	87,144.43	13	116,000.00
23	735,455.02	10	92,500.00
4	293,780.51	6	93,000.00
19	403,750.07	8	413,000.00
4	14,230.06	17	7,000,000.00
11	128,648.04	20	468,000.00
11	419,079.12	9	344,000.00
9	45,802.89		

One New York trust company reported to the committee that its records indicate that it has been necessary to institute inheritance-tax proceedings in approximately eight States, and to pay inheritance taxes to approximately six States, on an average for each estate administered, and that in some cases where the decedent held stock of corporations organized in more than one State, such as railroads, it has been necessary to institute inheritance-tax proceedings in as many as five or six States to transfer a single certificate of stock.

Mr. BURTNESS. Were those taxes cumulative in each State?

Mr. MILLS. Why, yes. They certainly are on different parts of the estate, not on the entire estate.

Mr. BURTNESS. Was there any one part of the estate that was subject to six State taxes?

Mr. MILLS. That is perfectly possible, particularly so in the case of a stock ownership in a railroad corporation which may be incorporated or have its principal office in more than one State. It is not a bit uncommon for an estate to pay six times on its one piece of property.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MILLS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEEDY. Mr. Chairman, will the gentleman yield for a question?

Mr. MILLS. Yes.

Mr. BEEDY. Does the gentleman now wish to leave the impression with the House that he is showing up iniquities of a Federal inheritance-estate tax, and therefore prefers that the field should be abandoned by the States, and that it is better to have a uniform Federal tax? That would be the impression we might get.

Mr. MILLS. Oh, no; I am dealing with rates, and I am pointing out now the absolute need for moderation in rates in so far as the Federal-estate tax is concerned. I am pointing out that this 40 per cent rate applied by the Federal Government is not comparable to the British rate because of totally different economic conditions, and I am pointing out, furthermore, that it is not a 40 per cent rate at all, because it is superimposed not only on the State of residence rates running from 10 to 40 per cent but superimposed on as many as 10, 12, and 16 inheritance taxes imposed by other States that also claim a share in the estate.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I would like to continue.

Mr. STEVENSON. I just wanted to ask if all of those were taxes absolutely on the same part of the estate or merely that each State taxed that part of the inheritance allocated to that particular State.

Mr. MILLS. I wish that were so. I say to the gentleman that one piece of property may pay six inheritance taxes—the same property.

Mr. SUMMERS of Washington. But only paying one-sixth in each of the six States?

Mr. MILLS. Oh, it might in some cases pay on the full value of the property, as in the case of a bond owned in one State, located in another, and to be paid in a third.

Mr. SUMMERS of Washington. In six different States?

Mr. MILLS. In six different States six different taxes on precisely the same property.

Mr. SUMMERS of Washington. On the total amount in the six States? I am asking for information.

Mr. MILLS. And I am trying to give the gentleman the best information I have.

Mr. SUMMERS of Washington. That seems very strange.

Mr. MILLS. I do not wonder that the gentleman is shocked, and I am not claiming for one minute that the Federal Government is to blame. It is not. What is happening is that in their eagerness to obtain revenue from this source all of the States in this Union have reached out more and more in trying to reach the property of nonresidents on which they might be able to levy a tax on some legal theory.

What is the conclusion to be drawn from all this? The conclusion to be drawn is that the field of inheritance taxes in the United States to-day is in hopeless confusion. The conclusion to be drawn is that we ought to proceed with care, that our rates ought to be moderate, and that the Federal Government ought to cooperate in every way with the States in working out a just solution in order that this system of taxation may be made permanent.

The gentleman from Iowa says they want a permanent solution. Let us see whether he is proceeding in the right direction. For a quarter of a century the American States have been developing a system of inheritance taxes and they developed them to a point where in a very considerable number of States they represented either the largest source of revenue or the second or third largest source of revenue, and no one during that period, except for double taxation, complained of the inheritance tax as such. Then, in 1916, while we were still at peace, the Federal Government came along and levied a 10 per cent estate tax and still there was no general protest. You did not see any general unpopularity of inheritance taxes in this country, did you, in 1916?

A MEMBER. Oh, yes.

Mr. MILLS. Here and there a protest, but no effective protest. Then the war came along and the Federal rates were put up——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. I would ask for an additional three minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MILLS. And then the war came along and we increased our Federal rates and superimposed them on the State rates up to 25 per cent, and still we have no protest. There was no concerted and general attack on the inheritance form of taxation. Then what happened? At a time of profound peace, at a time when we proclaimed to the country there was a surplus in the Treasury so as to permit tax reductions, we undertook to raise the estate tax to 40 per cent; and then from one end of the country to the other you began to hear the cry, "Well, if this is what your conception of what an inheritance tax should be, then we are against inheritance taxes as such." You did not just see an attack made on that 40 per cent rate. Why, gentlemen, for the last year there have been in this country in full swing a strong popular movement, not directing itself at reducing the tax to a proper point, but a movement directed at inheritance taxes as such. That has been the effect of your reckless, immoderate act of two years ago. Why, State legislature after State legislature meets and passes resolutions not only asking you to repeal the Federal-estate tax, but declaring against what in this country has been recognized as a well-established form of taxation—inheritances in the States. Some of the Southern States now are not just appealing to us to repeal the Federal-estate tax, but actually declaring against a State-inheritance tax. In other words, gentlemen, by our immoderation we have destroyed the popularity of one of the best taxes in this country, and that is why to-day we should proceed with caution and not do anything that will further the movement. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RANKIN. Mr. Chairman, in taking advantage of this opportunity to voice my opposition to that portion of the bill under consideration, which proposes to relieve the large fortunes from their just portion of taxation and pass that burden on to the mass of the American people, I wish to call attention to the fact that this measure does not even propose to reduce the taxes of that great mass of our people who do

not own large estates and who do not receive sufficient incomes to pay income taxes to the Federal Government.

The man who is really suffering under the burden of taxation is the farmer, the wage earner, and the small business man, who has to pay a heavy ad valorem tax to maintain his State, county, and municipal government whether he has an income or not. This bill is not directed at him. It is not intended to offer him relief; but it is being passed primarily for the benefit of those men of enormous incomes and for the holders of large estates.

When the last Congress convened Mr. Andrew W. Mellon, Secretary of the Treasury, the real leader of the party in power, the man who is behind this measure, told us that if we passed an adjusted compensation bill to pay our soldiers for their services rendered on the field and at the battle front, at the time the men most affected by the estate-tax provision of this measure were piling up their large fortunes out of war profits, he told us that if we passed that adjusted compensation bill it would be impossible to reduce taxes at all.

What has been the result? We not only passed the adjusted compensation bill, but we also reduced Federal taxes more than $300,000,000 a year. Now they come here and ask us to make another reduction of about three hundred millions more. They do not even wait until Congress convenes to ascertain how much money we would need for the next fiscal year, but rush this bill through the committee and bring it into the House and urge its passage before the holidays. It makes reduction in the taxes on large incomes and swollen fortunes that are far in excess of the dreams of the gentlemen of the majority side, much less on the minority side, on the Ways and Means Committee two years.

They do not wait to see how much money we will need to maintain the Government for another year, to take care of the wounded and disabled veterans of the World War, and carry on the Nation's program of internal improvements. The truth of the business is, those who are behind this measure would like very much to kill our program of Government aid to good roads, because it takes money that is collected from those large fortunes and those enormous incomes and spends it in the improvement of our public highway in the agricultural States, from the products of the toil of whose citizens these large fortunes have been drawn. In the last Congress they showed clearly that they would much rather take care of the large income-tax payers and the owners of large estates than to pay the adjusted compensation to our veterans of the World War.

Are we safe in following the advice of Mr. Mellon or his distinguished leader on the Ways and Means Committee, the gentleman from New York [Mr. MILLS], in reducing the national revenue to this extent, when he missed his guess two years ago more than $600,000,000 on the possibility of a safe reduction?

My honest opinion is—now mark this—my honest opinion is that if this bill becomes a law in less than five years, yes, in less than three years, we will have a deficit in the Federal Treasury. Then where will you get the money with which to maintain our current expenses? You will get it from the very source of revenue that the present Secretary and Treasurer most desires—from a sales tax, or from a direct tax of some kind, on the necessities of life; thereby taking from the toiling masses, who are already burdened to death with State, local, and municipal taxes and struggling for a livelihood, the money with which to make up the deficit caused by relieving the wealthy from their just burdens of taxation. The masses of the American people are in no condition now to take over and assume the burden of paying hundreds of millions of dollars by taxing the necessities of life which they must have to maintain themselves and their families, in order to relieve the men of large incomes and large fortunes, who will be the chief beneficiaries if this bill becomes a law.

Already our people are burdened with the tariff that taxes every individual approximately $40 a year. This is a tax on practically every article a man buys. About $6 of this amount goes into the Federal Treasury, while the other $34 goes into the pockets of the manufacturers, whose taxes you are reducing in this bill.

About $200 to the average family of five is collected in this way: Thirty dollars of it goes into the Federal Treasury and $170 into the pockets of the manufacturers. Let a deficit occur in the Treasury as a result of this legislation, and you will never be able to put these taxes back where they belong. On the other hand, there will be an effort made by the advocates of this bill to pass it on to the ultimate consumer through the medium of a general sales tax, thereby increasing the burdens of the toiling millions to release the luxuries of the favored few.

To show you that I am correct in this contention, look at the discriminations in this bill against the small taxpayer. For instance, they put a flat tax of 12½ per cent on all corporations, regardless of their magnitude. What does that mean? It means a great deal less to the man who is at the head of a great corporation, owning millions of dollars of its stock, with its lines of communication reaching into every community and its sources of revenue reaching into every home—it means a great deal less to him than it does to the small business men of your local community, who have organized for the purpose of carrying on a business from which they earn a living for themselves and their families, and who also have their individual taxes to pay.

And permit me to say in passing that you are going to hear from these men, not only because of your failure in this bill to relieve the nuisance taxes but also for your failure to do justice as between him and the financial magnates at the heads of the great corporations of the country.

If you want to give real relief, instead of reducing the taxes on large estates from 32 per cent down to 4 per cent, as you are doing in this bill, why in the name of common sense do you not equitably reduce the nuisance taxes and the taxes of the small business man.

Gentlemen, I am in favor of an estate tax. I think it is the only salvation against that dangerous tendency in our Government to concentrate the wealth of the Nation into the hands of a few men and to use that wealth to control legislation and to shape our national policies. In my opinion nothing is more detrimental to the welfare of our American institutions than the concentration of wealth and its kindred accessory, the centralization of political power.

A great statesman once said that when Rome fell 600 people owned the Roman Empire, and that when Babylon fell 1 per cent of her people owned practically all of the wealth of Babylon. Here in what we are proud to call a democratic republic, which is less than 150 years old, the concentration of wealth has been so rapid that to-day less than 10 per cent of our people own more than 90 per cent of our wealth, leaving only 10 per cent to be owned by the other 90 per cent of our population, constituting the great mass of the American people. What will be the conditions in a few more decades if this policy is continued?

The only cure for this condition is the imposition of an estate or inheritance tax that will take a portion of the accumulated wealth of the large fortunes to help bear the burdens of the Government and at the same time gradually break up those large estates and pass them out through the channels of industry, thereby preventing the pyramiding of vast fortunes to be passed on down from generation to generation. It is the fairest tax on earth. It does not touch a man's estate while he is living; but after he has passed away and his debts and obligations are all paid and $50,000 is set aside for the benefit of his family, then it takes a very small portion of the balance to be paid into the Federal Treasury to help maintain the Government that has protected him in the accumulation of his wealth. The amount taken from fortunes under a million dollars is very, very small compared with the tax burden of the average American laborer, who attempts to own his home or the land he cultivates. And even in the present law, if his estate exceeds $10,000,000, we take only 40 per cent of the amount above $10,000,000.

Under the provisions of this bill which you are asking us to give to the large taxpayers as a Christmas present, you have provided that 80 per cent of the estate taxes shall be first collected in the States, and if not collected by the States it shall be collected by the Federal Government. You thereby force every State in the Union to put on an estate tax whether they desire it or not. But the iniquity to which I am trying to direct your attention is that they also reduced the tax rate to 20 per cent instead of 40 per cent on estates exceeding $10,000,000.

You have told the House that you are reducing the Federal taxes on these large estates to 20 per cent, when, as a matter of fact, you have reduced the Federal income to 20 per cent of 20 per cent of the excess over $10,000,000, or only 4 per cent. Why have you not told the House the real facts about the practical workings of this bill and let them know that it reduces the Federal estate taxes on estates exceeding $10,000,000 to about one-eighth of what it is under the present law? You practically abolish the estate taxes by the passage of this measure, and thereby break faith with the great mass of the American people onto whom this burden will be shifted.

Suppose the American farmers and workers understood the practical application of this proposition and realized what it means. How many of you would dare support it and go home and face the consequences? Suppose the ex-service men, who at your call offered their services in the late war under the promise that when peace was restored you were going to make those who made their fortunes out of the war help to bear a just portion of the burden of paying the war debt. Suppose they knew that you by this bill were relieving from the estate taxes those men who made or increased their fortunes by profiteering during the World War. Do you suppose you would pass this measure in its present form without provoking a protest throughout the country?

As soon as the consequences of this measure become known you will hear from it. My opinion is that you will hear from it in no uncertain terms in 1926, when the American people go to the polls to register their protest against the placing upon the statute books of this Republic a tax-reduction bill which relieves the large income-tax payers and the owners of swollen fortunes from their just portion of the burden of taxation for the purpose of passing it on to the already overburdened people who are least able to pay. [Applause.]

Mr. BLANTON and Mr. FREAR rose.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, I will yield to the gentleman from Wisconsin [Mr. FREAR] if he desires to speak now, as he is a very distinguished former member of the committee.

Mr. FREAR. Oh, I am not now a member of the committee.

Mr. BLANTON. Mr. Chairman, in view of the fact that I have received a communication suggesting that I resign, I would like to proceed for 10 minutes out of order.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes out of order. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman and gentlemen, I am always glad to receive from my constituents their views on public questions, and when such views are in accord with the interests of the people as a whole I gladly follow same. In every case, whether I agree with them or not, I invariably give careful and courteous consideration to the views sent me from every constituent. Every letter written to me by a constituent receives a prompt and courteous answer, and has my prompt attention.

When Mr. George H. Colvin, of Fort Worth, who is president of the so-called Texas Tax Club, caused notices to be published in the Texas newspapers warning the 18 Congressmen and 2 Senators in the State delegation that unless we obeyed orders we would have opposition in our districts of the "deadly earnest kind," I naturally remembered that expression. Opposition of the "deadly earnest kind" is the kind calculated to make a poor Congressman sit up and take notice.

So when this Mr. George H. Colvin incited the meeting to be held at Waco, in the district of our colleague [Mr. CONNALLY], and after State Senator Stuart had made his propaganda speech there, the telegram was sent to Congressman CONNALLY of Texas advising him in effect that unless he obeyed orders he would have opposition of the "deadly earnest kind," I naturally remembered that doleful expression.

And when this Mr. George H. Colvin incited the meeting to be held in my district at Coleman, Tex., and sent his same propagandist, State Senator Stuart, there to enlighten the people, as it were, and my good friend, Mr. Leon L. Shield, a prominent citizen and banker of Coleman, who is a coofficer with Mr. Colvin in that he is the secretary of said Texas Tax Club, when presiding at said meeting, saw fit to send me a warning through the Coleman newspaper, the able and efficient Democrat-Voice that reported his speech, that if I did not respond to their suggestions that I would have in my district opposition of the "deadly earnest kind," I again remembered the expression, and I am now able to trace it back to its origin.

My colleague here, Senator HUDSPETH, is one of the best, most loyal, most dependable friends whom the cowmen and stockmen of this country ever had. Do you know what he does when he finds a stray animal on his range? He identifies it by the earmarks and brand on it. Do you not, Senator?

Mr. HUDSPETH. We try to.

Mr. BLANTON. And that is the way we Texas Congressmen will identify the opposition when it appears in our districts; we will look closely for these earmarks and brand of Mr. George H. Colvin, who originated this particular brand of opposition known as the "deadly earnest kind."

I received yesterday from the secretary of this Texas Tax Club, Mr. Leon L. Shield, of Coleman, what seems to be his ultimatum. In substance he says:

> We sent you there as our representative. We expect to be granted and we distinctly claim the privilege of making known our views on public questions. And when we make known these views we expect you to follow our wishes.

And he tells me that unless I can follow such wishes I must resign. If he were my only constituent I would promptly resign. But I received my commission from the citizens of a district which has living in it 400,000 people. They might not like it if I resigned. They sent me here to attend to their business, and I am attending to it. They sent me here to stand up and face all opposition that may arise against measures beneficial to their interests, and not to quit and lay down just because the enemy threatens me.

If Mr. Leon Shield wanted me to have his views, I am wondering why he did not come around to see me when he came here with the representatives of the Texas Tax Club. I am wondering where he was the night I attended the Texas Tax Club banquet at the Raleigh Hotel. I did not see him there. Why did he not tell me his views there?

Mr. Leon Shield knows that I have no prejudice against banks or bankers, or against big business. The bankers of my district are my friends. The business men of my district are my friends. I have their confidence, and I have the confidence of the big business men of the United States, because they have learned that I am always willing to accord them and their business a fair, square deal.

I happen to know one distinguished Texan who came here with the members of the Texas Tax Club, who is not in accord with this spirit of forcing Representatives by threats and coercion, and he is one of the stalwart, stable, dependable business men of my State, and that is Frank Kell, of Wichita Falls. He is a man who is willing always to do his part, and he has at heart the very best interests of our State and of this Nation. He is loyal and patriotic, but he had better watch some of his associations.

Right here I want to pause long enough to commend the chairman of this great committee, the gentleman from Iowa [Mr. GREEN], and also my colleague from Texas [Mr. GARNER], the Democratic leader on that committee, on their being able to write in this bill any inheritance tax at all. Very few persons will ever realize just how much power and influence they have been able to withstand and to overcome in order to be able to give us an estate tax. They have withstood the greatest pressure that has ever been brought to bear upon a committee in the history of Congress to take out of this bill all provisions for an inheritance tax. I wish that every Member would read the hearings and see how the great chairman and the great minority leader of this committee withstood every effort of the propagandist and of the lobbyist from all over the United States who sought to lobby all of this estate tax out of the bill. I commend them for keeping in the bill an estate tax running up to a maximum of 20 per cent.

This fight to repeal the Federal estate tax did not begin with the Texas Tax Club. Do you know when and where and by whom it began? As far back, to my certain knowledge, as last April. I can remember the speeches that were made by Hon. Frank W. Mondell over the United States, beginning last April, one of his main objects being to get this estate-tax provision out of the bill. I am identifying the earmarks and brand to identify the animal in order to know where the fight came from and originated.

I can remember that on April 15, 1925, when the Louisiana bankers met at New Orleans, this very distinguished citizen, Mr. Frank W. Mondell, who used to be a Member of this House, and was its floor leader, and who once lived in Wyoming, but then a member of the War Finance Board, filling a lame-duck appointment, went down there to address them. He told them then that there was a wide difference of opinion in this country as to the wisdom and justice of the estate tax, and he told them that under no circumstances should it be put into the coming bill at more than 10 per cent. That speech was published in this, a beautiful little pamphlet like that [indicating]. It was printed in very large type, on very fine paper, and the cover was a very good color—brown—so that 10,000 copies could be sent out to the waiting public.

Mr. GREEN of Iowa. More than that.

Mr. BLANTON. The first issue was 10,000.

He then followed his propaganda speeches over the United States. He spoke way up in Boston. He spoke out in Des Moines, Iowa. He spoke in Chicago. He spoke in Minne-

apolis. He spoke in Brookings, S. Dak. He spoke elsewhere. Everywhere, except in North Dakota, he denounced the Federal estate tax and said that even if it stayed on when Congress met and passed this bill, it ought not to be a maxium of over 10 per cent.

One June 15, 1925, when he addressed the Hamilton Club, of Chicago, he said:

It is highly important, however, that, as we approach the session of the new Congress, we shall call to mind the Federal tax conditions under which we are living, and firmly resolve to exert every legitimate influence toward having evils corrected. It is equally important that we shall prepare to stand behind and earnestly support the Members and Senators who shall endeavor to do their duty in the face of appeals that are likely to be made to prejudice and to lack of information as to the actual facts of our situation.

And what more he meant was that those Members who did not agree with his program should not be "stood behind" but should be "left behind." Now let me quote further from this speech at Chicago. Mr. Mondell said:

With regard to no other class of taxes is there so wide a difference of opinion as exists with regard to estate and inheritance taxes. In certain sections of the Union, particularly in parts of the South, such taxes are anathema.

And he suggested that if any estate tax were left in the law, it should not be over 10 per cent. And do you know where all this hue and cry of "socialism" we now hear from the tax clubs originated? I will show you. It came from Mr. Mondell in this speech June 15, 1925. He then said:

I know of no excuse that can be offered for the present Federal estate tax except the possible one of socialism.

Note that in his speech at New Orleans on April 15, 1925, he said merely that "there is a wide difference of opinion as to the wisdom of the estate tax"; but by the time he got to Chicago for his Hamilton Club speech, on June 15, 1925, he then said:

With regard to no other class of taxes is there so wide a difference of opinion as exists with regard to estate and inheritance taxes.

He said:

Such taxes are anathema.

And he wound up this speech of June 15, 1925, before the Hamilton Club of Chicago by saying:

Shall we not see to it that those who represent us in the Congress of the United States shall clearly understand our interest and our opinion and our disposition to support them in applying the necessary remedy?

Is not that where Colvin, Stuart, and Shield got their suggestion of sending us threats and demands?

And Mr. Mondell had this Chicago speech, notwithstanding that it was practically the same speech made at New Orleans, already printed in "brown," printed in this delightful little pamphlet of "Coolidge gray," printed in large type, on fine paper, and with a splendid cover, so that thousands of copies of this particular issue could be broadcasted over the United States before Congress met.

Mr. BERGER. Will the gentleman yield?

Mr. BLANTON. In just a moment. But when Mr. Mondell went to Brookings, S. Dak., to deliver his propaganda speech on June 17, 1925—he was making them pretty rapidly about this time—he changed his ideas somewhat on this estate tax. He did not say there was a "wide difference of opinion." He did not say "the widest difference of opinion about any tax was over this estate tax," as he had done at Chicago. He was afraid that such difference did not exist there. What he did say to those citizens of North Dakota was that "we should be perfectly willing to leave this system of taxation on estates to the States." That speech was printed in this little pamphlet, and it is a new "Harding blue," so that thousands of copies of this particular edition, specially framed for a particular part of the country, could be scattered in the West before Congress met. It is in large type, on fine paper, and a most popular colored and attractive cover.

We remember, Mr. Chairman, that this is the man who has voted against every income-tax measure that was presented up to the one of 1921, when it cut the existing surtax half in two. He voted for that reduction.

Mr. BERGER. Will the gentleman yield now?

Mr. BLANTON. In just one minute.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BERGER. The gentleman has no time now.

Mr. BLANTON. Mr. Chairman, may I have five minutes more? I will be glad to yield if I can get five minutes more.

The CHAIRMAN. The gentleman from Texas asks unanimous consent for an extension of five minutes. Is there objection?

There was no objection.

Mr. BLANTON. I gladly yield now to the greatest student in the House. Even though I disagree with him, he is one of the greatest historians in the House.

Mr. BERGER. That is very kind of the gentleman, and I thank him for the compliment. Is not the gentleman aware that everything good in any bill is socialistic?

Mr. BLANTON. I doubt that. In fact, I know that such is not the case.

Mr. BERGER. Absolutely. Everything that is good in any bill is socialistic.

Mr. BLANTON. I have never been able to find anything good in socialism except my good friend from Wisconsin. [Laughter and applause.]

But I must get back to my subject.

When Mr. Thomas B. Paton, general counsel for the American Bankers' Association of the United States, was before the Committee on Ways and Means, our colleague [Mr. GARNER] endeavored to find out from him something about this newly organized American Bankers' League, which started all of these so-called tax clubs into existence, and the following colloquy occurred:

Mr. GARNER. Mr. Paton, do you represent the National Bankers' Association?

Mr. PATON. The American Bankers' Association, which is composed of large banks and small banks all over the country.

Mr. GARNER. Is it in any way affiliated with the American Bankers' League?

Mr. PATON. Not in any way. The American Bankers' Association has just had its fiftieth anniversary at its convention at Atlantic City.

Mr. GARNER. Do you know anything about the particulars of the American Bankers' League?

Mr. PATON. Well, something.

Mr. GARNER. Are you a member of it?

Mr. PATON. No, sir. We have had a good deal of trouble with circulars sent out from the headquarters here in Washington.

Mr. GARNER. Are they particularly helping the American bankers?

Mr. PATON. The position of the American Bankers' Association is that we in our organization adequately represent the banks of the country with regard to Federal legislation in all its branches.

Mr. GARNER. And the American Bankers' League, then, is not contributing very greatly to your labors in the field of mutual association of banks?

Mr. PATON. I should say not.

And then our colleague [Mr. GARNER] pinned him down and had him to give us the real facts about this American Bankers' League, to wit:

Mr. GARNER. I had heard from some bankers that they had two associations; that one of them really represented the banks, the other having a similar name, and there seemed to be confusion as to what the American Bankers' Association stood for.

Mr. PATON. The American Bankers' Association is composed of some 22,000 banks out of the 28,000 in the country, and they pay dues graduated according to the amount of their capital. The American Bankers' League, as I understand it, is simply an organization which sends out circulars to banks saying, "We are getting together a group to help you reduce your taxes. Will you contribute this and that?"

Mr. GARNER. It is a sort of propaganda organization?

