Winslow, superintendent of public schools of Providence, R. I., favoring the passage of House bill 15625, to provide for further educational facilities by requiring the War Department to loan certain machine tools not in use to trade and technical schools; to the Committee on Military Affairs.

By Mr. TAGUE: Petition of the Merchants' Association of New York, relative to discontinuance of operation by the Government of railroads, telephones, and telegraph; to the Committee on Interstate and Foreign Commerce.

Also, petition of Robert Emmett Branch, Friends of Irish Freedom, asking for self-determination for Ireland; to the Committee on Foreign Affairs.

By Mr. TILSON: Petition of Liberty Bell Council, No. 3, Junior Order United American Mechanics of New Haven, Conn., to pass bill to prohibit immigration; to the Committee on Immigration and Naturalization.

By Mr. WATSON from Pennsylvania: Petition of Board of Trade of Newton, Pa., favoring the Federal control of wire systems for the present; to the Committee on Interstate and Foreign Commerce.

Also, petition of Board of Trade of Quakertown, Pa., favoring the Federal control of wire systems for the present; to the Committee on Interstate and Foreign Commerce.

SENATE.

TUESDAY, *February 11, 1919.*

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

Almighty God, Thou hast charted the paths of peace and prosperity in Thy holy word. Thou dost deign to touch the lives of those whom Thou dost call into places of leadership with Thy holy spirit, that they may discern the path, that they may achieve the divine purpose, that they may follow the divine will. We pray that grace may be given to us this day in this high and holy office, that we may discharge the duties that are upon us with the favor and with the wisdom which God alone can give. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

SENATOR FROM OKLAHOMA.

Mr. GORE. I present the credentials of my colleague, Hon. ROBERT L. OWEN, chosen by the qualified electors of the State of Oklahoma a Senator for the term of six years beginning on the 4th day of March, 1919, which I ask to have read and placed on the files.

The credentials were read and ordered to be filed, as follows:

OFFICE OF THE SECRETARY OF STATE OF
THE STATE OF OKLAHOMA,
Oklahoma City, Okla.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1918, ROBERT L. OWEN was duly chosen by the qualified electors of the State of Oklahoma a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1919.

Witness, his excellency, our governor, J. B. A. Robertson, and our seal hereto affixed at Oklahoma City, this the 4th day of February, A. D. 1919.

J. B. A. ROBERTSON, *Governor.*

By the governor:
[SEAL.]

JOE S. MORRIS,
Secretary of State.

ABROGATION OF TREATIES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Assistant Secretary of State in response to a Senate resolution, which will lie on the table and be printed in the RECORD.

The communication is as follows:

DEPARTMENT OF STATE,
Washington, February 8, 1919.

The Hon. JAMES M. BAKER,
Secretary of the Senate of the United States.

SIR: I have the honor to acknowledge the receipt of the following resolution adopted by the Senate of the United States December 5, 1918:

"*Resolved,* That the Secretary of State be, and he is hereby, directed to furnish the Senate the following information:

"1. What countries, if any, have notified the United States of their intention to abrogate any treaties with the United States; and what treaties are to be abrogated and the reasons therefor if any are given.

"2. The countries with which the United States has treaties which prevent us from giving preference to Americans or American ships in the carrying of imports or exports, and what is necessary to be done to abrogate such treaties, and what, if any, steps our Government has taken to secure the abrogation of the same.

"Attest:

"JAMES M. BAKER, *Secretary.*"

I also have the honor to acknowledge the receipt of the following resolution adopted by the Senate February 3, 1919:

"*Resolved,* That the Secretary of State be, and he is hereby, directed to furnish the information called for by the Senate resolution of December 5, 1918, or inform the Senate why it can not be furnished.

"Attest:

"JAMES M. BAKER, *Secretary.*"

In reply I beg leave to advise you, for the information of the Senate, that a compilation of the data called for in the resolution of December 5, 1918, is being prepared. The work of preparation involves a considerable amount of research, but the data will be furnished at the earliest practicable moment.

I have the honor to be, sir,
Your obedient servant,

WILLIAM PHILLIPS,
Assistant Secretary.

For the Acting Secretary of State.

RENTAL OF BUILDINGS IN THE DISTRICT (H. DOC. NO. 1785).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a report relative to the rents received from properties located on sites of proposed public buildings purchased by the United States Government in the city of Washington, which, with the accompanying paper, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

WHEAT GUARANTY.

Mr. GORE. Mr. President, I desire to present a memorial adopted on the 20th day of January by the Legislature of Oklahoma in respect to the guaranteed price of wheat for the year 1919. I will ask the indulgence of the Senate to submit a few observations upon this subject.

The memorial requests early action by Congress to make good the guaranteed price of wheat for the harvest of 1919. I am in perfect sympathy with the purpose and object of this memorial. Anxiety has been felt and doubts have been expressed in certain quarters as to the disposition of the Government with respect to the carrying out of its guarantee. There is no foundation in fact for such anxiety or for such doubt.

On September 2, 1918, the President of the United States issued a proclamation guaranteeing the price of wheat for the season and harvest of 1919, a guaranteed price of $2.26 a bushel for the basic grades in the city of Chicago. This proclamation was issued in pursuance of law. It was issued in pursuance of section 14 of the so-called food-control act.

This proclamation creates a valid and binding obligation upon the Government of the United States, an obligation which is as sacred and which will be held as inviolate as the obligation of the thrift stamps or the liberty bonds. This covenant will be kept both in letter and in spirit. The Government of the United States will keep faith with the American farmer to the uttermost farthing. This is not an open question. Upon this point, at least, all minds have met.

But, Mr. President, the amount which may be required to carry out this guaranty, while it in no wise affects either the character or the sanctity of the obligation, yet is a question of vital concern to the people of the United States. It is not possible at this time to ascertain the amount which will be required to redeem this obligation. The amount is contingent upon factors both present and future which are not certain at this time and which can not be made certain at this time. The amount depends primarily upon the world's harvest of wheat for the season of 1919. In the second place, it depends upon the exportable surplus carried over from the harvest of 1918 in other wheat-producing countries.

In the third place, it depends upon the purchasing power of the peoples of Europe. Their purchasing power has, of course, been materially reduced. The amount of wheat which they can purchase at our hands will not be limited so much by their needs as by their capacity to buy and pay for the required supplies. It is still true, however, that bread is the staff of life. It satisfies the elemental need, the need that is first to be supplied, and the need that is last to be denied. Others can estimate as well as I to what extent their purchasing power has been impaired.

As to the wheat harvest for 1919, considering the world at large, I may say that in ordinary times the world's production and consumption of wheat aggregates about 3,700,000,000 bushels. The United States and Russia each produce about one-fifth of this entire amount, the United States sometimes producing as much as one-fourth.

I have no means of ascertaining the acreage sown to winter wheat in other wheat-producing countries. I have no means of ascertaining the acreage which will be sown in other countries to spring wheat. It is reasonable to assume, however, that the acreage will be above rather than below the average. I say this because various countries have like ourselves held out guaranties for the coming harvest. In several countries this guaranty has been most generous. It will be interesting to state a few of

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

them. The guaranteed price in Australia is 95 cents for the coming harvest. Its remoteness from the world's markets accounts for this small guaranty. The guaranty in Roumania is $1.61. The guaranty in Great Britain is $1.64. This, I may say, is a minimum price. It is not a fixed or an absolute price. The farmers, as I understand it, will receive whatever price above the guaranty that the market will justify.

Mr. KING. Will the Senator yield?

Mr. GORE. Yes, sir.

Mr. KING. Without expressing any opinion, I should like to ask the Senator if, in his opinion, by reason of the vast amount of wheat that will be produced and the large amount which is now on hand, the world's price of wheat will not be considerably under $1 per bushel for the coming year or for this year?

Mr. GORE. I do not think so.

Mr. McCUMBER. Mr. President, we can not hear the Senators on this side. I hope they will speak so that they can be heard.

Mr. KING. I inquired of the Senator from Oklahoma if it was not his opinion, in view of the accumulations of wheat and in view of the large production the year 1919 will realize, that the price of wheat in the world's market will be less than $1 per bushel for this year?

Mr. GORE. I do not think so, and I will state my reason for it in a moment, as soon as I have completed this enumeration.

When interrupted I was enumerating the guaranteed price for wheat in various countries. The guaranteed price in Brazil for the present year is $2.16 per bushel; in Switzerland it is $3.18; in Holland it is $3.30; in France it is $3.84; in Norway it is $4.09; in Italy it is $4.44 for hard wheat and $3.96 for soft wheat. It is reasonable to assume that these generous prices will tempt a considerable acreage in the several countries mentioned.

So far as the acreage in the United States is concerned we have more material for an estimate. The winter wheat sown for the current season is 49,000,000 acres. The winter wheat sown last year was 42,000,000 acres. This is an increase of 16 per cent. It is reasonable to assume that there will be as large an increase, possibly a larger increase, in the spring wheat acreage, but with an equal increase our total acreage for both spring and winter wheat would rise to 75,000,000 acres. This is 11,000,000 acres more than the spring and winter wheat acreage for the last season. With the same average yield per acre for the current year as for last year we would produce some 1,114,000,000 bushels. It is not usual for two large crops to come in succession. Of course the weather is a proverb of uncertainty. Nobody can tell at this time what the yield will be for the current year.

Mr. McCUMBER. I wish to inquire of the Senator what was the average yield per acre of the crop of 1918.

Mr. GORE. I should say it was about 14 bushels per acre. The total yield was 917,000,000 bushels and the total acreage was 64,000,000 acres.

Mr. McCUMBER. That would be a bushel per acre more than the average yield. So the Senator I think could safely cut out at least one bushel per acre as the probable yield of 1919.

Mr. GORE. It would be exceptional if two abundant harvests came in succession. The law of averages and probabilities is against it. Of course there is nothing definite in that prediction.

Now, Mr. President, I come to the question propounded by the Senator from Utah [Mr. KING]. It has been blazoned abroad that there was an enormous exportable surplus in various wheat-producing countries of the earth. This surplus has been stated by high authorities as aggregating between 700,000,000 and 800,000,000 bushels. I believe this estimate is above the mark. I believe it is an exaggerated estimate. It is, so far as my investigations have gone.

This estimate to which I have just referred credits India with a present exportable surplus of 150,000,000 bushels. To ascertain the facts, I cabled the United States consul general in Calcutta early in the month of January, inquiring as to the available surplus for exports and as to the prospects of the coming crop. On January 11 I received a cablegram from the United States consul general advising me that there was no available surplus of wheat in India at this time, and advising me, further, that India is this day importing wheat from Australia for domestic consumption. This surplus of 150,000,000 bushels therefore vanishes into thin air and reveals in India a present demand for a portion of the available surplus in Australia.

The estimate to which I have referred credits Australia with an available surplus of 200,000,000 bushels. I also cabled the United States consul general in Australia, and under date of January 9 I received a cablegram advising me that the available surplus in Australia was only 120,000,000 bushels, as against a reported 200,000,000 bushels. This amount, I may say in passing, has been seriously damaged by lack of storage facilities, by exposure to the weather, and by the ravages of rodents. The present crop now being harvested in Australia is far below the average, according to this cablegram. It is only 68,000,000 bushels, which is about 50 per cent of the largest crop which Australia has shown herself capable of producing.

Argentina has also been credited with a vast exportable surplus. I am also in receipt of a cablegram from the consul general in Argentina, under date of January 9, which sets down the available surplus of wheat in that country as being only 44,000,000 bushels, as against an estimated surplus of 175,000,000 to 200,000,000. The report, however, indicates that a good crop is now being harvested in that country.

Canada has also been credited with a large surplus of wheat; but the United States consul general in Canada wires me, under date of January 9, that the available surplus of wheat in Canada is only 75,000,000 bushels.

The available surplus of wheat, therefore, in Australia, Argentina, and Canada aggregates 240,000,000 instead of, as suggested in some quarters, more than 700,000,000 bushels.

Mr. President, this greatly relieves the pressure and greatly relieves the draft likely to come upon the people and on the Treasury of the United States with respect to the wheat guaranty for the current harvest.

I may say, Mr. President, that this estimate, noised abroad, of 700,000,000 or 800,000,000 bushels of wheat available in foreign countries has had a depressing effect upon the price of corn, rye, barley, and oats in the United States. I do not say that such was the intention of this report, but it has undoubtedly been the effect of the report. It has occasioned a serious loss to the farmers of the United States.

But, Mr. President, whatever may be the amount of this indemnity, the question arises as to who shall bear this loss. We have our choice between these alternatives. I may say in the first instance that the Government can pay the farmer the guaranteed price and can then sell the wheat and the wheat products to the consumers of this country on the basis of the guaranteed price. This would devolve the loss upon the consumers of this country. On the other hand, the Government can pay the guaranteed price to the farmer and can then sell wheat to the millers and see to it that flour is sold to the consumers of the country not on the basis of the guaranteed price, but on the basis of the world price for wheat—the price for wheat prevailing in the markets of the world.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from North Dakota?

Mr. GORE. I yield.

Mr. GRONNA. Is it not also true that, with the exception of the countries named by the Senator from Oklahoma, other countries, such as Italy, France, the Netherlands, and all the Scandinavian countries fixed a much higher price for wheat than the price fixed in the United States?

Mr. GORE. Yes; I have recited those guaranties. I may also say that so far as I have been able to ascertain the world production last year, the year 1918, was far below the average production for ordinary times and was far below the world's requirements; but I have not been able to obtain complete reports from all countries. Therefore an accurate analysis or comparison can not be made.

Mr. President, I have suggested two plans with respect to the payment of the indemnity. My own judgment is that the Government ought to assume the difference between the guaranteed price and the world price; it ought to assume this difference as a charge against the Treasury of the United States; it ought to devolve this loss upon the taxpayers of this country and not upon the consumers of this country. It is a disagreeable dilemma in which we find ourselves. We must take the choice of one or the other of the horns. I am taking the choice of the one which I think will entail the least economic loss upon the people of this country. If the Government absorbs the loss as a charge against the Treasury, it will not throw wages and prices and costs in this country out of alignment in comparison with other industrial and commercial countries.

But, Mr. President, if the people of this country are compelled to purchase flour and wheat products upon the basis of the guaranteed price this artificially high price for bread must be registered in an artificially high rate of wages. If the rate of wages be artificially high in this country that must register itself in artificially high cost of production. If the cost of production in this country is made artificially high by the Government

that will send our products into the markets of the world loaded with this artificially high cost of production. That load would be serious enough in our domestic market, but it might be unbearable in foreign markets. It might be impossible for our goods, shotted with this high cost of production, to meet the competition of goods from other countries in the various markets of the world. That would result either in the loss or the curtailment of those markets; and, in addition to that, the surplus might be thrown back upon the domestic market, thus reacting unfavorably upon wages, prices, and prosperity here at home.

Not only that, but if the people of this country are required to purchase the by-products of wheat and to buy feedstuffs at an artificially high price, that fact must reflect itself in an artificially high cost of producing live stock, of producing dairy products, and of producing poultry and poultry products. It will reflect itself in an artificially high cost of living upon the tables of our people.

Mr. President, that would bring about a state of unstable economic equilibrium which Congress should not assume the responsibility of creating. That can be averted by permitting consumers to buy bread upon the basis of the world's price, and requiring the taxpayers of the country to assume and to absorb the difference. This plan, I understand, is that adopted in foreign countries resorting to this scheme of guaranteeing the price of wheat.

Mr. President, another reason why the consumer should not be penalized by a high price for his bread is the fact that the consumer is not responsible for this situation. This situation was not of his seeking. The Government, acting in its organized capacity, fixed a price upon wheat. It acted not for the consumers, but for the taxpayers of this country. It held a commission to speak for and to bind the taxpayers.

I need not remind the Senate that I was opposed to this whole scheme of price fixing. On March 21, last, I said here in the Senate: "In my judgment such an effort is foreordained to fail. Perhaps the oldest blunder known to the sons of men is the attempt at price fixing. The history of the effort is one dreary tale of uniform and unvarying failure, of disappointment, and ofttimes of disaster. Whenever the attempt is made to regulate prices the effort must inevitably work more or less mischief."

Mr. President, I regarded the scheme as uneconomic; I regarded the scheme as inevitably unjust. Human wisdom and foresight are not equal to the task. If the Government should fix the price of wheat at the point where the law of supply and demand would fix it, then you would have your labor for your pains, and the whole process would be vain and unavailing. If the Government should fix the price of wheat lower than the law of supply and demand would fix it, that would be both an injury and an injustice to the producer. If the Government should fix the price at a point higher than the law of supply and demand would fix it, that would be an injury and an injustice to the consumer.

The fixing of the price upon wheat for the harvest of 1917—and it was fixed not for the purpose of stimulating production, for the price was fixed in August, and the crop had been harvested in June, July, and August—occasioned a loss to the American farmers aggregating $400,000,000. The fixing of the price upon wheat in 1918 occasioned a loss to the farmers of this country of hardly less than $400,000,000. For the two years the direct loss to the farmers of the United States due to the action of this Government approximated $800,000,000.

I resisted the plan largely because I feared that the loss would ultimately fall upon the farmer and would be borne by the farmer. He was unorganized, and, therefore, largely defenseless; but it seems that even-handed justice, it seems that some guardian angel has come to the rescue of the farmer in connection with this scheme. The farmers will receive for the current harvest, perhaps, several hundred million dollars more than they would otherwise have received but for the fixing of the price. I take it that the farmers will come out just about even. Of course, there will be farmers enjoying the benefits of this guaranty for the current year who did not produce wheat in the two preceding years. There were farmers who produced wheat during 1917 and 1918 who, perhaps, will not produce wheat during the current year. There will be some discrepancy; but, taking it by and large as a class, the account will just about be equalized. The farmers will come out just about even. I thought when this price-fixing scheme was launched, and I think now, that it would be better to permit the farmer to receive the market price for his wheat and require the consumer to pay the market price for the wheat. This would have added less than $15 to the bread budget of the average American family—about two or three days' wages. That system would have been self-liquidating. The account would have been squared when the purchase was made. The party that ate the bread would have paid the bill. There would have been no aftermath of trouble, no reaping of whirlwinds.

So, Mr. President, I think that $1,250,000,000 is a larger amount than will be required to meet this obligation. We must be prepared, however, and we must prepare to carry a loss of several hundred million dollars. An ample appropriation should be made. If the money is not needed, it will not be used. If it is needed, it ought to be available in whatever amount may be found necessary. I hope I may be pardoned for saying that if this $1,250,000,000 estimated by the Department of Agriculture serves to protect us against like economic nostrums in the future, if this $1,250,000,000 serves to teach the engineer, the fireman, and the conductor as they crawl out from under the wreckage that they who display a red signal as a warning of danger may be friends rather than enemies, then, sir, this one and a quarter billion will have been well, if not wisely, expended.

Mr. KING. Mr. President, will the Senator yield for a question before he leaves this point?

Mr. GORE. Yes, sir.

Mr. KING. I have received several letters in the past two weeks from a number of sections of the United States in which it was stated that a great many persons were plowing up alfalfa and beet and other lands that had never produced wheat and upon which there had been no contemplation of planting wheat until after the armistice, with a view of growing wheat and getting the $2.26 per bushel for it, and that this guaranty was inducing the production of a large amount of wheat which otherwise would not have been produced. I have been urged to suggest some amendment to any bill that might be offered that would protect the Government against those who have gone into the wheat business merely for the purpose of securing this guaranty. Does the Senator think that any legislation could be drawn which, while just and fair, would meet the situation to which those who have written me call attention?