Mr. PATON. I should say so; although it is a little delicate matter for me to go into.

Mr. GARNER. I will assist you by asserting the fact myself, and the record may show it.

Now, remember our colleagues, Mr. GARNER of Texas and Mr. CONNALLY of Texas, Mr. GREEN of Iowa, and others have demonstrated full well that it is this American Bankers' League which has been repudiated by the American Bankers' Association, which has organized these tax clubs all over the country and especially in Iowa and Texas, and has helped to finance them, to threaten, harass, and injure us.

But Mr. Mondell did not merely make speeches all over the United States. When the Ways and Means Committee met in the fall, he went before it.

Shortly after Mr. Frank W. Mondell had been lobbying his views before the Ways and Means Committee our colleague from New York [Mr. CROWTHER] pinned him down until we found out just what many of us knew already, that he was

against a Federal estate tax, for let me quote the following excerpt from the hearings:

Mr. CROWTHER. Mr. Mondell, the sum and substance of your thought is that the present estate taxes are too high?

Mr. MONDELL. Certainly I do, answering your question directly. I am of opinion that except in times of war emergency these taxes should be laid by the States. I think that is the logical thing under our form of government.

That is the main preachment of these tax clubs, that estate taxes should be levied only by the States.

And then Mr. Frank W. Mondell went on with his lobbying by asserting to the committee:

There is a widespread and very earnest opinion in the country that the increase of the estate taxes in 1924, in the absence of any national emergency, was a mistake; that it was neither logical nor reasonable, and that the wrong should be rectified. That increase was, in my opinion, very largely responsible for crystallizing the sentiment of the country against Federal estate taxes. It undoubtedly had much influence in inaugurating, spreading, and strengthening the movement which resulted in the petition of the governors of 32 States for the abandonment by the Federal Government of the field of taxation and the appearance of governors before this committee. That increase made the people of the country sit up and take notice; and in no part of the country that I have traveled through in the last six months—and I have traveled considerably, among other things making some addresses on taxes—in no part of the country have I found the view and opinion so general against these high rates as in the South, and in every part of it in which I have traveled.

Now, from April 15, 1925, when he made his speech before the Louisiana Bankers Association at New Orleans, on down through the times he was making his other speeches against estate taxes, up to the 15th day of July, 1925, Mr. Frank W. Mondell was still holding down his lame-duck position on the War Finance Board to which the President had appointed him, drawing a salary from the people of this Government at the rate of $12,000 per annum.

Note his statement that during the preceding six months he had traveled considerably. He made the following admission, which I quote from the hearings:

Let me here call your attention to this fact: During the summer I spoke on taxes in New Orleans, Boston, Des Moines, Brookings, S. Dak., Minneapolis, Chicago, and other places.

The committee should have made him tell the other places, and he should have been made to tell just who he was representing on this propaganda excursion over the United States with such an extensive itinerary. He was not being paid $12,000 per year to do this traveling and to make these propaganda speeches. He was presumed to be performing some duties for the whole people of the United States.

And just whom did Mr. Mondell represent when he went before the Ways and Means Committee to lobby? He should have been made to tell. The only reference I can find to it in the hearings is on page 137, when Mr. KEARNS asked him the following question:

Mr. KEARNS. Since Mr. Mondell represents me in part—I believe you said you represent 95 per cent of the people, and so you represent me—in what way is the income tax paid by the big industries of this country reflected in the price I pay for a piece of merchandise, whatever it may be, manufactured in any factory?

And Mr. Mondell in answering did not deny that he had said that he represented 95 per cent of the people, as charged to him by Mr. KEARNS, hence he must have made that claim. But just when did 95 per cent of the people of the United States authorize him to represent them? Who gave him such a commission? I submit that he had no such authority. I happen to remember that the last time he submitted himself to a vote of the people was when his own Wyoming people passed on him in the general election of November 7, 1922, when he lost every county in Wyoming except one. There are only 23 counties in the entire State of Wyoming.

I have before me the certified official election returns for that State for that election, and it shows that in Albany County he received 1,509 votes and lost 1,991 votes; in Big Horn County he received 1,564 votes and lost 2,188 votes; in Campbell County he received 923 votes and lost 979 votes; in Carbon County he received 1,403 votes and lost 1,698 votes; in Converse County he received 1,175 votes and lost 1,377 votes; in Crook County he received 626 votes and lost 774 votes; in Fremont County he received 1,452 votes and lost 1,892 votes; in Goshen County he received 1,183 votes and lost 878 votes, it being the only county in the entire State that he carried; in Hot Springs County he received 803 votes and he lost 1,271 votes; in Johnson County he received 845 votes and he lost 886 votes; in Laramie County he received 2,176 votes and he lost 3,107 votes; in Lincoln County he received 1,066 votes and he lost 1,552 votes; in Natrona County he received 3,334 votes and lost 4,148 votes; in Niobrara County he received 538 votes and lost 665 votes; in Park County he received 1,251 votes and he lost 1,264 votes; in Platte County he received 1,147 votes and lost 1,253 votes; in Sheridan County he received 1,769 votes and he lost 3,496 votes; in Sublette County he received 375 votes and he lost 446 votes; in Sweetwater County he received 1,196 votes and he lost 2,618 votes; in Teton County he received 179 votes and he lost 324 votes; in Uinta County he received 782 votes and he lost 1,301 votes; in Washakie County he received 534 votes and he lost 645 votes; and in Weston County he received 797 votes and lost 981. Thus by a majority of 9,107 votes against him his home people in these 23 counties of Wyoming repudiated him.

I am not surprised, however, that he should make these speeches over the country that benefits the interest of these tax clubs.

When the Texas Tax Club came here they wanted to see the President. They knew they could not change our minds, because we had studied this question more than they had, and therefore they wanted to see the President. They thought maybe they could change his ideas about it, and the gentleman from Texas [Mr. GARNER], the dean of our delegation——

Mr. UPSHAW. Will the gentleman yield?

Mr. BLANTON. In just a moment.

The gentleman from Texas [Mr. GARNER] very courteously rang up the White House and wanted to make arrangements for them to see the President, but he found out that the matter had already been arranged. By whom? By Mr. Frank W. Mondell, who has been making the speeches benefiting the tax clubs all over the United States. Mr. Mondell had already arranged for the Tax Club of Texas to see the President. What connection did Mr. Mondell have with the Tax Club of Texas? Why did he not let Mr. GARNER attend to that? He must have had some interest in them to thus officiate for them.

Mr. UPSHAW. Will the gentleman yield?

Mr. BLANTON. In just a moment, if I should have the time. I want to place all of these facts before the people.

I am reminded of the time back in 1919 when the autobiography was printed of one of the greatest men who ever lived in this country, in my judgment, whose heart beat for the people, Theodore Roosevelt. His autobiography (1919), on page 431, if you will read it, states:

Mr. Mondell, consistently, fought for local and private interests as against the interests of the people as a whole.

Remember that it is the great Theodore Roosevelt who told us that Mr. Frank W. Mondell, formerly of Wyoming, "consistently fought for private interests against the interests of the people as a whole." Mr. Mondell is still consistent. He is still fighting for private interests against the interests of the people as a whole. He did this before this Ways and Means Committee. I am glad he resigned his lame-duck position on July 15, 1925, because a man who thus represents private interests as a lobbyist should not hold a public office and draw a salary from the people, and I am not surprised that Mr. Leon Shield has asked for my resignation. It has been asked for before, but, just because they ask for it, I do not have to give it. [Laughter and applause.]

Mr. HUDSPETH. As I understand it, this gentleman who sent the telegram not only wanted to put the earmarks and the stamp iron on my colleague, but he wanted to resort to other means.

Mr. BLANTON. Yes; he wanted to do that.

Mr. UPSHAW. Will the gentleman now yield?

Mr. BLANTON. I yield to the gentleman.

Mr. UPSHAW. I do not wish to introduce irrelevant matter——

Mr. BLANTON. I am not going to tell about what happened at that banquet, which the Texas Tax Club held in the oak room of the Raleigh.

Mr. UPSHAW. No; I am not discussing that.

Mr. BLANTON. And, though I could not understand it at the time, I now understand very well indeed why Mr. Frank W. Mondell was such an honored guest at that second tax club banquet, which I also attended in that same oak room of the Raleigh Hotel.

But before Mr. Frank W. Mondell got through testifying before the Ways and Means Committee, I wish that all of you colleagues would read in the hearings just how our able, efficient, and very distinguished chairman [Mr. GREEN of Iowa]

attended to the gentleman. Oh, how he did spank him! Chairman GREEN deserves from the Iowa people to be kept here for life because of the expert way he handled this lobbyist. Mr. Mondell tried to create a spell over the committee, and Chairman GREEN simply made a monkey out of him. Time and again Chairman GREEN had to nab him up and make him stay in the record. He had to call him down time and again. Our great chairman would vehemently exclaim, "You are not stating what happened," "That is not the fact," and "You are evading," and so forth. Let me quote you just a few of these incidents from the hearings, page 130:

The CHAIRMAN (interposing). Mr. Mondell, you are making some most astonishing assertions here.

And again, on page 131 of the hearings, he again interrupted Mr. Mondell:

The CHAIRMAN. You are entirely wrong.

And as soon as Mr. Mondell answered him Chairman GREEN again said:

The CHAIRMAN. No; you are again making rash assertions here.

And just a little later he again interrupted Mr. Mondell as follows:

The CHAIRMAN. No; it does not come pretty near being the vanishing point.

Which statement Mr. Mondell had just made. And again, on page 132, he interrupted Mr. Mondell as follows:

The CHAIRMAN (interposing). You have been making an astonishing statement.

And just a few minutes later Chairman GREEN called Mr. Mondell down again:

Mr. MONDELL (interposing). I am quoting figures of the statistics of income.

The CHAIRMAN. They do not show how much is in tax-exempt securities. If you will go to the reports of the Federal Tax Commission you will find that what you say has taken place has not taken place.

Mr. MONDELL. I beg your pardon; what was that?

The CHAIRMAN. If you will refer to the report of the Federal Trade Commission with reference to the amount of tax-exempt securities you will find that what you say has taken place has not taken place.

Mr. MONDELL. What do you mean by that?

The CHAIRMAN. You will find that no very large proportion of tax-exempt securities were held by large estates.

And then again on page 134 of the hearings, Chairman GREEN had to bring the lobbyist Mondell back on the reservation, as follows:

The CHAIRMAN. You are misunderstanding me or evading my question, I do not know which.

Mr. MONDELL. I am certainly not evading.

The CHAIRMAN. If you will pardon me, the chairman is conducting this proceeding. Is it possible to get from you a direct answer to that question?

Mr. MONDELL. Of course.

The CHAIRMAN. I am not getting it, but you are evading that as you have done a number of other questions.

And again on pages 135 and 136 Chairman GREEN calls him down again:

The CHAIRMAN. Again I get a long argument instead of an answer.

And a little later:

The CHAIRMAN. Another argument, but no answer.

And again on page 140 Chairman GREEN tried to straighten out Mr. Mondell:

The CHAIRMAN. You are not answering my question. Let me propound another one and see if I can get an answer to this?

Let me ask my colleagues just why was Mr. Frank W. Mondell evading all of the questions Chairman GREEN was asking him? It was because Chairman GREEN is one of the best-posted men in the United States on Federal taxation, and he had Mr. Mondell in a hole with reference to the positions he was taken before the committee. Instead of Mr. Mondell representing 95 per cent of the people there, it was Chairman GREEN and Minority Leader GARNER who were really representing the 95 per cent of the people of the United States, and it was Mr. Mondell who was representing a small portion of the balance. His being here on the floor of this House yesterday did not help his cause. Members here are always willing to listen to facts and to reason and to logical argument, but they do not want any "influence" exerted over them. But we will all forgive Mr. Mondell. Outside of his faults—and we all have them—he is a likable fellow. And he must be occupied about something. And he may just as well be lobbying as holding down a lame-duck job.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. UPSHAW. May I ask that the gentleman from Texas may have one minute more so that I may ask a question?

The CHAIRMAN. The time of the gentleman from Texas has expired, and the gentleman from Georgia is recognized.

Mr. RUTHERFORD. Mr. Chairman and gentlemen of the committee, as one of the new Members of the House I have listened attentively to the general discussion of the merits and demerits of this bill.

My experience as a member of both houses of the legislature of my State has clearly demonstrated to my satisfaction that no law affecting taxation can be drawn that will satisfy those having selfish purposes.

While I fully appreciate the fact that taxes are necessary to run the Government, at the same time business men know that governmental affairs should be run on an economical basis, just as successful business men operate and conduct their business.

Taxation should be approached with open minds, entirely free of political aggrandizement, with the sole purpose of serving the best interests of all the taxpayers of our country.

If we could only adopt as nearly as possible the golden rule, "Do unto others as you would have others do unto you," it would not be such a difficult task to draft and pass a tax measure that would equally distribute the burden.

While I am not particularly in favor of continuing many of the so-called nuisance taxes, I do think that in order to raise money for the support of the Government we should continue to tax luxuries and relieve legitimate business and the necessities of life as nearly as possible.

It is now generally conceded that the expenses of the National Government are being gradually reduced, but the taxes of the States, counties, and municipalities are being increased to an alarming extent, and this phase of taxation is growing burdensome.

We all know that tangible property of practically all of the States has borne and is now bearing more than its share of the burdens of taxation, and to relieve this acute situation other forms of taxation are necessary to raise additional revenue in order to lessen the tax on property.

There has been a campaign of propaganda in my State for some time to abandon the field of inheritance taxes, the argument being made that in order to induce capital to come into the State it was necessary to relieve the capitalists of this burden. I can not subscribe to this line of argument, as I do not believe that there is a large percentage of capitalists who desire to be relieved of their fair share of the burdens of taxation.

Investors are interested in a just and fair system of taxation, a system that is in the main definite and fixed and not subject to the whims of political demagogues.

The estate tax, in my opinion, is one of the forms of taxation that will not only give some relief, but it is the only tax that I know that can not be passed to the consumer. I believe that this form of taxation should never be discontinued by the Congress, especially where a fair and just credit is given the taxpayers of the different States.

If this or any future Congress should cease to provide for the estate tax, it would only be a short time before many of the States would abandon the field in a competitive struggle between the respective States to induce capital to come in. No reasonable taxpayer could consistently object to the minimum under this bill.

I am not prepared to give an intelligent argument as to where the maximum rate should begin.

While I believe in the principle of graduation, I could not consistently cast my vote for a rate that would be oppressive and calculated to confiscate estates.

We have had practically five disastrous crop years in the major portion of my State, and many of the farmers in my section have become discouraged. Failure of crops naturally affects all classes of our people.

While there is much discontent among many of our farmers, they are not here appealing for relief, as all they ask and demand is that an exact justice be done them.

Some one was so unkind as to attribute our agricultural difficulties to downright laziness. A statement was made that farmers were known to be so lazy that they would not rise when they sat on a cocklebur.

Another man who viewed his people from a different angle stated that if all the cotton grown in Georgia were woven into one sheet, that sheet would cover the entire United States and one-half of Europe; that if all the cows in Georgia were one cow, that cow could eat grass at the Equator and give milk at the North Pole; that if all the hogs in Georgia were one hog, that hog with one root could dig the Panama Canal and with one grunt could shake all the coconuts off the trees in South America. [Laughter.]

While I can not vouch for the accuracy of the latter statement, I do know that we have a great State and a great people. Georgia was the first State to prohibit the sale of rum within its borders and the importation of slaves.

Much has been said about the State of Florida and the wonderful opportunities down there. I want you to know that Georgia is so situated that those wishing to visit Florida are forced to come through our State.

I now extend you a cordial invitation to stop and look over the wonderful possibilities of our State for manufacturing, industrial, and agricultural development. [Applause.]

Mr. FREAR. Mr. Chairman, I did not intend to speak, but there is a point I believe my good friend, the gentleman from Iowa [Mr. RAMSEYER], wished brought out, and it is one I want to discuss briefly. It is a point suggested first by the gentleman from New York; and let me say in passing that the gentleman complains about the tremendous effort that is being made throughout the country to repeal the estate tax. Why, of course, there is, and it comes primarily from the city of New York. There is your brand. They have gone out from that State and organized all of these tax clubs throughout the country, and they pay for them largely from the city of New York, according to the information we obtain.

Naturally, they are trying as best they can to break down the Federal inheritance tax and then ultimately to wipe out the State inheritance tax. This is just a part of the program they have formulated. You have it marked correctly, and it carries the hall mark of the city of New York, that wants the tax repealed.

There was a statement made by the gentleman from Mississippi about a possible 4 per cent, which is true. If you have a rate of 20 per cent under this bill, it only amounts to 4 per cent if you allow the full 80 per cent credit to the various States. That is the point the gentleman from Mississippi made, and I do not know whether he brought it out clearly or not.

There is another point I wish to bring out which has not been referred to here. The gentleman from New York stated that some one in Pennsylvania would have to pay the tax in Pennsylvania and other States. Why, certainly; but the maximum direct inheritance tax in the State of Pennsylvania is 2 per cent. So it does not amount to very much, does it? Not one estate in a hundred will pay 20 per cent tax.

Mr. McKEOWN. Will the gentleman yield?

Mr. FREAR. I regret I can not yield now.

There is another question that is far beyond this one, and that is the question of determining who is going to rule this country eventually. None of us objects to wealth as wealth; but the point has been raised by the gentleman from Mississippi and by many others as to who is going to rule this country, as they have ruled other countries in times past until the crash came. A very distinguished gentleman, the father-in-law of the Speaker, a very brilliant man, made this statement in regard to it, and I am taking this quotation from my speech in the RECORD of December 12. President Theodore Roosevelt in 1906 said:

> As a matter of personal conviction, without pretending to discuss the details or formulate a system, I feel that we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on the fortunes beyond a certain amount, either given in life or devised or bequeathed beyond death to the individual—a tax so framed as to put it out of the power of the owner of one of those enormous fortunes to hand over more than a certain amount to an individual.

And here is a man in the United States Treasury who has one of the largest fortunes in this country and one of the largest in the world, who brings in this bill and demands from Congress a repeal of the inheritance tax.

The statement of Roosevelt was made nearly 20 years ago. John Wanamaker said, in June, 1921:

> No man ought to pile up money when there is no such need for it in the world. He can not take it with him beyond the grave. We have got to get nearer to God—with less Christianity and more of the real thing.

And here comes Frank Crane, about whom you read every day. He states:

> Mr. Rockefeller proves that it is possible under modern economic conditions for wealth to concentrate into the hands of a few. Are we going to allow that tendency to go unrestrained? Is government ever justified in limiting the wealth of its citizens? If one suggests the limiting of private fortunes, is he necessarily an anarchist, an upsetter, or a dangerous radical?

You have had placed upon your desks a newspaper from one of the States, in which that paper called my good friend the gentleman from Texas [Mr. GARNER] and my good friend the gentleman from Iowa [Mr. GREEN] men of socialistic, communistic, bolshevistic, and anarchistic tendencies. These statements emanate from men who are opposed to estate taxes.

Here is another statement, from Mr. Carnegie, who lived in Pittsburgh, remember, the same place from which Mr. Mellon comes:

> It is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents and increasing rapidly as the amounts swell until of the millionaire's hoard, as of Shylock's, at least the other half comes to the coffer of the State.

This is Carnegie asking that one-half go to the State, to the Government which enabled the deceased to acquire his estate. What better judgment do you want than that? That is a reason why we must place rates high enough to call a halt in the accumulation of colossal wealth by individuals.

Mr. BRIGGS. Mr. Chairman, a number of Federal and State officials and private citizens are no doubt interesting themselves from sincere and worthy motives in the campaign for the repeal of all Federal estate taxes. But the great drive now being engineered for the removal of all Federal estate or inheritance taxes has its origin apparently in the effort of huge fortunes in America to escape this form of taxation and to invoke in support of their efforts every conceivable argument from alleged unconstitutionality to invasion of State rights. To carry out this purpose it is evident that a very large fund has been raised and devoted to the carrying on of a very widespread and determined propaganda, with the payment of transportation and other expenses over the country of many of those who either sincerely or professionally accept such propaganda in support of the effort of great fortunes in the United States to escape the payment of estate or inheritance taxes.

This conclusion becomes more inevitable when, notwithstanding such arguments of unconstitutionality of a Federal estate or inheritance tax, it is well known to all who care to investigate that the Supreme Court of the United States has upheld the constitutionality of such taxes time and time again.

In the case of Knowlton *v.* Moore (178 U. S. 41) the Supreme Court, in an exhaustive opinion, reviewed the history of estate or inheritance taxes from a period before the beginning of the Christian era on down to modern times, and held that practically all nations of consequence had utilized such form of taxation as one of the chief sources of revenue. Great Britain to-day, with only a third to a fifth of the national wealth of the United States, collects more in estate taxes than the States and Federal Government combined.

Attention was called to the fact that the United States had begun to utilize inheritance taxes as early as 1797, or within a period of 10 years after the adoption of the Federal Constitution. Thomas Jefferson and Woodrow Wilson favored and approved such taxes.

The Supreme Court further held that it was not a direct or indirect property tax, but a duty or excise tax upon the transmission of estates and was entirely constitutional and within the power of the Federal Government to levy.

In the more recent case of New York Trust Co. and Pross, Executors, *v.* Eisner (256 U. S. 345) the Supreme Court of the United States reaffirmed the constitutionality of the estate tax and the decision announced in Knowlton against Moore, previously mentioned. The Eisner case is especially interesting in that the graduated Federal estate tax law of September 8, 1916 (39 Stat. 736) was not only upheld as constitutional but many of the very arguments still being advanced by the great fortunes seeking to escape the tax were fully considered and again reviewed, as they had been in the previous case of Knowlton against Moore, and were held by the Supreme Court of the United States to be without merit.

The Supreme Court recognized the right of a State to levy inheritance or estate taxes, if it so desires, but makes it extremely plain that this does not preclude the Federal Government from likewise making use of such form of taxation. In order, however, that there shall be no opportunity for any substantial objection to duplication of estate taxes by State and Federal Governments, the United States provided as far back as the act of 1916, before the United States became involved in the World War, that, in addition to many other specified deductions, estates should be further entitled to deduct from their gross income "such other charges against the estate as are allowed by the laws of the jurisdiction," before any estate tax was assessed.

In the present existing law, as contained in the revenue act of 1924, approved June 2, 1924, provision is made for crediting upon any Federal inheritance tax a credit for State taxes of similar character up to the extent of 25 per cent of the Federal tax.

In the proposed bill estates are allowed to take credit for the payment of any estate or inheritance taxes paid to a State up to 80 per cent of the amount of the Federal estate tax. Surely this does not indicate that the Federal Government is depriving any State, that so desires, from resorting to estate or inheritance taxes as a means of raising revenue. Nor does it coerce the States in the least degree. The tax operates on estates only, and the credit grants relief from a duplication of taxes where States also levy estate or inheritance taxes. The Federal income tax also allows deduction of State taxes from gross income, and we have heard no complaint of such deductions.

The Federal Government in the estate tax law of 1916, as well as the revenue law of 1924, and the bill now under consideration provides for an exemption entirely of all estates up to $50,000.

Numerous other exemptions are also contained in the bill and previous Federal estate tax laws.

In Texas and other community-property States, this exemption would entirely exempt from Federal estate taxes estates composed of community property up to a value of $100,000 and would entitle any estate paying a Federal tax of $500 upon the next $50,000 to a deduction or credit of any State inheritance taxes up to 80 per cent of the Federal tax.

The proposed bill practically cuts in two the Federal estate taxes levied in the revenue act of 1924; and this reduction in such taxes is a most substantial one, as the Government of the United States is now receiving throughout the Nation from such source a little more than $100,000,000 annually.

There is no question that the revenue is needed, as the United States Government is confronted with a public debt of over $20,000,000,000; and although such debt was enormously increased during the World War and has been reduced by approximately $6,000,000,000 since the armistice, yet the public debt is still enormous, and with appropriations necessary for current expenses of the Government, revenues must be obtained from some source. I have no fault to find with wealth. It is entitled, along with other property, to the protection of the Government. It should, however, be willing to bear its fair share of taxation. Certainly it has no cause for complaint against the pending bill.

But it is interesting to note that while great fortunes in the United States have received in the pending revenue measure a reduction of $98,575,000 in surtaxes and other great reductions, or more than the total reductions in normal taxes, personal exemptions, and credit for earned income—aggregating $95,000,000—in addition to sharing in such benefits, they are yet attempting, through threats and otherwise, to further escape the payment of any inheritance or estate taxes.

Resolutions adopted by some of the organizations promoting this objective frankly declare their opposition to the imposition of estate or inheritance taxes by either the State or Federal Governments. This, after all is said and done, is the heart of the opposition.

If the Federal estate tax can be eliminated, then the power of the great fortunes of America will be leveled against the various States of the Union in another drive to repeal and destroy all State inheritance or estate taxes.

The State of Texas now has an inheritance tax which can be credited upon any Federal estate tax which is assessed.

Proponents of the repeal of the Federal inheritance or estate tax have announced that it was their purpose to seek repeal of the State inheritance tax; and if these objects can be accomplished, then the revenues which may be necessary for the State and Federal Governments to obtain must, to such extent, be collected from the masses of the people in order that those possessed of great fortunes may be given further special consideration and exemption.

I believe in a fair distribution of the burdens of taxation in accordance with the ability to pay, and I shall continue to stand for economy in the conduct of the Government and for reduction of taxes as fairly and to as great an extent as can be accomplished. These reductions have averaged since the close of the World War approximately a billion dollars annually in Federal taxes.