Mr. GORE. Mr. President, I have not heard of a concrete instance such as the Senator describes, but I anticipated that the principles of human nature would result in just such consequences. It shows the difficulty of trying to administer a natural law by human agencies. I heard it suggested that no one should receive this guaranty who plants wheat for the current season who did not plant wheat for the last season, referring particularly to the spring sowing, and that no one should be entitled to the benefit of this guaranty who sowed a larger spring acreage than he sowed for the harvest of 1918; but, Mr. President, my own judgment is that we are now reaping what we have sown, a considerable acreage of (economic) wild oats. I think that Uncle Sam has simply got to exhibit as much nerve and endurance as the Spartan boy when he permitted the fox to gnaw at his vitals without wincing. I think that we have got to go through with it.

I wish to say in this connection that the guaranteed price of wheat in the United States never did have any relation to the securing of an ample wheat supply for the people of the United States nor for the armies and military forces of the United States. There never has been a year in our history that we did not produce all the wheat required for domestic consumption; there has never been a year in our history that we did not produce more wheat in the United States than was required for the people of the United States and for the military forces of the United States; there was never any doubt in anybody's mind that the supply of wheat in the United States would not equal all our domestic requirements of whatever description. Whatever the real reason was, it was not the guaranty of an ample supply of wheat for domestic consumption.

Mr. President, there is only one other question which I will raise and will not attempt to settle. Who should administer this loss? We have two choices in this connection. The Government can purchase the wheat of the farmer, paying him, of course, the full price in cash at all times, and can license the millers and all dealers, placing under governmental license and control all the prices and profits from the producer to the consumer, a plan patterned somewhat upon the existing system. On the other hand, the Government can purchase wheat, paying the guaranteed price, and can then sell the wheat to the trade—to the millers or to the dealers—on the basis of the world price, and allow the processes and the profits to go forward as nearly as may be under ordinary circumstances.

My own desire is to speed a return to normal conditions as rapidly as possible. I am not certain, however, that we can make this return overnight. We can not have both a market that is open and a market that is not open. With a guaranteed maximum so far as the trade is concerned, as this will be, for

the present year, and with a guaranteed minimum corresponding with the world price so far as the consumers are concerned, the trade would be limited on both hands. I am not certain that it could operate within these limitations. Indeed, I fear that it might entail upon them criticisms for which they are in nowise responsible, as they did not have the power to control the situation.

There are so many legislative facts, there are so many artificial factors in this situation that the world market can not be entirely free. A number of countries have fixed the price of wheat, and will undoubtedly administer the marketing of this wheat in order to hedge against loss as far as practicable. While I do not believe that the consumer should be penalized by paying a higher price for bread than other peoples pay, on the other hand I do not believe that the consumer should be subsidized by being enabled to purchase his bread at a lower price than the world's market would warrant.

Mr. President, I keep alluding to the world's market. I may say that in a strict sense there will not be a world's market upon wheat for the harvest of 1919. Too many countries are controlling the marketing of wheat. The wheat from Argentina and Canada, however, will move with more or less freedom in the markets of the world. It will be an indication as to the ratio between the world's supply and the world's demand.

There is another standard that would enable the Government of the United States to approximate justice. There is a pretty well-defined historic ratio between the price of wheat in this country and the price of corn, rye, barley, and oats. For instance, during a number of years corn averaged a little less than 62 per cent of the price of wheat. The Government could consider the supply both of corn and of wheat, and could approximate a just price. At any rate, there will be factors which will enable the Government to arrive at a reasonably just standard.

Mr. President, it has been suggested—it has been suggested in a bill which has been prepared in a certain quarter—that the Grain Corporation should not only be allowed to control the wheat harvest and the wheat market for 1919 but that the Grain Corporation should be allowed to control corn, rye, barley, oats, rice, beans, peas, potatoes, apples, butter, milk, cheese, chickens, and eggs; that the Grain Corporation should be allowed to control and administer the marketing of every food and every feed which can be eaten by man or bird or beast.

Mr. President, I am unqualifiedly opposed to extending the range of this artificial administration. It may be a matter of inevitable necessity to permit the control of the wheat harvest for the current year, but I would not extend this control into domains where it does not now prevail. I believe that we have got to come down toward the sea level, and we ought to come down on the lock-and-dam system, and not rush down with the violence of the cataract. I for one am not willing to precipitate universal confusion merely for the sake of trying our hand in bringing order out of this confusion which we have precipitated and which we have confounded.

There are three tasks devolving upon us to-day: First, to keep faith with the American farmer in the payment of the guaranty; second, to keep faith with the consumer and see that he purchases bread upon a parity with the other peoples of the earth; and third, to keep faith with the taxpayers of this country and to keep their inevitable loss down to an irreducible minimum.

Mr. President, I wish to have printed in the RECORD this memorial and several tables in connection with my remarks.

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

EXHIBIT 1.

Mr. GORE. Mr. President, the remarks of the Senator from Colorado have suggested one observation that I wish to make. I need not say to the Senate that I do not believe in any scheme of price fixing. In my judgment, such an effort is foreordained to fail. Perhaps the oldest blunder known to the sons of men is the attempt at price fixing. The history of the effort is one dreary tale of uniform and unvarying failure, of disappointment, and ofttimes of disaster.

Whenever the attempt is made to regulate prices the effort must inevitably work more or less mischief. I have offered the pending amendment in order to bring about a situation where we will work less rather than more mischief. I seek to minimize the mischief which must come; I seek to keep the mischief down to the irreducible minimum. That is the object of the proposed amendment.

We have been told on every hand that food is the key to the situation, and that wheat is the pivotal food grain. Mr. Hoover assured us that there was a psychology about a wheaten loaf that was indispensable. There is no sufficient substitute for wheat; we have been appealed to to produce wheat in abundance on the assurance that wheat might win the war.

There is but one excuse or plea which renders the attempt at price fixing even rational. If there be some article like wheat which is of preeminent and of indispensable necessity, then fix a price upon that one article higher than the law of supply and demand would award. That will stimulate its production, and that will do all that human foresight can do to meet a crisis and to avert the possibility of disaster. Even that attempt will be attended with more or less mischief, because it throws other relations out of their proper proportion; but we ought like men to make up our minds to take those consequences whenever the necessity is overpowering.

Mr. President, what have we done? We have fixed a price on wheat. We have fixed a price on wheat, which may be needed to win this war, at a lower point than the law of supply and demand would award. Now, you can not encourage production by reducing prices. You can increase and stimulate production by increasing prices, but the reduction of prices must inevitably discourage production. Ought we to discourage the production of a grain which may be indispensable to our success in this war and to the guaranty of our destiny?

Mr. President, the fixing of a price on an article of indispensable necessity at a lower point than the law of supply and demand would award, with the hope of stimulating its production, is a transaction which, as a perfected specimen of human folly, has absolutely no competitor.

EXHIBIT 2.

[Remarks on the food-control act July, 1917. Interruption by Senator GORE during remarks by Senator LODGE.]

THE LAMP OF EXPERIENCE VS. MUDDLING THROUGH.

Mr. GORE. I wish to say that not long since I received a letter from a friend requesting me to send him a relic of some sort or other, and I sent him a copy of the Constitution of the United States. [Laughter.] What I wish to do, however, is to give a few instances that illustrate and reenforce the point which the Senator is making with respect to economic laws.

The food minister of Great Britain issued an order fixing the price of dairy products. The dairymen were not satisfied with the price; they butchered their milch cows. There was a distinct national, social, and economic loss that could not be repaired within two or three years. Great Britain issued an order instituting a three-course dinner. They kept account of the results, and it was found that the increased consumption of meat and bread under the three-course dinner order more than offset the economy. The people cut out the side dishes and limited themselves to the more substantial foods. That order was revoked. Great Britain instituted one meatless day a week. They kept account of the results, and it was found that the increased consumption of bread on the meatless day more than offset the diminished consumption of meat. They revoked that order. Those orders were issued with the best possible intention, and, it must be admitted, with as much wisdom as man can concentrate upon the most serious concerns of either private or national life.

Germany fixed a price of 8 cents a quart on milk. The dairymen found that they could feed the milk to their pigs and receive a higher price for milk in the form of pork than by selling the milk outright. Germany fixed a price on wheat, rye, barley, and oats, based on their relative value for human food. It so happens that the relative value of those four cereals for human food does not correspond with their relative value as stock feed. The result was that the farmers fed their wheat and their rye to the live stock and sold the oats and the barley. Those efforts were made by the Government which has attained the highest degree of efficiency of any Government in all the times of time.

The Swiss Government determined what would be a reasonable price of meats sold in the butcher shops. They called the butchers together to ascertain what would be their view of the price proposed to be fixed. The butchers in a patriotic spirit, answered, "Of course, if the Government fixes those prices on meats, we will sell at the prices fixed by the Government—if we sell," but they declared that they would not undertake to carry on their business at those prices.

I hope the Senator from Massachusetts will pardon this interruption, but it demonstrates the futility of any effort to repeal economic laws. In my own judgment, we might as well say, "Be it enacted that the law of gravitation is hereby repealed," as to undertake to enact a law repealing the law of supply and demand or any other fundamental law of economics. I mention these instances, all of which were born of the greatest possible human wisdom, and I merely suggest as a moral that we ought to profit by experience. We have no other lamp so infallible as that

We ought not to set at naught the whole experience of the whole human race.

EXHIBIT 3.

Memorial to the Congress of the United States.

Whereas the President of the United States issued a proclamation during the month of August, 1918, urging the farmers of the United States, as a war measure, to plant and cultivate an increased acreage of wheat, and fixing the price of such wheat crop for the year 1919 at a minimum of $2.20 per bushel; and

Whereas the President of the United States set apart the sum of $5,000,000 to be loaned to the farmers in the drought-stricken parts of the country for the purpose of buying seed wheat, and for the purpose of enabling such farmers to fully comply with the proclamation of the President; and

Whereas the cost of seed wheat has greatly increased and the expense of planting and cultivating the same has increased materially, and the farmers in general and especially those in the western part of Oklahoma have nobly responded to the call of the President by reason of such proclamation, and by planting an increased acreage of wheat under the belief that the price heretofore mentioned would be maintained and such guaranty would insure them not less than $2.20 as a minimum per bushel; and

Whereas there is some feeling of doubt among the farmers as to whether such price will be maintained, and especially is this true since the war has closed, and without an act of the Congress of the United States through appropriate legislation carrying into effect the proclamation of the President; and

Whereas the wheat growers of the country would suffer serious and permanent loss if the provisions of the President's proclamation are not made effective through proper legislation: Therefore be it

Resolved by the House of Representatives of the State of Oklahoma, That the Congress of the United States be and it is hereby earnestly and urgently memorialized and petitioned to immediately take steps to carry into effect by adequate legislation the provisions of the President's proclamation heretofore referred to and to make secure for the farmers of the country a guaranty of a minimum price of $2.20 per bushel of the wheat grown in 1919: Be it further

Resolved, That the chief clerk of the house of representatives be instructed to mail or cause to be mailed copies of this memorial to the Members of Congress from the State of Oklahoma and to the Department of Agriculture at Washington, D. C.

Passed this the 20th day of January, 1919.

(Signed) TOM C. WALDREP,
Speaker of the House of Representatives.

EXHIBIT 4.

In order to determine the probable effect of price upon production it is necessary to take into consideration the element of rate of yield per acre. The price element and the yield is combined in the following showing of the value of production per acre for the prewar and the postwar periods:

Value of production per acre.

	Oats.		Wheat.		Corn.	
	1909-13	1914-16	1909-13	1914-16	1909-13	1914-16
United States	$11.35	$14.15	$12.52	$17.14	$14.66	$18.18

Again, taking corn as the standard of measurement, it appears that the percentage of value of production per acre of oats and wheat compares with corn as follows:

	1909-13	1914-16
Oats	77	78
Wheat	85	94

As in the similar calculation, based upon farm price alone, it appears that there was no disturbance of normal relationship between the prewar and the postwar period sufficient to materially affect the relative production of each crop.

Making the comparison, however, between the prewar period and December 1, 1917, a different situation is presented:

Value of production per acre.

	1909-13	1917
Oats	$11.35	$24.35
Wheat	12.52	28.53
Corn	14.66	33.87

Again taking corn as the standard of measurement, the percentage of value per acre of production for oats and wheat compares with corn as follows:

	1909-13	1917
Oats	77	72
Wheat	85	84

EXHIBIT 5.

Production of wheat.

	1910	Average prewar (1911-12-13).
	Bushels.	*Bushels.*
Canada	149,990,000	228,933,000
United States	635,121,000	704,995,000
Argentina	131,010,000	166,521,000
Chile	19,682,000	21,409,000
Uruguay	7,750,000	6,742,000
Austria-Hungary	242,018,000	247,141,000
Belgium	12,449,000	15,778,000
Bulgaria	42,247,000	44,350,000
Denmark	4,547,000	5,401,000
Finland	125,000	128,000
France	257,667,000	324,137,000
Germany	141,884,000	160,237,000
Greece	7,000,000	7,000,000
Italy	153,403,000	190,840,000
Netherlands	4,441,000	5,426,000
Norway	294,000	308,000
Portugal	9,120,000	9,266,000
Roumania	110,761,000	88,628,000
Russia	699,413,000	729,537,000
Spain	137,448,000	123,560,000
Sweden	7,450,000	8,336,000
Switzerland	2,756,000	3,416,000
Turkey (Europe)	20,000,000	53,000,000
Turkey (Asia)	35,000,000	
United Kingdom	58,322,000	61,297,000
India	359,654,000	369,612,000
Japan	24,687,000	26,305,000
Persia	16,000,000	16,000,000
Asiatic Russia	76,282,000	
Australia	35,000,000	88,961,000
New Zealand	9,008,000	7,123,000
Algeria		33,298,000
Tunis		6,150,000
Serbia		14,062,000
China		
Brazil		

EXHIBIT 6.

Wheat exports of all countries in world exporting more than 1,000,000 bushels.

[Net average export for the three-year prewar period, 1911-1913. Mr. Lane, Division of Statistics, United States Food Administration.]

	Bushels.
Russia	118,000,000
Canada	117,000,000
United States	114,000,000
Argentina	107,000,000
India	58,000,000
Roumania	54,000,000
Australia	52,000,000
Bulgaria	12,000,000
Algeria	5,000,000
Serbia	4,000,000
Chile	2,000,000

Turkey had no exports, but imported 10,000,000 bushels.

EXHIBIT 7.

FIXING GUARANTEED PRICES FOR 1919 WHEAT CROP.

(Sept. 2, 1918.)

Whereas under and by virtue of an act of Congress entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved by the President on the 10th day of August, 1917, it is provided among other things as follows:

"SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat produced within the United States shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act approved August eleventh, nineteen hundred and sixteen. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment, and differences in price for the several standard grades in the principal primary markets of the United States adopting number one northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon, the Government of the United States hereby guarantees every producer of wheat produced within the United States that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding eighteen months, prescribed in the notice, a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty."

Now, therefore, I, Woodrow Wilson, President of the United States, by virtue of the powers conferred upon me by said act of Congress, and especially by section 14 thereof, do hereby find that an emergency exists requiring stimulation of the production of wheat, and that it is essential that the producers of wheat produced within the United States shall have the benefits of the guarantee provided for in said section; and, in order to make effective the guarantee by Congress for the crop of nineteen hundred and nineteen and to assure such producers a reasonable profit, I do hereby determine and fix, and give public notice of reasonable guaranteed prices for No. 1 northern spring wheat and its equivalents at the respective principal primary markets, as follows, to wit:

New York, New York, two dollars and thirty-nine and a half cents ($2.39½) per bushel.

Philadelphia, Pennsylvania, two dollars and thirty-nine cents ($2.39) per bushel.

Baltimore, Maryland, two dollars and thirty-eight and three-quarter cents ($2.38¾) per bushel.

Newport News, Virginia, two dollars and thirty-eight and three-quarter cents ($2.38¾) per bushel.

Duluth, Minnesota, two dollars and twenty-two and one-half cents ($2.22½) per bushel.

Minneapolis, Minnesota, two dollars and twenty-one and one-half cents ($2.21½) per bushel.

Chicago, Illinois, two dollars and twenty-six cents ($2.26) per bushel.

St. Louis, Missouri, two dollars and twenty-four cents ($2.24) per bushel.

Kansas City, Missouri, two dollars and eighteen cents ($2.18) per bushel.

Omaha, Nebraska, two dollars and eighteen cents ($2.18) per bushel.

New Orleans, Louisiana, two dollars and twenty-eight cents ($2.28) per bushel.

Galveston, Texas, two dollars and twenty-eight cents ($2.28) per bushel.

Tacoma, Washington, two dollars and twenty cents ($2.20) per bushel.

Seattle, Washington, two dollars and twenty cents ($2.20) per bushel.

Portland, Oregon, two dollars and twenty cents ($2.20) per bushel.

Astoria, Oregon, two dollars and twenty cents ($2.20) per bushel.

San Francisco, California, two dollars and twenty cents ($2.20) per bushel.

Los Angeles, California, two dollars and twenty cents ($2.20) per bushel.

Salt Lake City, Utah, $2 per bushel.

Great Falls, Mont., $2 per bushel.

Pocatello, Idaho, $2 per bushel.

Spokane, Wash., $2 per bushel.

and that the guaranteed price for the other grades established under the United States grain standards act approved August 11, 1916, based on said price for No. 1 northern spring wheat at the respective principal primary markets of the United States above mentioned, will assure the producers of wheat produced within the United States a reasonable profit; the guaranteed prices in the principal primary markets above mentioned being fixed by adopting No. 1 northern

spring wheat or its equivalent at the principal interior markets as the basis.

For the purposes of such guaranty only, I hereby fix the guaranteed prices at the respective principal primary markets above mentioned for the following grades of wheat, to wit: No. 1 northern spring, No. 1 hard winter, No. 1 red winter, No. 1 durum, No. 1 hard white. The guaranteed prices at the respective principal primary markets aforesaid of all other grades of wheat established under the United States grain standards act approved August 11, 1916, shall be based on the above guaranteed prices and bear just relation thereto.

The sums thus determined and fixed are guaranteed by the Government of the United States at the respective principal primary markets of the United States above mentioned, to every producer of wheat of any grade so established under the United States grain standards act, upon the condition that said wheat is harvested in the United States during the year 1919 and offered for sale before the 1st day of June, 1920, to such agent or employee of the United States, or other person as may be hereafter designated, at any one of the above-mentioned cities, which are hereby declared to be the principal primary markets of the United States, and provided that such producer complies with all regulations which may be hereafter promulgated in regard to said guaranty by the President of the United States. * * *

Mr. JOHNSON of California. I call for the regular order.

The VICE PRESIDENT. The presentation of petitions and memorials is in order.

Mr. McCUMBER. I present a concurrent resolution of the Legislature of the State of North Dakota upon the same subject that the Senator from Oklahoma has been discussing, and I ask that it be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read as follows:

DEPARTMENT OF STATE,
STATE OF NORTH DAKOTA.

To all to whom these presents shall come:

I, Thomas Hall, secretary of state for the State of North Dakota, do hereby set forth and certify, that the following is the full text and the whole thereof of a certain concurrent resolution adopted by the Sixteenth Legislative Assembly of the State of North Dakota.

Dated at the capitol in Bismarck, N. Dak., this 3d day of February.

[SEAL.] THOMAS HALL,
Secretary of State.

Resolution.