I am not altogether satisfied with the provisions of the pending bill, as I believe it contains many inequalities and failures to apportion reductions in taxes where such reductions are really more needed; but it is the best bill which under all the circumstances can be obtained, and as it will further reduce the taxes of the American people of over $325,000,000 annually, I shall support and vote for the bill with the estate-tax provision incorporated therein. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the paragraph and all amendments thereto close in 20 minutes. Is there objection?

Mr. GREEN of Florida. A parliamentary inquiry. If this is adopted, does that eliminate section b of this bill? Can I offer an amendment to that section.

The CHAIRMAN. We have not read section b yet.

Mr. FORT. Mr. Chairman, as a believer in inheritance and estate taxes, I am opposed to the amendment offered by the gentleman from Iowa to the amendment offered by the gentleman from Illinois, and I am also opposed to the amendment offered by the gentleman from Illinois. The first and only legitimate purpose of taxation is the raising of revenue sufficient to meet the purposes of the Government. The Ways and Means Committee has reported a bill which is adapted to raise the Budget figures required by the Government in the coming 12 months. For no special or social purpose, however desirable, is it proper for this House to amend the bill beyond the point which will raise the necessary revenue.

And further, if we are going into the matter of the revision of the estate-tax provisions in this bill, the amendment should go further than a mere change in rates. The fatal defect in the Federal estate tax, as it is in the pending bill and upon the statute books to-day, is that it does not proceed against the inheritance of the individual taking; that it is not graded on the degree of relationship and of amount given to a given heir, but it proceeds against the estate in gross. It is not a just estate tax. It proceeds alike in proportion to the amount against a bequest of $500 to a faithful servant, and $20,000,000 to a laughing heir.

But, pending complete revision of its basis, the tax should remain on the statute books of the United States as a declaration of Federal policy. And that for several reasons: First, it is the only way to reach the unearned increment by taxation for Federal purposes. We have had debates here on the question of increasing surtaxes because so many of the very wealthy escape payment of the surtax through evasion. Now, one of the chief of these evasions is the purchase of land and undeveloped property, hoping for development by others to increase the value, and increase the estate without increasing the income for taxable purposes.

I call the attention of the House to the fact that the 20 per cent provision in the highest bracket of the estate tax is identical in percentage with the 20 per cent surtax provision in the final brackets of the income tax and thus will reach the unearned increment accruing to any man of great wealth with the same rate of tax in the last analysis that would be levied against like annual income.

Another method by which men grown rich without being subject to income taxation is through the purchase and holding of stocks out of the earnings of which relatively small dividends are declared and the balance of corporate earnings are permitted to go to surplus account, thus materially enhancing the value of the stock.

The estate tax catches both of these methods of evasion, since it is levied upon the enhanced value either of the undeveloped property or of the stock as that value appears at the date of the death of the holder, and thus at last the Federal Government secures the tax, payment of which has been evaded from year to year. Unless this increment of value is finally taxed for Federal purposes discrimination exists against the taxpayer whose investments have been continuously producing income to him and, therefore, income tax to the Government.

One great purpose to be achieved through estate taxes is the breaking up of vast aggregated holdings of agricultural lands

or lands which might be converted for agriculture. Tenancy farming within certain limits is desirable, but in this Nation we do not want so large a proportion of our agricultural lands in the hands of a few owners as to make tenancy farming the rule rather than the exception.

On the theory of the estate tax, further, it must be borne in mind that money in the modern world is practically, except for government, the sole source of transferable power. I believe it to be contrary to the genius of our institutions that power should pass by descent. When aggregations of money in the hands of any individual reach too great a point, the power that accompanies the wealth should be and is subject to governmental limitation. It is equally true that the passage of that power should be likewise to some degree subject to the control of the Federal Government.

My final reason for belief in taxes on the passage of wealth is drawn from the future as I foresee it rather than from the precedents which have been stated to the House. The unchecked aggregation of wealth and power in the hands of individuals or small groups makes, in the last analysis, for conditions upon which the radical will not be slow to seize. I believe in the existing scheme of American economic life, I believe in the right of a man to make all the money he can make honestly, and I believe that in the enjoyment of that right he should be given a considerable measure of freedom. But because I believe in these things, I believe also that it is highly important that the Federal Government should intervene when, at death, the individual seeks to transmit his wealth and his accompanying power—not to intervene to an extent amounting to confiscation, but to such extent as is necessary to prevent the passing of too great power to perhaps unworthy hands. As it seems to me, in the assertion and maintenance of a Federal policy of such intervention rests the ultimate security of our whole social order. Whether they wish it or not, heavy graduated estate and inheritance taxes are the premium which wealthy men must pay for an insurance policy upon their right to acquire and enjoy vast wealth. [Applause.]

Mr. LOZIER. Mr. Chairman, a few days ago, in discussing this bill, I called attention to the fact that the principle of estate taxes, when reasonably applied and with proper exemptions, was not only equitable but economically sound, and if we abandon the field of Federal estate taxes great fortunes, many of which were accumulated as the result of war-time profiteering, and which are now invested in tax-exempt securities, would escape taxation of every kind.

Much of this propaganda in favor of the retirement by the Federal Government from the estate-tax field was initiated and is being carried on by those who have their fortunes invested in tax-free bonds, and who are escaping their just and fair proportion of the burdens and expenses of the Government which protected them in the accumulation of their wealth and now protects them in its enjoyment.

I now desire to discuss in detail the question of taxes, with special reference to tax-exempt securities.

THEORY OF TAXATION

In the last analysis, practically every battle for human freedom has been fought around the standard of taxation. In all ages of the world's history, in organized states, taxation has been a paramount issue. Countless revolutions have had their inception in protests against an abuse of the taxing power. To avoid unjust and oppressive taxes society has been in a state of chronic revolt since its organization.

There is no speedier or more effective method of depriving the people of the fruits of their labor than excessive and unjust taxation. In essence, taxes are a mortgage on the productive capacity of the citizen, because they are a tribute imposed on the industry, initiative, and creative power of man.

It will not be contended that all taxes are unjust or that the theory and principle of taxation is unethical or economically unsound. Burdensome as they may be at times, taxes are necessary and essential to promote the well-being of the citizen and the perpetuity of the State. All just governments, especially republics, are paupers, with no capital stock or fund to carry on its administrative functions except that collected from the people by some form or system of taxation.

In theory, at least, the government is but the agent or attorney in fact of the citizen. It can not rightfully exercise any function which has not been delegated to it, either expressly or by reasonable and necessary implications. When a government goes beyond this limit it is exploiting an embezzled power and functioning not as the servant of the people but as their autocratic master. It follows, therefore, that while the taxing power is essential for the maintenance of governments and their efficient and orderly administration, nevertheless every exercise of that power is not necessarily authorized, just, or economically sound. Under constitutional covenants and grants the power to tax is delegated by the citizen to the state and nation, but the subjects and objects of taxation, the rates and details, the policies on which a tax system may be bottomed, and the manner in which constitutional taxing powers shall be exercises are subjects on which there is a wide divergence of opinion.

Taxation is warranted on the theory that each citizen should contribute to the support of his government, which protects him in the enjoyment of his life and property and guarantees to him the exercise of civil and religious liberty. As the State protects the citizen in the enjoyment of his property and civic rights, of course, the citizen should respond by contributing to the cost of maintaining the State efficiently.

Some writers tell us that government is a social contract by which the citizen surrenders to the State certain of his natural rights and privileges, and, under certain reasonable and well-defined limitations, agrees to become obedient to the State, in consideration of the State protecting his life and property and guaranteeing to him the fruits of his labor or genius. And in order to secure stable, social, economic, and political conditions, the individual surrenders to the State certain privileges, and I may say, certain rights, which he enjoyed in a state of nature. All governments are limitations on the individual's natural rights. The individual waives the exercise of these rights, or consents that they may be restricted, in exchange for additional rights and privileges which he obtains from organized society, and which would be impossible of attainment, except by the organization of the masses into social groups called States or nations. Or to express it in another way, in order to secure and maintain stable and orderly social, civic, and political conditions, and the benefits obviously incident thereto, the citizen consents that some of his natural rights and privileges may be curtailed, and that the State may be vested with certain powers over his property and person, the exercise of which will promote the general welfare of the masses or society as a whole.

Since men were first permitted to discuss the exercise of the taxing power they have radically differed not only as to the subjects and objects of taxation but as to rates, policies, and the apportionment of taxes between different forms of property and among the several classes of people or vocational groups. It would be outside the scope of this discussion to enumerate or amplify the various theories of taxation that have been invoked by States in different periods of the world's history during which our complex civilization has been developing. Suffice to say that in early ages despotic governments proceeded on the theory that the State owned the body of the citizen or subject and was entitled to all or such part of the subject's labor and property as the monarch elected to demand. In the evolution of our civilization different systems of taxation have been devised, many of which were intended to meet existing emergencies, harmonize with then prevalent conditions, and were essentially local and temporary and were not workable except in the particular age and environment in which they were utilized. But some ancient systems or forms of taxation have survived the test of time and are now almost universally employed by states and nations. Among these are property taxes, customs, excise taxes, franchise taxes, estate taxes, and income and profit taxes. All of these methods of taxation are employed to a greater or less extent by the Federal Government and by the several States. In theory the Federal Government does not levy a direct property tax, but in reality, by indirection and circumlocution, it, in effect, does levy property taxes for Federal purposes.

Time was when our Federal and State taxes were not oppressive, but in the last decade they have increased enormously and are now exceedingly burdensome to citizens in every walk of life. The bonded indebtedness of the Federal Government and of the several States has increased rapidly since pre-war times. To meet interest on these public debts and provide sinking funds for their ultimate liquidation, it has become necessary to increase taxes, and the increase has been so rapid and so startling that the tax burden has become almost unbearable.

NATIONAL, STATE, AND LOCAL BONDED INDEBTEDNESS

The net bonded indebtedness of the States and local governments combined was $3,822,000,000, or $39 per capita, in 1912, and $8,697,000,000, or $80 per capita, in 1922.

New York has the largest State debt, $320,991,000; Massachusetts, second, with a debt of $125,046,961. Illinois has a debt of $112,071,000, while the debt of North Carolina is $105,847,600, and that of California $89,158,000. Kentucky,

Nebraska, and Wisconsin have no bonded indebtedness, but Kentucky owes $5,679,009 on outstanding warrants, while Wisconsin is indebted to its trust fund in the sum of $1,963,700. South Dakota has the highest per capita debt, $93.95, which is six times as great as the national per capita debt. The per capita debt of Oregon is $72; North Carolina, $38.87; Delaware, $36.76; North Dakota, $36,65; Massachusetts, $30.66. Time will not permit me to give the aggregate or per capita debt of other States, but, according to the Federal Trade Commission, the per capita tax was greatest in the North Atlantic, Rocky Mountain, and Pacific States, but most burdensome in agricultural communities, particularly in the wheat-raising States—

which suffered from an unprecedented price decline for their products, while the general price level remained high. Reflecting the economic distress of the agricultural population, the mercantile and bank failures in Idaho, Kansas, Nebraska, Iowa, the Dakotas, and Montana increased from 1919 to 1924 in much greater proportion than in the country as a whole. Nearly one-fourth of all the farmers in Kansas and Iowa, nearly 3 out of every 10 farmers in Nebraska, nearly 4 out of every 10 in South Dakota, over half those in North Dakota, and 5 farmers out of every 8 in Montana have either lost their properties in bankruptcy, foreclosure proceedings, or otherwise, or retained them only through the leniency of their creditors.

In 1912 the national debt was approximately $1,000,000,000. During and following the World War it increased enormously, reaching its peak on August 31, 1919, when it stood at $26,596,701,648.01. On July 31, 1925, the national debt was $20,487,237,994.31. The aggregate debt of the United States, the States, and local subdivision thereof in 1912 was approximately $5,000,000,000, which by 1922 had grown to nearly $32,000,000,000, an increase in 10 years of 546 per cent.

The per capita indebtedness of the United States was $12 in 1912, $208 in 1922, and $200 in 1923.

In 1912 the cost of government in the United States—National, State, and local, was approximately $2,500,000,000. By 1917 this cost had grown to $3,446,000,000, and by 1922 it had reached the staggering sum of $7,838,000,000, more than three times as much as in 1912, and an increase of 127 per cent from 1917 to 1922. While reliable statistics are not available as to the cost of government since 1922, it is safe to assert that the cost has increased, and in 1924 the cost of maintaining our National, State, and local governments was probably $9,000,000,000. In 1917 only one-eighth of the total tax burden was for State purposes, and this had decreased to one-ninth in 1922. In 1917 practically three-fifths of all taxes were for local purposes, while in 1922 the local taxes amounted to only two-fifths of the total tax burden. The Federal taxes in 1917 amounted to about $1,000,000,000, which was less than one-third of the whole burden, while in 1922 Federal taxes amounted to $3,600,000,000, or three and one-half times as great as in 1917. In 1922 nearly one-half of the total tax bill of the American people was for Federal purposes.

RECEIPTS AND SOURCES OF FEDERAL REVENUE

The receipts of the Federal Government from all sources for the fiscal year ending June 30, 1924, aggregated $6,787,977,955.59. Of this amount, $2,207,129,184.21 were receipts from transactions relating to the public debt and not derived from taxation. Deducting this sum, we have $4,580,848,771.38, which represents the total "ordinary receipts," including "postal revenues" of the Federal Government for the fiscal year ending June 30, 1924. On this last sum, $4,007,899,992.97 represents the total "ordinary receipts," and $572,948,778.41 represent the "postal revenues."

Incomes and profits furnished the greatest single source of revenue, the receipts therefrom being $1,841,759,316.80, while the miscellaneous internal-revenue taxes aggregated $952,530,768.41. The combined internal-revenue receipts, including taxes on incomes and profits, estates, and all other subjects of internal-revenue taxation, were $2,794,290,085.21.

The $952,530,768.41 item mentioned above as miscellaneous internal-revenue taxes, includes $102,966,761.68 collected from estates of decedents.

Excluding postal revenues and public debt transactions of the ordinary receipts of the Federal Government for the 1923–1924 fiscal year, 45.92 per cent was derived from incomes and profits and 23.75 per cent from miscellaneous internal-revenue taxes. In other words, 69.67 per cent of the ordinary receipts of the Government accrued from the internal-revenue branch of our tax system, while 13.60 per cent accrued from customs or tariff taxes. The internal-revenue and customs receipts aggregated 83.27 per cent of the entire Federal revenue. Of the other 16.73 per cent, 5.53 per cent was from foreign obligations, 2.59 per cent from other Government-owned securities, 1.17 per cent from the sale of surplus property, and 7.44 per cent from minor miscellaneous sources.

CLASSES OF TAX-FREE BONDS

The following classes of income are wholly free from Federal income tax, either normal tax or surtax:

1. Interest from obligations issued by the States, Territories, United States possessions, their political subdivisions, and the District of Columbia.
2. Interest from obligations of the United States issued prior to September, 1917.
3. Interest from all bonds issued under authority of the postal savings act of June 25, 1910.
4. Interest from securities issued under the provisions of the Federal farm loan act of July 17, 1916.
5. Salaries and wages of officers and employees of the States and their political subdivisions.
6. Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, United States possession, or any political subdivision thereof, or the District of Columbia.
7. The income of foreign governments received from investments in the United States in stocks, bonds, or other domestic securities owned by such foreign governments or from interest on deposits in the United States of moneys belonging to such foreign governments or from any other source within the United States.
8. The income of churches, hospitals, charitable institutions, clubs, and a variety of organizations that are not carried on for profit.
9. The income of life-insurance companies to the extent that 4 per cent of their average legal reserve for the year exceeds the interest received by them from the tax-free securities.

In addition to these the following classes of securities are wholly free from normal Federal income tax, but have only a limited and temporary exemption from surtaxes or excess-profits taxes:

1. Obligations of the United States issued in September, 1917, or subsequently, except postal-savings bonds, which were made wholly tax free by the act authorizing them.
2. Bonds issued by the War Finance Corporation.

OUTSTANDING TAX-EXEMPT SECURITIES

On December 31, 1922, the amount of tax-exempt securities outstanding in the United States was approximately $32,000,000,000, consisting of nearly $12,000,000,000 of wholly tax-free and over $20,000,000,000 of surtaxable securities. Of the $12,000,000,000 worth of wholly tax-free obligations, $2,294,000,000 were issued by the Federal Government and $8,797,000,000 were State and local securities; $10,700,000,000 worth of these tax-exempt securities were owned by business corporations, $4,450,000,000 by 222,000 persons whose taxable incomes in 1922 averaged in excess of $10,000, and $16,770,000,000 by individuals with smaller incomes and by charitable institutions.

On the $10,700,000,000 worth of tax-exempt securities owned by business corporations, the interest amounted to $448,000,000, all of which was entirely free from taxation. Banks and trust companies held approximately $5,600,000,000 of these absolutely tax-free securities, on which they received $236,000,000 in interest; 1,492 insurance companies owned over $2,200,000,000 of these absolutely tax-free securities, on which they received $92,000,000 interest in 1922. If the income received by these corporations—exclusive of insurance companies—on these tax-exempt securities had been taxable, the revenue therefrom would have amounted to about $44,500,000. Individuals whose taxable incomes averaged over $10,000 in 1922 received on tax-exempt securities interest amounting to $176,000,000, over $97,000,000 of which was wholly tax free and more than $78,000,000 was conditionally subject to a surtax. The maximum tax on this interest, had it been taxable at the 1922 rate, would have been about $58,000,000. It is estimated that if the remaining income from these tax-exempt securities were in fact taxable, an additional $78,500,000 revenue would have accrued, making a maximum tax loss in 1922 of $181,000,000 on account of tax-exempt securities. Some competent authorities assert that the total loss in revenue on incomes from all forms of tax-exempt and partially tax-exempt bonds exceeds $300,000,000 annually. However, after July 2, 1926, approximately $20,000,000,000 of the existing mass of tax-exempt securities will be practically within the control of the Federal Government, so far as the surtax is concerned.

But I have some later statistics. The Treasury Department estimates the amount of wholly tax-exempt securities outstanding in the United States on June 30, 1925, was as follows:

State, county, city, and other local subdivisions	$13,010,000,000
Territories, insular possessions, and District of Columbia	136,000,000
United States Government	2,175,000,000
Federal land banks, joint-stock land banks, and intermediate credit banks	1,554,000,000
Total	16,875,000,000

This total should be reduced by $2,737,000,000, amount held in Treasury or in sinking funds, leaving $14,138,000,000 as the net amount of wholly tax-exempt securities outstanding June 30, 1925. This is an increase of approximately $10,000,000,000 since December 31, 1912. Nineteen hundred and twenty-four was the record year for the flotation of tax-exempt securities, the net increase for the year being $1,187,000,000, while in 1923 the net increase was nearly as much, being $1,044,000,000. Between December 31, 1923, and June 30, 1925, the volume of outstanding wholly tax-exempt securities, after deducting amounts held in Treasury and in sinking funds, increased $1,640,000,000. The par value of these securities in 1924 was four and one-third times as large as the average for the 10 years preceding the World War and the amount of wholly tax-exempt securities on July 1, 1925, was 242 per cent greater than it was on December 31, 1912, and 13.6 per cent greater than on December 31, 1923.

PROPORTION OF STATE, LOCAL, AND INDUSTRIAL BONDS

According to the Commercial and Financial Chronicle and the Harvard Committee on Economic Research, in 1912 9.79 per cent of all securities floated in the United States were issued by States or other local subdivisions of government. This percentage had grown in 1920 to 17.03 per cent, and in 1921 to 28.76 per cent, but in 1922 it fell to 21.01 per cent, and in 1923 to 20.70 per cent.

In the 11 years from 1913 to 1923, inclusive, new capital issues of securities by corporations aggregated $21,482,875,235, or an average of $1,952,988,657 annually. During the same period State, municipal, and other local securities were issued aggregating $7,097,872,611, or an average of $645,261,138 annually. But the percentage of increase for State, municipal, and local purposes was much more rapid than for corporate purposes, especially during the years 1921, 1922, and 1923, when State, municipal, and local securities were floated aggregating $3,284,083,782, or an average of $1,094,694,594 annually. During these three years corporate securities were floated aggregating $6,889,535,213, or an annual average of $2,296,511,737. However, in the 11 years from 1913 to 1923, inclusive, the total securities floated for State and local purposes was only one-third the aggregate of the securities floated for corporate purposes.

TAX EXEMPTION UNETHICAL AND ECONOMICALLY UNSOUND

It is a time-honored theory that all citizens should contribute to the support of the Government in proportion to their ability, but this formula is reversed under the policy of issuing tax-exempt securities, which, in its practical operation, means that the greater wealth the man has the less taxes he shall pay.

The policy of exempting any securities from their just proportion of the tax burden is undemocratic, unrepublican, un-American, and a vicious form of governmental favoritism. It tends to create a privileged class, which is antagonistic to the basic principles on which our Government is founded. It strikes viciously at our progressive income-tax system, in that it permits a comparatively few individuals with large incomes to escape their quota of taxes and correspondingly increases the tax burdens of those who have only moderate incomes.

To fair-minded men it is inconceivable why any class of citizens should be relieved of their just proportion of national, State, or local taxation, but there is a rapidly increasing class who by purchasing tax-free bonds not only escape taxation on their income from these bonds but at the same time secure a reduction on their surtax on incomes from other sources. No one familiar with the facts will deny that many owners of swollen fortunes are systematically investing their capital in tax-exempt securities in order to escape taxation, especially the high bracket surtaxes. Between 1917 and 1921 the number of persons reporting an income of over $300,000 decreased from 1,015 to 246. This may be accounted for in part on the theory that more men and organizations now evade income taxes than in former years. But much of the decrease is undoubtedly due to the purchase of tax-free bonds by those whose annual income is in excess of $300,000.

In every community there are men of great wealth who pay little or no taxes for national, State, or local purposes, because their wealth is invested in tax-free bonds. This condition is not wholesome and is calculated to breed discontent and socialism. When men of moderate incomes who are taxed heavily for the support of the State and Nation see their rich neighbors escaping taxation by concentrating their wealth in tax-free securities only patriotism, sound judgment, and common sense prevent the masses from turning to communism and bolshevism.

The ever-increasing supply of tax-exempt securities makes tax dodging easy, wrongfully deprives the local, State and Federal Governments of revenues conservatively estimated at from $120,000,000 to $300,000,000 annually, which are sorely needed to enable our governmental agencies to function efficiently. The system is viciously discriminatory. It indicates and nurtures communistic sentiment and socialistic projects. It discourages and penalizes individual enterprise and initiative. It relatively reduces the reward of the man of vision who, seeing far into the future, has the courage to invest his funds in commercial ventures and productive industries, in which, of course, there is always an element of risk because of varying economic conditions. It destroys the incentive of individuals and corporations to initiate new commercial and industrial activities. It makes capital indolent, unduly timid, withdraws it from the channels of commerce, and locks it in the strong box. In our complex economic system money invested in tax-exempt securities is likened to the talent buried in the earth. While it may discharge public obligations, make public improvements, and perform other useful purposes, it yields no revenue and does not aid productive industries or make the wheels of commerce and business "go round and round." It does only a part of its duty, and in return for what it does it demands unconscionable privileges and immunities. Of course, property held and actually used for education and religious or charitable purposes, and not for investment or profit, may be logically excepted from the general rule that in order to equalize tax burdens all property, tangible or intangible, should be subject to taxation.

Tax-free bonds are drone bees in the hive of capital, commerce, and industry. They create no new wealth, build no new factories, construct no new railroads, stimulate no new industries, open no new markets, build no new homes, and finance no new and far-reaching commercial activities. The beneficiaries of tax-free bonds turn a deaf ear to the ever-increasing demand of industry and commerce for new capital to develop and conserve our national resources and for the production of commodities for the support and comfort of mankind.

It is fundamentally wrong to permit certain classes or groups of citizens to habitually use capital for less than its actual economic value. When this privilege is granted to any class it automatically compels all other groups to pay for the use of capital more than its economic value. This discrimination is opposed to sound economics, business ethics, and common honesty. If a merchant habitually sells his commodities to a few persons at a loss, obviously to recoup that loss, he must increase the price of the commodities he sells to his other customers. The loss of profits on one transaction must be compensated by increased profits on other transactions. This policy is unethical and inexpedient because it exacts an excessive profit from the many in order to make up for the losses on transactions with a favored few. This principle applies to sales of the use of capital, because money is a commodity and interest is the price the borrower pays for its use. If the economic value of the loan of $1,000,000 to a person or corporation is 5 per cent per annum, then the economic value of a loan of $1,000,000 to a State or municipality is 5 per cent per annum. If we indulge the practice of lending money to a State or its political subdivisions at a rate of 1 per cent or 1½ per cent below the economic value of the money loaned, then to compensate for this loss individuals, business concerns, and public-service corporations must pay 1 per cent or 1½ per cent more than the economic value of the use of their borrowed money.

TAX EXEMPTION PENALIZES PRIVATE ENTERPRISE

The issue of tax-exempt bonds penalizes all other forms of securities, withholds capital from industrial developments, railroads, and other public utilities, except at a higher rate, which is immediately reflected in increased prices for manufactured commodities, freights, and other public-utility services. This is because higher priced capital must operate these industries and commercial agencies. This means increased cost of production, which is quickly translated into higher prices for commodities.

In permitting the issue of tax-exempt securities the law unfairly discriminates against private enterprises and in favor of governmental enterprises. Inasmuch as the income from securities issued by governmental agencies is not taxable, the lower interest rate at which they are marketed is reflected in charges for service, and is often sufficient to enable a governmental enterprise to put a competing private enterprise out of business, or at least render its operation unprofitable. If this policy continues it will unquestionably result in privately owned public-utility organizations abandoning the field to municipal plants, and after the elimination of private competition the public-service charges will undoubtedly advance and exceed the prevailing rates under competitive conditions.