Concurrent resolution relating to the fixing of the price for all wheat grown in the United States during the year 1919 that is delivered prior to June 1, 1920, at $2.26 at Chicago.

Whereas the President of the United States, by his proclamation of September 2, 1918, fixed the price for all wheat grown in the United States during the year 1919 that is delivered prior to June 1, 1920, at $2.26 at Chicago; and

Whereas upon the faith of said proclamation the farmers of North Dakota and generally throughout the Northwest have gone to an enormous expense in the increase of acreage for wheat and for the purchase of horses, machinery, and other equipment for an increased wheat production and have incurred great obligations on that account; and

Whereas it appears that up to this time no agency of the United States has been created and charged with the duty of making effective the guaranteed price under the President's proclamation; and

Whereas the farmers of North Dakota as well as all other wheat-raising districts of the United States have acted in good faith upon the said proclamation of the President, and in case Congress fails to make the said proclamation of the President effective, such failure will cause an enormous financial loss to the farmers of the State of North Dakota and other wheat-raising districts of the United States as well as a great disappointment, and will tend to lessen the confidence of the people in the Federal Government: Therefore be it

Resolved by the Senate of the State of North Dakota (the House of Representatives concurring), That we earnestly urge Congress to pass such measure as will make the said proclamation of the President effective; be it further

Resolved, That the secretary of state be instructed to send a copy of these resolutions to each of our Senators and Representatives in Congress and to the chairman of the Committee on Agriculture in both Houses of Congress.

Mr. McCUMBER. I ask that the memorial be referred to the Committee on Agriculture and Forestry, of which the Senator from Oklahoma [Mr. GORE] is the chairman. I want to give him notice that at some time in the near future I shall present the other side of this proposition. I do not think it is necessary for the Government to raise one billion seven hundred million or two hundred and fifty million dollars, but that we can easily handle the matter under the present system with an expense not exceeding $300,000,000; and I wish to state that while we have just passed a bill appropriating $400,000,000—or that which will be equivalent to $400,000,000, because there is $200,000,000 to come from the States—to keep up the price of labor, and necessarily with the price of labor the price of everything else that the farmer must purchase, we are not extending any favor to him, we are not placing the price of his products above that of any of the other commodities in this country by maintaining the price of $2.26 a bushel for wheat. As we are bound to have the higher cost of labor throughout the United States during 1919, we ought to maintain the higher price of the thing that the farmer must sell, in order that he may purchase the things that are produced by that labor; and that is all the farmer is contending for. Let the Government take its hands off the farmers' products and off labor wages at the same time and let the law of supply and demand take care of themselves and he will be satisfied; but the Government is not following that course——

Mr. GORE. Mr. President——

Mr. THOMAS. I call for the regular order.

Mr. McCUMBER. And therefore we ought not to assume that we are conferring a favor upon the farmer by maintaining the price of his product to meet other prices which we maintain.

The VICE PRESIDENT. The regular order is called for.

Mr. McCUMBER. Senators have listened to the other side of this proposition for three-quarters of an hour. I think they can take one minute outside of the regular order, in order to look at the farmers' side of the question.

Mr. GORE. Mr. President——

AGRICULTURAL EXTENSION WORK.

Mr. McCUMBER. I present the resolution, which I send to the desk, from the State of North Dakota and ask that it be read as a legislative resolution.

Mr. THOMAS. Mr. President, I thought the Senator from North Dakota had finished when I interposed.

Mr. McCUMBER. I have concluded.

Mr. THOMAS. I did not intend to interfere with the Senator's remarks at all.

Mr. GORE. Mr. President——

The VICE PRESIDENT. The Secretary will read the memorial presented by the Senator from North Dakota.

The Secretary read as follows:

Whereas it has been brought to the knowledge of the House of Representatives of the Sixteenth Legislative Assembly of the State of North Dakota:

That it is proposed in the Congress of the United States to reduce the appropriation now available or to become available for agricultural-extension work in the various States in the Union to the extent of 50 per cent: Therefore be it

Resolved, That the house of representatives does hereby protest against any reduction in the funds now by law available or to become available for such purposes:

As any such reduction would seriously hamper and embarrass the carrying on of agricultural-extension work and work through county agents now planned and arranged for by the various agricultural States and their several counties: Be it further

Resolved, That a copy of this resolution be engrossed and mailed to each of our Senators and Representatives in Washington.

L. L. STARR, *Speaker.*
GEO. A. COTTEN, Jr.,
Chief Clerk.

Mr. GORE. Mr. President——

The VICE PRESIDENT. The Senator from Oklahoma.

Mr. GORE. I should like to say just one word in respect to what the Senator from North Dakota has said.

The VICE PRESIDENT. There has been a call for the regular order.

PETITIONS AND MEMORIALS.

Mr. SPENCER. I present a memorial from citizens of Missouri, protesting against the so-called luxury tax. I ask that the body of the memorial be printed in the RECORD; and in the case of the signatures, aggregating many thousands, I ask that they be filed.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

To our Senators and Representatives in Congress assembled:

We, the undersigned citizens and consumers of St. Louis, do respectfully protest against the so-called luxury taxes in the revenue bill now pending, and earnestly urge that they be eliminated altogether from said bill.

We make this protest upon the ground that any such tax is unnecessary, unwise, unjust, and a species of class legislation. This tax is impracticable of administration, will become a nuisance to the dealer, and a grievous burden to the consuming public.

Mr. STERLING. I present a resolution passed by the Rotary Club of the city of Mitchell, S. Dak., relative to changing the name of the Panama Canal to the Roosevelt Canal. I ask that it may be printed in the RECORD and referred to the Committee on Interoceanic Canals.

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

Resolution to change the name of the Panama Canal to the Roosevelt Canal.

Whereas the sturdiest and most valiant exponent of Americanism the age has produced has gone from us and his mighty soul, ever militant and unafraid, no longer remains to champion the battles of liberty and justice, and equality of opportunity, and every American feels his passing as a personal loss; and

Whereas his greatest material achievement was the crystallizing of the dream of years into reality in making possible the construction of the canal across the Isthmus of Panama: Now, therefore, be it

Resolved by the Rotary Club of Mitchell, S. Dak., That Congress be petitioned officially to designate that American-made waterway "The Roosevelt Canal," so that the same shall stand in name, as well as in historical fact, an enduring monument to his greatness, a constant reminder that the canal is, like the great President who started it, unqualifiedly American; and be it further

Resolved, That a copy of these resolutions be sent to the following: Our Representatives and Senators in Congress, our representatives in the South Dakota State Legislature, with the petition that a memorial to Congress in support of the foregoing be prepared and forwarded by our State legislature.

Adopted at the regular weekly meeting January 30, 1919.

MITCHELL ROTARY CLUB,
By F. J. HERRICK, *President*.

Attest:

WM. R. RONALD, *Secretary*.

Mr. GRONNA. I present a concurrent resolution adopted by the Legislative Assembly of the State of North Dakota, relating to the improvement of good roads. I ask that it be printed in the RECORD without reading.

There being no objection, the concurrent resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
STATE OF NORTH DAKOTA.

To all to whom these presents shall come:

I, Thomas Hall, secretary of state for the State of North Dakota, do hereby set forth and certify, that the following is the full text and the whole thereof of a certain concurrent resolution adopted by the Sixteenth Legislative Assembly of the State of North Dakota.

Dated at the capitol in Bismarck, N. Dak., this 3d day of February, 1919.

[SEAL.] THOMAS HALL,
Secretary of State.

Resolution.

Concurrent resolution relating to the value and importance of an adequate system of highways.

Whereas the value and importance of an adequate system of highways throughout the Nation and among the various States and their minor governmental units are no less important in the present reconstruction era than in the successful prosecution of a war; and

Whereas North Dakota as one of the most important food-producing States of the Union is in great need of improved highways intelligently conceived and constructed and properly maintained; and

Whereas the present Federal aid law and the State highway law have made it possible for the State to initiate a program of progressive and systematic road improvement within the State; and

Whereas a bill, namely, Senate bill No. 5088, as introduced in Congress by United States Senator BANKHEAD, eliminates the post route requirement on Federal aid projects, which requirement is contrary to the intent and spirit of the Federal aid law and has hampered the work of the State highway commission in securing such aid to the State, and provides further for increased Federal aid to the extent of $200,000,000 in addition to $75,000,000 already specified in the present law, and whereby the allotment of Federal aid to North Dakota will be increased from approximately $1,142,000 to $4,000,000 or more; and

Whereas said Senate bill No. 5088 is about to be given immediate consideration in connection with the Post Office appropriation bill: Therefore be it

Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein), That we, the members of the Sixteenth Legislative Assembly of the State of North Dakota, respectfully petition our Senators and Representatives of North Dakota in Congress to support Senate bill No. 5088 which is a proposed amendment to improve the present Federal aid law and grant increased aid to the States in the construction of State highways and endeavor to secure its passage; and

Whereas there has been proposed at a conference of certain western States held in Salt Lake City on January 3, 1919, a further amendment to the Federal aid law, whereby the larger and relatively less rich States of the West may receive Federal aid on Federal aid projects to an extent greater than 50 per cent of the cost of such projects: Therefore be it further

Resolved, That our Senators and Representatives in Congress be hereby respectfully requested also to support and endeavor to secure the passage of such an amendment; and be it further

Resolved, That the secretary of state be instructed to send a copy of these resolutions to our Senators and Representatives in Congress and that, because of the urgency of the matter, the committee on highways be instructed to send to each of our Senators in Congress a night letter or message respectfully soliciting their support of the aforesaid amendments or measures.

Mr. THOMPSON presented a petition of sundry citizens of Pittsburg, Kans., praying for the proposed extension of Federal control of railroads, which was referred to the Committee on Interstate Commerce.

Mr. HALE presented a petition of sundry citizens of Augusta, Me., praying for the establishment of a league of nations, which was referred to the Committee on Foreign Relations.

Mr. SHEPPARD presented the petition of Hon. Lee Beaty, of Lockhart, Tex., praying for the construction of military roads as a measure of preparedness, which was referred to the Committee on Military Affairs.

Mr. SHERMAN presented a petition of sundry employees of the Rock Island Arsenal, Rock Island, Ill., praying that the Government manufacture their own equipment to be used for military, naval, marine, etc., purposes, instead of letting out large contracts to private concerns and corporations, which was referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES.

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

S. 1765. An act to reimburse certain fire insurance companies the amounts paid by them for property destroyed by fire in suppressing the bubonic plague in the Territory of Hawaii in the years 1899 and 1900 (Rept. No. 705);

S. 2902. An act for the relief of the owner of the steamer *Mayflower* and for the relief of passengers on board said steamer (Rept. No. 704);

S. 3123. An act for the relief of the owners of the schooner *Henry O. Barrett* (Rept. No. 703); and

H. R. 2012. An act for the relief of Mrs. W. E. Crawford (Rept. No. 706).

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

S. 4263. An act for the relief of Capt. Frederick B. Shaw (Rept. No. 708); and

S. 4864. An act to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy (Rept. No. 707).

BILLS INTRODUCED.

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

By Mr. SMOOT:

A bill (S. 5567) for the purchase of a post-office site at Mount Pleasant, Utah;

A bill (S. 5568) for the purchase of a post-office site at Tremonton, Utah;

A bill (S. 5569) for the purchase of a site and the erection of a public building at St. George, Utah; and

A bill (S. 5570) for the purchase of a post-office site at Cedar City, Utah; to the Committee on Public Buildings and Grounds.

By Mr. HALE:

A bill (S. 5571) granting a pension to Jeannette A. Harrington (with accompanying papers); to the Committee on Pensions.

By Mr. HARDWICK:

A bill (S. 5572) to prohibit immigration for a period of four years, and for other purposes; to the Committee on Immigration.

By Mr. POINDEXTER:

A bill (S. 5573) providing a method for the retirement of men in the military service of the United States; to the Committee on Military Affairs.

A bill (S. 5574) granting an increase of pension to William H. Merritt (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 5575) for the relief of the H. W. Davis Co., of St. Augustine, Fla.; and

A bill (S. 5576) for the relief of the Estes Shoe Co., of St. Augustine, Fla.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 5577) donating captured cannon and cannon balls to the cities of Mission, Mount Vernon, and Tulia, all in Texas; and

A bill (S. 5578) relating to the pay of retired enlisted men serving as field clerks; to the Committee on Military Affairs.

RIVER AND HARBOR APPROPRIATIONS.

Mr. MOSES submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

Mr. RANSDELL submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were ordered to lie on the table and be printed.

Mr. SHEPPARD submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were ordered to lie on the table and be printed.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL.

Mr. SHEPPARD submitted an amendment relative to the limitation in the agricultural appropriation bill as to the cost of farm buildings, etc., intended to be proposed by him to the Agricultural appropriation bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. RANSDELL submitted an amendment proposing to increase the appropriation for the investigation and improvement of fruits and the methods of fruit growing, harvesting, etc., from $83,200 to $88,200, intended to be proposed by him to the Agricultural appropriation bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

LONGEVITY PAY OF ARMY OFFICERS.

Mr. SMITH of Georgia. From the Committee on the Judiciary I report back favorably with an amendment the bill (S.

83) to confer jurisdiction on the Court of Claims, the passage of which the committee recommends. I call the attention of the junior Senator from Alabama [Mr. UNDERWOOD] to the bill, it being a bill which was introduced by him, and with which he is very familiar.

Mr. UNDERWOOD. Mr. President, I ask unanimous consent for immediate action on this bill. It was passed by the last Congress. The question involved is the longevity pay of certain officers of the United States Army. All but a few of them have been paid. The reason why those few were not paid was because they filed their claims with the auditor, and were turned down; subsequently the Supreme Court held that the claims were good; but they now hold that these particular claims, having been turned down, can not be reinstated in the Court of Claims.

This is merely a bill to put a few men on the same basis with several hundred others who have already been paid. The Senate has already passed on the matter once, and I ask unanimous consent that the bill may be taken up and passed at this time.

Mr. SMITH of Georgia. I will say that the bill was before the Judiciary Committee at the last Congress, and was reported favorably and was passed by the Senate, I think.

Mr. UNDERWOOD. Yes; it was.

Mr. SMITH of Georgia. And it is again reported favorably, without a dissenting vote. The Supreme Court of the United States has held that these officers are entitled to the money.

The VICE PRESIDENT. Is there any objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause down to and including line 15, on page 2, and to insert:

That the Court of Claims shall certify to the proper accounting officers of the Treasury the findings of fact heretofore made for claimants in claims of officers of the United States Army for longevity pay under the decisions of the Supreme Court of the United States, in United States *v.* Morton (vol. 112, U. S. Repts., p. 1) and United States *v.* Watson (vol. 130, U. S. Repts., p. 80) and of the Court of Claims in Stewart *v.* United States (vol. 34, Ct. Cls. Repts, p. 553).

And that the accounting officers of the Treasury shall proceed to settle the claims so certified and all other claims for longevity pay and allowances on account of services of officers in the Regular Army arising under section 15 of an act approved July 5, 1838, entitled "An act to increase the present Military Establishment of the United States, and for other purposes," and subsequent acts affecting longevity pay and allowances, in accordance with the decisions of the Supreme Court of the United States, in all cases in which heretofore, namely, between 1890 and 1908, such claims were disallowed by any accounting officer of the Treasury, and no decision of a comptroller heretofore made against a claimant under said section 15 shall prevent a settlement under the terms of this act of any such disallowed claim. Every such claim shall be payable to the claimant or to his widow or to his legal representative: *Provided*, That no claim hereunder shall be allowed if made by any person who is an assignee of such claim, nor to a legal representative without proof of the existence of blood relations to whom the fund would be distributed: *Provided further*, That it shall be unlawful for any agent or attorney, firm of attorneys, or any person engaged heretofore or hereafter in preparing, presenting, or prosecuting any claim under this act to charge or receive more than 20 per cent of any amount appropriated in satisfaction of the claim.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

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

The title was amended so as to read, "A bill to confer jurisdiction on the Court of Claims to certify certain findings of fact, and for other purposes."

AMERICAN TROOPS IN RUSSIA.

Mr. SHEPPARD. I call up the conference report on the bill (H. R. 11984) to provide for the Fourteenth and subsequent decennial censuses.

Mr. JOHNSON of California. Will the Senator yield for just an instant?

Mr. SHEPPARD. I yield to the Senator.

Mr. JOHNSON of California. There is a resolution, introduced by me yesterday, respecting Russia. It was to come up to-day. I have been asked by some Members to postpone the resolution for one day in order that they might consult concerning it. I therefore ask unanimous consent that without prejudice it may go over until to-morrow.

The VICE PRESIDENT. Is there objection?

Mr. KING. I hope that will be granted.

The VICE PRESIDENT. The Chair hears no objection, and the resolution goes over.

Mr. JOHNSON of California. Let me add that if to-morrow we shall be in recess it shall come up in the first morning hour.

Mr. KING. That course will be agreeable.

The VICE PRESIDENT. The Chair would so construe it. The question is on the motion of the Senator from Texas to take up the conference report.

Mr. LEWIS. The morning business has not closed?

The VICE PRESIDENT. As the Chair has announced a great many times, after 1 o'clock a motion can be made to proceed to the consideration of a measure, and the Chair understands that that is what the Senator from Texas is doing.

Mr. LEWIS. Then I ask the Senator to allow me to introduce a resolution.

Mr. SHEPPARD. It seems that there is quite an amount of morning business pressing for consideration, and I will withdraw the motion for the present.

WORK IN SHIPYARDS AT SEATTLE, WASH.

Mr. POINDEXTER. I ask unanimous consent for the consideration of the following resolution:

The resolution (S. Res. 448) was read, considered by unanimous consent, and agreed to as follows:

Resolved, That the United States Shipping Board is requested to inform the Senate whether or not workmen who are willing to work in shipyards at Seattle, Wash., having Government contracts are allowed to do so, or given the opportunity to do so; whether such workmen belong to a labor union or not; and if those who belong to a labor union or those who do not belong to a labor union and who are willing to work at the wages established by the so-called Macy award are not allowed to work in said yards upon said Government contracts, the Shipping Board is requested to inform the Senate why and upon what grounds they are not allowed to so work, and by whom they are prevented from so doing.

PROTECTION OF LIFE AND PROPERTY OF AMERICANS IN MEXICO.

Mr. LEWIS. I send a resolution to the desk and ask to have it read and then referred to the Committee on Foreign Relations.

The resolution (S. Res. 449) was read and referred to the Committee on Foreign Relations, as follows:

Whereas American citizens residing in the United States, particularly of the State of Illinois, make complaint in writing, charging that the Government in Mexico, under the administration known as Carranza, has permitted the property of citizens of the United States to be destroyed or confiscated under the guise of a constitutional provision devised and adopted long years after the Americans had legally obtained and fully paid for their property; and

Whereas the complaining Americans assert that the said Government agents of the Carranza administration have conspired to permit, and have allowed, the innocent laborers upon the American operations to be driven off or assaulted, and in designated instances murdered; and

Whereas it is complained that such conduct continues, all under the purpose to confiscate and appropriate the property of Americans under an alleged constitutional privilege: Now, therefore, be it

Resolved, That the Committee of the Senate on Foreign Relations ascertain through the Department of State and such other sources as it deems advisable the truth of the said charges; and if true, to recommend to the Senate such course as would be appropriate for the United States Government to take that will make secure in Mexico under the present Government the lives and property of Americans.

GOVERNMENT OF POLAND.

Mr. KING. I submit a resolution to be read and referred to the Committee on Foreign Relations.