TAX EXEMPTION UN-AMERICAN

Tax-exempt bonds are of exotic origin. They are contrary to the genius and spirit of our institutions. In theory at least, all men are equal before the law; that is, all have the same rights and are alike amenable to the law and entitled to its protection. Likewise, all property should be equal before the law and alike subject to the burdens incident to the maintenance of our governmental agencies.

The continued issue of tax-free securities violates the principle of equal distribution of taxation and prevents an equitable proportion of the taxes being placed on those best able to bear them. It necessarily penalizes one class of investment for the benefit of another form of investment. The average citizens—that is, the farmers and laborers, business and professional men, who follow ordinary pursuits and have moderate incomes, and who by their industry, economy, and ability build up communities and contribute to the creation of new wealth—under the present system, must bear practically the entire burden of taxation, Federal, State, and local, while the favored few escape their just part of this burden, because forsooth they have invested their idle wealth in tax-free securities and not in productive industries or tangible property. Those who contribute so largely to the social, civic, industrial, commercial, and economic life of a community, State, and Nation, and who assume the risks incident to industrial life and commercial ventures, not only pay their just proportion of the expenses of Government, but the part of such expense that should have been contributed by a few citizens who escape taxation by changing their investment into tax-exempt securities.

MENACE OF SWOLLEN FORTUNES

The multiplication of fabulous fortunes in the hands of the idle classes seriously impairs legitimate business enterprise and threatens our economic life and national well-being. This is especially true if these colossal fortunes escape taxation and are not required to contribute their just and proper proportion of the cost of maintaining our National, State, and local governments, which protect the owners in the enjoyment of their comparatively idle capital.

Following the World War, when our revenue laws were in process of revision, many beneficiaries of war-time profiteering argued that if the excess-profits tax were eliminated and surtaxes radically reduced, swollen fortunes and incomes would not seek refuge in tax-exempt securities. When Congress repealed the excess-profits tax and radically reduced surtaxes, there was no visible reduction in the demand for tax-exempt bonds. In fact, the funds released by the repeal of the excess-profits tax and by the reduction of the high-bracket surtaxes were promptly invested in tax-exempt securities, and each year a much larger proportion of our surplus capital has found refuge from taxation in securities of this character. It is questionable if the repeal of the excess-profits tax and the reduction of surtaxes have diverted much capital into industrial and commercial investment channels. On the contrary, this particular species of tax reduction has made available an ever-increasing supply of capital for investment in tax-free bonds.

As a rule, the large blocks of tax-exempt securities are owned by those who have accumulated colossal fortunes, not in the ordinary industrial enterprises and commercial ventures which are helpful to mankind, but by war-time profiteering, monopolistic manipulation of markets, or other methods of unethical speculation.

Will it be contended that our Government is powerless to reach, for the purpose of taxation, vast fortunes that are snugly hidden away in tax-free securities?

UNWISE TO LIMIT SOURCES OF FEDERAL, STATE, OR LOCAL REVENUES

The rapid increase in the cost of government, local, State, and national, is a matter of grave concern to all thoughtful students of present-day problems, in view of which it would be extremely unwise to limit either Federal or State sources of revenue. No class of property should be beyond the fair and reasonable exercise of the taxing power. In peace times, as well as in periods of national peril, the right and power to tax every class of property, tangible or intangible, must be indisputable in order that taxation may be equalized, equitably readjusted, and ultimately reduced. The power to reach every class of property, tangible and intangible, and subject it to the taxing power, is an essential element of sovereignty, and the just and moderate exercise of this power is imperative if our national ideals are to be maintained. In order to establish a just and scientific tax system no securities or other property should be placed outside the zone of taxation, and by granting immunity from taxation to any form of investment we disregard the traditions and violate the principles that permeate, underlie, and vitalize our free institutions.

BENEFITS FROM TAX-EXEMPTION PROVISION OVERESTIMATED

It is contended that to discontinue the issue of tax-exempt bonds will increase the interest rates on securities hereafter issued by States, counties, and their political subdivisions. This specious argument appeals to those who have not the time, inclination, or ability to analyze the proposition and discover its fallacy. In the last analysis the discontinuance of the issue of tax-exempt securities will not materially affect the interest rate on bonds issued by the Federal Government or States and their local subdivisions. On reflection everyone familiar with financial affairs knows that there is always a large amount of funds belonging to schools, colleges, universities, insurance companies, trust estates, and other institutions available for investment in the bonds of the United States, States, counties, and their subdivisions, even at a rate considerably below the interest on prime industrial or other high-class securities. Repudiation of public debts is practically unheard of in America. Tax-secured bonds are safe and of the highest class. The interest and sinking funds for their ultimate payment are provided by taxation on tangible and intangible property, the assessed value of which is several times the bonded indebtedness. There is practically no element of risk.

The procedure for the creation of indebtedness of this character is so simple and well established that the legality of bonds of this character is seldom questioned. It is the established policy of our courts to hold these issues valid unless the plain provisions of the Constitution and statutes have been recklessly ignored. Bond issues by States, counties, and their political subdivisions are rarely held invalid by our courts. The amount of these bond issues and the purposes for which they may be issued are matters of general knowledge and definitely established by our constitutions and statutes.

These reasons have more to do with the price at which these bonds are sold than the tax-exempt feature, and there is always an ample supply of capital seeking this, the highest and most desirable type of security, to absorb bond issues by the United States, States, counties, municipalities, road districts, drainage districts, and other political subdivisions. And bear in mind that these securities would be absorbed at an interest rate considerably below the rate earned on choice industrial, transportation, and commercial issues. There will always be a large class of investors who prefer public securities, even at a lower rate, to industrial securities bearing higher rates but subject to fluctuation on account of varying economic conditions. This exemption privilege is not adequately reflected in the price at which these bonds are marketed or in the effective interest rates, because so many bonds of this character have been issued and are now outstanding that the market is saturated, and a very considerable proportion of these securities must be sold to persons whose incomes are comparatively small and to whom the exemption privilege is of but little or no value. Competent authorities estimate that on December 31, 1922, tax-exempt securities aggregating $16,000,000,000 were held by individuals having annual taxable incomes of less than $10,000. This very clearly indicates that the bond market is so thoroughly saturated with nontaxable securities that they get only a fraction of the benefit that is supposed to accrue to them by reason of their nontaxable feature, and the fact that large quantities of these securities are being absorbed by individuals with limited incomes, to whom the exemption privilege is of little or no value, justifies the conclusion that the exemption privilege does not materially reduce the interest rate, and State and local governments are not in fact saving much, if any, interest by reason of the tax-exemption privilege, while on the other hand men of great wealth, whose fortunes are invested in these securities, are wholly or partially immune from normal taxes and surtaxes on their income from these investments.

Treasury officials all agree that the United States Government could have issued and sold their several issues of bonds at practically the same rate if they had not included the tax-exemption feature.

TAX-EXEMPTION PRIVILEGE NOT ADEQUATELY REFLECTED IN INTEREST RATES

From 1904 to 1916 State and municipal bonds were easily marketed at interest rates from one-half to 1½ per cent less than choice public utility and railroad securities, and practially the same difference obtains at the present time. Prior to the adoption of the progressive income-tax system the slight advantage enjoyed by bonds of States and municipalities was largely because they were the obligations of responsible Commonwealths or their political subdivisions, because they were bottomed on the taxing power and payable out of public revenues, because their legality was undoubted and their flotation had been sanctioned by well-understood constitutional and statutory provisions, and finally because the faith and credit of responsible governmental agencies were behind such securities.

I quote from a recent issue of the Bond Buyer, an accepted authority on municipal bonds:

Among those who have made the closest study of tax exemption and its influence on bond market values it is agreed that municipal securities have never reflected in their selling values anywhere near the full theoretical value of freedom from taxation. The reason for this is obvious. Those who buy municipals simply because they are tax exempt are in the minority. By far the bulk of the buying comes from banks, insurance companies, fraternal and benevolent orders, trust funds, small private investor accounts, and others to whom tax exemption means little and is never the deciding factor. Such buyers are influenced by the degree of real security offered by a given investment and municipal bonds offer that ultimate measure of security. It is this buying upon which the market goes up or down. But even if we concede that the few buyers who are influenced by the tax problem are a market influence to be reckoned with, a comparison of the current yield on municipals and taxable rails, public utilities, or industrials discloses a differential no greater than that which existed a dozen years ago when there was no income tax.

The difference in the average yield of public-utility bonds and municipal bonds from 1904 to 1922, inclusive, is shown by the following table:

Average yield of public utility bonds and municipal bonds from 1904–1922

	Average yield on public-utility bonds	Average yield on municipal bonds	Disparity in favor of municipal bonds
	Per cent	*Per cent*	*Per cent*
1904	4.50	3.45	1.05
1905	4.40	3.45	.95
1906	4.45	3.50	.95
1907	4.55	3.70	.85
1908	5.20	4.20	1.00
1909	4.65	3.85	.80
1910	4.60	3.85	.75
1911	4.70	4.00	.70
1912	4.70	4.00	.70
1913	4.65	4.15	.50
1914	4.90	4.25	.65
1915	4.90	4.15	.75
1916	4.85	4.00	.85
1917	4.75	3.85	.90
1918	5.75	4.55	1.20
1919	5.70	4.40	1.30
1920	6.15	4.45	1.70
1921	7.45	5.35	2.10
1922	5.55	4.20	1.35

That is to say, in the 13 years from 1904 to 1916, inclusive, the average yield of municipal bonds was approximately 1 per cent less than the average yield of public utility bonds, while in the six-year period from 1917 to 1922, inclusive, the average difference in the yield of municipal and public-utility bonds was 1.42 per cent, but undoubtedly war emergencies, postwar deflations, and incidental economic adjustments are largely responsible for this disparity in the yield of these two forms of investment in the last few years. Since the adoption of the income-tax system the spread between the yield on municipal and public-utility bonds has increased, but this is primarily due to conditions incident to unstable and at times erratic movements in the financial world, following the war and while we were passing through a period of economic readjustment. However, this divergence is largely caused by the increase in the rates on public-utility bonds and not to a decrease in the rates on municipal bonds.

Reliable statistics are not now available showing the average yield on public-utility and municipal bonds for 1923 and 1924, but the disparity between these forms of investments is not nearly so great as it should be, taking into consideration the fact that municipal bonds are tax exempt; and with the return of stable economic and financial conditions this spread will practically disappear.

The difference in the average yield of municipal bonds and railroad bonds in the 40 years from 1877 to 1916, inclusive, and from 1917 to 1922, inclusive, computed by 10-year periods, was as follows:

	Municipal bonds	Railroad bonds	Difference
	Per cent	*Per cent*	*Per cent*
1877–1886	5.02	5.14	0.12
1887–1896	3.96	4.25	.29
1897–1906	3.31	3.76	.45
1907–1916	4.01	4.13	.12
1917–1922	4.46	5.10	.64

In the 40 years from 1877 to 1916, inclusive, the average annual yield on municipal bonds was 4.07 per cent and the average yield on railroad bonds was 4.32 per cent, a difference only of one-fourth of 1 per cent, and from 1917 to 1922, inclusive, there was less than two-thirds of 1 per cent difference in the average yield of municipal and public-utility bonds. Obviously, the spread between these two forms of investment should have been much greater, in view of the tax-exempt feature of municipal bonds, and it is quite evident that the benefits that accrue to municipalities on account of their bonds being immune from taxation is more imaginary than real. Municipal bonds are not being marketed at anything like as low a rate of interest as should prevail when their tax-exempt feature is taken into consideration. Since the adoption of our progressive income-tax system the average yield on tax-exempt municipal bonds has only been thirty-nine one-hundredths of 1 per cent less than the average yield on railroad bonds for the same period.

Another comparison will emphasize the fallacy of the system of issuing tax-exempt securities. From 1907 to 1922, inclusive, the average returns from the different kinds of bonds was as follows:

	Municipal bonds	Railroad bonds	Public utility bonds
	Per cent	*Per cent*	*Per cent*
1907–1916	4.01	4.13	4.77
1917–1922, inclusive	4.46	5.10	5.89

In the 10-year period 1907 to 1916, inclusive, municipal bonds, on an average, sold on a basis to yield 0.12 per cent less than railroad bonds and 0.76 per cent less than public-utility bonds, while in the 6-year period from 1917 to 1922, inclusive, municipal bonds, on an average, sold on a basis to yield 0.64 per cent less than railroad bonds and 1.43 per cent less than public-utility bonds. Comparing the 6-year period since 1916 with the 10-year period prior to 1916, the increase in the average yield of bonds has been as follows: Municipalities, 0.45 per cent; railroads, 0.97 per cent; utilities, 1.12 per cent.

I now quote from a bulletin issued by the National City Co., a subsidiary of the National City Bank, an eminent authority on both domestic and international securities:

While the present level of tax-exempt bonds may look high in comparison to where they were selling, say, six months ago, when compared with present prices of the highest-grade underlying railroad bonds selling from a 4.35 per cent to a 4.60 per cent basis, tax-exempt bonds are still cheap. For instance, to a corporation or a bank paying the 12½ per cent Federal corporation tax a State or a city bond on a 3.90 per cent basis would be equivalent to buying a taxable bond on a 4.45 per cent basis; or a tax-exempt bond on a 4 per cent basis is equivalent to a taxable bond on a 4.57 per cent basis. To an individual paying Federal income taxes, even on incomes of $100,000 and lower, State and city bonds have never sold anywhere near the real value of their exemption. They have always been considered from point of security as ranking next to United States Government bonds.

The following table forcibly illustrates the attractiveness of tax-exempt bonds yielding 3.80 per cent to 4¼ per cent over high-grade taxable railroad bonds yielding 4.35 per cent to 4.70 per cent:

	Tax-free yield	Equivalent to corporations	Taxable yields to investors in $100,000 income class
	Per cent	*Per cent*	*Per cent*
State of Pennsylvania	3.80	4.35	6.57
Town of Stamford, Conn	3.85	4.40	6.66
City of Pittsburgh, Pa	3.90	4.46	6.74
State of Illinois	3.93	4.55	6.90
City of Baltimore, Md	3.95	4.51	6.83
New York City	4.00	4.57	7.02
City of Omaha, Nebr	4.05	4.63	7.11
State of North Carolina	4.10	4.69	7.20
City of Charleston, W. Va	4.25	4.86	7.46
Los Angeles School District	4.30	4.91	7.55

REVENUE LOSSES EXCEED INTEREST SAVING

In answer to the argument that tax-exempt bonds promote public improvements and enable local communities to secure lower interest rates on their obligations, I assert that what States and their local subdivisions save in interest they lose in taxes. The conclusion is inescapable that if we exempt one class of property or one form of investment from taxation, we automatically and inevitably increase the taxes on all other classes of property and forms of investment. It is idle to contend that we are getting something for nothing when we issue tax-free bonds. The apparent benefit in the form of a lower interest rate is lost in the higher scale of taxes that must be laid on other property to compensate for the revenue losses resulting from the issue of a great mass of tax-free securities.

If it be conceded that the tax-exempt feature does enable States and their local subdivisions to borrow money at a lower interest rate, it necessarily follows that the burden withheld from securities of this character must be placed elsewhere. If one community or class is given partial immunity from taxation, it means that the taxes remitted to that community or class must be laid on and collected from other communities and classes. Moreover, the policy of issuing tax-exempt securities automatically raises the rate of interest on all other forms of investment and takes the burden off of those best able to bear it, and who, in equity and good conscience, should carry it, and places it on the wage earner, farmer, and the ordinary business man. It relieves the capitalist who buys these bonds of taxation, but the burden he would otherwise bear is transferred to the mass of common people.

If a great city borrows money for public purposes, the people of that city get practically all the benefits from the transaction. The people outside that community and removed therefrom derive no special or peculiar advantage from the transaction, and yet by exempting the securities which represent that transaction from taxation the proportion of the tax borne by the general public is largely augmented.

Moreover, this policy of issuing tax-free bonds is not only breeding ever-increasing discontent, but to recoup the losses incident to their issue we not only increase the tax rate on other property, but we are constantly under the necessity of devising new forms of taxation, many of which are obviously unscientific and extremely vexatious, and some are opposed to the spirit, if not the letter, of our organic law. A continuation of this unethical policy will perpetuate and fasten on our people a discriminatory, uneconomic, unscientific, illogical, and in many respects un-American tax system.

If only a few States or municipalities issued bonds, these securities, because of their exemption from taxation, would doubtless command a much lower interest rate than taxable securities; but the practice of issuing tax-exempt securities is being now so extensively followed by States and their local subdivisions that the former advantage in interest rates no longer exists, except to a very negligible degree.

During the week ending June 13, 1925, 84 issues of nontaxable municipal bonds were reported sold at a price which will yield on an average 4.42 per cent. During the same week three issues of Canadian taxable bonds were marketed in the United States on a basis to yield an average of 4.98 per cent. But recently 17 offerings of high-grade taxable railway bonds were sold at prices yielding from 4.35 per cent to 4.70 per cent, there being only a nominal differential between these railroad bonds which are taxable and municipal bonds which are tax exempt.

May I say, in closing, that the prohibition of the future issue of tax-exempt securities is not an attack on the sovereignty of the States and does not deprive them of any of their constitutional privileges? I am advocating policies which, if adopted, will remove an unjust and originally unintended privilege and result in a more equal and proper distribution of the tax burden. The American people will never be satisfied with any tax system which is not based upon the principle of equality. What the people want is, in the language of Professor Seligman:

> Equality between State and Nation, equality between local and Federal bonds, equality between economic classes, equality between earned and unearned incomes, equality between rich and poor—that is the equality which we desire to achieve. The problem of tax exemption is the problem of fiscal equality; it is the problem of social justice.

[Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RAMSEYER. Mr. Chairman, I wish the attention of the House for just a few minutes. I sought this time to correct what I thought were erroneous statements made by the gentleman from New York [Mr. MILLS], one of the keenest minds of my acquaintance. He has not a dull cell in his brain. He made a passionate appeal, based on what I regard as erroneous and misleading statements. This propaganda for the repeal of the estate tax, of which he talks, has been going on to my personal knowledge for five or six years. It reached its height last fall; and I have already congratulated some members of the committee on being able to withstand the tremendous drive for the Federal estate tax repeal. Now, about the State rates—I have studied for five years the State rates. The State rates are graduated, for near relatives usually very low, then for more distant relatives higher, and then for strangers they are the highest. The highest rate for strangers is in the State of Arkansas, and I think that is 40 per cent on that portion of the estate over $1,000,000 going to strangers. They have no such estates down in Arkansas, and therefore that rate never applies, and that is true about all the States having such high rates. In the States where they have large fortunes they do not have these high rates on collateral heirs, and therefore all this talk about high rates on collateral heirs is talk about nothing. For direct heirs the highest State rate on near relatives is something like 12 per cent, but that was intended to be taken care of last year by the credit of 25 per cent allowance on the Federal tax, and will be amply taken care of in this bill if the credit of 80 per cent goes through; so that with the existing State rates every estate will get credit on practically the full amount of what it is compelled to pay to the Federal Government in the different brackets to the extent of the amount of the tax paid to the State.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. I will yield to the gentleman from New York, although he refused a while ago to yield to me. If I have made a misstatement, I yield to be corrected. Evidently my statement is correct. So this talk about estates having to pay a combined State and Federal tax of 50, 60, or 70 per cent is without foundation in fact. Another thing on which the gentleman from New York based a very passionate appeal was in respect to the duplicate and multiple taxation through the various States. That applies, I think—and if I am wrong in this I want to be corrected—only to stocks and bonds of corporations that do business in more than one State. It does not apply to any other property. Where they are subjected to more than one State tax I concede to you it is wrong. If the Federal Government could do anything to stop this multiple taxation, I would be the first to support such a measure, but this multiple taxation, whether by 2 or 16 States, would be there even though we repealed the Federal estate tax. Is not that true?

Mr. MILLS. Oh, yes; the States are to blame.

Mr. RAMSEYER. I simply wanted to get that straight. With respect to the 80 per cent credit I wish the chairman of the committee to listen to me and see whether I am not correct in what I say. Here is stock that is taxed, say, $50 in six different States, and the Federal estate tax against that bunch of stock is, say, $100. I ask now whether in State No. 1 these would not get a credit of $50—the estate is entitled to credit up to 80 per cent—and is it not possible that in State No. 2 there will be another $50 credit, so that with these various credits it would wipe out the Federal estate tax altogether? Of course, the Federal Government would not rebate what would have to be paid in the other four States.

Mr. MILLS. He could never wipe out more than 80 per cent of the Federal tax.

Mr. RAMSEYER. But in each State you give him credit.

Mr. MILLS. I know.

Mr. RAMSEYER. I am just raising the question of interpretation of that provision.

Mr. MILLS. Only up to 80 per cent.

Mr. RAMSEYER. That may be the opinion of the committee. I read that provision carefully. I am wondering whether it would not be possible where this multiple State taxation is involved it might not wipe out all that is due to the Federal Government. The gentleman thinks not. I respect his opinion, but I think that there is a nice question for the courts.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, the State proceeds upon two theories of taxation in the estate tax. One is the proportional method, which is based upon the theory of a tax for police protection, fire protection, and the protection that the Government gives to property. On that theory Pennsylvania levies a tax of 2 per cent on the amount going to near relatives, or first class, and 10 per cent on relatives outside of the first class. There are only two classes.

They base their tax upon the theory of the protection which the State of Pennsylvania affords to the accumulation of that estate. New York, on the other hand, bases its theory of taxation upon the good to society, and she inaugurated the progressive system of taxation, and she reaches up into the brackets and increases the rates as the amount goes up. Now, gentlemen, it is true, as was said by the distinguished gentleman from New York [Mr. MILLS], that an estate may be taxed in several different States. It is true that a man in Massachusetts died and left a large fortune. The estate tax was imposed in every State where the corporations in which he held stock held a license to do business and in every State where they had an office to do business, and in every State where the securities were deposited at the time of his death. But, gentlemen, that does not warrant us as members of the National Congress in abolishing an estate tax as a source of revenue for the National Government. The revenue received from an inheritance tax heretofore has equaled about the amount they have distributed to the States in aid of good roads and in aid of agricultural schools, something around $110,000,000. That is the amount of money we distribute in aid to the States. Then, why is it not a fair proposition, and why is it not an economic proposition for the Federal Government to take from the estates that gather the property from the various States this tax which we return, if we want to, and allocate to the States in a way of aid to the roads and those things. The proper theory of taxation, in my judgment, is to make an allocation of specific taxes to the specific purpose for which it was levied. The allocation of the gasoline tax to the building of good roads in this country has met with the entire approval of the people of the United States, because it takes from the man who uses the roads and pays it out for the construction or maintenance of roads. Upon that theory you can allocate these taxes, but we ought not to abandon Federal tax of an estate as long as we engage in Federal aid to the States. [Applause.]

The CHAIRMAN. The time of the gentleman has expired; all time has expired, and the question is on the substitute of the gentleman from Iowa to the amendment offered by the gentleman from Illinois.

Mr. RAMSEYER. I was going to suggest that the substitute be reported, because there are gentlemen in who were not in when it was first read.

The CHAIRMAN. Without objection, the substitute will be again reported.

There was no objection.

The substitute was again reported.

The CHAIRMAN. The question is on the substitute.

The question was taken; and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. RAMSEYER), there were—ayes 75, noes 154.

So the substitute to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Chairman, may we have it again reported?

The CHAIRMAN. If there is no objection it will be again reported.

There was no objection.

The amendment was again reported.

The question was taken; and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. RAINEY), there were—ayes 82, noes 160.

So the amendment was rejected.

The Clerk read as follows:

(b) The tax imposed by this section shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, in respect of any property included in the gross estate. The credit allowed by this subdivision shall not exceed 80 per cent of the tax imposed by this section, and shall include only such taxes as were actually paid and credit therefor claimed within four years after the filing of the return required by section 304.

Mr. RAINEY. I present an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out section 301 (b) and insert:

"(b)(1) In the case of estates of persons dying after the passage of this act and before January 1, 1928, the tax imposed by this section shall be credited with the amount of any inheritance tax actually paid to any State in respect of any property included in the gross estate. The credit allowed by this paragraph shall not exceed 80 per cent of the tax imposed by this section.

"(2) In the case of estates of persons dying after December 31, 1927, the tax imposed by this section shall be credited with 90 per cent of the total amount of inheritance taxes actually paid to any State or States in respect of the property included in the gross estate: *Provided*, That in the following cases of double inheritance taxation credit for only one form of the tax shall be allowed, as follows:

"A. In the case of any State which imposes inheritance taxes in respect of real property situated both within and without its jurisdiction, any inheritance tax imposed by such State in respect of real property situated without its jurisdiction shall be excluded from the total upon which the credit is based.

"B. In the case of any State which imposes an inheritance tax or taxes in respect of all or substantially all the intangible personalty held or owned at death by a resident decedent, and at the same time imposes an inheritance tax or taxes in respect of any intangible personalty held or owned at death by a nonresident decedent, there shall be included in the total upon which the credit is based only the inheritance tax or taxes imposed by such State in respect of intangible personalty held or owned at death by nonresident decedents.

"(3) For the purposes of this subdivision the term 'inheritance tax' includes estate, inheritance, legacy, and succession taxes; the term 'State' means State, Territory, or the District of Columbia; and the term 'intangible personalty' includes stocks, notes, bonds, certificates of indebtedness, credits, and other choses in action."

Mr. RAINEY. Mr. Chairman and gentlemen of the committee, I did not draft this amendment. This is the amendment known as the Adams amendment, drafted by Dr. J. S. Adams, of Yale University, one of the greatest income-tax experts we have, and one of the greatest economists in this country. It is designed to meet, in the only way it can be met, the problem of multiple taxation, which has been discussed upon this floor, by denying the benefit of these credits to the States which engage in it.