The resolution (S. Res. 450) was read and referred to the Committee on Foreign Relations, as follows:

Whereas the people of Poland have recovered their ancient national liberties and rights, and have erected for themselves a free national Republic for the maintenance of public order, the preservation of private liberties and rights, and to incorporate the culture, traditions, and liberties of Poland in a stable and permanent Government; and

Whereas the Chief Executive of the United States has, by the Secretary of State, recognized the new republican Government of Poland and has sent his felicitations to Ignace Jan Paderewski, premier and minister of foreign affairs, in the new Government of Poland: Now, therefore, be it

Resolved, That the Senate extend its congratulations to the new republican Government of Poland upon its admission into the society of free nations, and express welcome and good will to the people of Poland upon the achievement of their national independence.

COMMANDEERED SHIPS.

Mr. SHERMAN. I submit a concurrent resolution, which I desire to have read and referred to the Committee on Commerce.

The concurrent resolution (S. Con. Res. 31) was read and referred to the Committee on Commerce, as follows:

Whereas the Government on the declaration of war commandeered the merchant ships of private owners in the United States and thereby canceled all pending contracts with shippers; and

Whereas the resumption of private business requiring the use of the facilities furnished by such shippers is dependent upon obtaining rates that will permit such business to be conducted without loss, and such resumption will give employment in many lines; and

Whereas the Shipping Board and Emergency Fleet Corporation having authority in such matters have not returned such private ships so commandeered to their owners so that contracts may be resumed or entered into between the private owners of such ships and various industrial enterprises: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Shipping Board and the Emergency Fleet Corporation be, and are hereby, directed to report to Congress why such private ships should not now be returned to their respective owners to be used in the various industrial undertakings of the country.

DEPORTATION OF ANARCHISTS.

Mr. JONES of Washington. I present petitions which I have received from the minutemen division of the American Protective League, of Seattle, Wash. These petitions are signed by over 1,800 citizens of the State of Washington. They urge the deportation of those aliens who have taken out their first papers looking toward naturalization, but who, when the war came on, in order to escape military service renounced this declaration. They particularly call attention to the fact that of 205 persons who renounced their citizenship 54, or nearly 27 per cent, had I. W. W. cards in their pockets.

Mr. President, there is a very strong sentiment in our State for the deportation of those people who acted as these persons did. They do not consider them as desirable citizens there from any standpoint.

Mr. KING. Will the Senator permit an interruption apropos of what he is stating?

Mr. JONES of Washington. Yes, sir.

Mr. KING. I have taken up the matter with the Department of Labor, and I can assure the Senator that as soon as shipping can be provided and arrangements made some of these alien anarchists and Bolshevists who are seeking the destruction of our Government will be deported.

Mr. PENROSE. May I make an inquiry for my own information? I should like to inquire how these anarchists are to be sent back to the country whence they came. Will those countries be willing to take them? I make the inquiry for my own information. It occurred to me that we might ship them over there and the foreign country might refuse to let them get off the vessel.

Mr. KING. I confess I have not given attention to the modus operandi by which that would be effectuated, but the law which we passed in October of last year provides that the Department of Labor shall deport certain classes of people, and I am sure the Department of Labor is going to act up to the letter and the spirit of that act.

Mr. PENROSE. I can see how the anarchists might spend their lives going from one shore to the other.

Mr. KING. He is a man without a country, anyway.

Mr. PENROSE. Can the Senator from Washington inform me?

Mr. JONES of Washington. I am glad to have the statement of the Senator from Utah. I will say to the Senator from Pennsylvania that I introduced a bill a short time ago providing for the deportation of these various individuals. The Department of State seems to take a different attitude from the Department of Labor. They wrote me a letter expressing the earnest hope that this measure would not be pressed, stating that some protests had come to it from one Government, whose citizens were in this class. It seems that that Government does not want these citizens returned to its shores, and so it protested against our taking any action of that kind. I think we could find a way of getting the people out of this country, anyhow; I do not care where they go, so they get out of here.

Mr. PENROSE. Where would they go?

Mr. JONES of Washington. We would take them and land them on somebody else's shores.

Mr. PENROSE. Send them up to the North Pole?

Mr. JONES of Washington. That would be a good place. I would not worry anything about that. What I want to do and what our people want to do is to get this class of persons out of our country.

Mr. PENROSE. I think the proposition a very meritorious one, but it simply occurred to me as a matter of curiosity how this as a practical problem was going to be solved. There still seems to be some doubt about it.

Mr. JONES of Washington. I have not any doubt but what we can put them on board ship and start them away from our shores and not let them come back.

Mr. PENROSE. There is no doubt about that; but where shall they be sent?

Mr. JONES of Washington. I am not worrying as to where the ship will land or where these people will land after they get away from our shores so that they can not come back. That will not worry me a particle.

I ask that the petition be printed in the RECORD without the names.

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

Petition for legislation to deport certain aliens.

To the Congress of the United States:

GENTLEMEN: We, the undersigned, citizens of the State of Washington, petition your honorable body that you enact legislation during the present session which will make possible the deportation from the United States of those who renounced their citizenship in order to escape the obligation of military service and who signed affidavits that they would voluntarily return to the lands from whence they came.

We deem that persons who think so lightly of the privileges of American citizenship that they are unwilling to fight for them when called to the colors are not desirable as residents of the United States, and that the act of renouncing their citizenship in order to escape military service is sufficient proof of their undesirability.

In further proof of the undesirability of these persons as a class, we submit the fact that of 205 persons who renounced their citizenship before the draft boards of Seattle to escape military service, 54, or nearly 27 per cent, were shown to be members of the I. W. W. by a check of the membership list of that organization in the hands of the police.

We therefore petition for the passage of whatever legislation is necessary to provide for the deportation of those who refuse to live up to their promise to leave the United States.

OIL AND GAS LANDS—CONFERENCE REPORT.

Mr. SHAFROTH. I desire to call up Senate concurrent resolution No. 30, which authorizes Hon. KEY PITTMAN, as one of the managers at the conference on Senate bill 2812, to affix the name of JAMES D. PHELAN as one of the Senate managers to the conference report on the bill (S. 2812) entitled "An act to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain," under oral authority and by telegram requesting such action.

I desire to present a telegram from Hon. JAMES D. PHELAN which is addressed to Hon. KEY PITTMAN, United States Senate, Washington, D. C., and is as follows:

SAN FRANCISCO, CAL., *February 10, 1919.*

Hon. KEY PITTMAN,
United States Senate, Washington, D. C.:

Have read mineral leasing bill and conference report, and I hereby authorize you to sign my name to the bill as reported by the conference committee.

JAMES D. PHELAN.

The VICE PRESIDENT. Is there objection to the consideration of the concurrent resolution?

The concurrent resolution was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That Hon. KEY PITTMAN, as one of the Senate managers, is hereby authorized to affix the name of JAMES D. PHELAN, as one of the Senate managers, to the conference report on bill (S. 2812) entitled "An act to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain," under oral authority and by telegram requesting such action.

OMAHA TRIBE OF INDIANS.

Mr. NORRIS. I understand that last night the Senate passed the bill (S. 3992) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians. I have just had called to my attention by a member of the tribe a claim that was passed, without consideration by the committee, where there was an application to be heard on the part of the Indians before the passage of the bill. Personally I do not know anything about it. I was unable to find any member of the committee in the Chamber, and, as I have to leave the Chamber for committee work, I should like to enter a formal motion to reconsider the vote by which the bill was passed last night. It may be that it will be adjusted properly when I am able to see members of the committee who know about the bill.

The VICE PRESIDENT. The motion to reconsider will be entered.

Mr. NORRIS. I move that the House be requested to return the bill to the Senate.

The motion was agreed to.

AGENTS OF DEPARTMENT OF JUSTICE IN MICHIGAN.

Mr. TOWNSEND. I ask that Senate resolution 446, submitted yesterday by me, be laid before the Senate.

The VICE PRESIDENT. Without objection, the Chair lays the resolution before the Senate.

Mr. TOWNSEND. I desire to amend the resolution by inserting before the word "Michigan" the words "in connection with the senatorial primary and election held in that State in August and November, 1918."

The resolution as amended was agreed to, as follows:

Whereas it is known that a large number, to wit, more than 25 men, have been in the State of Michigan for a great portion of the time since August, 1918, representing themselves to be agents of the United States Department of Justice, and many are there now; and

Whereas said men are accused of indulging in unlawful and unwarranted practices: Therefore be it

Resolved, That the Attorney General be, and he is hereby, directed to inform the Senate whether he has sent any special agents into Michigan in connection with the senatorial primary and election held in that State in August and November, 1918, and, if he has, how many have been sent, together with their names, how many are there now, the purpose for which they were sent and are now retained there, and what instructions, if any, were given these men by him.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SHERLEY, Mr. EAGAN, and Mr. CANNON managers at the conference on the part of the House.

The message also announced that the House agrees to the concurrent resolution of the Senate authorizing Hon. KEY PITTMAN, as one of the Senate managers, to affix the name of JAMES D. PHELAN as one of the Senate managers to the conference report on the bill (S. 2812) to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain, under oral authority and by telegram requesting such action.

THE REVENUE—CONFERENCE REPORT.

Mr. SIMMONS. I move that the Senate proceed to the consideration of the conference report on the bill (H. R. 12863) to provide revenue, and for other purposes.

The motion was agreed to.

Mr. SMOOT. A number of Senators desired to be here at the time the report was taken up, and I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Chair will first lay before the Senate the conference report on the revenue bill. The Secretary will call the roll.

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

Baird	Hitchcock	Myers	Simmons
Beckham	Hollis	Nelson	Smith, Ariz.
Borah	Johnson, Cal.	New	Smith, Ga.
Calder	Johnson, S. Dak.	Norris	Smith, S. C.
Colt	Jones, N. Mex.	Nugent	Smoot
Culberson	Jones, Wash.	Page	Spencer
Curtis	King	Penrose	Sterling
Fletcher	Kirby	Pittman	Sutherland
France	Lenroot	Poindexter	Swanson
Frelinghuysen	Lewis	Pollock	Thompson
Gay	Lodge	Pomerene	Trammell
Gore	McCumber	Ransdell	Underwood
Gronna	McKellar	Saulsbury	Walsh
Harding	McLean	Shafroth	Warren
Hardwick	Martin, Va.	Sheppard	Watson
Henderson	Moses	Sherman	Weeks

Mr. SAULSBURY. I desire to announce that the senior Senator from Maryland [Mr. SMITH] and the senior Senator from Mississippi [Mr. WILLIAMS] are detained by illness.

Mr. McKELLAR. I desire to announce the absence of my colleague, the senior Senator from Tennessee [Mr. SHIELDS], on account of illness.

Mr. POMERENE. I desire to announce the absence of the junior Senator from Delaware [Mr. WOLCOTT] and the junior Senator from North Carolina [Mr. OVERMAN] on official business.

The PRESIDING OFFICER (Mr. KING in the chair). Sixty-four Senators have answered to their names. A quorum is present.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the reading of the report of the committee of conference may be dispensed with.

Mr. FRANCE. Mr. President, I object to that. I think the report ought to be read.

The PRESIDING OFFICER. Objection is made. The Secretary will read the report of the committee of conference.

The Secretary read as follows:

"The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12863) to provide revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

"That the Senate recede from its amendments numbered 1, 5, 10"—

And sundry other amendments.

Mr. PENROSE. Mr. President, the Secretary has been directed to read this report, and I ask that it be read. I want the report read.

The PRESIDING OFFICER. The Secretary will proceed to read the report as requested.

The Secretary resumed the reading of the report, as follows:

"That the Senate recede from its amendments numbered 1, 5, 10, 35, 37, 38, 50, 54, 55, 58, 59, 112, 120, 121, 122, 123, 127, 131, 140, 186, 187, 189, 208, 211, 218, 222, 223, 235, 272, 273, 274, 275, 276, 329, 330, 332, 333, 352, 362, 377, 378, 379, 381, 394, 405, 407, 410, 444, 445, 488, 490, 491, 493, 498, 499, 500, 509, 516, 518, 519, 539, 540, 541, 553, 559, 587, 588, and 594.

"That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, 8, 9, 12, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 29, 30, 31, 32, 33, 34, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 51, 52, 53, 56, 57, 60, 61, 62, 64, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 78, 79, 82, 83, 84, 85, 87, 88, 89, 90, 91, 93, 97, 98, 99, 100, 101, 102, 103, 104, 106, 107, 108, 109, 110, 111, 113, 114, 115, 116, 117, 119, 124, 126, 128, 130, 132, 133, 134, 136, 137, 138, 139, 141, 142, 143, 145, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 162, 163, 164, 165, 166, 167, 168, 170, 172, 173, 174, 175, 176, 177, 178, 179, 181, 182, 183, 184, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 209, 210, 212, 213, 217, 219, 224, 225, 226, 227, 228, 229, 230, 237, 238, 239, 240, 241, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 255, 256, 258, 260, 262, 264, 265, 266, 267, 268, 269, 271, 278, 279, 280, 281, 283, 284, 286, 287, 288, 290, 291, 293, 294, 295, 296, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 326, 327, 328, 331, 334, 335, 336, 337, 338, 339, 340, 342, 343, 344, 346, 347, 348, 349, 350, 351, 353, 354, 355, 356, 358, 359, 360, 361, 363, 364, 365, 366, 370, 371, 372, 373, 374, 380, 382, 383, 384, 385, 386, 388, 389, 390, 392, 396, 398, 400, 401, 402, 403, 406, 408, 409, 411, 412, 413, 415, 416, 419, 422, 423, 427, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 447, 448, 449, 450, 451, 452, 453, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 468, 470, 471, 472, 473, 475, 476, 477, 478, 479, 481, 482, 483, 486, 487, 489, 494, 496, 497, 501, 502, 503, 504, 505, 506, 507, 508, 510, 511, 512, 513, 514, 515, 517, 520, 521, 522, 524, 525, 527, 528, 529, 530, 531, 532, 533, 534, 536, 537, 538, 543, 545, 546, 547, 549, 551, 552, 554, 555, 556, 557, 558, 560, 562, 563, 564, 565, 566, 567, 568, 570, 571, 572, 573, 574, 575, 576, 577, 579, 580, 582, 583, 584, 585, 586, 589, 590, 591, 592, and 593; and agree to the same."

Mr. PENROSE. Mr. President, the recital of these numbers will impress the Senate, if attention is called to it, with the very large number of amendments adopted by the Senate from which the House receded from its disagreement; and it bears out the thought that the greater part of very many of the excellent provisions in the measure inserted by the Senate have been retained in the pending bill. I only desire to call attention to that phase of it as shown by a comparison of the two paragraphs, the first containing the amendments from which the Senate receded and the second those from which the House receded.

The Secretary resumed the reading of the conference report, and read as follows:

"Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: On page 1, line 5, of the bill strike out the comma after the word 'partnerships'; and the Senate agree to the same.

"Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert a comma and the following: 'as well as individuals'; and the Senate agree to the same.

"Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: 'The term "Government contract" means (a) a contract made with the United States, or with any department, bureau, officer, commission, board, or agency, under the United States and acting in its behalf, or with any agency controlled by any of the above if the contract is for the benefit of the United States, or (b) a subcontract made with a contractor performing such a contract if the products or services to be furnished under the subcontract are for the benefit of the United States. The term "Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive" when applied to a contract of the kind referred to in clause (a) of this paragraph, includes all such contracts which, although entered into during such period, were originally not enforceable, but which have been or may become enforceable by reason of subsequent validation in pursuance of law' and a semicolon; and the Senate agree to the same.

"Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'The term "personal service corporation" means a corporation

whose income is to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation and in which capital (whether invested or borrowed) is not a material income-producing factor; but does not include any foreign corporation, nor any corporation 50 per cent or more of whose gross income consists either (1) of gains, profits, or income derived from trading as a principal, or (2) of gains, profits, commissions, or other income derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive,' and a semicolon; and the Senate agree to the same.

"Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'The term "paid," for the purposes of the deductions and credits under this title, means "paid or accrued" or "paid or incurred," and the terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed under section 212.'

"And the Senate agree to the same.

"Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'DIVIDENDS.

"'SEC. 201. (a) That the term "dividend" when used in this title (except in paragraph (10) of subdivision (a) of section 234) means (1) any distribution made by a corporation, other than a personal-service corporation, to its shareholders or members, whether in cash or in other property or in stock of the corporation, out of its earnings or profits accumulated since February 28, 1913, or (2) any such distribution made by a personal-service corporation out of its earnings or profits accumulated since February 28, 1913, and prior to January 1, 1918.

"'(b) Any distribution shall be deemed to have been made from earnings or profits unless all earnings and profits have first been distributed. Any distribution made in the year 1918 or any year thereafter shall be deemed to have been made from earnings or profits accumulated since February 28, 1913, or, in the case of a personal-service corporation, from the most recently accumulated earnings or profits; but any earnings or profits accumulated prior to March 1, 1913, may be distributed in stock dividends or otherwise, exempt from the tax, after the earnings and profits accumulated since February 28, 1913, have been distributed.

"'(c) A dividend paid in stock of the corporation shall be considered income to the amount of the earnings or profits distributed. Amounts distributed in the liquidation of a corporation shall be treated as payments in exchange for stock or shares, and any gain or profit realized thereby shall be taxed to the distributee as other gains or profits.

"'(d) If any stock dividend (1) is received by a taxpayer between January 1 and November 1, 1918, both dates inclusive, or (2) is during such period bona fide authorized or declared, and entered on the books of the corporation, and is received by a taxpayer after November 1, 1918, and before the expiration of 30 days after the passage of this act, then such dividend shall, in the manner provided in section 206, be taxed to the recipient at the rates prescribed by law for the years in which the corporation accumulated the earnings or profits from which such dividend was paid, but the dividend shall be deemed to have been paid from the most recently accumulated earnings or profits.

"'(e) Any distribution made during the first 60 days of any taxable year shall be deemed to have been made from earnings or profits accumulated during preceding taxable years; but any distribution made during the remainder of the taxable year shall be deemed to have been made from earnings or profits accumulated between the close of the preceding taxable year and the date of distribution, to the extent of such earnings or profits, and if the books of the corporation do not show the amount of such earnings or profits, the earnings or profits for the accounting period within which the distribution was made shall be deemed to have been accumulated ratably during such period.'

"And the Senate agree to the same.

"Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(b) When property is exchanged for other property, the property received in exchange shall for the purpose of determining gain or loss be treated as the equivalent of cash to the amount of its fair market value, if any; but when in connection with the reorganization, merger, or consolidation of a corporation a person receives in place of stock or securities owned by him new stock or securities of no greater aggregate par or face value, no gain or loss shall be deemed to occur from the exchange, and the new stock or securities received shall be treated as taking the place of the stock, securities, or property exchanged.

"'When in the case of any such reorganization, merger or consolidation the aggregate par or face value of the new stock or securities received is in excess of the aggregate par or face value of the stock or securities exchanged, a like amount in par or face value of the new stock or securities received shall be treated as taking the place of the stock or securities exchanged, and the amount of the excess in par or face value shall be treated as a gain to the extent that the fair market value of the new stock or securities is greater than the cost (or if acquired prior to March 1, 1913, the fair market value as of that date) of the stock or securities exchanged.'

"And the Senate agree to the same."

Mr. THOMAS. Mr. President, I desire to have the RECORD note the fact that the Senator who moved the reading of this long and cumbrous report, and the Senator who also insisted that the reading include the figures, have both of them deserted the Chamber; also that there are now four Republicans and three Democrats, exclusive of the occupant of the chair, present to listen to this wasteful and filibustering procedure.

Mr. SMOOT. Mr. President, in justice to the Senator who asked that the report be read, I will state that I understand he has gone to lunch. Of course, the Senator from Colorado knows that it is lunch time, and I suppose almost all the Senators are there.

Mr. THOMAS. Yes; and I know also that the only possible effect of going through this procedure, which can not be stopped, is to consume very valuable time. If this bill is to be beaten—and I personally do not care whether it is or not—I think it should be beaten by direct offensive attack, rather than by undermining.

The Secretary resumed the reading of the report, and read as follows:

"Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'NET LOSSES.

"'SEC. 204. (a) That as used in this section the term "net loss" refers only to net loss resulting from either (1) the operation of any business regularly carried on by the taxpayer, or (2) the bona fide sale by the taxpayer of plant, buildings, machinery, equipment, or other facilities, constructed, installed, or acquired by the taxpayer on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war; and when so resulting means the excess of the deductions allowed by law (excluding in the case of corporations amounts allowed as a deduction under paragraph (6) of subdivision (a) of section 234) over the sum of the gross income plus any interest received free from taxation both under this title and under Title III.

"'(b) If for any taxable year beginning after October 31, 1918, and ending prior to January 1, 1920, it appears upon the production of evidence satisfactory to the commissioner that any taxpayer has sustained a net loss, the amount of such net loss shall under regulations prescribed by the commissioner with the approval of the Secretary be deducted from the net income of the taxpayer for the preceding taxable year; and the taxes imposed by this title and by Title III for such preceding taxable year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. If such net loss is in excess of the net income for such preceding taxable year, the amount of such excess shall under regulations prescribed by the commissioner with the approval of the Secretary be allowed as a deduction in computing the net income for the succeeding taxable year.

"'(c) The benefit of this section shall be allowed to the members of a partnership and the beneficiaries of an estate or trust under regulations prescribed by the commissioner with the approval of the Secretary.'

"And the Senate agree to the same.

"Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'FISCAL YEAR WITH DIFFERENT RATES.

"'SEC. 205. (a) That if a taxpayer makes return for a fiscal year beginning in 1917 and ending in 1918, his tax under this title for the first taxable year shall be the sum of: (1) the same proportion of a tax for the entire period computed under Title I of the revenue act of 1916 as amended by the revenue act of 1917 and under Title I of the revenue act of 1917, which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title at the rates for the calendar year 1918 which the portion of such period falling within the calendar year 1918 is of the entire period: *Provided*, That in the case of a personal service corporation the amount to be paid shall be only that specified in clause (1).

"'Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title I of the revenue act of 1916 as amended by the revenue act of 1917, and by Title I of the revenue act of 1917, shall be credited towards the payment of the tax imposed for such fiscal year by this act, and if the amount so paid exceeds the amount of such tax imposed by this act, or, in the case of a personal service corporation, the amount specified in clause (1), the excess shall be credited or refunded in accordance with the provisions of section 252.

"'(b) If a taxpayer makes a return for a fiscal year beginning in 1918 and ending in 1919, the tax under this title for such fiscal year shall be the sum of: (1) the same proportion of a tax for the entire period computed under this title at the rates specified for the calendar year 1918 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title at the rates specified for the calendar year 1919 which the portion of such period falling within the calendar year 1919 is of the entire period.

"'(c) If a fiscal year of a partnership begins in 1917 and ends in 1918 or begins in 1918 and ends in 1919, then notwithstanding the provisions of subdivision (b) of section 218, (1) the rates for the calendar year during which such fiscal year begins shall apply to an amount of each partner's share of such partnership net income (determined under the law applicable to such year) equal to the proportion which the part of such fiscal year falling within such calendar year bears to the full fiscal year, and (2) the rates for the calendar year during which such fiscal year ends shall apply to an amount of each partner's share of such partnership net income (determined under the law applicable to such calendar year) equal to the proportion which the part of such fiscal year falling within such calendar year bears to the full fiscal year: *Provided*, That in the case of a personal service corporation with respect to a fiscal year beginning in 1917 and ending in 1918, the amount specified in clause (1) shall not be subject to normal tax.'

"And the Senate agree to the same.

"Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'PARTS OF INCOME SUBJECT TO RATES FOR DIFFERENT YEARS.

"'SEC. 206. That whenever parts of a taxpayer's income are subject to rates for different calendar years, the part subject to the rates for the most recent calendar year shall be placed in the lower brackets of the rate schedule provided in this title, the part subject to the rates for the next preceding calendar year shall be placed in the next higher brackets of the rate schedule applicable to that year, and so on until the entire net income has been accounted for. In determining the income, any deductions, exemptions, or credits of a kind not plainly and properly chargeable against the income taxable at rates for a preceding year shall first be applied against the income subject to rates for the most recent calendar year; but any balance thereof shall be applied against the income subject to the rates of the next preceding year or years until fully allowed.'

"And the Senate agree to the same."

The PRESIDING OFFICER (Mr. NUGENT in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 13462) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Bankhead	Jones, N. Mex.	Nugent	Sterling
Beckham	Kellogg	Overman	Sutherland
Colt	Kenyon	Page	Swanson
Culberson	King	Penrose	Thomas
Curtis	La Follette	Poindexter	Thompson
Fletcher	Lenroot	Pollock	Townsend
France	Lewis	Pomerene	Trammell
Gay	McCumber	Sheppard	Vardaman
Gerry	McKellar	Sherman	Wadsworth
Hale	McNary	Simmons	Warren
Harding	Martin, Va.	Smith, Ariz.	Weeks
Hardwick	Nelson	Smith, S. C.	Wolcott
Henderson	New	Smoot	
Johnson, S. Dak.	Norris	Spencer	

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

Mr. SIMMONS. I wish to ask the Senator from Florida [Mr. FLETCHER] if he will not agree to temporarily lay aside the river and harbor bill that we may consider the conference report on the revenue bill?

Mr. FLETCHER. I realize the importance of action upon the conference report. Can the Senator give me any idea as to how long it would possibly take?

Mr. SIMMONS. I had very much hoped that we would get through with it this afternoon, but I can not give any assurance of that. I think we will get through with it to-morrow, if not to-day.

Mr. THOMAS. Let us hold a night session.

Mr. SIMMONS. I would be in favor of holding a night session if necessary.

Mr. PENROSE. I would not favor that. I think the conference report on the revenue bill ought to be proceeded with with decorum and formality. It is a very important measure.

Mr. SIMMONS. I do not think by holding a night session we would dispense with any decorum or any formality.

Mr. PENROSE. It seems to be rather a steam-roller proceeding.

Mr. SIMMONS. It is not a steam-roller proceeding.

Mr. THOMAS. Mr. President, we have 18 working days, including to-day, in which to transact the business that is now upon the calendar. It will take four or five hours to read this report, and it is read to empty seats. If that is going to be done, I think we can hold a night session and stay here all night, if necessary, in order that we may transact some of the business now on the calendar, or at least make an effort to do it.

Mr. PENROSE. I suggest that we take up the question of a night session when the time arrives to take it up.

Mr. SIMMONS. I suggest that the Senator is wise in that regard; but I say if this report is unduly delayed I shall undoubtedly, not to-night, but to-morrow night, if it goes over to-morrow, ask for a night session.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. SIMMONS. I yield.

Mr. FLETCHER. Under the circumstances I feel disposed to lay the unfinished business aside temporarily with the understanding that it shall not lose its place and that it will be resumed immediately after action on the conference report on the revenue bill. If it is apparent that there is an unnecessary delay in disposing of the conference report, I shall ask the Senate to take up the unfinished business. I think I have that right when I ask to have it temporarily laid aside.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I yield.

Mr. PENROSE. I do not think the chairman of the Finance Committee will impute any intention or effort to delay this conference report to the minority. Every effort has been made to expedite its passage, and we intend now, as far as I know, to expedite its passage, but it certainly ought to be proceeded with with deliberation and not——

Mr. SIMMONS. There is no purpose to proceed with the conference report except in the usual way. I have not imputed any purpose to the other side of the Chamber to delay the matter, and I do not know of any such purpose.

Mr. PENROSE. If the Senator will permit me, I wish to say that I thought the reading of the numbers of the amendments had considerable significance. Comparing the amendments on which the Senate conferees receded with those on which the House conferees receded, it showed a very striking preponderance of Senate amendments accepted and agreed to, and I think it is fraught with instructions to the Senate to be impressed with that fact, because those amendment are for the

relief of the taxpayers and the correction of inequalities, and are the chief merit of the bill, in my opinion.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. I yield.

Mr. THOMAS. The instruction was very edifying to six Senators, three on this side of the Chamber and three upon the other, and as soon as the Senator from Pennsylvania called attention to its educational effect he also retired from the Chamber.

Mr. PENROSE. I labored for a month over those amendments. I did not require that instruction. If Senators do not choose to listen, the opportunity is afforded to the occupants of the press gallery to be impressed with the full significance of the reading, and they can spread broadcast throughout the country the impression they have derived.

Mr. FLETCHER. I ask that the unfinished business be temporarily laid aside, to be resumed immediately on the completion of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered. The Secretary will resume the reading of the conference report.

The Secretary resumed the reading of the report, and read as follows:

"Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following inclosed in parentheses: 'including in the case of the President of the United States, the judges of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia, the compensation received as such'; and the Senate agree to the same.

"Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'possessions; or (d) bonds issued by the War Finance Corporation: *Provided*, That every person owning any of the obligations, securities, or bonds enumerated in clauses (a), (b), (c), and (d) shall, in the return required by this title, submit a statement showing the number and amount of such obligations, securities, and bonds owned by him and the income received therefrom, in such form and with such information as the commissioner may require'; and the Senate agree to the same.

"Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'or (e) in the case of a nonresident alien individual, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon property or business' and a semicolon; and on page 17, line 5, of the bill, after the matter inserted by Senate amendment numbered 81, insert a comma and the following: 'and clause (e) of paragraph (3)' and a comma; and the Senate agree to the same.

"Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment, and restore the matter stricken out by said amendment, and on page 14, line 19, of the bill, after 'business,' insert a comma and the following: 'including a reasonable allowance for obsolescence'; and the Senate agree to the same.

"Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: On page 20, line 3, of the Senate engrossed amendments, strike out '12 months' and insert '30 days'; and the Senate agree to the same.

"Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows:

"'(12) (a) At the time of filing return for the taxable year 1918 a taxpayer may file a claim in abatement based on the fact that he has sustained a substantial loss (whether or not actually realized by sale or other disposition) resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for such taxable year, or from the actual payment after the close of such taxable year of rebates in pursuance of contracts entered into during such year upon sales made during such year. In such case payment of the amount of the tax covered by such claim shall not be required until the claim is decided, but the taxpayer shall accompany his claim with a bond in double the amount of the tax covered by the claim, with sureties satisfactory to the commissioner, conditioned for the payment of any part of such tax found to be due, with interest. If any part of such claim is disallowed then the remainder of the tax due shall on notice and demand by the collector be paid by the taxpayer with interest at the rate of 1 per cent per month from the time the tax would have been due had no such claim been filed. If it is shown to the satisfaction of the commissioner that such substantial loss has been sustained, then in computing the tax imposed by this title the amount of such loss shall be deducted from the net income. (b) If no such claim is filed, but it is shown to the satisfaction of the commissioner that during the taxable year 1919 the taxpayer has sustained a substantial loss of the character above described then the amount of such loss shall be deducted from the net income for the taxable year 1918 and the tax imposed by this title for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.'

"And the Senate agree to the same.

"Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: '(10), (12)'; and the Senate agree to the same.

"Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: 'and amounts received as dividends from a personal service corporation out of earnings or profits upon which income tax has been imposed by act of Congress'; and the Senate agree to the same.

"Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(e) Personal service corporations shall not be subject to taxation under this title, but the individual stockholders thereof shall be taxed in the same manner as the members of partnerships. All the provisions of this title relating to partnerships and the members thereof shall so far as practicable apply to personal service corporations and the stockholders thereof: *Provided*, That for the purpose of this subdivision amounts distributed by a personal service corporation during its taxable year shall be accounted for by the distributees; and any portion of the net income remaining undistributed at the close of its taxable year shall be accounted for by the stockholders of such corporation at the close of its taxable year in proportion to their respective shares.'

"And the Senate agree to the same.

"Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: '212, except that there shall also be allowed as a deduction (in lieu of the deduction authorized by paragraph (11) of subdivision (a) of section 214) any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is during the taxable year paid to or permanently set aside for the United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any corporation organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for 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'; and the Senate agree to the same.

"Amendment numbered 95:"——

Mr. THOMAS. Mr. President, I desire to raise a point of order. The reading by the Secretary seems to interfere very seriously with the conversation going on between the very few who still remain in the Chamber.

The PRESIDING OFFICER. The Chair will have to overrule the point of order, but he supposes that that is the fact.

Mr. THOMAS. Possibly I may have mistaken the conversation in the galleries for conversation on the floor. I suggest that

the Chair indulge in the usual highly perfunctory but utterly useless admonition to the occupants of the galleries.

Mr. SMITH of Georgia. No one is giving any attention to the reading of the report, and I ask unanimous consent to dispense with the further reading.

The PRESIDING OFFICER. The Senator from Georgia asks unanimous consent to dispense with the further reading of the report.

Mr. LODGE. I think the report ought to be read, Mr. President.

The PRESIDING OFFICER. Objection is raised. The report will be read.

Mr. SMITH of Georgia. I will not suggest the absence of a quorum that anyone will hear, because I am sure no one is going to hear it.

The Secretary resumed and concluded the reading of the report, as follows:

"Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: On page 23, line 10, of the Senate engrossed amendments after 'administration' insert 'or settlement'; and the Senate agree to the same.

"Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: On page 23, line 14, of the Senate engrossed amendments strike out 'or' and insert 'of'; and the Senate agree to the same.

"Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'distributed, such corporation shall not be subject to the tax imposed by section 230, but the stockholders or members thereof shall be subject to taxation under this title in the same manner as provided in subdivision (e) of section 218 in the case of stockholders of a personal-service corporation, except that the tax imposed by Title III shall be deducted from the net income of the corporation before the computation of the proportionate share of each stockholder or member'; and the Senate agree to the same.

"Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'CREDIT FOR TAXES.

"'SEC. 222. (a) That the tax imposed under Part II of this title shall be credited with:

"'(1) In the case of a citizen of the United States, the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States; and

"'(2) In the case of a resident of the United States, the amount of any such taxes paid during the taxable year to any possession of the United States; and

"'(3) In the case of an alien resident of the United States who is a citizen or subject of a foreign country, the amount of any such taxes paid during the taxable year to such country, upon income derived from sources therein, if such country, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and

"'(4) In the case of any such individual who is a member of a partnership or a beneficiary of an estate or trust, his proportionate share of such taxes of the partnership or the estate or trust paid during the taxable year to a foreign country or to any possession of the United States, as the case may be.

"'(b) If accrued taxes when paid differ from the amounts claimed as credits by the taxpayer, or if any tax paid is refunded in whole or in part, the taxpayer shall notify the commissioner who shall redetermine the amount of the tax due under Part II of this title for the year or years affected, and the amount of tax due upon such redetermination, if any, shall be paid by the taxpayer upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. In the case of such a tax accrued but not paid, the commissioner as a condition precedent to the allowance of this credit may require the taxpayer to give a bond with sureties satisfactory to and to be approved by the commissioner in such penal sum as the commissioner may require, conditioned for the payment by the taxpayer of any amount of tax found due upon any such redetermination; and the bond herein prescribed shall contain such further conditions as the commissioner may require.

"'(c) These credits shall be allowed only if the taxpayer furnishes evidence satisfactory to the commissioner showing the amount of income derived from sources within such foreign country or such possession of the United States, and all other information necessary for the computation of such credits.'

"And the Senate agree to the same.

"Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: 'Except in the case of taxpayers who are abroad, no such extension shall be for more than six months'; and the Senate agree to the same.

"Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(1) for the calendar year 1918, 12 per cent of the amount of the net income in excess of the credits provided in section 236; and

"'(2) For each calendar year thereafter, 10 per cent of such excess amount.

"'(b) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," five-sixths of the tax imposed by paragraph (1) of subdivision (a) and four-fifths of the tax imposed by paragraph (2) of subdivision (a) shall be treated as levied by an act in amendment of Title I of the revenue act of 1917.'

"And the Senate agree to the same.

"Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert a comma and the following: 'except that:

"'(1) In the case of life insurance companies there shall not be included in gross income such portion of any actual premium received from any individual policyholder as is paid back or credited to or treated as an abatement of premium of such policyholder within the taxable year.

"'(2) Mutual marine insurance companies shall include in gross income the gross premiums collected and received by them less amounts paid for reinsurance'; and the Senate agree to the same.

"Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: '238; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits, and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business'; and on page 40 of the bill, lines 22 and 23, strike out 'paragraphs (2) and (3)' and insert 'paragraph (2) and in clauses (a), (b), and (c) of paragraph (3)'; and the Senate agree to the same.

"Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: 'and amounts received as dividends from a personal service corporation out of earnings or profits upon which income tax has been imposed by act of Congress'; and the Senate agree to the same.

"Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and restore the matter stricken out by said amendment, and on page 37, line 24, of the bill, after 'business' insert a comma and the following: 'including a reasonable allowance for obsolescence'; and the Senate agree to the same.

"Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with an amendment as follows: On page 33, line 9, of the Senate engrossed amendments strike out '12 months' and insert '30 days'; and the Senate agree to the same.

"Amendment numbered 160: That the House recede from its disagreement to the amendment of the Senate numbered 160, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"'(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within

the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts;

"'(11) In the case of corporations issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan continuing for life and not subject to cancellation, in addition to the above, such portion of the net addition (not required by law) made within the taxable year to reserve funds as the commissioner finds to be required for the protection of the holders of such policies only;

"'(12) In the case of mutual marine insurance companies there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the repayment thereof;

"'(13) In the case of mutual insurance companies (other than mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive (unless otherwise allowed under such paragraphs) the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves, and a semicolon; and the Senate agree to the same.

"Amendment numbered 161: That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with an amendment as follows:

"'(14) (a) At the time of filing return for the taxable year 1918 a taxpayer may file a claim in abatement based on the fact that he has sustained a substantial loss (whether or not actually realized by sale or other disposition) resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for such taxable year, or from the actual payment after the close of such taxable year of rebates in pursuance of contracts entered into during such year upon sales made during such year. In such case payment of the amount of the tax covered by such claim shall not be required until the claim is decided, but the taxpayer shall accompany his claim with a bond in double the amount of the tax covered by the claim, with sureties satisfactory to the commissioner, conditioned for the payment of any part of such tax found to be due, with interest. If any part of such claim is disallowed, then the remainder of the tax due shall on notice and demand by the collector be paid by the taxpayer with interest at the rate of 1 per cent per month from the time the tax would have been due had no such claim been filed. If it is shown to the satisfaction of the commissioner that such substantial loss has been sustained, then in computing the taxes imposed by this title and by Title III the amount of such loss shall be deducted from the net income. (b) If no such claim is filed, but it is shown to the satisfaction of the commissioner that during the taxable year 1919 the taxpayer has sustained a substantial loss of the character above described, then the amount of such loss shall be deducted from the net income for the taxable year 1918, and the taxes imposed by this title and by Title III for such year shall be redetermined accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.'

"And the Senate agree to the same.