I am aware that in the minds of many members of this committee the proposition is unconstitutional. I believe it to be constitutional. I have made some examination of the authorities upon that question. I am offering the amendment now in order that it may be printed in the RECORD and, principally, for purposes of information, so that it may be discussed in the public press and magazines where economic matters are discussed, and to bring it to the attention of the great body of economists in this country in order that we may get their reaction on this subject.

Mr. MOORE of Virginia. Mr. Chairman, may I ask the gentleman a question?

Mr. RAINEY. Certainly.

Mr. MOORE of Virginia. I do not think there is any more doubt about its constitutionality than there is about the constitutionality of the provision carried in the bill proposing a rebate to the States of 80 per cent.

Mr. RAINEY. I agree to that.

Mr. MOORE of Virginia. Does the gentleman himself think that it is unconstitutional?

Mr. RAINEY. I do not think so.

We have only three States in the Union which so far have done anything toward solving the problem of multiple taxation. The States of Massachusetts, New York, and Pennsylvania have taken steps in that direction, and they have reciprocal laws, as I understand it, by which neither of these three States imposes taxes upon the intangibles of residents of the other two States.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. May I have one minute more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for one minute more. Is there objection?

There was no objection.

Mr. RAINEY. In that one minute I shall not attempt to discuss the amendment, but I shall take advantage of the privilege of extending my remarks in the RECORD—a privilege which I seldom take advantage of—to discuss the legal and constitutional problems connected with it, and to print in the RECORD a brief on that subject. If there are no further remarks to be made, I am willing that it shall now come to a vote.

The CHAIRMAN. Does the Chair understand that this is offered for a vote by the committee or offered for information?

Mr. RAINEY. I want to have a vote on it, but I do not want to discuss it further at the present time.

Mr. GREEN of Iowa. Mr. Chairman, outside of the changes in the matter of the credit, I am in sympathy with the purpose and object of the amendment of the gentleman from Illinois [Mr. RAINEY]. I would support it if I were not confident that the measure is unconstitutional; and I think in a very few minutes I can explain it in such a way that my reasons will so appear to all the lawyers in the House.

You will observe that the credit is made to depend upon the nature of the laws of the particular State where the estate is located. If that State imposes taxation not only upon the intangible property of persons that are residents of that State but also on the intangible property of persons who are nonresidents of the State, then the credit is denied. In other words, the credit to be given under this amendment depends not upon anything that the decedent himself did, not upon anything that relates to the amount of his estate, not upon any other taxes that he may have paid, but wholly upon his residence and the laws of that with reference not to the estate in question but the estates of nonresidents. There is not anything in connection with his estate that measures his tax. The tax is going to be measured by the action of the State in which he resides, not even with reference to his estate, but with reference to some other estate.

Now, I think gentlemen can very easily see that no tax—at least none that we have on our statute books—was ever imposed in such a way, and I am clearly of the opinion that it is unconstitutional. I am equally clear that the credit is constitutional. We provide in the income tax for a similar, though not so extensive, a credit for any taxes paid to the several States, and as long as we have had that tax in operation, whenever a man paid an income tax in a State, he has been given allowance in determining his net income of the amount he had paid locally on income and other taxes. In this case we give credit directly on the Federal tax of the amount of the tax paid to the State.

I think this amendment ought to be voted down, because if gentlemen have the same opinion that I have, they will consider it unconstitutional. Much as I wish that something could be done to correct the evils of overlapping inheritance taxes among the several States, I am quite clear that we should not adopt an unconstitutional provision.

Mr. MARTIN of Louisiana and Mr. GREEN of Florida rose.

The CHAIRMAN. The gentleman from Louisiana [Mr. MARTIN] is recognized. He is a member of the committee.

Mr. MARTIN of Louisiana. Mr. Chairman and gentlemen, when I came to Washington some eight weeks ago to join with other members of the Ways and Means Committee in the framing of the pending revenue bill I fully expected to cast my vote in the committee for the repeal of the inheritance tax.

I am still of the opinion that sooner or later this field of taxation should be abandoned by the Federal Government and that this source of revenue should be left to the States, but the hearings and the discussions before the committee convinced me that the repeal of the tax at this time would not only fail in its purpose of aiding the States but that it would eventually force most, if not all, of the States to abandon this legitimate source of income altogether.

The example set by one State in providing in its constitution that its citizens shall not be subject to inheritance or death taxes has already created a sentiment in other States that they must abandon this field of taxation as a matter of protection.

It may be all right for a State that is reaping the benefits of an unprecedented boom in its real estate and property values to abandon estate taxes and thereby extend a cordial invitation to the rich and the wealthy to come to the State of Florida to die, to the end that their heirs and legatees may escape the payment of a tax on something they never earned, but it is all wrong to force other States not so fortunate as Florida to abandon this tax.

Just at this time the South is going through a period of development unequaled in its history. We are spending money on health and sanitation; thousands of miles of good roads are being built; our revenues can not keep pace with the remarkable development of our public-school system; and we are draining, reclaiming, and putting our swamp lands in cultivation.

To do all this we are voting and imposing special taxes until we have about reached the constitutional limit. Some of the Southern States, having reached the limit in the assessment and taxation of tangible property, are duplicating the taxes adopted by the Federal Government. Some have adopted the income tax, while others are imposing excise taxes upon cigars, cigarettes, and tobacco.

In my own State this last tax is now being urged as a means of giving much-needed assistance to our public schools.

And so, Mr. Chairman, if this march of progress and this period of development in the Southland is to continue, then we must preserve to a vast majority of the States this method of taxation; and this is what we have done in this bill.

The bill does not deprive the States of this source of revenue, but, to the contrary, it encourages the States to adopt this method of taxation. Its aim is to make the inheritance tax uniform and stable throughout the United States and prevent a competitive bidding for capital, which in the end would not only create ill will, chaos, and confusion, but would destroy the tax altogether. But as soon as uniformity and stability has been established, this tax should be abandoned by the Federal Government.

The revenue act of 1924 provided that any inheritance tax paid to a State might be credited by the taxpayer upon the Federal tax to the extent of 25 per cent. In the pending bill this credit has been increased to 80 per cent, so that any State that imposes an inheritance tax equal to or greater than the rates imposed by the Federal Government, will have preserved for itself a very substantial source of revenue.

Take the State of Louisiana, for instance.

Under its inheritance tax laws the State collected in 1924 $835,000, and in the same year its citizens paid to the Federal Government in estate taxes $908,540, making a total paid to the State and Federal Government of $1,743,840. It is safe, therefore, to say that if the State maintains its present rates on estates under $50,000 and adopts the rates carried in this bill on estates above this amount it will receive from this source $1,250,000.

If, therefore, the Congress should repeal the inheritance tax and the State of Louisiana should be forced to abandon this tax by virtue of the action of other States, then Louisiana would lose $1,250,000 in the way of revenue.

If Louisiana is to continue its progress and development, then this loss of revenue must be raised from some other sources. This can only be done by placing an additional tax upon real and other tangible property, which has already been taxed to the limit.

The maximum tax of 40 per cent carried in 1924 has been reduced to 20 per cent, and with the exemption of $50,000, together with the gradual increase in the brackets, makes the tax light and not burdensome, as will appear from the following table of rates:

Estate tax

($50,000 exempt)

	Proposed brackets	Total estate taxable
1 per cent on first	[1] $50,000	$50,000
2 per cent on the next	50,000	100,000
3 per cent	100,000	200,000
4 per cent	200,000	400,000
5 per cent	200,000	600,000
6 per cent	200,000	800,000
7 per cent	200,000	1,000,000
8 per cent	500,000	1,500,000
9 per cent	500,000	2,000,000
10 per cent	500,000	2,500,000
11 per cent	500,000	3,000,000
12 per cent	500,000	3,500,000
13 per cent	500,000	4,000,000
14 per cent	1,000,000	5,000,000
15 per cent	1,000,000	6,000,000
16 per cent	1,000,000	7,000,000
17 per cent	1,000,000	8,000,000
18 per cent	1,000,000	9,000,000
19 per cent	1,000,000	10,000,000
20 per cent on all over		10,000,000

[1] Above exemption.

In conclusion let me state that this bill is not an effort to coerce the States, but is an effort to prevent one State from

coercing others, to the end that this source of revenue may be preserved to the States and the tax itself made equal, uniform, and stable. [Applause.]

Mr. MILLS. Mr. Chairman and gentlemen of the committee, only the grave importance of this question would impel me to trespass again on the good nature of the House, but the amendment offered by the gentleman from Illinois [Mr. RAINEY]—and he deserves great credit for offering it—deals with one of the worst tax situations that exist in the United States to-day. It has nothing to do with the Federal Government, though the Federal Government has not improved the situation by superimposing an estate tax on the old complicated inheritance-tax system of the States.

Earlier this afternoon I touched very briefly on the amount of double and triple and quadruple taxes which result from the unwise action of the States in reaching out constantly to tax the property of nonresidents. Now, what the amendment of the gentleman from Illinois would do would be to say to the States, "The Federal Government gladly grants you a credit of 80 per cent of the inheritance taxes which you legitimately take from your own residents. It does not propose to grant an 80 per cent credit to any State that stealthily reaches out after the property which does not belong to it, but belongs to another State." The Federal Government is not doing this for the purpose of dictating to the States the character of their legislation, although incidentally it will influence their actions, but it is doing so because if too many States tax the same property in too many instances all of the 80 per cent credit will be taken up in every case, and therefore the Federal revenues will be impaired.

I think the proposition is absolutely constitutional on revenue grounds, because I think the Federal Government can very fairly say to the States—in order that the 80 per cent credit may not be entirely used up by the taxation of an estate a half dozen times—"you can have the 80 per cent credit only if you tax the property which properly belongs to you."

I do not expect to see the amendment adopted to-day, and I do not know that it is desirable it should be adopted; but I do think it extremely desirable that the State legislatures should know that we have something in reserve; that the American people, speaking through the National Congress, are beginning to take notice of the scandalous situation which exists in this field; and that the Congress of the United States has in the amendment presented by the gentleman from Illinois [Mr. RAINEY] a weapon which it will not hesitate to use unless the States immediately proceed to put their own house in order.

I want to say to you gentlemen that some State legislatures apparently have seen fit to instruct their Members of Congress as to what their proper attitude should be on Federal estate taxes. I say to you gentlemen that you can render no greater service in this field of taxation than to go home and tell your State legislatures that they must act promptly, with a view of establishing in the United States uniform, decent, and reasonably high estate systems of inheritance taxes in order to save this tax from growing into further disrepute; and if they do not, then they may expect the Federal Government to step into the field and to use some such weapon as the gentleman from Illinois suggests in order to compel the States to do what they should be willing to do voluntarily. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MURPHY. Mr. Chairman, I ask unanimous consent that the gentleman from New York may have two additional minutes, as I desire to ask him a question.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the gentleman from New York may have two additional minutes. Is there objection?

There was no objection.

Mr. MURPHY. A few moments ago the gentleman stated that there have been cases of taxation where one share of stock has been taxed six times in six different States. I am just wondering what will happen to that share of stock if it is taxed up to the full limit in the six different States, or whether there is something in this bill that will correct that abuse.

Mr. MILLS. Well, it corrects that abuse in so far as the Federal Government is concerned by allowing the estate which has to pay these six taxes a credit up to 80 per cent of the Federal tax. In other words, let us assume that there is an estate which has to pay to the various States $80,000 in State taxes and the Federal estate tax is $100,000; under the provision of law as it now stands that estate would get a deduction of $80,000 for the tax paid to the State and would pay to the Federal Government only $20,000.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. GREEN of Florida. Mr. Chairman, I have a substitute for the amendment offered by the gentleman from Illinois [Mr. RAINEY].

The CHAIRMAN. The gentleman from Florida offers a substitute for the amendment offered by the gentleman from Illinois, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Florida as a substitute for the amendment offered by Mr. RAINEY: On page 143, beginning with line 3, strike out all down to and including line 11.

Mr. GREEN of Iowa. Will the gentleman kindly yield to me so that I may endeavor to get an agreement as to time?

Mr. CHINDBLOM. Mr. Chairman, I want to make a point of order. There is some question in my mind as to whether that is properly a substitute. It looks like a perfecting amendment to the text.

Mr. GREEN of Florida. The amendment offered by the gentleman from Illinois is to strike out and add in lieu thereof, and I offer a substitute to strike out the entire section.

Mr. CHINDBLOM. Mr. Chairman, may we have the substitute again reported?

The CHAIRMAN. Without objection, the substitute will be again reported.

There was no objection.

The Clerk again read the substitute.

Mr. BLANTON. Mr. Chairman, that is clearly a substitute. I think the gentleman is hypercritical.

Mr. CHINDBLOM. I will withdraw my point of order, Mr. Chairman.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close at 4 o'clock and 45 minutes p. m.

Mr. GREEN of Florida. Mr. Chairman, I want to ask unanimous consent to have 15 minutes, as this is a very important matter to my State.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this paragraph and all amendments thereto close at 4 o'clock and 45 minutes p. m. Is there objection?

There was no objection.

Mr. GREEN of Iowa. How much time did the gentleman from Florida say he desired?

Mr. GREEN of Florida. The House has been very kind to me; but this is a very important matter to my State, and I would appreciate it if I could have 15 minutes, if I need that much time, in which to discuss the proposition.

Mr. GREEN of Iowa. In that event I was mistaken as to the amount of time that would be needed. Mr. Chairman, I ask unanimous consent to set aside the agreement we have just made, because it was made under a misapprehension, as far as I am concerned.

Mr. BURTNESS. Our proposition is an entirely different proposition from the one involved here, and if a request were made that only involved this amendment we could be taken care of.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the agreement just made, to close debate on this paragraph and all amendments thereto at 4 o'clock and 45 minutes p. m., be set aside. Is there objection?

There was no objection.

Mr. GREEN of Florida. Mr. Chairman, a great writer once said: "Ill blows the wind that profits nobody." I believe that could better be substituted by the clause—"Ill fares the nation when there is an attempt to violate the Constitution and to declare null and void the constitution of a sovereign State." I will say in support of the amendment which I have just offered, said amendment purporting to give the State of Florida its rights guaranteed by the Constitution of the United States, said Constitution saying that "Representation and taxation should be apportioned among the several States." As the bill stands without this amendment it would compel my sovereign State, the great State of Florida, to return to the Federal Treasury 80 per cent more estate tax than any other sovereign State. According to the returns on estate taxation filed from January 1, 1924, to December 31, 1924, 9,338 estates were subject to tax and paid taxes, said taxes amounting to $65,900,050. It is true that my State paid less than one-fourth of one of these millions; it is true that New York State paid more than $20,000,000; Pennsylvania more than $5,000,000; New Jersey more than $5,000,000; Massachusetts almost $5,000,000. These last four States enumerated paid more than

half of the total amount returned to the Federal Treasury. Assuming that the amount of estate tax paid to the several States was equal to the amount paid by them to the Federal Treasury through the Federal estate tax, then if this bill should carry the provision which it now has and 80 per cent of these estates were credited back to the State, then you can readily see that less than $7,000,000 would be sent from these States to the Federal Treasury, whereas Florida would still be sending her 100 per cent to Washington.

I am sure that smaller States which have jumped on the band wagon with these great States, almost empires within themselves, are not aware of the far reach of these vicious provisions in the bill. For instance, taking the State of New York, now paying more than $20,000,000, reduce that 80 per cent and she will pay approximately $16,000,000 less; assuming, however, that her returns in the State will be the same as 1924 returns. Then the $4,000,000 is the amount she will send to the Federal Treasury. No wonder how she and the other three States mentioned, together with a few of the band-wagon States, are making this terrific fight to get the 80 per cent credit for their States. Under your new arrangement New York, with approximately one hundred times the wealth of the State of Florida, ten times the population of the State of Florida, will pay only eight or nine times the amount of the Federal estate tax paid by the State of Florida. These other great States will pay in proportion, of course.

The result, then, will be that in the future instead of the Federal Government collecting nearly $66,000,000 through the estate-tax medium she will collect only about $13,000,000. Then do you mean to tell me that the State of Florida and her constitution should be bartered and bought for the paltry sum of $13,000,000? If you do scrap the constitution of the State of Florida, sooner or later these same vastly wealthy States will be found scrapping the constitution of every State which has lesser power and lesser financial bearing than they have. Louisiana and other States which have their tobacco tax, the various small States which have their gasoline tax, and the various other State taxes which now repay our State treasuries will soon be confiscated, their constitutions scrapped, and them doing homage to the great financial interest of the powerful and strong States. The precedent that you are undertaking to establish to-day is so far-reaching that our Republic will face a chaotic condition, and so long as the powerful States wreak their revenge and vent their spleen upon the weaker States, taking from them their rights and constitutions, our Nation is destined to crumble. I can not believe that by your action here to-day that you are going to contribute to any such tyrannical legislation.

You gentlemen seem to have the wrong impression of the State of Florida. When you come before this great national assembly and with vile oaths denounce my people and their laws and the provision of their constitution, and further in your unjust and unfair criticism undertake to foster this unfair impression, and one of you at least say that Florida is composed of tax dodgers, jazz tippers, and bootleggers, I want to ask you, do you believe that the renowned Edison, the financial wizard, Henry Ford, the enterprising Barron Collier, the noted William Jennings Bryan, and noted writers of the Nation and many others whom the world has called great and still call great, do you believe that they are tax dodgers, jazz tippers, and bootleggers? Sir, your criticism is unfounded and unjust, and in your cooler moments I believe you will regret having criticized our distinguished citizenry in this manner. Would you call these leading business men and financial magnates fools because they go to a field which is rich for investment? You have forgotten that the State of Florida has nearly one and one-half million people, 1,200 miles of seacoast, 10,000 miles of river and lake frontage, 20,000,000 acres of arable land, and that her lumber industry, together with the naval-stores industry, yields about $50,000,000 annually; the phosphates, $25,000,000 annually; the fishing industry about $15,000,000 annually; fruit crops, $50,000,000 annually; truck crops, $25,000,000 annually; manufactured products, $150,000,000; and that her total income from all sources amounts to about $5,000,000,000 annually; that one city of less than 100,000 population had building permits of over $8,000,000 in the month of July last; that one of her banks in this same city gained $14,000,000 in less than 12 months, which was 1,700 per cent, a world record; that she has 10,000 miles of good roads and expends probably $40,000,000 annually upon her roads. That she spends $15,000 annually on the education of her youth besides her school buildings. These things you seem to overlook, and many of you would try to adhere to your once erroneous impression that Florida produced nothing except alligators and nigger babies. Now, my fellow members of the committee, it is the constitution of this State that this bill would repeal.

Your fight seems to be to either repeal our constitution or coerce our great people into amending their constitution in order to suit your views, and I will put you on notice here and now that the Sixty-ninth Congress and no other Congress will ever be able to impel the citizens of my fair State to amend their constitution and have State inheritance tax law adopted. If we desired to amend our constitution and levy a State inheritance tax, it could not be done earlier than April, 1929, but you may forget the time and the place, because Florida never will levy a State inheritance tax; and permit me to remind you that Florida has a debt-free government. You are undertaking to coerce us into passing laws to meet your views, but in turn you are going to get repealed the Federal estate law. I predict, sir, the Federal Government will retire from this field of taxation in less than four years, and the sooner it does the sooner Florida will receive her rights.

I believe Alabama suffers about the same injury as Florida suffers in this, only not quite so great. Do you remember that Alabama contributed the outstanding hero of the Spanish-American War, Captain Hobson, and also would you remember that Florida has contributed one of the largest heroes to humanity in the person of Doctor Gorrie, who invented the method of artificial ice making?

You have forgotten, apparently, that when the great war cloud overhung our Nation and the patriotic sons from every corner of the 48 States were called to defend the American flag, which shall forever wave free, that Florida also took her part in this, and that Florida mothers went to the station with their sons, pinned a flower on their uniforms, kissed their fiery cheeks—with a smile on their lips and a pain in their hearts—and sent them to be buried in Flanders fields; and suppose that these sturdy sons of Florida could swing back the portals of glory and with their battle-scarred faces peer down upon this assembly and see you about to scrap the constitution of their native State, and in so doing violate the Constitution which they shed their life's blood to defend—I believe that they, with loneliness and pain in their hearts—would exclaim in the vernacular of the Holy Writ: "The foxes have their holes, the fowls of the air have their nests, but the son of man hath not where to lay his head." But perhaps then they, with a faint smile, afterwards would say: "Sufficient unto the day is the evil thereof."

If my amendment is rejected, I have others which I shall offer, among which will be one attempting to strike out the entire estate-tax provision of this bill.

And may I say to the gentlemen on my left, the Republicans, that the President of the United States has called upon the Congress to protect the rights of the sovereign States and has admonished you that local self-government should be fostered; and may I say to you on my right, the Democrats, that when I look into your faces my chest heaves with pride and my heart throbs with content when I realize that you are scions of the worthy sires who believed in the principles of State rights, and I believe the same spark of patriotism which was found to flame in their hearts will now exert itself in your action. They never undertook to vamp the issue of State rights, but they originated and stood for the principles of State rights, and I call on you to now and here stand with me in the defense of the rights of our sovereign State.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SEARS of Florida. Mr. Chairman and my colleagues, I appreciate what my good friend and colleague Mr. RAINEY, of Illinois, stated, namely, he admits it would be absolutely impossible to amend this bill in any particular. Alas and alack, his statement, I fear, is only too true. I shall not weary you with platitudes and attempted flights at oratory. I could not do so even if I desired. Besides, this paragraph means so much to my State I shall attempt to confine myself to that dangerous field of constitutional law and endeavor to show you the position I take on this bill is well founded.

My good friend the gentleman from Virginia [Mr. MOORE], for whom I have the highest esteem, stated that the amendment offered by Mr. RAINEY was constitutional, and therefore this amendment would be constitutional. My good friend Mr. GREEN of Iowa says that Mr. RAINEY'S amendment is not constitutional, but that this amendment is constitutional.

Mr. MOORE of Virginia. May I interrupt my friend just to correct his statement? I stated if the provision in this section as it stands now is constitutional, then the Rainey amendment would be constitutional.

Mr. SEARS of Florida. I am sorry I misunderstood the gentleman from Virginia, one of the ablest gentlemen from

Virginia, and I accept the correction. I am indeed glad to note that his correction at least intimates perhaps there is a doubt as to the constitutionality of either the amendment or this paragraph. I realize when one goes into the field of constitutionality he is venturing into dangerous realms; which reminds me of what one of my colleagues said here the other day:

I am a business man, and when a constitutional question is raised it is hard for me to reach a conclusion, especially when lawyers can not agree.

I have given this matter careful thought, and to my mind, at least, without in any degree reflecting on those who disagree with me, there is no question about the unconstitutionality of this paragraph refunding 80 per cent of the inheritance tax to the States in proportion to the amount of inheritance tax paid to the State.

The President in his message stated to the House:

Society is in much more danger from encumbering the National Government beyond its wisdom to comprehend or its ability to administer than from leaving the local communities to bear their own burdens and remedy their own evils. Our local habit and custom is so strong, our variety of race and creed is so great, the Federal authority is so tenuous that the area within which it can function successfully is very limited The wiser policy is to leave the localities, so far as we can, possessed of their own sources of revenue and charged with their own obligations.

Certainly my Republican friends would require no higher authority.

The late President Roosevelt was also in favor of an inheritance tax, but nowhere can I find where he ever tried to use a subterfuge of raising a tax and then suggesting that the major part of it be returned to the State. This paragraph refunding 80 per cent of the inheritance tax so clearly shows on the face of same that it is a penalty or punishment and not intended for tax purposes necessary for governmental purposes that it seems to my mind no argument is necessary. It is so apparent, my colleagues, throughout this entire debate that the sole purpose, and the only purpose, of the paragraph is an effort to strike at the State of Florida and force them by national legislation to amend her constitution.

My colleague from Louisiana in his remaks just a few moments ago so stated in direct terms; and if the court should take judicial notice of the intent of Congress when this question is passed upon, if the same should be brought before them for final decision—and I assure you such will be the case—they will only have to read the hearing and the speeches made on the inheritance part of the bill in order to reach the conclusion that I am correct. I state it is an effort to hit at Florida.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. SEARS of Florida. I yield to the gentleman.

Mr. GREEN of Iowa. The purpose of this amendment is to obtain, if possible, a reasonable, uniform system of inheritance taxes throughout the United States.

Mr. SEARS of Florida. Oh, certainly. Your purpose is so apparent that I am not surprised you should attempt to conceal it. Why, my good friend, the gentleman from Massachusetts [Mr. TREADWAY]—and I hold him in the highest esteem, and he is a member of the committee that prepared this bill—in his argument showed clearly that was the purpose, as did my friend, the gentleman from Iowa [Mr. GREEN].

Let me read you what Mr. TREADWAY, in his remarks which appeared in the CONGRESSIONAL RECORD of Friday, December 11, said:

Were it not for some glaring irregularities in the laws of a few States, notably Florida, I am certain the entire Federal estate tax would have been voted out of this bill by the Ways and Means Committee.

Let me ask you why the States of Alabama and Maryland and the District of Columbia, which have no inheritance tax, are not mentioned?

No; you did not have your minds on Florida. You can state that as many times as you please, but you will have a hard time in convincing the people of the country and the courts that such was not the case.

My friends, in the child labor bill, which I voted against because I believed it was unconstitutional, when the case reached the Supreme Court of the United States, Mr. Justice Day declared the same unconstitutional and sustained the position I assumed before the House at that time, to wit, that it was not constitutional. I quote you a part of that decision:

It was not intended as an authority to Congress to control the States in the exercise of their police power over local trade and manufacture, always existing and expressly reserved to them by the tenth amendment.