"Amendment numbered 169: That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'in computing the tax as provided in subdivision (a) of section 205, the tax computed for the entire period under Title II of the revenue act of 1917 shall be credited against the net income computed for the entire period under Title I of the revenue act of 1916 as amended by the revenue act of 1917 and under Title I of the revenue act of 1917, and the tax computed for the entire period under Title III of this act at the rates prescribed for the calendar year 1918 shall be credited against the net income computed for the entire period under this title; and'; and the Senate agree to the same.

"Amendment numbered 171: That the House recede from its disagreement to the amendment of the Senate numbered 171, and agree to the same with an amendment as follows: In lieu of the figure '8' inserted by said amendment insert the figures '10'; and the Senate agree to the same.

"Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(c) If a domestic corporation makes a return for a fiscal year beginning in 1917 and ending in 1918, only that proportion of this credit shall be allowed which the part of such period within the calendar year 1918 bears to the entire period.'

"And on page 42 of the bill, after line 20, insert the following new paragraph:

"'If accrued taxes when paid differ from the amounts claimed as credits by the corporation, or if any tax paid is refunded in whole or in part, the corporation shall at once notify the commissioner who shall redetermine the amount of the taxes due under this title and under Title III for the year or years affected, and the amount of taxes due upon such redetermination, if any, shall be paid by the corporation upon notice and demand by the collector, or the amount of taxes overpaid, if any, shall be credited or refunded to the corporation in accordance with the provisions of section 252. In the case of such a tax accrued but not paid, the commissioner as a condition precedent to the allowance of this credit may require the corporation to give a bond with sureties satisfactory to and to be approved by him in such penal sum as he may require, conditioned for the payment by the taxpayer of any amount of taxes found due upon any such redetermination; and the bond herein prescribed shall contain such further conditions as the commissioner may require.'

"And on page 42 of the bill, line 21, at the beginning of the line, insert the letter 'b' in parentheses.

"And the Senate agree to the same.

"Amendment numbered 185: That the House recede from its disagreement to the amendment of the Senate numbered 185, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'CONSOLIDATED RETURNS.

"'SEC. 240. (a) That corporations which are affiliated within the meaning of this section shall, under regulations to be prescribed by the commissioner with the approval of the Secretary, make a consolidated return of net income and invested capital for the purposes of this title and Title III, and the taxes thereunder shall be computed and determined upon the basis of such return: *Provided*, That there shall be taken out of such consolidated net income and invested capital, the net income and invested capital of any such affiliated corporation organized after August 1, 1914, and not successor to a then existing business, 50 per cent or more of whose gross income consists of gains, profits, commissions, or other income, derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive. In such case the corporation so taken out shall be separately assessed on the basis of its own invested capital and net income and the remainder of such affiliated group shall be assessed on the basis of the remaining consolidated invested capital and net income.

"'In any case in which a tax is assessed upon the basis of a consolidated return, the total tax shall be computed in the first instance as a unit and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or, in the absence of any such agreement, then on the basis of the net income properly assignable to each. There shall be allowed in computing the income tax only one specific credit of $2,000 (as provided in sec. 236); in computing the war-profits credit (as provided in sec. 311) only one specific exemption of $3,000; and in computing the excess-profits credit (as provided in sec. 312) only one specific exemption of $3,000.

"'(b) For the purpose of this section two or more domestic corporations shall be deemed to be affiliated (1) if one corporation owns directly or controls through closely affiliated interests or by a nominee or nominees substantially all the stock of the other or others, or (2) if substantially all the stock of two or more corporations is owned or controlled by the same interests.

"'(c) For the purposes of section 238 a domestic corporation which owns a majority of the voting stock of a foreign corporation shall be deemed to have paid the same proportion of any income, war-profits and excess-profits taxes paid (but not including taxes accrued) by such foreign corporation during the taxable year to any foreign country or to any possession of the United States upon income derived from sources without the United States, which the amount of any dividends (not deductible under sec. 234) received by such domestic corporation for such foreign corporation during the taxable year

bears to the total taxable income of such foreign corporation upon or with respect to which such taxes were paid: *Provided*, That in no such case shall the amount of the credit for such taxes exceed the amount of such dividends (not deductible under sec. 234) received by such domestic corporation during the taxable year.'

"And the Senate agree to the same.

"Amendment numbered 188: That the House recede from its disagreement to the amendment of the Senate numbered 188, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'SEC. 250. (a) That except as otherwise provided in this section and sections 221 and 237 the tax shall be paid in four installments, each consisting of one-fourth of the total amount of the tax. The first installment shall be paid at the time fixed by law for filing the return, and the second installment shall be paid on the 15th day of the third month, the third installment on the fifteenth day of the sixth month, and the fourth installment on the fifteenth day of the ninth month, after the time fixed by law for filing the return. Where an extension of time for filing a return is granted the time for payment of the first installment shall be postponed until the date of the expiration of the period of the extension, but the time for payment of the other intallments shall not be postponed unless the commissioner so provides in granting the extension. In any case in which the time for the payment of any installment is at the request of the taxpayer thus postponed, there shall be added as part of such installment interest thereon at the rate of one-half of 1 per cent per month from the time it would have been due if no extension had been granted, until paid. If any installment is not paid when due, the whole amount of the tax unpaid shall become due and payable upon notice and demand by the collector.'

"And the Senate agree to the same.

"Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: 'imposing an income tax'; and the Senate agree to the same.

"Amendment numbered 215: That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following:

"'*Provided further*, That all bona fide stockholders of record owning 1 per cent or more of the outstanding stock of any corporation shall, upon making request of the commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries. Any stockholder who pursuant to the provisions of this section is allowed to examine the return of any corporation, and who makes known in any manner whatever not provided by law the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any such return, shall be guilty of a misdemeanor and be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.'

"And the Senate agree to the same.

"Amendment numbered 216: That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'in such manner as he may determine, in the office of the collector in each internal revenue district and in such other places as he may determine, lists'; and the Senate agree to the same.

"Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'CITIZENS OF UNITED STATES POSSESSIONS.

"'SEC. 260. That any individual who is a citizen of any possession of the United States (but not otherwise a citizen of the United States) and who is not a resident of the United States, shall be subject to taxation under this title only as to income derived from sources within the United States, and in such case the tax shall be computed and paid in the same manner and subject to the same conditions as in the case of other persons who are taxable only as to income derived from such sources.'

"And the Senate agree to the same.

"Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'PORTO RICO AND PHILIPPINE ISLANDS.

"'SEC. 261. That in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the revenue act of 1916 as amended.

"'Returns shall be made and taxes shall be paid under Title I of such act in Porto Rico or the Philippine Islands, as the case may be, by (1) every individual who is a citizen or resident of Porto Rico or the Philippine Islands or derives income from sources therein, and (2) every corporation created or organized in Porto Rico or the Philippine Islands or deriving income from sources therein. An individual who is neither a citizen nor a resident of Porto Rico or the Philippine Islands but derives income from sources therein, shall be taxed in Porto Rico or the Philippine Islands as a nonresident alien individual, and a corporation created or organized outside of Porto Rico or the Philippine Islands and deriving income from sources therein shall be taxed in Porto Rico or the Philippine Islands as a foreign corporation. For the purposes of section 216 and of paragraph (6) of subdivision (a) of section 234 a tax imposed in Porto Rico or the Philippine Islands upon the net income of a corporation shall not be deemed to be a tax under this title.

"'The Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in force in Porto Rico or the Philippine Islands, respectively.'

"And the Senate agree to the same.

"Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'equal to the sum of the following:

"'FIRST BRACKET.

"'30 per cent of the amount of the net income in excess of the excess-profits credit (determined under section 312) and not in excess of 20 per cent of the invested capital;

"'SECOND BRACKET.

"'65 per cent of the amount of the net income in excess of 20 per cent of the invested capital;

"'THIRD BRACKET.

"'The sum, if any, by which 80 per cent of the amount of the net income in excess of the war-profits credit (determined under section 311) exceeds the amount of the tax computed under the first and second brackets.

"'(b) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation (except corporations taxable under subdivision (c) of this section) a tax equal to the sum of the following:

"'FIRST BRACKET.

"'20 per cent of the amount of the next income in excess of the excess-profits credit (determined under section 312) and not in excess of 20 per cent of the invested capital;

"'SECOND BRACKET.

"'40 per cent of the amount of the net income in excess of 20 per cent of the invested capital.

"'(c) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation which derives in such year a net income of more than $10,000 from any Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive, a tax equal to the sum of the following:

"'(1) Such a portion of a tax computed at the rates specified in subdivision (a) as the part of the net income attributable to such Government contract or contracts bears to the entire net income. In computing such tax the excess-profits credit and the war-profits credit applicable to the taxable year shall be used;

"'(2) Such a portion of a tax computed at the rates specified in subdivision (b) as the part of the net income not attributable to such Government contract or contracts bears to the entire net income.

"'For the purpose of determining the part of the net income attributable to such Government contract or contracts, the proper apportionment and allocation of the deductions with respect to gross income derived from such Government contract or contracts and from other sources, respectively, shall be determined under rules and regulations prescribed by the commissioner with the approval of the Secretary.

"'(d) In any case where the full amount of the excess-profits credit is not allowed under the first bracket of subdivision (a) or (b), by reason of the fact that such credit is in excess of 20 per cent of the invested capital, the part not so allowed shall be deducted from the amount in the second bracket.

"'(c) For the purposes of the act approved March 21, 1918, entitled "An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes," the tax imposed by this title shall be treated as levied by an act in amendment of Title II of the revenue act of 1917.'

"And the Senate agree to the same.

"Amendment numbered 232: That the House recede from its disagreement to the amendment of the Senate numbered 232, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'the tax imposed by subdivision (a) of section 301 shall in no case be more than 30 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 80 per cent of the amount of the net income in excess of $20,000; the tax imposed by subdivision (b) of section 301 shall in no case be more than 20 per cent of the amount of the net income in excess of $3,000 and not in excess of $20,000, plus 40 per cent of the amount of the net income in excess of $20,000; and the above limitations shall apply to the taxes computed under subdivisions (a) and (b) of section 301, respectively, when used in subdivision (c) of that section. Nothing in this section shall be construed in such manner as to increase the tax imposed by section 301'; and the Senate agree to the same.

"Amendment numbered 233: That the House recede from its disagreement to the amendment of the Senate numbered 233, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'SEC. 303. That if part of the net income of a corporation is derived (1) from a trade or business (or a branch of a trade or business) in which the employment of capital is necessary, and (2) a part (constituting not less than 30 per cent of its total net income) is derived from a separate trade or business (or a distinctly separate branch of the trade or business) which if constituting the sole trade or business would bring it within the class of "personal service corporations," then (under regulations prescribed by the commissioner with the approval of the Secretary) the tax upon the first part of such net income shall be separately computed (allowing in such computation only the same proportionate part of the credits authorized in sections 311 and 312), and the tax upon the second part shall be the same percentage thereof as the tax so computed upon the first part is of such first part: *Provided*, That the tax upon such second part shall in no case be less than 20 per cent thereof, unless the tax upon the entire net income, if computed without benefit of this section, would constitute less than 20 per cent of such entire net income, in which event the tax shall be determined upon the entire net income, without reference to this section, as other taxes are determined under this title. The total tax computed under this section shall be subject to the limitations provided in section 302.'

"And the Senate agree to the same.

"Amendment numbered 234: That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'Any corporation whose net income for the taxable year is less than $3,000 shall be exempt from taxation under this title'; and the Senate agree to the same.

"Amendment numbered 236: That the House recede from its disagreement to the amendment of the Senate numbered 236, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(c) In the case of any corporation engaged in the mining of gold, the portion of the net income derived from the mining of gold shall be exempt from the tax imposed by this title, and the tax on the remaining portion of the net income shall be the proportion of a tax computed without the benefit of this subdivision which such remaining portion of the net income bears to the entire net income.'

"And the Senate agree to the same.

"Amendment numbered 242: That the House recede from its disagreement to the amendment of the Senate numbered 242, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(c) If the corporation was not in existence during the whole of at least one calendar year during the prewar period, then, except as provided in subdivision (d), the war-profits credit shall be the sum of:

"'(1) A specific exemption of $3,000; and

"'(2) An amount equal to the same percentage of the invested capital of the taxpayer for the taxable year as the average percentage of net income to invested capital, for the prewar period, of corporations engaged in a trade or business of the same general class as that conducted by the taxpayer; but such amount shall in no case be less than 10 per cent of the invested capital of the taxpayer for the taxable year. Such average percentage shall be determined by the commissioner on the basis of data contained in returns made under Title II of the revenue act of 1917, and the average known as the median shall be used. If such average percentage has not been determined and published at least 30 days prior to the time when the return of the taxpayer is due, then for purposes of such return 10 per cent shall be used in lieu thereof; but such average percentage when determined shall be used for the purposes of section 250 in determining the correct amount of the tax.

"'(d) The war-profits credit shall be determined in the manner provided in subdivision (b) instead of in the manner provided in subdivision (c), in the case of any corporation which was not in existence during the whole of at least one calendar year during the prewar period, if (1) a majority of its stock at any time during the taxable year is owned or controlled, directly or indirectly, by a corporation which was in existence during the whole of at least one calendar year during the prewar period, or if (2) 50 per cent or more of its gross income (as computed under section 233 for income tax purposes) consists of gains, profits, commissions, or other income, derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive.'

"And the Senate agree to the same.

"Amendment numbered 243: That the House recede from its disagreement to the amendment of the Senate numbered 243, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert 'e' in parentheses; and the Senate agree to the same.

"Amendment numbered 254: That the House recede from its disagreement to the amendment of the Senate numbered 254, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'therefor, unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the commissioner to have been clearly and substantially in excess of such par value, in which case such excess shall be treated as paid-in surplus: *Provided*, That the commissioner shall keep a record of all cases in which tangible property is included in invested capital at a value in excess of the stock or shares issued therefor, containing the name and address of each taxpayer, the business in which engaged, the amount of invested capital and net income shown by the return, the value of the tangible property at the time paid in, the par value of the stock or shares specifically issued therefor, and the amount included under this paragraph as paid-in surplus. The commissioner shall furnish a copy of such record and other detailed information with respect to such cases when required by resolution of either House of Congress, without regard to the restrictions contained in section 257'; and the Senate agree to the same.

"Amendment numbered 257: That the House recede from its disagreement to the amendment of the Senate numbered 257, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '25'; and the Senate agree to the same.

"Amendment numbered 259: That the House recede from its disagreement to the amendment of the Senate numbered 259, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '25'; and on page 62, line 14, of the bill, after the word 'lowest,' insert a colon and the following: '*Provided*, That in no case shall the total amount included under paragraphs (4) and (5) exceed in the aggregate 25 per cent of the par value of the total stock or shares of the corporation outstanding at the beginning of the taxable year'; and the Senate agree to the same.

"Amendment numbered 261: That the House recede from its disagreement to the amendment of the Senate numbered 261, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'a percentage thereof equal to the percentage which the amount of inadmissible assets is of the amount of admissible and inadmissible assets held during the taxable year'; and the Senate agree to the same.

"Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'That in the following cases the tax shall be determined as provided in section 328:

"'(a) Where the commissioner is unable to determine the invested capital as provided in section 326;

"'(b) In the case of a foreign corporation;

"'(c) Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and

bonds and the commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

"'(d) Where upon application by the corporation the commissioner finds and so declares of record that the tax if determined without benefit of this section would, owing to abnormal conditions affecting the capital or income of the corporation, work upon the corporation an exceptional hardship evidenced by gross disproportion between the tax computed without benefit of this section and the tax computed by reference to the representative corporations specified in section 328. This subdivision shall not apply to any case (1) in which the tax (computed without benefit of this section) is high merely because the corporation earned within the taxable year a high rate of profit upon a normal invested capital, nor (2) in which 50 per cent or more of the gross income of the corporation for the taxable year (compared under section 233 of Title II) consists of gains, profits, commissions, or other income, derived on a cost-plus basis from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive.

"'SEC. 328. (a) In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year, as the average tax of representative corporations engaged in a like or similar trade or business, bears to their average net income (in excess of the specific exemption of $3,000) for such year. In the case of a foreign corporation the tax shall be computed without deducting the specific exemption of $3,000 either for the taxpayer or the representative corporations.

"'In computing the tax under this section.'

"And on page 65 of the bill, after line 16, insert the following:

"'In cases in which the tax is to be computed under this section, if the tax as computed without the benefit of this section is less than 50 per cent of the net income of the taxpayer, the installments shall in the first instance be computed upon the basis of such tax; but if the tax so computed is 50 per cent or more of the net income, the installments shall be in the first instance be computed upon the basis of a tax equal to 50 per cent of the net income. In any case, the actual ratio when ascertained shall be used in determining the correct amount of the tax. If the correct amount of the tax when determined exceeds 50 per cent of the net income, any excess of the correct installments over the amounts actually paid shall on notice and demand be paid together with interest at the rate of one-half of 1 per cent per month on such excess from the time the installment was due.'

"And the Senate agree to the same.

"Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: On page 65 of the bill, lines 22 and 23, strike out 'section' and insert 'subdivision'; and the Senate agree to the same.

"Amendment numbered 277: That the House recede from its disagreement to the amendment of the Senate numbered 277, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'If such predecessor trade or business was carried on by a partnership or individual the net income for the prewar period shall, under regulations prescribed by the commissioner with the approval of the Secretary, be ascertained and returned as nearly as may be upon the same basis and in the same manner as provided for corporations in Title II, including a reasonable deduction for salary or compensation to each partner or the individual for personal services actually rendered.

"'In the case of the organization as a corporation before July 1, 1919, of any trade or business in which capital is a material income-producing factor and which was previously owned by a partnership or individual, the net income of such trade or business from January 1, 1918, to the date of such reorganization may at the option of the individual or partnership be taxed as the net income of a corporation is taxed under Titles II and III; in which event the net income and invested capital of such trade or business shall be computed as if such corporation had been in existence on and after January 1, 1918, and the undistributed profits or earnings of such trade or business shall not be subject to the surtax imposed in section 211, but amounts distributed on or after January 1, 1918, from the earnings of such trade or business shall be taxed to the recipients as dividends, and all the provisions of Titles II and III relating to corporations shall, so far as practicable, apply to such trade or business: *Provided*, That this paragraph shall not apply to any trade or business the net income of which for the taxable year 1918 was less than 20 per cent of its invested capital for such year: *Provided further*, That any taxpayer who takes advantage of this paragraph shall pay the tax imposed by section 1000 of this act and by the first subdivision of section 407 of the revenue act of 1916, as if such taxpayer had been a corporation on and after January 1, 1918, with a capital stock having no par value.

"'If any asset of the trade or business in existence both during the taxable year and any prewar year is included in the invested capital for the taxable year but is not included in the invested capital for such prewar year, or is valued on a different basis in computing the invested capital for the taxable year and such prewar year, respectively, then under rules and regulations to be prescribed by the commissioner with the approval of the Secretary such readjustments shall be made as are necessary to place the computation of the invested capital for such prewar year on the basis employed in determining the invested capital for the taxable year.'

"And the Senate agree to the same.

"Amendment numbered 282: That the House recede from its disagreement to the amendment of the Senate numbered 282, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert a colon and the following:

"'*Provided*, That if such previous owner was not a corporation, then the value of any asset so transferred or received shall be taken at its cost of acquisition (at the date when acquired by such previous owner) with proper allowance for depreciation, impairment, betterment or development, but no addition to the original cost shall be made for any charge or expenditure deducted as expense or otherwise on or after March 1, 1913, in computing the net income of such previous owner for purposes of taxation.'

"And the Senate agree to the same.

"Amendment numbered 285: That the House recede from its disagreement to the amendment of the Senate numbered 285, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(1) The same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period, and (2) the same proportion of a tax for the entire period computed under this title at the rates specified in subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period. Any amount heretofore or hereafter paid on account of the tax imposed for such fiscal year by Title II of the revenue act of 1917 shall be credited toward the payment of the tax imposed for such fiscal year by this title, and if the amount so paid exceeds the amount of the tax imposed by this title, the excess shall be credited or refunded to the corporation in accordance with the provisions of section 252.

"'(b) If a corporation makes return for a fiscal year beginning in 1918 and ending in 1919, the tax for such fiscal year under this title shall be the sum of: (1) the same proportion of a tax for the entire period computed under subdivision (a) of section 301 which the portion of such period falling within the calendar year 1918 is of the entire period, and (2) the same proportion of a tax for the entire period computed under subdivision (b) or (c) of section 301 which the portion of such period falling within the calendar year 1919 is of the entire period.

"'(c) If a partnership or a personal service corporation makes return for a fiscal year beginning in 1917 and ending in 1918, it shall pay the same proportion of a tax for the entire period computed under Title II of the revenue act of 1917 which the portion of such period falling within the calendar year 1917 is of the entire period.

"'Any tax paid by a partnership or personal service corporation for any period beginning on or after January 1, 1918, shall be immediately refunded to the partnership or corporation as a tax erroneously or illegally collected.'

"And on page 67, line 5 of the bill, after 'corporation' insert the following inclosed in parentheses: 'other than a personal service corporation'; and the Senate agree to the same.

"Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'TITLE IV.—ESTATE TAX.

"'SEC. 400. That when used in this title—

"'The term "executor" means the executor or administrator of the decedent, or, if there is no executor or administrator, any person who takes possession of any property of the decedent; and

"'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.

"'SEC. 401. That (in lieu of the tax imposed by Title II of the revenue act of 1916, as amended, and in lieu of the tax imposed by Title IX of the revenue act of 1917) a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 403) is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

"'1 per cent of the amount of the net estate not in excess of $50,000;

"'2 per cent of the amount by which the net estate exceeds $50,000 and does not exceed $150,000;

"'3 per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

"'4 per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

"'6 per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

"'8 per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

"'10 per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

"'12 per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

"'14 per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

"'16 per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

"'18 per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

"'20 per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

"'22 per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000; and

"'25 per cent of the amount by which the net estate exceeds $10,000,000.

"'The taxes imposed by this title or by Title II of the revenue act of 1916 (as amended by the act entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes," approved March 3, 1917) or by Title IX of the revenue act of 1917, shall not apply to the transfer of the net estate of any decedent who has died or may die while serving in the military or naval forces of the United States in the present war or from injuries received or disease contracted while in such service, and any such tax collected upon such transfer shall be refunded to the executor.

"'SEC. 402. That 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—

"'(a) To the extent of the interest therein of the decedent at the time of his death which after his death is subject to the payment of the charges against his estate and the expenses of its administration and is subject to distribution as part of his estate;

"'(b) To the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower, courtesy, or by virtue of a statute creating an estate in lieu of dower or courtesy;

"'(c) To the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he has at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer or trust is made or created before or after the passage of this act), except in case of a bona fide sale for a fair consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death without such a consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title;

"'(d) To the extent of the interest therein held jointly or as tenants in the entirety by the decedent and any other person, or deposited in banks or other institutions in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have belonged to the decedent;

"'(e) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of, or intended to take effect in possession or enjoyment at or after, his death, except in case of a bona fide sale for a fair consideration in money or money's worth; and

"'(f) To the extent of the amount receivable by the executor as insurance under policies taken out by the decedent upon his own life; and to the extent of the excess over $40,000 of the amount receivable by all other beneficiaries as insurance under policies taken out by the decedent upon his own life.

"'SEC. 403. That for the purpose of the tax the value of the net estate shall be determined—

"'(a) In the case of a resident, by deducting from the value of the gross estate—

"'(1) Such amounts for funeral expenses, administration expenses, claims against the estate, unpaid mortgages, losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualty, or from theft, when such losses are not compensated for by insurance or otherwise, and such amounts reasonably required and actually expended for the support during the settlement of the estate of those dependent upon the decedent, as are allowed by the laws of the jurisdiction, whether within or without the United States, under which the estate is being administered, but not including any income taxes upon income received after the death of the decedent, or any estate, succession, legacy, or inheritance taxes;

"'(2) An amount equal to the value at the time of the decedent's death of any property, real, personal, or mixed, which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in the decedent's gross estate;

"'(3) The amount of all bequests, legacies, devises, or gifts, 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 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 exclusively for such religious, charitable, scientific, literary, or educational purposes. This deduction shall be made in case of the estates of all decedents who have died since December 31, 1917; and

"'(4) An exemption of $50,000;

"'(b) In the case of a nonresident, by deducting from the value of that part of his gross estate which at the time of his death is situated in the United States—

"'(1) That proportion of the deductions specified in paragraph (1) of subdivision (a) of this section which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed 10 per cent of the value of that part of his gross estate which at the time of his death is situated in the United States;

"'(2) An amount equal to the value at the time of the decedent's death of any property, real, personal, or mixed, which can be identified as having been received by the decedent as a share in the estate of any person who died within five years prior to the death of the decedent, or which can be identified as having been acquired by the decedent in exchange for property so received, if an estate tax under the revenue act of 1917 or under this act was collected from such estate, and if such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States; and

"'(3) The amount of all bequests, legacies, devises, or gifts, 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 exclusively for such religious, charitable, scientific, literary, or educational purposes within the United

States. This deduction shall be made in case of the estates of all decedents who have died since December 31, 1917; and

"'No deduction shall be allowed in the case of a nonresident unless the executor includes in the return required to be filed under section 404 the value at the time of his death of that part of the gross estate of the nonresident not situated in the United States.

"'For the purpose of this title stock in a domestic corporation owned and held by a nonresident decedent, and the amount receivable as insurance upon the life of a nonresident decedent where the insurer is a domestic corporation, shall be deemed property within the United States, and any property of which the decedent has made a transfer or with respect to which he has created a trust, within the meaning of subdivision (c) of section 402, shall be deemed to be situated in the United States, if so situated either at the time of the transfer or the creation of the trust, or at the time of the decedent's death.

"'In the case of any estate in respect to which the tax under existing law has been paid, if necessary to allow the benefit of the deduction under paragraph (3) of subdivision (a) or (b) the tax shall be redetermined and any excess of tax paid shall be refunded to the executor.

"'SEC. 404. That the executor, within 60 days after qualifying as such, or after coming into possession of any property of the decedent, whichever event first occurs, shall give written notice thereof to the collector. The executor shall also, at such times and in such manner as may be required by regulations made pursuant to law, file with the collector a return under oath in duplicate, setting forth (a) the value of the gross estate of the decedent at the time of his death, or, in case of a nonresident, of that part of his gross estate situated in the United States; (b) the deductions allowed under section 403; (c) the value of the net estate of the decedent as defined in section 403; and (d) the tax paid or payable thereon; or such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct tax.

"'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. The commissioner shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes.

"'SEC. 405. That if no administration is granted upon the estate of a decedent, or if no return is filed as provided in section 404, or if a return contains a false or incorrect statement of a material fact, the collector or deputy collector shall make a return and the commissioner shall assess the tax thereon.

"'SEC. 406. That the tax shall be due one year after the decedent's death; but in any case where the commissioner finds that payment of the tax within one year after the decedent's death would impose undue hardship upon the estate, he may grant an extension of time for the payment of the tax for a period not to exceed three years from the due date. If the tax is not paid within one year and 180 days after the decedent's death, interest at the rate of 6 per cent per annum from the expiration of one year after the decedent's death shall be added as part of the tax.

"'SEC. 407. That the executor shall pay the tax to the collector or deputy collector. If the amount of the tax can not be determined, the payment of a sum of money sufficient, in the opinion of the collector, to discharge the tax shall be deemed payment in full of the tax, except as in this section otherwise provided. If the amount so paid exceeds the amount of the tax as finally determined, the commissioner shall refund such excess to the executor. If the amount of the tax as finally determined exceeds the amount so paid, the collector shall notify the executor of the amount of such excess and demand payment thereof. If such excess part of the tax is not paid within 30 days after such notification, interest shall be added thereto at the rate of 10 per cent per annum from the expiration of such 30 days' period until paid, and the amount of such excess shall be a lien upon the entire gross estate, except such part thereof as may have been sold to a bona fide purchaser for a fair consideration in money or money's worth.

"'The collector shall grant to the person paying the tax duplicate receipts, either of which shall be sufficient evidence of such payment, and shall entitle the executor to be credited and allowed the amount thereof by any court having jurisdiction to audit or settle his accounts.

"'SEC. 408. That if the tax herein imposed is not paid within 180 days after it is due, the collector shall, unless there is reasonable cause for further delay, proceed to collect the tax under the provisions of general law, or commence appropriate proceedings in any court of the United States, in the name of the United States, to subject the property of the decedent to be sold under the judgment or decree of the court. From the proceeds of such sale the amount of the tax, together with the costs and expenses of every description to be allowed by the court, shall be first paid, and the balance shall be deposited according to the order of the court, to be paid under its direction to the person entitled thereto.

"'If the tax or any part thereof is paid by, or collected out of that part of the estate passing to or in the possession of, any person other than the executor in his capacity as such, such person shall be entitled to reimbursement out of any part of the estate still undisturbed or by a just and equitable contribution by the persons whose interest in the estate of the decedent would have been reduced if the tax had been paid before the distribution of the estate or whose interest is subject to equal or prior liability for the payment of taxes, debts, or other charges against the estate, it being the purpose and intent of this title that so far as is practicable and unless otherwise directed by the will of the decedent the tax shall be paid out of the estate before its distribution. If any part of the gross estate consists of proceeds of policies of insurance upon the life of the decedent receivable by a beneficiary other than the executor, the executor shall be entitled to recover from such beneficiary such portion of the total tax paid as the proceeds, in excess of $40,000, of such policies bear to the net estate. If there is more than one such beneficiary the executor shall be entitled to recover from such beneficiaries in the same ratio.

"'SEC. 409. That unless the tax is sooner paid in full, it shall be a lien for 10 years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. If the commissioner is satisfied that the tax liability of an estate has been fully discharged or provided for, he may, under regulations prescribed by him with the approval of the Secretary, issue his certificate releasing any or all property of such estate from the lien herein imposed.

"'If (a) the decedent makes a transfer of, or creates a trust with respect to, any property in contemplation of or intended to take effect in possession or enjoyment at or after his death (except in the case of a bona fide sale for a fair consideration in money or money's worth) or (b) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax. Any part of such property sold by such transferee or trustee to a bona fide purchaser for a fair consideration in money or money's worth shall be divested of the lien and a like lien shall then attach to all the property of such transferee or trustee, except any part sold to a bona fide purchaser for a fair consideration in money or money's worth.

"'SEC. 410. That whoever knowingly makes any false statement in any notice or return required to be filed under this title shall be liable to a penalty of not exceeding $5,000, or imprisonment not exceeding one year, or both.

"'Whoever fails to comply with any duty imposed upon him by section 404, or, having in his possession or control any record, file, or paper, containing or supposed to contain any information concerning the estate of the decedent, or, having in his possession or control any property comprised in the gross estate of the decedent, fails to exhibit the same upon request to the commissioner or any collector or law officer of the United States, or his duly authorized deputy or agent, who desires to examine the same in the performance of his duties under this title, shall be liable to a penalty of not exceeding $500, to be recovered, with costs of suit, in a civil action in the name of the United States.'

"And the Senate agree to the same.

"Amendment numbered 292: That the House recede from its disagreement to the amendment of the Senate numbered 292, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following:

"'*Provided*, That where such water transportation lines are in competition between American ports with foreign water trans-

portation lines from adjacent foreign ports, the tax imposed under this subdivision on amounts paid for water transportation between American ports shall not exceed the amount of the transportation tax to which such foreign water transporation lines are subjected by their government corresponding to this tax.'

"And the Senate agree to the same.

"Amendment numbered 297: That the House recede from its disagreement to the amendment of the Senate numbered 297, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and restore the matter stricken out by said amendment, and at the end thereof insert the following new paragraph:

"'The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month, from the time when the tax became due.'

"And on page 85, line 19 of the bill, strike out 'November 1, 1918,' and insert 'April 1, 1919'; and on page 86, line 16 of the bill, insert after 'policy' a colon and the following:

"'*And provided further*, That on all policies covering life, health, and accident insurance combined in one policy, by which a life is insured not in excess of $500, issued on the industrial or weekly or monthly payment plan of insurance, the tax shall be 40 per cent of the amount of the first weekly premium or 20 per cent of the amount of the first monthly premium, as the case may be.'

"And the Senate agree to the same.

"Amendment numbered 312: That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'of $3.20 (if intended for sale for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage) on each proof gallon, and a proportionate tax at a like rate on all fractional parts of such proof gallon'; and the Senate agree to the same.

"Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with an amendment as follows: On page 92, line 9, of the Senate engrossed amendments strike out 'of fermentation'; and the Senate agree to the same.

"Amendment numbered 341: That the House recede from its disagreement to the amendment of the Senate numbered 341, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '$6'; and the Senate agree to the same.

"Amendment numbered 345: That the House recede from its disagreement to the amendment of the Senate numbered 345, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '$3'; and the Senate agree to the same.

"Amendment numbered 357: That the House recede from its disagreement to the amendment of the Senate numbered 357, and agree to the same with an amendment as follows: On page 95, line 14, of the Senate engrossed amendments strike out 'of' and insert 'entitled "An act to provide revenue; equalize duties and encourage the industries of the United States, and for other purposes," approved'; and the Senate agree to the same.

"Amendment numbered 367: That the House recede from its disagreement to the amendment of the Senate numbered 367, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1½ cents'; and the Senate agree to the same.

"Amendment numbered 368: That the House recede from its disagreement to the amendment of the Senate numbered 368, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: 'societies for the prevention of cruelty to children or animals, or exclusively to the benefit of organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions, none of the profits of which are distributed to members of such organizations'; and the Senate agree to the same.

"Amendment numbered 369: That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert 'April 1, 1919' and a comma; and the Senate agree to the same.

"Amendment numbered 375: That the House recede from its disagreement to the amendment of the Senate numbered 375 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'Automobile trucks and automobile wagons, (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof)' and a comma, and on page 127, line 7, of the bill, strike out the figure '5' and insert the figure '3'; and the Senate agree to the same.

"Amendment numbered 376: That the House recede from its disagreement to the amendment of the Senate numbered 376, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: 'Other automobiles and motorcycles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent' and a semicolon; and the Senate agree to the same.

"Amendment numbered 387: That the House recede from its disagreement to the amendment of the Senate numbered 387, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figure '5' in parentheses; and the Senate agree to the same.

"Amendment numbered 391: That the House recede from its disagreement to the amendment of the Senate numbered 391, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figure '6' in parentheses; and the Senate agree to the same.

"Amendment numbered 393: That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figure '7' in parentheses; and the Senate agree to the same.

"Amendment numbered 395: That the House recede from its disagreement to the amendment of the Senate numbered 395, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figure '8' in parentheses; and the Senate agree to the same.

"Amendment numbered 397: That the House recede from its disagreement to the amendment of the Senate numbered 397, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figure '9' in parentheses; and the Senate agree to the same.

"Amendment numbered 399: That the House recede from its disagreement to the amendment of the Senate numbered 399, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figures '10' in parentheses; and the Senate agree to the same.

"Amendment numbered 404: That the House recede from its disagreement to the amendment of the Senate numbered 404, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: '(11) Hunting and bowie knives, 10 per cent' and a semicolon; and the Senate agree to the same.

"Amendment numbered 414: That the House recede from its disagreement to the amendment of the Senate numbered 414, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '15' in parentheses; and the Senate agree to the same.

"Amendment numbered 417: That the House recede from its disagreement to the amendment of the Senate numbered 417, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '16' in parentheses; and the Senate agree to the same.

"Amendment numbered 418: That the House recede from its disagreement to the amendment of the Senate numbered 418, and agree to the same with an amendment as follows: On page 129, line 13, of the bill, strike out the words 'weighing or'; and on page 129, line 14, of the bill, after the word 'cent' insert a comma and the following: 'and automatic slot-device weighing machines, 10 per cent'; and the Senate agree to the same.

"Amendment numbered 420: That the House recede from its disagreement to the amendment of the Senate numbered 420, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '17' in parentheses; and the Senate agree to the same.

"Amendment numbered 421: That the House recede from its disagreement to the amendment of the Senate numbered 421, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '18' in parentheses; and the Senate agree to the same.

"Amendment numbered 424: That the House recede from its disagreement to the amendment of the Senate numbered 424, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '(19) Articles made of fur on the hide or pelt, or of which any such fur is the component material of chief value, 10 per cent' and a semicolon; and the Senate agree to the same.

"Amendment numbered 425: That the House recede from its disagreement to the amendment of the Senate numbered 425, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '20' in parentheses; and the Senate agree to the same.

"Amendment numbered 426: That the House recede from its disagreement to the amendment of the Senate numbered 426, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'not designed for trade, fishing, or national defense'; and the Senate agree to the same.

"Amendment numbered 428: That the House recede from its disagreement to the amendment of the Senate numbered 428, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '21' in parentheses; and the Senate agree to the same.

"Amendment numbered 446: That the House recede from its disagreement to the amendment of the Senate numbered 446, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'This section shall not apply to the sale of any such article to an educational institution or public art museum'; and the Senate agree to the same.

"Amendment numbered 454: That the House recede from its disagreement to the amendment of the Senate numbered 454, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'by or for a dealer or his estate'; and the Senate agree to the same.

"Amendment numbered 467: That the House recede from its disagreement to the amendment of the Senate numbered 467, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'or (2) to any article made of fur on the hide or pelt, or of which any such fur is the component material of chief value' and a comma; and the Senate agree to the same.

"Amendment numbered 469: That the House recede from its disagreement to the amendment of the Senate numbered 469, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '(17) or (18)'; and the Senate agree to the same.

"Amendment numbered 474: That the House recede from its disagreement to the amendment of the Senate numbered 474, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'by or for a dealer or his estate'; and the Senate agree to the same.

"Amendment numbered 480: That the House recede from its disagreement to the amendment of the Senate numbered 480, and agree to the same with an amendment as follows: On page 180 of the bill, after line 2, insert the following:

"'(6) This section shall not apply to any tax imposed by section 906.'

"And the Senate agree to the same.

"Amendment numbered 484: That the House recede from its disagreement to the amendment of the Senate numbered 484, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: 'by or for a dealer or his estate'; and the Senate agree to the same.

"Amendment numbered 485: That the House recede from its disagreement to the amendment of the Senate numbered 485, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following:

"'*Provided*, That the provisions of this section shall not apply to the sale of vaccines and bacterines which are not advertised to the general lay public, nor to the sale by a physician in personal attendance upon a patient of medicinal preparations not so advertised.'

"And the Senate agree to the same.