I desire to deal frankly with you, and therefore state that the paragraph that I have just quoted is not directly in point with the question before us, but I would suggest that my colleagues read the opinion of Justice Day, found in volume 247, United States Reports, pages 251 to 282. You will at least find much food for thought, and there is something in his decision which perhaps relates to the point that I have raised on the paragraph we are now considering.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SEARS of Florida. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. SEARS of Florida. In an effort to overcome the objection raised by Justice Day, another bill was introduced, and in that bill a tax of 10 per cent was imposed on all material manufactured by a child under a certain age. In volume 259, U. S. Reports, page 20, you will find in a condensed form the reason why the court reached that decision. On page 21, same volume, Mr. Solicitor Beck, in his argument for the plaintiff in error, stated as follows:

Congress has described this as a tax, and whether constitutional or otherwise by reason of its incidences, it is nevertheless an excise tax.

And on page 32 Mr. William P. Bynum, for defendant in error, said:

This is a Federal Government with a written Constitution, and if any statute, Federal or State, is not in accordance with that written Constitution, it is the duty of this court to declare such statute void. (Fairbanks *v.* United States, 181 U. S. 283, 285.)

Chief Justice Taft, in rendering his decision on page 37, used the following language:

The good sought in unconstitutional legislation is an insidious feature, because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm which will come from breaking down recognized standards.

On page 39:

In the case at the bar, Congress in the name of a tax which on the face of the act is a penalty seeks to do the same thing, and the effort must be equally futile. So here the so-called tax is a penalty to coerce people of a State to act as Congress wishes them to act in respect of a matter completely the business of the State government under the Federal Constitution. This case requires, as did the Dagenhart case, the application of the principle announced by Chief Justice Marshall in McCulloch *v.* Maryland (4 Wheat. 316, 423) in a much-quoted passage.

On page 40:

Should Congress in the execution of its powers adopt measures which are prohibited by the Constitution, or should Congress, under the pretext of executing its powers, pass laws for the accomplishment of objects not intrusted to the Government, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land.

On page 43:

The court there made manifest its view that the provisions of the so-called taxing act must be naturally and reasonably adapted to the collection of the tax, and not solely to the achievement of some other purpose plainly within State power.

Now, my colleagues, from the above quotations rendered by the highest authority in our land on constitutional law I have reached the conclusion that you can not assess a penalty under the guise of taxation. The decision of Chief Justice Taft, to which I have just referred, related only to commerce and an effort to control the labor of a child under a certain age. When the court reaches such a decision where our commerce is involved do you mean to tell me a State must repeal an amendment to the Constitution or they shall be penalized to the extent of 80 per cent? Do you mean to tell me where the Supreme Court of our land, the highest authority to which an individual or a State can go, will rule a law unconstitutional, a statute affecting only commerce and rights and privileges granted by the Government that they will rule to the contrary when the constitution of a State is involved?

Mr. BEGG. Will the gentleman yield?

Mr. SEARS of Florida. Yes.

Mr. BEGG. I do not think the gentleman is arguing to the point. This proposed law does not say to Florida or to any other State you must levy an inheritance tax. This says to the individual, where your State taxes you from an inheritance standpoint, the Federal Government will remit 80 per cent of those taxes.

Mr. SEARS of Florida. Oh, the gentleman is right. I hope I made myself clear. You did not mention Florida in the bill, but every one of you who spoke on this bill unhesitatingly stated it was an effort to strike at Florida. You say in this paragraph to Florida, You pay an inheritance tax of 20 per cent, and all that you pay shall go to the Federal Treasury and be used for governmental purposes. Therefore taking it for granted—in a broad stretch of imagination—if same is equally distributed among the States, Florida would only get back one forty-eighth of the amount paid to the Government, while your State, the great State of Ohio, the State of Presidents, under the law perhaps would get back 80 per cent of the amount the Government collects. You tell me that is not discrimination! I reply, What is discrimination?

Let us be fair and honest with ourselves in arguing this question. Why longer try to conceal the purpose. You and I know that you are simply trying to make Florida change her constitution. Considering the economical administration of the laws of our State and our State government, we have no State bonded indebtedness and do not have to collect an inheritance tax to meet our expenses. Let the other States investigate the way we run Florida, and instead of trying to force us to change our constitution and cut down their expenses, give the people some relief of tax burden; but do not come to the Government with a club and pass a law trying to force a State to do that which is solely the right and privilege of the State to do. This is not the first time the question of State rights has been raised. I wish the late lamented great statesman, Mr. Prentice, was living, in order that he might more ably argue this question than myself, but I believe his State has produced other great statesmen. Quoting from him let me say if you can force Mississippi (Florida) by this unjust and unfair discrimination to amend her constitution, then—

like the mistletoe bough, which flourishes at the expense of the tree to which it is attached, till the exhausted parent dies in the greedy embrace of its ungrateful offspring, so does their construction of the executive power eat out and destroy the legislative authority upon which it was originally engrafted.

I simply desire to take a few words from that distinguished man on the Mississippi contested election case:

Sir, if you persist in denying to Mississippi that right to which she is entitled in common with every other State, you inflict upon her a wound which no medicine can heal. If you are determined to impose upon her a representation not of her choice and against her will, go on and complete the work of degradation; send her a proconsul for a governor and make taskmasters to rule over her.

Further quoting:

You tear from her brow the richest jewel which sparkles there, and forever bow her head in shame and dishonor.

I trust my colleagues will read this speech in full, for there is much in it which will uplift them and give them food for thought, and, like he of old, I would appeal to the State of Massachusetts not by this indirect way to attempt to force Florida to amend her constitution.

You may make an unfair discrimination but you can not make the people of Florida change their constitution until they get ready to do so. I will not vote for it. Now, in going down the line where are you going to stop?

In passing, I will be unfair if I did not thank my distinguished colleague Mr. RANKIN, of Mississippi, for the learned and manly stand that he has taken, and I also desire to thank my friend and colleague Mr. MCKEOWN, of Oklahoma, for his remarks on December 10, page 671. Time will not permit me to thank others who have spoken along the same lines I have spoken.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SEARS of Florida. I ask for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SEARS of Florida. Where are you going to stop? Take the prohibition amendment and the Volstead law. Under this bill you are collecting a tax on alcohol and beverages. Under this precedent you are about to establish, say, inasmuch as the great State of New York will not enforce the national law or make any effort to do so, we will penalize you; we will give back 80 per cent of the taxes to all States that do make an honest effort to enforce the law. Why can not we say on tobacco, where, in the State of Georgia, they put 1½ per cent tax on cigarettes, we do not like your law and we are going to make Georgia change the law. What would the Representatives in this great body from the great State of New York and that wonderful State of Georgia say if you should undertake to attempt any such thing? I believe you would oppose such a proposition to the utmost of your ability, and you would find me fighting side by side with you.

Mr. BLANTON. Will the gentleman yield? I want to suggest that Florida has some compensation; they have reduced the tax on Florida water. [Laughter.]

Mr. SEARS of Florida. I thank the gentleman. But Florida does not want any compensation nor do we appeal for any sympathy. We are simply demanding our constitutional rights. I am appealing for the rights of one of the sovereign States of this Union. Your purpose, and by the speeches as stated by the hearings, is clearly shown.

Is it democracy to say what kind of a constitution we shall have if that constitution is not contrary to the Constitution of the United States? If it is, I do not understand democracy. Is it constitutional for me to say what New York and Massachusetts shall pay on inheritance taxes? If it is, then my mind has been trained along an erroneous line. I am, unfortunately, in the position of defending my State, but desiring to deal frankly with you, realizing that the amendment will not be changed and that this unjust and unfair discriminatory practice and penalty will remain in the bill so far as this House is concerned. I simply, in my humble way, present to you my views on the matter with the hope that at some future date the courts may take cognizance of my humble remarks. There are many features of this bill that I am in favor of and heartily indorse. If it had been left to me to write the bill, seven years having elapsed since the great World War, I would have reduced to the minimum this income tax, the surtax, and the inheritance tax, but before doing so I would have taken off the automobile tax, the amusement tax, and all of the aggravating war-time taxes; but, unfortunately, it was not left for me to draw up the bill, and I realize that no bill can be drawn that meets the entire approval of all of the Members of Congress. On legislative questions there must be a meeting of minds, and I am willing to meet my constituents along those lines more than half way. This, my friends, is not a legislative question, but a great constitutional question involving the right of a State, and I am simply putting myself in a position that not only my State may be protected but in the future should the constitution or the laws of your State, said constitution and said laws not being contrary to the Constitution of the United States, be attacked I can stand side by side with you fighting for the rights of your people. I wonder if it was not from the echo of the voices of the voters back home and an election approaching that this paragraph will be permitted to remain in the bill. But I shall not question your vote. Under my oath of office, my colleagues, believing as I do and as I have attempted to show you, this paragraph is absolutely unconstitutional, I would be false to myself if I voted for it, and therefore I am forced, regardless of the many good features contained in the bill, to vote against it, because it is un-American, undemocratic, and, in my humble judgment, it is unconstitutional. [Applause.]

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida.

Mr. COX. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman and gentlemen of the committee, I apologize to the committee for taking the floor in debate so soon after having become a Member of this body, but there is an important question involved in this provision of the bill under discussion which has not been developed in debate to my satisfaction. I am sure that there is nothing that I might say that would likely influence the Ways and Means Committee to recede from the position which it has taken, because this committee must have satisfied itself as to the constitutionality of all the provisions of the bill before offering it to the House with their unanimous indorsement. But I take this opportunity, by way of suggestion, to make a few observations for the consideration of the committee before this objectionable clause has been adopted as a part of the bill.

This provision of the bill allowing a credit to an estate to the extent of 80 per cent of the tax imposed by the Federal Government, provided the estate has paid a State inheritance tax equivalent to this sum, is clearly to my mind a violation of

that provision of the Constitution defining the powers of Congress to lay and collect a tax which shall be uniform. The power to lay a tax presupposes the power to collect it, but under this bill, while the tax is laid upon all alike, it is not within the power of the General Government to collect it from all alike. To illustrate, in a State levying a tax equal to 80 per cent of the levy made under this bill the revenue derived by the Federal Government will be 20 per cent of the levy made, whereas as to a State such as Florida, which levies no inheritance tax, the revenue derived by the Federal Government will be 100 per cent of the levy made, and so on as to all of the States of the Union.

The Congress takes cognizance of the public laws of States, and if it adopts this bill it will do so with full knowledge of the fact that it will be lacking in uniformity in its operation upon estates of different States which fall within the provision of the bill.

Certain enlightened gentlemen advocating the passage of the bill upon the floor have admitted that it was not for the purpose of raising revenue, that the General Government could well afford to get along without the tax; that the almost unanimous sentiment of the country demand the retirement of the Federal Government from this field of taxation, and that it is its purpose to retire, but not until, through the operation of the act under this provision of the bill, all the States have been forced to adopt a uniform inheritance tax law. This admission damns the provision beyond the point of forgiveness. Certainly the Government can not justify the levy of a tax that it does not need. Neither can Congress defend its adoption of a law the admitted purpose of which is to coerce the States into the adoption of a general measure which meets the views of the Congress. It is not within the power of Congress to intermeddle with the domestic affairs of States. It is not within its power to legislate for a State. Neither is it within the power of States, acting through Congress, to legislate for other States. Ours is a divided sovereignty, the General Government being sovereign only as to those objects delegated to it and the States sovereign as to those objects delegated to them. Neither is sovereign over matters delegated to each other. When the Congress through the passage of this bill undertakes to shape legislation to be adopted by States it convicts itself of an unwarranted and unconstitutional usurpation of powers which the people have delegated to their respective States. Such a measure is not within the constitutional discretion of the legislative powers of the General Government, and statements made on the floor of this House by scholarly and enlightened gentlemen who have rendered valiant services to the country that this Government expects to continue to occupy the field of estate taxes until the States shall have adopted a uniform law is the boldest declaration of an intention on the part of Congress to bring to bear the power of the Federal Government upon the States that I have yet heard made. It is a declaration in favor of the breaking down of the lines that divide the several States and compounding the whole American people into one common mass, which would, of course, mean that our Government would ultimately fail. To pass this bill with this credit provision to estates would be a wicked thing for this Congress to do, and the members of the majority party who believe in State rights ought not to permit it to be put upon the country, and certainly members of the minority party should, to the limit of their ability, resist its being done.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GREEN of Iowa. Mr. Chairman, we are now considering a portion of the bill, which I regard as a great constructive measure. Naturally, upon such a proposition minds will differ, even among those who have given the longest and closest study to matters of this nature. Let me say at this point that what the Ways and Means Committee brings to you now is the result not merely of its committee meetings, not merely of its hearings, although some of the greatest economists of the country were then present and gave the Ways and Means Committee the benefit of their study upon this question, but it is, so far as I and others are concerned, the result of the work of years, modified to some extent by the views of others whose views, I might say, I felt, by reason of their standing and experience, were entitled to careful consideration and due deference. Nor is this all. The change in our inheritance tax laws as presented by this bill has largely been brought about as a result of the movement which originated nearly two years ago. The main purpose and object of this movement was to obtain for the States the opportunity to use the inheritance tax in some substantial form for the purpose of increasing the revenues of the several States and thereby enabling the States to decrease the property tax, which is essentially a capital tax, now so heavily oppressing the farmer and other owners of real estate everywhere. For the purpose of carrying out this reform, for a great reform was really contemplated, they proposed to entirely repeal the Federal inheritance tax. While I am unalterably opposed to the repeal of the Federal interitance tax at this time, I want to say that this movement was perfectly legitimate, even granting that in all of its methods it was not entirely sound. Those who were back of this proposition in its origin were thinking men. They had studied the tax situation most carefully, although, as I think, from a somewhat narrow standpoint. They saw that no one paid so large a proportion of his income as the farmer often did, that nowhere was anyone so heavily taxed, even though his business might show nothing but a loss as a farmer; and that, instead of his taxes being in the process of being lessened, they were continually being increased and likely to be increased further unless something was done. They wanted the States to use the inheritance tax, the States that have been blindly using this oppressive property tax, when a fair tax and a just tax might be substituted for it. In this respect, I repeat, they contemplated a great reform which ought to sweep the country and would have swept the country had it not been for a most unfortunate and, as I think, very discreditable movement that sprang up in the wake of this constructive program.

As I have said, this movement began nearly two years ago, entirely legitimate, exceedingly creditable in its general purpose and object, but unfortunately there are a large number of people in this country and every other country who can look at taxation only from the standpoint of promoting their own selfish personal ends for the time being, and when it comes to the future of this great country they are like the Bourbon kings and nobility that brought on the French Revolution. They say, "After us the deluge. Let it come." These people saw, as they thought, in this movement an opportunity to get rid of all the inheritance taxes whatsoever and in this they were prompted by the example of the State of Florida which had already offered a premium for the rich to take up their residence within its borders and was advertising far and wide, long and loud, how they might escape taxation by taking up a nominal residence within that State while their business and the sources of their income were entirely without. The people who were back of this propaganda to abolish all inheritance taxes in reality had no sympathy whatever with the plans of those who really wanted to reform our tax system. Cold-blooded, narrow, selfish, they thought only of personal gain to themselves or their descendants. They cared nothing for the fact that if the estate tax was completely abolished the revenues produced by it must be found from some other source, and that its ultimate result could only be that this tax would be taken off from those who had more worldly goods in most cases than they could possibly use and certainly far more than necessary to obtain not only all the comforts but most of the luxuries of life, and placed upon the backs of those who were struggling to make a bare living. They had abundant money at their command and they spent it most lavishly in a propaganda that extended all over this country, and especially in Texas and Iowa, for reasons which are quite well understood by every Member. They combed these two States with paid organizers who persistently misrepresented the real facts and did their best to stir up opposition against all Members of this body who might conscientiously oppose the position which they were taking, and if some Members, including myself and the gentleman from Texas [Mr. GARNER], are able to retain our seats in this House it certainly will not be their fault.

There is another class of people whom I am quite ready to excuse. The completeness with which this propaganda was spread over the country, the fact that in many cases persons heard nothing but the misrepresentations which it carried, caused a large number of sincere people to form an honest prejudice against any estate tax whatever; and, unfortunately, it will never be possible on the other side to disseminate the true doctrine so widely and completely as the false theories were propagated.

I know, however, that if these persons once come fully to understand the situation their views will be changed. There are, of course, a few who claim to have made a study of the situation and still oppose any inheritance tax in any place and of any kind. Of such individuals I can only say that they are living in the Dark Ages, for this is a question that was disposed of and settled to the contrary by thinking people centuries ago.

The considerations which support the estate tax are so numerous that I will not undertake to state anything but some

of the more important at this time. It does not operate in any way to check ambition, initiative, or efficiency Nothing is more absurd than to say that it is a tax on the dead. It is not a tax on the dead; it is a tax on the living who have received something for nothing, a tax upon luck and good fortune rather than on work either of the hand or the brain. The members of the committee will remember that in the course of this debate the gentleman from New York [Mr. MILLS] showed you how in every State and in every part of this land personal property, which in ninety-nine cases out of a hundred is the principal part of all of these great fortunes, is escaping taxation during the lifetime of the owner, escaping that taxation from which the farm, the cottage, and the tenement can not escape—the property tax—and it is only upon death that it can be reached. The inheritance tax is a fair tax, for it only asks wealth to pay its fair proportion of taxes and it always leaves an abundance for the needs of those who have been the recipients of the bounty of the decedent. The stories of the hardships it has inflicted, so far as the Federal tax is concerned, have never been substantiated by any facts, even under the heavy tax of the present law. Still less is anything of that kind likely to occur under the rates of this bill. Will gentlemen say—those gentlemen who, under some mistaken impression that we are trying to coerce the several States, are opposed to some of the provisions contained in this bill—will they tell us that they are willing to continue these oppressive taxes upon the farm, the cottage, the stocks of goods, the apartment house, and other kinds of property which can not escape taxation, and where taxation is inevitably reflected in the cost of living or, in the case of the farmer, in some instances depriving him of the necessities of life, are they willing that these unscientific, crude, unjust, inequitable taxes should be permitted constantly to increase rather than that their State should use the inheritance tax? If so, if there is any gentleman of that opinion, I can only say that "Ephraim is bound to his idols; let him alone." If otherwise, if he hopes to see this condition that I pictured remedied under which, as the gentleman from New York recently stated, on an average of 30 per cent of the farmers' income is usually taken—and those of us who come from farming districts know that all of the income is sometimes taken—I ask that he join in the support of this bill.

Lest I be misunderstood at this point, because it seems to me that some gentlemen have not fully understood the purpose and object of the bill, let me explain a little more fully how the farmer and the house owner may be benefited by its provisions. We collected last year about a hundred millions through the Federal inheritance tax, notwithstanding the fact that under the act of 1924, where any State inheritance tax had been paid it was credited on the Federal tax up to 25 per cent thereof. Some States promptly availed themselves of this provision, which cost their citizens nothing. Others, with that strange apathy which sometimes prevails in State legislatures, did nothing, and I am sorry to say that my own State came within this class. But let me say to gentlemen like the gentleman from Nebraska [Mr. SIMMONS] and the gentleman from Ohio [Mr. MURPHY], for both of whom I have not only the highest respect but also an affectionate regard, that they seem to me to be missing the mark.

I do not know what will be done in States that have little or no inheritance. I hope that they will reform their taxation system, but I feel quite sure that in Nebraska, whether my friend whom I have just mentioned joins in the movement or not, that the farmers of his State will insist on taking advantage of the credit up to 80 per cent as provided in this bill, which may be given for State inheritance taxes paid, and that the legislature will take the money which they can get in this way and thereby be able to reduce the taxes which now bear so heavily upon the great farming population of that State. The plan is perfectly simple and very easy.

Mr. MURPHY. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. MURPHY. Does not the gentleman think that that field ought to be exploited by the State itself as recommended by the President; and also, if the gentleman will yield, I desire to ask him to answer the question which I asked the gentleman from New York [Mr. MILLS] a moment ago. Is there anything in this law that directs the various States to create a tax system so that six taxes can be levied on one piece of property?

Mr. GREEN of Iowa. No; that is something, in my judgment, we can not reach constitutionally, but, notwithstanding, the tendency of this bill is in that direction. I hope my friend will now pardon me.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. GREEN of Iowa. I regret I have not the time.

Mr. HILL of Maryland. For a question on the theory of the tax?

Mr. GREEN of Iowa. Well, make it short.

Mr. HILL of Maryland. In the case of States which have no inheritance tax at all the tendency of this regulation will be to require them to ask for them, will it not?

Mr. GREEN of Iowa. If they use good judgment and are not living in the dark ages of taxation, if they have not forgotten all the principles applying to this great subject they will probably change the laws and give to their citizens an inheritance tax. I regret I can not yield further.

I understand perfectly well that there are some who object, not to the principle of giving a credit for estate taxes, but to the figure of 80 per cent without gradations placed in the bill, and my colleague [Mr. RAMSEYER], who in general debate made such a forceful speech, indeed I might say one of the great speeches of the debate in support of the inheritance tax, thinks that the percentage of credit ought to be rated in accordance with the kind of the estate, and also that the credit of 80 per cent is too large. Possibly he is right, for this is one of the things as to which there can be no certainty and as to which the figure taken is to a certain extent arbitrary, but it always will be arbitrary and always will be a matter of theory and of indefinite determination. We took the figure of 80 per cent just as we have the general plan of estate taxes as expressed in the bill, not merely after committee meetings, not merely after hearings, but after it had been considered for more than six months by a commission of tax experts, after it had been discussed and rediscussed, argued, and reargued, considered, and reconsidered, and we think we have it about as near correct as it can be made. My colleague thinks that it is too high and gives too much credit to the several States. I must admit that he can find many instances in which his statement would be correct. I hope he will be able to see that I could find numerous instances as to which his plan would not apply correctly, and in particular, taking the bill as a whole, the greater part of the revenues under it are not produced by the great fortunes, particularly since we have so lowered the maximum tax. The small estates which, as a rule, have been accumulated within the borders of a particular State of which the owner was a resident will make up by far the greater part of the receipts. On the whole I think the figure of 80 per cent, until we have made a trial of it, must be taken as the most likely to be correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. I shall have to ask for five additional minutes, which I think I should have, having the bill in charge.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Now I have reached a point where my views and many of those who are perfectly ready to support the provisions of the bill somewhat diverge, although, so far as the adoption of the bill is concerned, we are united. Some gentlemen say that they are willing to support the bill as matters now stand but that they expect and desire that the estate tax should, in the course of a few years, be abolished. I want to look further before I come to any such conclusion, although I am not prepared to say that if the States should unite on a fairly uniform system of inheritance taxes I might not be willing to accept the abrogation of the Federal inheritance tax. Just now I want more information as to what these States are willing to do. I understand that Florida is still unwilling to see the light, and I turn to consideration of conditions in that State more with sorrow than with anger, more with pity than with contempt.

Mr. GREEN of Florida. Will the gentleman yield?

Mr. GREEN of Iowa. In a moment I will yield to my friend from Florida.

Let me say to the people of Florida and to its representatives in this House, that you never can make a really great State through colonies of tax dodgers or money grabbers; parasites and coupon cutters, jazz trippers and booze hunters. [Applause.] Your delightful climate and your natural resources are a sufficient attraction if you do not offset them by filling up your community with members of that ancient and dishonorable order of tax dodgers, who, of all citizens, are the most narrow, the most selfish, and the most unpatriotic. I congratulate those States whose patriotic citizens have not yielded to the alluring but improper inducements offered by the State of Florida. [Applause.]

Mr. LOZIER. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. LOZIER. Is it not, as a legal proposition, fundamental that the credit or rebate on taxes may be granted or withheld by the tax power as it may determine; and if granted, it may be granted upon such terms and conditions as the Government may direct? Is not that true?

Mr. GREEN of Iowa. In a general way it is, although I think it might possibly be carried too far; but the principle we have applied in this bill was so well settled heretofore that I am satisfied that there is no doubt about its constitutionality.

Mr. BLOOM. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. BLOOM. It has been asked several times of the chairman to explain how the different States can charge up their proportionate share of the estate tax to the different States.

Mr. GREEN of Iowa. The gentleman, I fear, does not understand the provision properly.

Mr. BLOOM. I think I do understand. The gentleman from Maryland [Mr. HILL] asked the question. He had asked the question of the gentleman from New York [Mr. MILLS], and he has stated that each individual State would charge the amount against the estate taxes. The gentleman from Iowa does not mean to say——

Mr. GREEN of Iowa. I did not say that.

Mr. BLOOM. That is what the gentleman from New York [Mr. MILLS] asked you, and that is what you said.

Mr. GREEN of Iowa. Here is what I stated to the committee: I said that each State could take advantage of this 80 per cent credit by levying taxes sufficient to take up that amount without any cost to its own citizens

Mr. BLOOM. No. I think the chairman is wrong there. Is it not a fact, Mr. Chairman, that a State can only assess up to 80 per cent of the assessed value of that stock in that respective State?

Mr. GREEN of Iowa. No. The gentleman does not understand the credit at all. It is simply a credit to the estate of the State taxes paid.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GREEN of Iowa. I do not think we ought to prolong this debate further.

Mr. HILL of Maryland. Mr. Chairman, I should like to talk on this amendment.

The CHAIRMAN. The Chair is going to declare debate on the amendment over very soon. The Chair has given very wide latitude.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on the amendment now before the House close in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. BURTNESS. That was not the request, Mr. Chairman.

The CHAIRMAN. If the gentleman knows better than the Chair, just what was the request?

Mr. GREEN of Iowa. That all debate on the amendment now pending before the House close in five minutes.

The CHAIRMAN. That all debate on the paragraph and all amendments thereto close in five minutes?

Mr. GREEN of Iowa. No; I did not make that request.

Mr. GREEN of Florida. Mr. Chairman, I want to suggest that I have a half dozen amendments to offer.

Mr. GREEN of Iowa. Then, Mr. Chairman, I will change that request and ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes.

Mr. GREEN of Florida. I object, Mr. Chairman. I withdraw the objection.

Mr. GREEN of Iowa. Mr. Chairman, there is no objection, so I move that all debate on this paragraph and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this paragraph and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Maryland [Mr. HILL] is recognized for five minutes.

Mr. HILL of Maryland. Mr. Chairman, I will ask the Chair to notify me at the end of three minutes, because I would like to give two minutes of my time to the gentleman from Iowa [Mr. RAMSEYER].

The CHAIRMAN. The gentleman can not transfer his time.

Mr. HILL of Maryland. Then, Mr. Chairman, I will yield to him at the end of three minutes for the purpose of having him ask me a question.

Under the present framing of the Federal inheritance tax, in this present year, 1925, the National Government will get about $110,000,000; if the proposed measure is adopted, with the 80 per cent rebate, I should like to ask the chairman of the committee about how much revenue it is expected the Federal Government will derive from the inheritance tax the first year of the working of this new bill?

Mr. GREEN of Iowa. About the same as it does now. It will make no particular difference in the first year, for the reason that very few estates are settled the first year.

Mr. HILL of Maryland. Then the gentleman believes that in the next fiscal year after the passage of this law it will develop about $110,000,000?

Mr. GREEN of Iowa. The next calendar year, I would say.

Mr. HILL of Maryland. Then, after that it should bring in about $40,000,000; is that right?

Mr. GREEN of Iowa. No; it would not reduce so rapidly as that. The next year will see a loss of probably $20,000,000 or $30,000,000.

Mr. HILL of Maryland. How much will the Federal Government get when this act is in full operation?

Mr. GREEN of Iowa. I would say about 50 per cent, although it is difficult to say, because we can not know to what extent the States will take advantage of this provision.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the House, the present legislation in this bill is framed on antagonism to a Federal inheritance tax. In other words, the committee says the Federal inheritance tax is a bad tax and should be abolished; we are ultimately going to abolish it; but in order to coerce certain States to do what we think they should do, namely, to come out of the dark ages of the past and adopt our theory of taxation, we put in this 80 per cent theory. I now yield to the gentleman from Iowa so that he may ask me a question.

Mr. RAMSEYER. Mr. Chairman, if the gentleman will permit a statement, in general debate I suggested brackets and different percentages for credits to the States, and I have such an amendment prepared. I simply want to ask that it be put in the RECORD. I do not intend to offer it, because I am not ready to approve either the brackets or the percentages; but in order that others who will consider this bill afterwards may get the idea that is in my mind, I ask unanimous consent that it may be printed in the RECORD following the remarks of the gentleman from Maryland [Mr. HILL].

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that an amendment which he had intended to offer be printed in the RECORD following the remarks of the gentleman from Maryland. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL of Maryland. Mr. Chairman, I believe I have about half a minute remaining.

The CHAIRMAN. The gentleman has just about that time.

Mr. HILL of Maryland. Mr. Chairman and gentlemen, I think, leaving out all prejudice, we are working for a general scheme of taxation. This is a nonpartisan bill, and it is a nonsectional bill.

Mr. BERGER. Bipartisan.

Mr. HILL of Maryland. Well, bipartisan or tripartisan, whichever you choose. It is a nonpolitical bill.

The theory of letting the States levy their own inheritance taxes is a proper theory economically. This bill grants three-fourths, and I hope you will vote for any amendments which give to the States that right in its entirety. [Applause.]

The matter referred to by Mr. RAMSEYER follows:

Page 143, strike out line 8 and all of line 9 through the word "shall," and in line 11 strike out the period and insert in lieu thereof a comma and the following: "and shall not in any case exceed the sum of the following:

"(1) Seventy-five per cent of so much of the tax imposed by this section as is attributable to the amount of the net estate not in excess of $400,000;

"(2) Fifty per cent of so much of the tax as is attributable to the amount by which the net estate exceeds $400,000 and does not exceed $3,000,000; and

"(3) Twenty-five per cent of so much of the tax as is attributable to the amount by which the net estate exceeds $3,000,000."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. GREEN] to the amendment offered by the gentleman from Illinois [Mr. RAINEY].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. BURTNESS. Mr. Chairman, I rise for the purpose of offering an amendment to this paragraph, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BURTNESS: Page 143, line 8, strike out the figures "80" and insert in lieu thereof the figures "50."

Mr. BURTNESS. Mr. Chairman, surely the splendid debate upon the various questions involved here this afternoon has convinced us more firmly than ever of the fact there are no more perplexing problems, both from an economic and a social viewpoint, than those involved in the question of levying estate or inheritance taxes.

I am rather firmly of the belief that there is justification for inheritance and estate taxes. I entertain some doubt as to whether it is a field of taxation which should be used by the Federal Government or whether it is a field which should be left to the States alone. The argument made by the gentleman from Iowa [Mr. GREEN], the chairman of the committee, was most appealing when he said on the floor the other day:

The justice of our present Federal system of taxation upon estates lies in the fact that nearly all of the great fortunes in this country have been built up not upon the resources of some small community but by virtue of the fact that under our Federal system the business through which they were made was able to draw, either directly or indirectly, profits from the whole or a large portion of the great territory that makes up our Union.

Henry Ford, as has been pointed out, has earned his large fortune not from business conducted in Michigan alone but through the sale of automobiles in every township and hamlet of the Union. The country as a whole has been responsible for this. Only by retaining a fair Federal estate tax can the people of the country generally participate in an inheritance tax against fortunes so earned.

I have offered the amendment which I have here this afternoon particularly for the reason that I doubt whether any of us are ready to announce a definite policy for the country for the future. It seems to me if we adopt the 80 per cent provision that is found in the bill—that is, allow estates credit for all State inheritance taxes paid up to 80 per cent of the Federal tax—particularly in view of the debate that has taken place upon the floor of the House, it is saying to the country as a whole that it is the intention of the Federal Government as expressed to-day to abandon within the next few years the Federal taxation of inheritances.

I doubt whether we are ready to do this. I, at least, for one am not. It may be right or it may not. We are possibly more or less under the influence of recent tremendous propaganda. I approved the 25 per cent provision that was included in the last bill and is now law. I asked then why it was not made 50 per cent so as to make it a sort of 50–50 proposition between the Federal Government and the States. Were it constitutional, I should like to see a law in which the States could not levy inheritance taxes at all, and let all of such taxes be levied by the Federal Government and then provide that the Federal Government contribute to each of the States just 50 per cent of what they collect from such State.

The amendment I have offered will not hurt the revenues, but would bring in a little more revenue. It would not lay down a specific policy that a future Congress can not change without being criticized by many people of the country. The committee has wisely retained at this time a provision for Federal estate taxes. The arguments advanced here in favor of such retention at this time, even by those opposed to the general policy, are so conclusive that they constitute a sufficient answer to the tremendous and more or less uncalled-for propaganda waged in the country for immediate repeal.

I submit if we adopt this amendment of 50 per cent we will be fair to all concerned. It will give us a little more revenue in the Federal Treasury for the retirement of debt, and Congress will not be confronted with the question two years hence or four years hence as to whether by adopting 80 per cent to-day we did not say to the business world that within four or six or eight years the Federal Government would without question withdraw entirely from this particular field of taxation.

By adopting 50 per cent instead of 80 you will leave the same incentive that the committee had in mind—the incentive to get States to pass more or less uniform inheritance tax laws with a view of getting a full benefit of such credit as may be provided in the law. The present credit of 25 per cent is in all probability a little small to create that incentive. I think it would be created by 50 per cent, and the proposal submitted seems fair, and I hope you will consider it favorably. [Applause.]

Mr. SIMMONS. Mr. Chairman, I had expected to offer a substitute for the amendment now pending before the House reducing the 80 per cent provision to 25 per cent, but I think in view of the present mental attitude of the House, my substitute would be defeated, and I will say what I have to say upon the amendment of the gentleman from North Dakota [Mr. BURTNESS], which goes part of the way to where I think the law ought to be.

I believe the law as it is now, giving a credit of 25 per cent of the taxes paid to the State, would fully correct all the inequalities that the gentleman from New York [Mr. MILLS] complains about. The gentleman from Iowa [Mr. GREEN] has said that the farmers in Nebraska will take advantage and profit by it. I think that is true.

Mr. GREEN of Iowa. I said the legislature of your State.

Mr. SIMMONS. Yes; but the farmers have some influence with the legislature. The thing I object to in this provision is that while the taxpayer per capita in Nebraska would get $1 relief per unit of value from taxes, the taxpayer per capita in New York will get $8 relief per unit of value upon his taxes. So while you are taking $1 off from the farmers in Nebraska you are taking $8 off from the same unit of value in the State of New York. That is the thing that is unfair about this proposal.

New York pays about one-third of the inheritance taxes collected by the Federal Government. If that money was all earned and accumulated in the State of New York, then this provision would be fair to the people of Nebraska and the other States; but it is not so earned and not so accumulated.

Now, for illustration, take the Ford estate. When 80 per cent is levied upon the Ford estate, when it passes into the treasury of the State of Michigan, does that mean that that money has been earned and accumulated by business in that State? It does not; and to the extent that that 80 per cent represents money accumulated in other States in the Union, to that extent you are taxing the people of one State for the benefit of another State.

If all the money goes into the Federal Treasury and all of it paid out along equitable lines by the Federal Government the entire population from which the wealth has been accumulated will receive an equitable benefit. If, as Mr. BURTNESS said, there was some way to take this tax field away from the State and place it in the hands of the Federal Government that would correct all the inequalities of distribution of taxes about which complaint is made and would make equitable distribution throughout the several States.

For that reason I believe the amendment of the gentleman from North Dakota [Mr. BURTNESS] should be supported by this committee and by Congress. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired, all time has expired, and the question is on the amendment offered by the gentleman from North Dakota [Mr. BURTNESS].

The question was taken, and the amendment was rejected.

Mr. GREEN of Florida. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. GREEN of Florida: At the end of line 11, page 143, printed bill, add: "*Provided*, That such States or Territories as now have or may hereafter have constitutional provision prohibiting the levying of an estate tax for said State or Territory shall pay only 25 per cent of amount or amounts assessed by the Federal Government."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken, and the amendment was rejected.

Mr. GREEN of Florida. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. GREEN of Florida: At the end of line 11, page 143, printed bill, add: "*Provided*, That such States or Territories as now have or may hereafter have constitutional provision prohibiting the levying of an estate tax for said State or Territory shall pay only 50 per cent of amount or amounts assessed by the Federal Government."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken, and the amendment was rejected.

Mr. GREEN of Florida. Mr. Chairman, I also offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. GREEN of Florida: In line 8, page 143, strike out the figures "80" and insert in lieu thereof the figures "45."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The amendment was rejected.

The Clerk read as follows:

SEC. 302. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TREADWAY: Page 143, line 14, after the word "death," strike out the remainder of the line and insert in lieu thereof the following: "Of all real property, all intangible personal property, and such tangible personal property as was held for business purposes."

Mr. TREADWAY. Mr. Chairman, at the outset I wish to state that this is not a committee amendment. I am not offering it as a member of the Committee on Ways and Means or for the committee. At one time a very favorable consideration was given in the Committee on Ways and Means to the idea suggested by the amendment. Two very prominent lawyers in my State have called the attention of our committee to the great difficulty and trouble caused by making an appraisal of personal tangible property. Very little revenue comes from this source, but it is a very great inconvenience in making up inventory of estates. It is hoped that by the adoption of such an amendment as I have offered that difficulty may be avoided. In the hearings I filed at the request of one of the gentlemen to whom I refer a brief which I want to take the liberty of reading as it covers the question fully and with better language than I could use.

Mr. GREEN of Iowa. Could not the gentleman just put that in the RECORD?

Mr. TREADWAY. I will have to use up my five minutes of time in explaining it if I do. I am willing to have it inserted.

The CHAIRMAN. The gentleman does not have to use his time.

Mr. TREADWAY. No; but I could use it in describing the argument contained in the brief if it is not read. I realize, Mr. Chairman, that we have proceeded in a very dilatory way all day, and as one member of the committee I do not want to take any additional time. Therefore I shall accept the suggestion of the chairman of the committee that the brief on page 423 of the committee hearings be inserted as a part of my remarks.

The brief referred to is as follows:

MEMORANDUM FURNISHED BY ARTHUR H. WELLMAN, OF BOSTON, MASS.

Mr. TREADWAY. I have had sent me a memorandum with regard to estate taxes. This memorandum is from Arthur H. Wellman, of Boston, and I would like to have it go into the record at this time.

The CHAIRMAN. Without objection, it is so ordered.

The memorandum referred to is as follows:

"The estate tax should be abolished. If this is not to be done, tangible personal property should be exempt from the estate tax for the following reasons:

"I. The tax on this class of property causes undue expense and annoyance to the taxpayer, the expense and annoyance often being a greater burden than the tax itself.

"(a) Tangible personal property must be left where it was at the time of the death until a representative of the Government has had an opportunity to inspect it. This often causes loss of rent, prevents sale of real estate, etc.

"(b) An appraiser must be employed to appraise the property. As only a few appraisers are approved by the Government officials, their charges are high.

"(c) Some representative of the estate must go with the appraiser to point out the property.

"(d) The collector's office must be furnished with two copies of an itemized appraisal.

"(e) After these copies are sent the representatives of the estate must await the pleasure of the Government appraiser. This delay is often annoying and expensive.

"(f) When the Government appraiser comes a representative of the estate must go with him to point out the property.

"(g) If the Government appraiser makes changes in the list which has been sent to the collector, and he usually does, the representative of the estate is not notified of these changes, but is obliged to go or send to the collector's office to find out what they are.

"(h) The representatives of the estate, when they find the values placed by the Government appraiser, must decide whether to accept them or contest them.

"(i) If they are to be contested, proof must be furnished that the Government values are wrong. This often has to be done by experts and is expensive.

"II. Taxing tangible personal property is expensive for the Government as well as for the taxpayer, as the Government must employ appraisers.

"III. The tax on this class of property requires strangers to pry into the privacy of families at times of sorrow and is often greatly resented.

"IV. The value of tangible personal property is hard to fix. Opinions differ widely in regard to its value. Although this class of property is usually not a large portion of the entire estate, the taxing of it is the cause of a large portion of the trouble arising from the taxation of estates.

"V. Under the present system of ascertaining the value of this class of property the property is often valued far in excess of the amount the estate is able to secure from its sale. This provokes much ill feeling.

"VI. The tax on this class of property is a small proportion of the total estate tax.

"Respectfully submitted.

"ARTHUR H. WELLMAN."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

(d) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power, either by the decedent alone or in conjunction with any person, to alter, amend, or revoke, or where the decedent relinquished any such power in contemplation of his death, except in case of a bona fide sale for a fair consideration in money or money's worth. The relinquishment of any such power, not admitted or shown to have been in contemplation of the decedent's death, made within two years prior to his death without such a consideration and affecting the interest or interests (whether arising from one or more transfers or the creation of one or more trusts) of any one beneficiary of a value or aggregate value, at the time of such death, in excess of $5,000, then, to the extent of such excess, such relinquishment or relinquishments shall be deemed and held to have been made in contemplation of death within the meaning of this title.

Mr. GREEN of Florida. Mr. Chairman, I move to strike out the last word. It is not my purpose to address the committee, as my remarks have already been extended in the RECORD. When the gentleman from Iowa [Mr. GREEN] set the time, it was understood by me, and I think by the entire House, that I was to have 15 minutes instead of 5.

The CHAIRMAN. The Chair begs the gentleman's pardon; but, as far as the Chair understood, there was no request made by the gentleman to the Chair for 15 minutes. The Chair was not asked to submit such a request to the committee for consideration. The gentleman from Florida may have assumed that he was going to get 15 minutes, but he never asked anybody for it.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, what motion is before the committee now?

The CHAIRMAN. The gentleman from Florida has moved to strike out the last word. The Chair does not want the integrity of the Chair to be questioned.

Mr. GREEN of Florida. Mr. Chairman, it is not my purpose to do that at all. It was entirely my misunderstanding. I thought the committee agreed on that. I beg the pardon of the Chair. At any rate, it is not my purpose to make a speech this afternoon. I merely wanted to say that the precedent we have established has been crushed down, it is true, but the matter of State rights will never be crushed.

The Clerk read as follows:

(3) The amount of all bequests, legacies, devises, or transfers, except bona fide sales for a fair consideration, in money or money's worth, in contemplation of or intended to take effect in possession or enjoyment at or after the decedent's death, to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the be-

quests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(b) Return shall be made in all cases where the gross estate at the death of the decedent exceeds $50,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word in order to ask the gentleman in charge of the bill how long he expects to continue this session?

Mr. GREEN of Iowa. As I understand it, there is practically no objection to the remainder of the provisions in reference to the estate tax, except that the gentleman from Wisconsin [Mr. FREAR] wants to offer an amendment, which I think comes in about the bottom of page 175. I thought we would read that far.

Mr. HUDDLESTON. What page is he reading now?

Mr. GREEN of Iowa. Page 155.

Mr. HUDDLESTON. It is now 5.35 o'clock, and we have not got a quorum here. Is this a perfunctory business?

Mr. GREEN of Iowa. I hope my friend will not raise that point. Unless somebody wants to offer an amendment—of course, I do not want to take advantage of anybody—but I am sure nobody desires to offer anything here, except there are some committee amendments in the same form as offered in reference to the income-tax sections.

Mr. HUDDLESTON. Can the gentleman say to us who desire to leave now that there will not be any reading beyond page 175?

Mr. GREEN of Iowa. At the bottom of page 175 we will stop, and stop with that amendment.

The CHAIRMAN. The Clerk will proceed with the reading.

The Clerk read as follows:

SEC. 307. As used in this title in respect of a tax imposed by this title the term "deficiency" means—

(1) The amount by which the tax imposed by this title exceeds the amount shown as the tax by the executor upon his return; but the amount so shown on the return shall first be increased by the amounts previously assessed (or collected without assessment) as a deficiency, and decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax; or

(2) If no amount is shown as the tax by the executor upon his return, or if no return is made by the executor, then the amount by which the tax exceeds the amounts previously assessed (or collected without assessment) as a deficiency; but such amounts previously assessed, or collected without assessment, shall first be decreased by the amounts previously abated, refunded, or otherwise repaid in respect of such tax.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word. I desire to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SEC. 308. (a) If the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the executor, except as provided in subdivision (d) or (f), shall be notified of such deficiency by registered mail. Within 60 days after such notice is mailed the executor may file a petition with the Board of Tax Appeals for a redetermination of the deficiency. Except as provided in subdivision (d) or (f) of this section, no assessment of a deficiency in respect of the tax imposed by this title and no distraint or proceeding in court for its collection shall be made, begun, or prosecuted until the taxpayer has been notified of such deficiency as above provided, nor until the expiration of such 60-day period, nor, if a petition has been filed with the board, until the decision of the board has become final. The executor, notwithstanding the provisions of section 3224 of the Revised Statutes, may enjoin by a proceeding in the proper court the making of such assessment or the beginning of such proceeding or distraint during the time such prohibition is in force.

Mr. MILLS. Mr. Chairman, I offer a committee amendment and move its adoption.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 156, line 12, after "section," insert "or in section 279 or in section 912 of the revenue act of 1924 as amended."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

(d) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by delay, such deficiency shall be assessed immediately, and notice and demand shall be made by the collector for the payment thereof. In such case the assessment may be made (1) without giving the notice provided in subdivision (a) of this section, or (2) before the expiration of the 60-day period provided in subdivision (a) of this section even though such notice has been given, or (3) at any time prior to the decision of the board upon such deficiency even though the executor has filed a petition with the board, or (4) in the case of any part of the deficiency allowed by the board at any time before the executor has filed the review bond required by section 912 of the revenue act of 1924, as amended. Upon the making of the assessment the jurisdiction of the board and the right of the executor to appeal from the board shall cease. If the executor does not file a claim in abatement as provided in section 312, the deficiency so assessed (or, if the claim so filed covers only a part of the deficiency, then the amount not covered by the claim) shall be paid upon notice and demand from the collector.

Mr. MILLS. Mr. Chairman, I have a committee amendment, which I desire to offer and move its adoption.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 157, line 17, after "the," insert "jeopardy."

Page 157, strike out lines 24 and 25, and on page 158, line 1 and line 2 through the period and insert: "(4) in the case of any part of the deficiency allowed by the board, at any time before the expiration of 90 days after the decision of the board was rendered, but not after the executor has filed a review bond under section 912 of the revenue act of 1924, as amended."

Page 158, line 2, before "assessment," insert "jeopardy."

Page 158, line 5, after "abatement," insert "with bond."

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 310. (a) Except as provided in section 311, the amount of the estate taxes imposed by this title shall be assessed within four years after the return was filed, and no proceeding in court for the collection of such taxes shall be begun after the expiration of five years after the return was filed.

(b) The period within which an assessment is required to be made by subdivision (a) of this section, and the period within which a proceeding in court or by distraint for collection is required to be begun by subdivision (b) of section 311, in respect of any deficiency, shall be extended (1) by 60 days if a notice of such deficiency has been mailed to the executor under subdivision (a) of section 308 and no petition has been filed with the board of tax appeals, or (2) if a petition has been filed, then by the number of days between the date of the mailing of such notice and the date the decision of the board has become final.

With a committee amendment as follows:

Page 162, strike out lines 13 to 23 and insert:

"(b) The running of the statute of limitations on the making of assessments and the beginning of distraint or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which, under the provisions of this title, the commission is prohibited from making the assessment or beginning distraint or a proceeding in court."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 312. (a) If a deficiency has been assessed under subdivision (d) of section 308, the executor, within 30 days after notice and demand from the collector for the payment thereof, may file with the collector a claim for the abatement of such deficiency, or any part thereof, or of any interest or additional amounts assessed in connection therewith, or of any part of any such interest or additional amounts. Such claim shall be accompanied by a bond in such amount, not exceeding double the amount of the claim, and with such sureties as the collector deems necessary, conditioned upon the payment of so much of the amount of the claim as is not abated, together with interest thereon as provided in subdivision (c) of this section. Upon the filing of such claim and bond, the collection of so much of the amount assessed as is covered by such claim and bond shall be stayed pending the final disposition of the claim.

With committee amendments, as follows:

Page 164, line 1, strike out "Such claim shall be" and insert "If such claim is."

Page 164, line 6, strike out "section. Upon" and insert "section, then upon."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(b) When a claim is filed and accepted by the collector he shall transmit the claim immediately to the commissioner, who shall by registered mail notify the executor of his decision on the claim. The executor may within 60 days after such notice is mailed file a petition with the Board of Tax Appeals. If the claim is denied in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is denied in whole or in part by a decision of the board which has become final), the amount, the claim for which is denied, shall be collected as part of the tax upon notice and demand from the collector, and the amount, the claim for which is allowed, shall be abated.

With committee amendments, as follows:

Page 164, line 15, strike out "If" and insert "In cases where collection has been stayed by the filing of a bond, then if".

Page 164, line 21, at the end of the line insert a new sentence: "In cases where collection has not been stayed by the filing of a bond, then if the claim is allowed in whole or in part by the commissioner (or, if a petition has been filed with the board, if such claim is allowed in whole or in part by a decision of the board which has become final), the amount so allowed shall be credited or refunded as provided in section 281, or, if collection has not been made, shall be abated."

The CHAIRMAN. The question is on agreeing to the amendments.

The amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(c) If the claim in abatement is denied in whole or in part, there shall be collected, at the same time as the part of the claim denied, and as a part of the tax, interest at the rate of 6 per cent per annum upon the amount of the claim denied, from the date of notice and demand from the collector under subdivision (d) of section 308 to the date of the notice and demand under subdivision (b) of this section. If the amount included in the notice and demand from the collector under subdivision (b) of this section is not paid in full within 30 days after such notice and demand, then there shall be collected, as part of the tax, interest upon the unpaid amount at the rate of 1 per cent a month from the date of such notice and demand until it is paid.

With a committee amendment, as follows:

Page 164, line 22, strike out "If" and insert "In cases where collection has been stayed by the filing of a bond, then if."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(g) In cases within the scope of subdivision (d), (e), or (f), if the commissioner believes that the collection of the deficiency will be jeopardized by delay, he may, despite the provisions of subdivision (a) of section 308 of this act, instruct the collector to proceed to enforce the payment of the deficiency. Such action by the collector and the commissioner may be taken at any time prior to the decision of the board upon such deficiency even though the person liable for the tax has filed a petition with the board, or, in the case of any part of the deficiency allowed by the board, at any time before the person liable for the tax has filed the review bond required by section 912 of the revenue act of 1924, as amended, and thereupon the jurisdiction of the board and the right of the taxpayer to appeal from the board shall cease. Upon payment of the deficiency in such case the person liable for the tax shall not be subject to the provisions of subdivision (a) of section 317.

With a committee amendment, as follows:

Page 174, strike out lines 5, 6, and 7, through the word "amended," and insert "any time before the expiration of 90 days after the decision of the board was rendered, but not after the person liable for the tax has filed a review bond under section 912 of the revenue act of 1924 as amended."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 317. (a) If the commissioner has notified the executor of a deficiency, or has made an assessment under subdivision (d) of section 308, the right of the executor to file a petition with the Board of Tax Appeals and to appeal from the decision of the board to the courts shall constitute his sole right to contest the amount of the tax, and, whether or not he files a petition with the board, no credit or refund in respect of such tax shall be made and no suit for the recovery of any part of such tax shall be maintained in any court, except as provided in subdivision (b) of this section or in subdivisions (b), (e), or (g) of section 316.

With committee amendments, as follows:

Page 174, line 21, after "section" insert "or in subdivision (b) of section 312."

Page 174, line 22, after "316" insert "of this act or in section 912 of the revenue act of 1924 as amended."

The CHAIRMAN. The question is on agreeing to the amendments.

The amendments were agreed to.

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Committee amendment: Page 174, line 22, after the period, insert a new sentence to read as follows: "This subdivision shall not apply in any case where the executor proves to the satisfaction of the commissioner or the court, as the case may be, that the notice under subdivision (a) of section 306 or subdivision (b) of section 312 was not received by him before the expiration of 45 days from the time such notice was mailed."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read to line 9, page 175 of the bill.

Mr. GREEN of Iowa. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 1) to reduce and equalize taxation, provide revenues, and for other purposes, had come to no resolution thereon.

ADJOURNMENT

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p. m.) the House adjourned until to-morrow, Thursday, December 17, 1925, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

176. A communication from the President of the United States, transmitting as supplemental estimate of appropriation for the Department of Agriculture for the fiscal year ending June 30, 1927, for preventing the spread of the European corn borer, $100,000 (H. Doc. No. 136); to the Committee on Appropriations and ordered to be printed.

177. A communication from the President of the United States, transmitting a draft of proposed legislation providing that the unexpended balance of the appropriation of $38,000 for the Capitol power plant, appropriated for the fiscal year ending June 30, 1925, in the deficiency act of December 5, 1924, shall remain available until June 30, 1927 (H. Doc. No. 137); to the Committee on Appropriations and ordered to be printed.

178. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination of Bellingham Harbor, Wash., with a view to the removal of Star Rock; to the Committee on Rivers and Harbors.

179. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Gastineau Channel and adjacent waters, Alaska, with a view to improving the connection with existing steamship routes; to the Committee on Rivers and Harbors.

180. A letter from the Secretary of War, transmitting report of an inspection of the several branches of the Na-

tional Home for Disabled Volunteer Soldiers, made July 1 to August 23, 1925, by an officer of the Inspector General's Department; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII:

Mr. WASON: Joint Select Committee on Disposition of Useless Executive Papers. Report on the disposition of useless papers of the second session of the Sixty-eighth Congress (Rept. No. 3). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4680) granting an increase of pension to Mary M. Oney; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4901) granting an increase of pension to Maria B. Twiggs; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2781) granting an increase of pension to Frederick Schultz; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 3391) granting an increase of pension to Charles N. Cannon; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 884) granting an increase of pension to Mary M. Spriggs; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1309) granting an increase of pension to Henry P. Mooniehand; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 3521) granting a pension to Patrick H. Bushnell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3523) granting a pension to Mrs. Ira Dibble; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3525) granting a pension to Sarah Louise Heinzman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3526) granting a pension to Lottie Julia Heinzman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3515) granting an increase of pension to Harriet J. Webber; Committee on Pensions discharged and referred to the Committee on Invalid Pensions.

A bill (H. R. 5346) to provide for payment of moneys to the city of Hoboken, N. J., in lieu of taxes on certain property the title to which was acquired by the United States of America through proclamation of the President; Committee on Claims discharged, and referred to the Committee on War Claims.

A joint resolution (H. J. Res. 74) authorizing and directing the Secretary of the Treasury to pay to the city of Hoboken, N. J., certain sums of money in lieu of taxes which have been withheld from said city of Hoboken, N. J.; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PERKINS: A bill (H. R. 5677) to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. WILSON of Louisiana: A bill (H. R. 5678) authorizing a survey for the control of excess flood waters of the Mississippi River below Red River Landing in Louisiana and on the Atchafalaya outlet by the construction and maintenance of controlled and regulated spillways, and for other purposes; to the Committee on Flood Control.

By Mr. EDWARDS: A bill (H. R. 5679) to prohibit the printing and sale of envelopes by the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. ESLICK: A bill (H. R. 5680) for the improvement and enlargement of the Federal building and providing therein for a Federal court at Columbia, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. GARBER: A bill (H. R. 5681) providing for the purchase of a site and the erection of a public building at Fairview, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. MOORE of Virginia: A bill (H. R. 5682) granting the consent of Congress to George Washington-Wakefield Memorial Bridge, a corporation, to construct a bridge across the Potomac River; to the Committee on Interstate and Foreign Commerce.

By Mr. WARREN: A bill (H. R. 5683) authorizing the appropriation of $10,000 for the erection of a monument or other form of memorial at Sir Walter Raleigh Fort, on Roanoke Island, N. C., to Virginia Dare, the first child of English parentage to be born in America; to the Committee on the Library.

By Mr. DRANE: A bill (H. R. 5684) to provide for a site and public building at Arcadia, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5685) to provide for a site and public building at Tarpon Springs, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. JACOBSTEIN: A bill (H. R. 5686) to create an additional judicial district in the territory embraced within the present western district of New York; to the Committee on the Judiciary.

By Mr. LAMPERT: A bill (H. R. 5687) to authorize the transfer of certain duplicate General Land Office records to the State of Wisconsin; to the Committee on the Public Lands.

By Mr. SPROUL of Illinois: A bill (H. R. 5688) repealing existing law requiring the Postmaster General to report action taken on claims of postmasters; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 5689) authorizing the Postmaster General to contract for group life insurance for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. SWARTZ: A bill (H. R. 5690) to authorize the acquisition of a site and the erection of a Federal building at Shippensburg, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS: A bill (H. R. 5691) granting the consent of Congress to Charles L. Moss, A. E. Harris, and T. C. Shattuck, of Duncan, Okla., to construct a bridge across Red River at a point between the States of Texas and Oklahoma, where the ninety-eighth meridian crosses said Red River; to the Committee on Interstate and Foreign Commerce.

By Mr. BACON: A bill (H. R. 5692) to extend the provisions of the national bank act to the Virgin Islands of the United States; to the Committee on Banking and Currency.

By Mr. DYER: A bill (H. R. 5693) to amend section 6 of the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, as amended; to the Committee on the Judiciary.

By Mr. FROTHINGHAM: A bill (H. R. 5694) authorizing an embargo on coal and giving the President the power to take over and run the mines in an emergency; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER: A bill (H. R. 5695) to regulate interstate shipments of cotton, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARE: A bill (H. R. 5696) to provide for the purchase of a site and the erection of a building thereon at Bamberg, S. C.; to the Committee on Public Buildings and Grounds.

By Mr. KELLY: A bill (H. R. 5697) to reduce night work in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. MILLER: A bill (H. R. 5698) to amend subdivision E of section 2 of an act entitled "An act to amend the act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended; to the Committee on Ways and Means.

By Mr. SWARTZ: A bill (H. R. 5699) to enlarge, extend, and remodel the post-office building at Lebanon, Pa., and to acquire additional land therefor if necessary; to the Committee on Public Buildings and Grounds.

By Mr. CANNON: A bill (H. R. 5700) to amend the act of May 1, 1920, entitled "An act to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War and the War with Mexico, to certain widows, including widows of the War of 1812, former widows, dependent parents, and children of such soldiers, sailors, and marines, and to certain Army nurses, and granting pensions and increase of pensions in certain cases; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 5701) to designate the times and places of holding terms of the United States District Court for the District of Montana; to the Committee on the Judiciary.

By Mr. LEE of Georgia: A bill (H. R. 5702) for the purchase of a site for a post-office building at Calhoun, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5703) authorizing the erection of a post-office building at Rossville, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5704) to provide a site and erect a public building thereon at Lafollette, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5705) to provide a site and erect a public building thereon at Rockwood, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5706) to provide a site and erect a building thereon at Lenoir City, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5707) to provide a site and erect a public building thereon at Knoxville, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. FAIRCHILD: A bill (H. R. 5708) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. JOHNSON of South Dakota: A bill (H. R. 5709) to adjust the pay and allowances of certain officers of the United States Navy; to the Committee on Naval Affairs.

By Mr. SMITH: A bill (H. R. 5710) extending the provisions of section 2455 of the United States Revised Statutes to ceded lands of the Fort Hall Indian Reservation; to the Committee on the Public Lands.

By Mr. SEGER: Joint resolution (H. J. Res. 80) to establish a commission to investigate and determine what in fact constitutes an intoxicating beverage, the manufacture, sale, and transportation of which is prohibited by the eighteenth amendment to the Constitution of the United States; to the Committee on Rules.

By Mr. ANTHONY: Joint resolution (H. J. Res. 81) proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. TINKHAM: Joint resolution (H. J. Res. 82) making provision for the erection of a monument to the memory of Henry Cabot Lodge to be located in the District of Columbia; to the Committee on the Library.

By Mr. LUCE: Joint resolution (H. J. Res. 83) to authorize the completion of the memorial to the unknown soldier; to the Committee on the Library.

By Mr. FISH: Resolution (H. Res. 53) to amend Rules X and XI of the Rules of the House of Representatives; to the Committee on Rules.

MEMORIAL

Under clause 3 of Rule XXII,

By Mr. DOYLE: Memorial of the Legislature of the State of Illinois, favoring an export bounty on grain, cattle, hogs, and their products, and opposing the present duty on quail imported into the United States; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 5711) granting an increase of pension to Elizabeth Rutherford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5712) granting an increase of pension to Eliza Porter; to the Committee on Pensions.

By Mr. AYRES: A bill (H. R. 5713) granting an increase of pension to Oscar Traver; to the Committee on Pensions.

By Mr. BACHARACH: A bill (H. R. 5714) granting an increase of pension to Elizabeth L. Edler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5715) granting an increase of pension to Hannah H. Layton; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 5716) granting an increase of pension to Eliza Ertel; to the Committee on Invalid Pensions.

By Mr. BURTON: A bill (H. R. 5717) granting a pension to Ella G. Knox; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 5718) granting a pension to Bertie C. Nields; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 5719) to authorize the award of a medal of honor to Capt. Richard Drace White, United States Navy; to the Committee on Naval Affairs.

By Mr. CONNERY: A bill (H. R. 5720) granting a pension to Mary Downes; to the Committee on Pensions.

By Mr. CORNING: A bill (H. R. 5721) granting an increase of pension to Bridget Crinigan; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 5722) granting a pension to David B. Spencer; to the Committee on Invalid Pensions.

By Mr. FLAHERTY: A bill (H. R. 5723) for the relief of William Robert Casey; to the Committee on Military Affairs.

By Mr. FLETCHER: A bill (H. R. 5724) granting an increase of pension to Harriett S. Grove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5725) granting a pension to Martha A. Shoemaker; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H. R. 5726) for the relief of Jane Coates, widow of Leonard R. Coates; to the Committee on Agriculture.

Also, a bill (H. R. 5727) to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C.; to the Committee on Claims.

By Mr. HILL of Maryland: A bill (H. R. 5728) for the relief of the Sanford & Brooks Co. (Inc.); to the Committee on Claims.

By Mr. HAWES: A bill (H. R. 5729) granting a pension to Barbara Wolf; to the Commitee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 5730) for the relief of Albert Wood; to the Committee on Claims.

By Mr. MORTON D. HULL: A bill (H. R. 5731) for the relief of Christine Mygatt; to the Committee on Claims.

By Mr. JOHNSON of Indiana: A bill (H. R. 5732) granting a pension to Mary J. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5733) granting an increase of pension to Belle P. Wolfe; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 5734) for the relief of the Passaic Valley sewerage commissioners; to the Committee on Claims.

By Mr. LETTS: A bill (H. R. 5735) granting a pension to Eveline Joehnk; to the Committee on Invalid Pensions.

By Mr. LITTLE: A bill (H. R. 5736) granting an increase of pension to John Shannon; to the Committee on Pensions.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 5737) granting an increase of pension to Risby Jane McLaughlin; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 5738) granting a pension to William K. Price; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 5739) granting a pension to Elizabeth Hampton; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 5740) granting an increase of pension to Annie Kell; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 5741) granting an increase of pension to William E. Boyer; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 5742) granting an increase of pension to Maryette G. Moon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5743) granting an increase of pension to Mary M. Gray; to the Committee on Invalid Pensions.

By Mr. PATTERSON: A bill (H. R. 5744) granting an increase of pension to Anna E. Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5745) granting an increase of pension to Catherine Fielding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5746) granting a pension to Richard C. Thompson; to the Committee on Pensions.

By Mr. QUIN: A bill (H. R. 5747) for the relief of the legal representative of the estate of Haller Nutt, deceased; to the Committee on War Claims.

By Mr. RAMSEYER: A bill (H. R. 5748) granting a pension to Mary E. Hahn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5749) granting an increase of pension to Margaret Hiller; to the Committee on Pensions.

By Mr. REED of Arkansas: A bill (H. R. 5750) for the relief of George C. Allen; to the Committee on Claims.

By Mr. SMITH: A bill (H. R. 5751) granting an increase of Pension to Olive Robbins; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 5752) granting an increase of pension to Ellen Selleck; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 5753) granting a pension to Oscar L. Hughes; to the Committee on Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 5754) for the relief of Charles A. Mayo; to the Committee on Claims.

By Mr. SWANK: A bill (H. R. 5755) granting an increase of pension to Samaria Glenn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5756) granting a pension to Orlena Chisholm; to the Committee on Pensions.

By Mr. SWEET: A bill (H. R. 5757) for the relief of P. E. Anderson & Co.; to the Committee on Claims.

Also, a bill (H. R. 5758) providing for the refund to Thomas & Pierson, of New York, N. Y., of certain duties upon abandoned goods under paragraph 10 of section 3 of the tariff act of October 3, 1913; to the Committee on Claims.

Also, a bill (H. R. 5759) granting an increase of pension to Sarah E. Sparrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5760) granting an increase of pension to Lucretia J. Cathcart; to the Committee on Invalid Pensions.

By Mr. SWOOPE: A bill (H. R. 5761) granting an increase of pension to Susanna Winter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5762) granting a pension to Sadie A. Nolf; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5763) granting a pension to Jacob L. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5764) granting a pension to Lucy J. Popejoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5765) granting a pension to Elizabeth Guy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5766) granting a pension to Mintie A. Ashton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5767) granting a pension to Mary M. Oody; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5768) granting a pension to George W. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5769) granting a pension to Malinda J. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5770) granting a pension to F. A. Turpin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5771) granting a pension to Alice A. Keith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5772) granting a pension to Thomas E. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5773) granting a pension to Tempie Ballard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5774) granting a pension to Sarah Andrews; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5775) granting a pension to Merrick L. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5776) granting a pension to Evaline Kerr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5777) granting an increase of pension to Mary A. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5778) granting an increase of pension to Mary E. Armstrong; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5779) granting an increase of pension to Mary Collins; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 5780) granting an increase of pension to Emma M. Sawdey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5781) granting an increase of pension to Johanna Sullivan; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 5782) for the relief of Thomas J. O'Rourke, as guardian of Katie I. O'Rourke; to the Committee on Claims.

By Mr. UPSHAW: A bill (H. R. 5783) for the relief of Gershon Brothers Co.; to the Committee on War Claims.

By Mr. VESTAL: A bill (H. R. 5784) granting an increase of pension to Henry Smith; to the Committee on Pensions.

By Mr. WASON: A bill (H. R. 5785) granting a pension to Lula E. Rowe; to the Committee on Invalid Pensions.

By Mr. WATRES: A bill (H. R. 5786) for the relief of Rachel Thomas; to the Committee on Military Affairs.

By Mr. WEAVER: A bill (H. R. 5787) for the relief of J. C. Herbert; to the Committee on Claims.

Also, a bill (H. R. 5788) for the relief of Mattie D. Jacobs; to the Committee on Claims.

Also, a bill (H. R. 5789) for the relief of the estate of J. A. Galloway; to the Committee on Claims.

Also, a bill (H. R. 5790) granting a pension to Elizabeth Penland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5791) granting a pension to Charles Caperton Eans; to the Committee on Pensions.

By Mr. WELSH: A bill (H. R. 5792) granting a pension to Ella Whitaker; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 5793) granting a pension to Mary J. Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5794) granting a pension to Clara Nichols; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5795) granting an increase of pension to Amanda Frothingham; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 5796) authorizing the Secretary of War to confer a medal of honor upon Maj. Gen. Omar Bundy, of the United States Army, retired; to the Committee on Military Affairs.

By Mr. WYANT: A bill (H. R. 5797) granting an increase of pension to Alice M. Fairchild; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5798) granting an increase of pension to Jennie Barcley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5799) granting an increase of pension to Mary J. Beamer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5800) granting an increase of pension to Mary L. Craver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5801) granting an increase of pension to Margaret C. Ebbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5802) granting an increase of pension to Fannie Akins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5803) granting an increase of pension to Mary A. Buttermore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5804) granting an increase of pension to Hester A. Brier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5805) granting an increase of pension to Mary E. Bierer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5806) granting an increase of pension to Mary L. Deemer; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 5807) granting an increase of pension to Anna M. Luman; to the Committee on Invalid Pensions.

By Mr. LAMPERT: Resolution (H. Res. 52) providing for the payment of Alexander M. Fisher, formerly employed by the Select Committee of Inquiry of the United States Air Service; to the Committee on Accounts.

PETITIONS, ETC.

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

133. Petition of the Common Council of the City of Milwaukee, Wis., relating to the coal strike; to the Committee on Interstate and Foreign Commerce.

134. By Mr. CONNERY: Petition of General E. E. Hinks Post, No. 95, Department of Massachusetts, Grand Army of the Republic, protesting the proposed restoration of the Robert E. Lee mansion, and that said mansion be left as it now is; to the Committee on the Library.

135. By Mr. DOYLE: Resolution by the National Guard Association of Illinois, relative to limitation of National Guard under provisions of the national defense act; to the Committee on Military Affairs.

136. By Mr. W. T. FITZGERALD: Petition of Dr. J. M. Patterson and members of Lima Camp, No. 38, United Spanish War Veterans, requesting enactment of House bill 98, granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain, Philippine insurrection, China relief expedition, widows, minor children, helpless children, and for other purposes; to the Committee on Pensions.

137. By Mr. FULLER: Petition of C. M. Weller, manager Winnebago and Boone Counties, Ill.; Chicago Motor Club; O. M. Benson, La Salle, Ill.; chairman executive board Chicago Motor Club; and J. Stanley Brown, of De Kalb, Ill., favoring McLeod amendment for repeal of all Federal automobile taxes; to the Committee on Ways and Means.

138. By Mr. GARBER: Petition of the American Drug Manufacturers' Association, in opposition to the reduction or elimination of the present tax on alcohol; to the Committee on Ways and Means.

139. By Mr. GRAHAM: Petition of the Central Labor Union of Philadelphia, Pa., urging that Congress conduct an investigation of the Bread Trust; to the Committee on the Judiciary.

140. By Mr. KVALE: Petition of sundry members of the Woman's Relief Corps, No. 3, Minnesota Auxiliary, Grand Army of the Republic, unanimously requesting that Congress enact legislation increasing the pension of Civil War veterans and their widows; to the Committee on Invalid Pensions.

141. Also, petition of sundry members of Appomattox Post, No. 72, Department of Minnesota, Grand Army of the Republic, Minneapolis, unanimously requesting that veterans of the Civil

War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

142. Also, petition of sundry members of Custer Rea Circle, No. 2, Ladies of the Grand Army of the Republic, unanimously requesting that Union War veterans be granted an increase in pension to $72 per month, and that their widows be also granted an increase; to the Committee on Invalid Pensions.

143. Also, petition of sundry members of the Minnesota Reserve Officers' Association, urging that no further reduction be made in appropriation for training for any one of the components of the Army of the United States; to the Committee on Appropriations.

144. Also, petition of Julia E. F. Lobdell and 38 other members of Ida M. Everett Tent, No. 8, National Alliance, Daughters of Union Civil War Veterans, unanimously and urgently requesting an increase in pension for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

145. Also, petition of sundry members of Levi Butler Post, No. 73, Department of Minnesota, Grand Army of the Republic, unanimously requesting that Congress provide for an increase in pensions to Civil War veterans and their widows; to the Committee on Invalid Pensions.

146. Also, petition of sundry members of James Bryant Post and Woman's Relief Corps, Minneapolis, Minn., in joint meeting assembled, unanimously requesting Congress to enact legislation providing for an increase in pension to veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

147. Also, petition of sundry members of the Renville County Farm Bureau Association, Olivia, Minn., urging Members of Congress to resist any reduction in the tariff on and affecting flaxseed; to the Committee on Ways and Means.

148. Also, petition of Tent No. 4, Daughters of Civil War Veterans, St. Paul, Minn., urging that Congress enact a law providing for increased pensions for Union veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

149. Also, petition of the board of directors Minnesota Motor Trades Association and 800 members, praying that Congress eliminate the manufactures excise tax on passenger automobiles, trucks, parts, and accessories; to the Committee on Ways and Means.

150. Also, petition of sundry members of Carleton Post, No. 5, Veterans of Foreign Wars, St. Paul, Minn., asking congressional enactment of measures concerning pensions, work, and proper maintenance of hospitals or homes for deserving honorably discharged veterans of the United States military service; to the Committee on World War Veterans' Legislation.

151. Also, petition of 160 members of Mary E. Starkweather Tent, No. 1, Department of Minnesota, Daughters of the Union Veterans of the Civil War, unanimously requesting that Congress provide for an increase in pension for Union veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

152. Also, petition of sundry members of George N. Morgan Post, No. 4, Department of Minnesota, Grand Army of the Republic, St. Paul, unanimously requesting that Congress enact legislation providing for an increase in pensions for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

153. Also, petition of F. D. McMillen, commander, and 103 members of Camp No. 8, Sons of Union Veterans of the Civil War, Minneapolis, Minn., requesting for Union veterans of the Civil War and their widows an increase in pension; to the Committee on Invalid Pensions.

154. Also, petition of sundry members of the Dudley P. Chase Woman's Relief Corps, No. 10, Grand Army of the Republic, Minneapolis, Minn., unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

155. Also, petition of sundry members of Jacob Schaefer Woman's Relief Corps, No. 46, Grand Army of the Republic, Minneapolis, unanimously requesting that Union war veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

156. Also, petition of sundry members of Appomattox Woman's Relief Corps, No. 33, Auxiliary to the Grand Army of the Republic, Minneapolis, unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

157. Also, petition of sundry members of auxiliary of Camp No. 8, Sons of Union Veterans of the Civil War, Minneapolis, Minn., unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

158. Also, petition of sundry members of Dudley P. Chase Post, No. 22, Grand Army of the Republic, Minneapolis, Minn., unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

159. Also, petition of sundry members of the Fifth District Federation of Women's Clubs of Minnesota, indorsing the Permanent Court of International Justice; to the Committee on Foreign Affairs.

160. Also, petition of sundry members of Carleton Post, No. 5, Veterans of Foreign Wars, St. Paul, Minn., requesting that Congress enact legislation looking toward pensions, work, and proper maintenance of hospitals or homes for deserving, honorably discharged veterans of the United States military service; to the Committee on World War Veterans' Legislation.

161. Also, petition of 600 residents of Balaton, Minn., and vicinity, urging the entrance of the United States into the Permanent Court of International Justice; to the Committee on Foreign Affairs.

162. Also, petition of sundry members of Columbia Circle, No. 7, Ladies of the Grand Army of the Republic, Minneapolis, Minn., unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

163. Also, petition of the Minneapolis Civic and Commerce Association, protesting against legislation providing for per capita payments to Minnesota Indians from their tribal funds; to the Committee on Indian Affairs.

164. Also, petition of sundry members of Lizzie M. Rice Circle, No. 41, Ladies of the Grand Army of the Republic, Minneapolis, Minn., unanimously requesting that Union veterans of the Civil War and their widows be granted an increase in pension; to the Committee on Invalid Pensions.

165. By Mr. PHILLIPS: Affidavits to accompany H. R. 2488, granting a pension to James A. Holsinger; to the Committee on Invalid Pensions.

166. Also, affidavits to accompany H. R. 2487, granting a pension to Mary E. Rhodes; to the Committee on Invalid Pensions.

167. By Mr. SMITH: Papers in support of H. R. 2775, granting an increase of pension to Rose A. Strawman; to the Committee on Invalid Pensions.

168. Also, papers in support of H. R. 2771, granting a pension to Knute Westerheim; to the Committee on Pensions.

169. By Mr. SOMERS of New York: Petition of the New York State Pharmaceutical Association, numbering 3,700, urging the reduction of tax on medicinal alcohol; to the Committee on Ways and Means.

170. Also, resolutions adopted by the Central Union Label Council of Greater New York, requesting Federal investigation of the proposed Bread Trust; to the Committee on the Judiciary.

171. Also, petition of the American Automobile Association, urging the removal of all war excise taxes on motorists; to the Committee on Ways and Means.

172. By Mr. TEMPLE: Papers in support of H. R. 1554, granting a pension to Maggie E. Anderson; to the Committee on Invalid Pensions.

173. Also, evidence in support of H. R. 4372, granting a pension to Lyman E. Snider; to the Committee on Pensions.

174. Also, evidence in support of H. R. 1555, granting a pension to Laura Crawford; to the Committee on Invalid Pensions.

175. By Mr. WOODRUM: Petition of the Young Women's Christian Association, of Lynchburg, Va., petitioning Congress to enact the necessary legislation to enable the United States to become a member of the World Court; to the Committee on Foreign Affairs.

SENATE

THURSDAY, *December 17, 1925*

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

O Lord, our God, who hast also been our fathers' God, and hast proved Thy graciousness in daily loading our lives with Thy benefits, help us to realize not only our dependence upon Thee but our obligations to our fellow men, so that in every possible way we may help to serve the welfare of mankind. Give us a keener appreciation of our obligations and enable us to be devoted to the interests closest to Thy heart. Hear us, help us, we ask in Jesus' name. Amen.