"Amendment numbered 492: That the House recede from its disagreement to the amendment of the Senate numbered 492, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a period and the following: 'The taxes imposed by this section shall apply to mutual insurance companies, and in the case of every such domestic company the tax shall be equivalent to $1 for each $1,000 of the excess over $5,000 of the sum of its surplus or contingent reserves maintained for the general use of the business and any reserves the net additions to which are included in net income under the provisions of Title II, as of the close of the preceding accounting period used by such company for purposes of making its income-tax return: *Provided*, That in the case of a foreign mutual insurance company the tax shall be equivalent to $1 for each $1,000 of the same proportion of the sum of such surplus and reserves, which the reserve fund upon business transacted within the United States is of the total reserve upon all business transacted, as of the close of the preceding accounting period used by such company for purposes of making its income-tax return; and the Senate agree to the same.

"Amendment numbered 495: That the House recede from its disagreement to the amendment of the Senate numbered 495, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the figures '$50'; and the Senate agree to the same.

"Amendment numbered 523: That the House recede from its disagreement to the amendment of the Senate numbered 523, and agree to the same with an amendment as follows: On page 129 of the bill, at the end of line 14, and before the semicolon inserted by the Senate amendment numbered 419, insert the following: 'in the case of a vending machine, and 10 per cent of its fair market value in the case of a weighing machine'; and the Senate agree to the same.

"Amendment numbered 526: That the House recede from its disagreement to the amendment of the Senate numbered 526, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert 'or before July 1 of each year'; and the Senate agree to the same.

"Amendment numbered 535: That the House recede from its disagreement to the amendment of the Senate numbered 535, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'SEC. 1007. That section 6 of such act of December 17, 1914, is hereby amended to read as follows:

"'"SEC. 6. That the provisions of this act shall not be construed to apply to the manufacture, sale, distribution, giving away, dispensing, or possession of preparations and remedies which do not contain more than two grains of opium, or more than one-fourth of a grain of morphine, or more than one-eighth of a grain of heroin, or more than one grain of codeine, or any salt or derivative of any of them in one fluid ounce, or, if a solid or semisolid preparation, in one avoirdupois ounce; or to liniments, ointments, or other preparations which are prepared for external use only, except liniments, ointments, and other preparations which contain cocaine or any of its salts or alpha or beta eucaine or any of their salts or any synthetic substitute for them: *Provided*, That such remedies and preparations are manufactured, sold, distributed, given away, dispensed, or possessed as medicines and not for the purpose of evading the intentions and provisions of this act: *Provided further*, That any manufacturer, producer, compounder, or vender (including dispensing physicians) of the preparations and remedies mentioned in this section shall keep a record of all sales, exchanges, or gifts of such preparations and remedies in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall direct. Such record shall be preserved for a period of two years in such a way as to be readily accessible to inspection by any officer, agent, or employee of the Treasury Department duly authorized for that purpose, and the State, Territorial, District, municipal, and insular officers named in section 5 of this act, and every such person so possessing or disposing of such preparations and remedies shall register as required in section 1 of this act and, if he is not paying a tax under this act, he shall pay a special tax of $1 for each year, or fractional part thereof, in which he is engaged in such occupation, to the collector of internal revenue of the district in which he carries on such occupation as provided in this act. The provisions of this act as amended shall not apply to decocainized coca leaves or preparations made therefrom, or to other preparations of coca leaves which do not contain cocaine."'

"And the Senate agree to the same.

"Amendment numbered 542: That the House recede from its disagreement to the amendment of the Senate numbered 542, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert a colon and the following:

"'*Provided*, That where a premium is charged for the issuance, execution, renewal, or continuance of such bond the tax shall be 1 cent on each dollar or fractional part thereof of the premium charged: *Provided further*, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.'

"And the Senate agree to the same.

"Amendment numbered 544: That the House recede from its disagreement to the amendment of the Senate numbered 544, and agree to the same with an amendment as follows: On page 118, line 1, of the Senate engrossed amendments strike out '5' and insert '3'; and on page 85, line 24 of the bill, before the comma insert the following inclosed in parentheses: 'except

those taxable under subdivision 15 of Schedule A of Title XI'; and the Senate agree to the same.

"Amendment numbered 548: That the House recede from its disagreement to the amendment of the Senate numbered 548, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert 'furniture' and a comma; and the Senate agree to the same.

"Amendment numbered 550: That the House recede from its disagreement to the amendment of the Senate numbered 550, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and on page 173, after line 9 of the bill, insert the following:

"'(d) (1) There is hereby created a board to be known as the "Advisory Tax Board," hereinafter called the board, and to be composed of not to exceed six members to be appointed by the commissioner with the approval of the Secretary. The board shall cease to exist at the expiration of two years after the passage of this act, or at such earlier time as the commissioner with the approval of the Secretary may designate.'

"'Vacancies in the membership of the board shall be filled in the same manner as an original appointment. Any member shall be subject to removal by the commissioner with the approval of the Secretary. The commissioner with the approval of the Secretary shall designate the chairman of the board. Each member shall receive an annual salary of $9,000, payable monthly, together with actual necessary expenses when absent from the District of Columbia on official business.

"'(2) The commissioner may, and on the request of any taxpayer directly interested shall, submit to the board any question relating to the interpretation or administration of the income, war-profits, or excess-profits tax laws, and the board shall report its findings and recommendations to the commissioner.

"'(3) The board shall have its office in the Bureau of Internal Revenue in the District of Columbia. The expenses and salaries of members of the board shall be audited, allowed, and paid out of appropriations for collecting internal revenue, in the same manner as expenses and salaries of employees of the Bureau of Internal Revenue are audited, allowed, and paid.

"'(4) The board shall have the power to summon witnesses, take testimony, administer oaths, and to require any person to produce books, papers, documents, or other data relating to any matter under investigation by the board. Any member of the board may sign subpœnas and members and employees of the Bureau of Internal Revenue designated to assist the board, when authorized by the board, may administer oaths, examine witnesses, take testimony and receive evidence.'

"And the Senate agree to the same.

"Amendment numbered 561: That the House recede from its disagreement to the amendment of the Senate numbered 561, and agree to the same with an amendment as follows: On page 128, line 17, and again on page 129, line 7, of the Senate engrossed amendments, strike out the word 'Titles' and insert the word 'Title'; and the Senate agree to the same.

"Amendment numbered 569: That the House recede from its disagreement to the amendment of the Senate numbered 569, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'(c) That the pragraph of section 3689 of the Revised Statutes, as amended, reading as follows: "Refunding taxes illegally collected (internal revenue): To refund and pay back duties erroneously or illegally assessed or collected under the internal-revenue laws," is repealed from and after June 30, 1920; and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereafter, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interest and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws.'

"And the Senate agree to the same.

"Amendment numbered 578: That the House recede from its disagreement to the amendment of the Senate numbered 578, and agree to the same with an amendment as follows: On page 132, line 11, of the Senate engrossed amendments, after the word 'States,' insert the following: 'at the instance of the United States'; and the Senate agree to the same.

"Amendment numbered 581: That the House recede from its disagreement to the amendment of the Senate numbered 581, and agree to the same with an amendment as follows: On page 133, line 7, of the Senate engrossed amendments, strike out the parenthesis, and also in line 8 of said page strike out the parenthesis; and the Senate agree to the same.

"Amendment numbered 595: That the House recede from its disagreement to the amendment of the Senate numbered 595, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1402'; and the Senate agree to the same.

"Amendment numbered 596: That the House recede from its disagreement to the amendment of the Senate numbered 596, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1403'; and the Senate agree to the same.

"Amendment numbered 597: That the House recede from its disagreement to the amendment of the Senate numbered 597, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1404'; and the Senate agree to the same.

"Amendment numbered 598: That the House recede from its disagreement to the amendment of the Senate numbered 598, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1405'; and the Senate agree to the same.

"Amendment numbered 599: That the House recede from its disagreement to the amendment of the Senate numbered 599, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'SEC. 1406. That all persons serving in the military or naval forces of the United States during the present war who have, since April 6, 1917, resigned or been discharged under honorable conditions (or, in the case of reservists, been placed on inactive duty), or who at any time hereafter (but not later than the termination of the current enlistment or term of service) in the case of the enlisted personnel and female nurses, or within one year after the termination of the present war in the case of officers, may resign or be discharged under honorable conditions (or, in the case of reservists, be placed on inactive duty), shall be paid, in addition to all other amounts due them in pursuance of law, $60 each.'

"'This amount shall not be paid (1) to any person who though appointed or inducted into the military or naval forces on or prior to November 11, 1918, had not reported for duty at his station on or prior to such date; or (2) to any person who has already received one month's pay under the provisions of section 9 of the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917; or (3) to any person who is entitled to retired pay; or (4) to the heirs or legal representatives of any person entitled to any payment under this section who has died or may die before receiving such payment. In the case of any person who subsequent to separation from the service as above specified has been appointed or inducted into the military or naval forces of the United States and has been or is again separated from the service as above specified, only one payment of $60 shall be made.

"'The above amount, in the case of separation from the service on or prior to the passage of this act, shall be paid as soon as practicable after the passage of this act, and in the case of separation from the service after the passage of this act shall be paid at the time of such separation.

"'The amounts herein provided for shall be paid out of the appropriations for "pay of the Army" and "pay of the Navy," respectively, by such disbursing officers as may be designated by the Secretary of War and the Secretary of the Navy.

"'The Secretary of War and the Secretary of the Navy respectively shall make all regulations necessary for the enforcement of the provisions of this section.'

"And the Senate agree to the same.

"Amendment numbered 600: That the House recede from its disagreement to the amendment of the Senate numbered 600, and agree to the same with an amendment as follows: Strike out the section number '1408' in the matter inserted by said amendment and insert in lieu thereof the number '1407'; and the Senate agree to the same.

"Amendment numbered 601: That the House recede from its disagreement to the amendment of the Senate numbered 601, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"'SEC. 1408. That every person who on or after April 6, 1917, has entered into any contract, undertaking, or agreement, with the United States, or with any department, bureau, officer, commission, board, or agency under the United States or acting in its behalf, or with any other person having contract relations with the United States, for the performance of any work or the supplying of any materials or property for the use of or for the account of the United States, shall, within 30 days after a request of the commissioner therefor, file with the commissioner a true and correct copy of every such contract, undertaking, or agreement.

"'Whoever fails to comply with such request of the commissioner shall be guilty of a misdemeanor and shall be punished

by a fine of not more than $1,000 or by imprisonment for not more than one year, or both.

"'The commissioner shall (when not violative of the technical military or naval secrets of the Government) have access to all information and data relating to any such contract, undertaking, or agreement in the possession, control, or custody of any department, bureau, board, agency, officer, or commissioner of the United States, and may call upon any such department, bureau, board, agency, officer, or commissioner for a full statement and description of any allowance for amortization, obsolescence, depreciation, or loss, or of any valuation, appraisal, adjustment, or final settlement, made in pursuance of any such contract, undertaking, or agreement.'

"And the Senate agree to the same.

"Amendment numbered 602: That the House recede from its disagreement to the amendment of the Senate numbered 602, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert '1409'; and the Senate agree to the same.

"F. M. SIMMONS,
"JOHN SHARP WILLIAMS,
"HOKE SMITH,
"BOIES PENROSE,
"H. C. LODGE,
"*Managers on the part of the Senate.*

"CLAUDE KITCHIN,
"HENRY T. RAINEY,
"LINCOLN DIXON,
"JOSEPH W. FORDNEY,
"J. HAMPTON MOORE,
"*Managers on the part of the House.*"

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LODGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Baird	Johnson, S. Dak.	Moses	Smith, Mich.
Bankhead	Jones, N. Mex.	Myers	Smith, S. C.
Borah	Jones, Wash.	New	Smoot
Calder	Kellogg	Nugent	Spencer
Chamberlain	Kendrick	Page	Sutherland
Colt	Kenyon	Penrose	Swanson
Culberson	King	Poindexter	Thomas
Fletcher	Kirby	Pollock	Townsend
France	La Follette	Pomerene	Underwood
Gay	Lewis	Ransdell	Wadsworth
Gerry	Lodge	Robinson	Warren
Gore	McCumber	Saulsbury	Weeks
Harding	McKellar	Shafroth	
Henderson	McNary	Sheppard	
Johnson, Cal.	Martin, Va.	Simmons	

Mr. GERRY. I wish to announce that the Senator from North Carolina [Mr. OVERMAN], the Senator from Kentucky [Mr. BECKHAM], and the Senator from Delaware [Mr. WOLCOTT] are detained on official business.

Mr. FRANCE. I desire to announce the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Georgia [Mr. HARDWICK], the Senator from Kentucky [Mr. BECKHAM], and the Senator from Wisconsin [Mr. LENROOT] on official business of the Senate.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present. The question is on agreeing to the conference report. [Putting the question.] The ayes have it, and the report is agreed to.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

Mr. SIMMONS. Mr. President, I was on my feet with a view to addressing the Senate. I do not think the conference report can be agreed to in that way. I think it is necessary that we should have consideration of it.

The PRESIDING OFFICER. The Chair merely desired to expedite business. The Chair did not know that the Senator from North Carolina desired to address the Senate. Without objection, the vote whereby the report was agreed to will be reconsidered, and the Senator from North Carolina will be recognized.

Mr. SIMMONS. I desire that that be done.

The PRESIDING OFFICER. It has already been done. The Senator from North Carolina will proceed.

Mr. SIMMONS. Mr. President, the Senate added over 600 amendments to the revenue bill as it passed the other House. Of those amendments the Senate conferees receded from only 68. The House receded from its disagreement to 417 of the Senate amendments without change and from its disagreement to 117 of the Senate amendments with amendments. In order to bring the two Houses together upon these 602 amendments, it is obvious that a vast amount of work was required. That the conferees were able to accomplish this result in a little over two weeks show that their work was constant and diligent; but even with the greatest diligence, Mr. President, it would have been impossible to accomplish this result within so short a time had not every member of the conference been alive to the fact that the exigencies of the situation required the utmost speed.

I desire to say to the Senators who do me the honor to hear the brief statement I am going to make, that I am advised by the Commissioner of Internal Revenue and the Secretary of the Treasury that Government obligations amounting to more than $800,000,000 will mature and will have to be paid by the 15th day of March next, and that the money which it is expected to realize from the first installment under this bill has been pledged for the payment of those maturing obligations.

The Commissioner of Internal Revenue further advises me that, relying upon the assurances that were given to him by the conferees that this bill could be passed at this session, and passed within a short time, he has abandoned all purpose of arranging to collect taxes except under this bill, and that if for any reason this bill should fail or be delayed so long as to make it impossible for him to collect the taxes this year under it the Treasury Department and the Government would be placed in a most embarrassing position.

Mr. President, the statement I shall make will be of a general character. I do not purpose to discuss the details of the conference committee action and report. I do desire, however, to state very briefly the general purport and effect of the action of the conferees with reference to the more important matters adjusted by them.

Early in the year 1918 the Secretary of the Treasury recommended to Congress the enactment of a new revenue law, framed to raise $8,000,000,000 by taxation, to help meet the expenditures of the fiscal year 1918, estimated at that time at $24,000,000,000. In response to this request the Ways and Means Committee of the House prepared, and the House passed, the pending bill, providing for an $8,000,000,000 tax levy. When the armistice came on November 11, 1918, the bill was still before the Finance Committee of the Senate, to which it had been referred.

There was no purpose upon the part of that committee up to that time to reduce the amount of the levy below the House estimate of $8,000,000,000. Within a few days, however, after the signing of the armistice the Secretary of the Treasury, in a communication to myself as chairman of the Finance Committee, advised that the estimated expenditures would, because of the practical termination of the war, be reduced to $18,000,000,000, and at the same time he recommended a reduction of the taxes to be imposed for the fiscal year 1918–19 from $8,000,000,000 to $6,000,000,000 and for the fiscal year 1920 from $6,000,000,000 to $4,000,000,000. Senators will recall that the President, in his message to Congress delivered a short time after the armistice, joined the Secretary of the Treasury in these recommendations.

While many of the amendments made by the Senate were made with a view of improving the general structure of the bill, the major part of them were made with a view to accomplishing the reduction recommended by the Secretary of the Treasury and the President. To accomplish this $2,000,000,000 reduction for 1919 the Senate made sweeping reductions in the House rates for that year and still greater reductions for the fiscal year 1920 and subsequent years. It revised those rates from the beginning to the end of the bill, cutting them materially in most cases.

But the changes made by the Senate were not confined to the lowering of rates; the Senate adopted many amendments that were of an ameliorative character, providing relief in cases of hardship and inequality and giving additional deductions and credits, as well as other remedial provisions, made expedient because of changed economic and industrial conditions resulting from the sudden termination of the war. No inconsiderable portion, Mr. President, of the reductions made by the Senate in the amount of revenue expected from the income and excess or war profits will be accomplished through these so-called relief amendments.

The Senate did not change the individual normal income-tax rate for the taxable year 1918. It did, however, change the surtax rates, reducing those rates as to small and moderate incomes and increasing them somewhat as to larger incomes, especially those in excess of $200,000. The result of these changes is a reduction in estimated revenue receipts from this source of about $50,000,000. The House conferees agreed to these changes. The Senate reduced the individual normal income-tax rate for the taxable year 1919 and subsequent years from 6 and 12 per cent to 4 and 8 per cent, and the House agreed to these changes. These were the only changes made

by the Senate in the individual income-tax rates as provided in the House bill, and to all of those changes the House conferees agreed.

The House bill imposed a flat rate of 12 per cent upon the income of corporations, and provided, in effect, for an additional 6 per cent against such part of corporate incomes as were not distributed. The Senate eliminated this 6 per cent differential tax and made the flat corporation income tax for the taxable year 1918 12 per cent. To that change the House, through its conferees, very reluctantly agreed.

The only other change made by the Senate in the House corporation income-tax rates was that with reference to the rates for the taxable year 1919, fiscal year 1920. The Senate had fixed those rates at 8 per cent. The House conferees insisted that this was too low; they insisted that because of the fact that they had yielded to the Senate with reference to the 6 per cent differential tax, thereby permitting corporations to retain a part of their earnings without being subjected to the surtax to which individuals were liable, those rates ought to be raised at least for the fiscal year 1920.

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

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. In just a minute. The Senate consented to the increase in its rates for 1920 from 8 to 10 per cent.

Mr. SMOOT. I was going to ask the Senator, under the rules of the Senate or the House, how it was possible to increase that rate from 8 to 10 per cent. The House had passed no legislation whatever imposing a tax for the taxable year 1919. The Senate passed a provision imposing a normal tax of 8 per cent, and the conferees bring in a tax of 10 per cent.

Mr. SIMMONS. Mr. President, I do not think there is any difficulty concerning the power of the conferees to do that. The House bill imposed a tax of 12 per cent for the year 1918 and 12 per cent for every taxable year thereafter; and the conferees simply reduced the 12 per cent, that being the highest rate, to 10 per cent for one of those subsequent years, and made that rate applicable to all other subsequent years. That is to say, under the House bill, if it had not been amended by the Senate, the rate for the fiscal year 1920 and every subsequent year would have been 12 per cent, and under the rule we could change the rate so as not to exceed that limit. At least, I will say to the Senator, that was the view of the conferees.

Mr. SMOOT. I will say to the Senator that perhaps that could be construed in that way, although the bill itself imposed the tax on the year 1918—that is, the taxable year 1918, the fiscal year 1919—and I do not think there is anything in the bill itself which says that the tax shall be at that rate hereafter.

Mr. SIMMONS. The tax fixed in the House bill is 12 per cent for the taxable year 1918 and each year thereafter. That is the language, I think; but if it were not the language my conclusion would still be correct. The rate of 12 per cent would continue until the law was repealed or amended.

Mr. SMOOT. The Senator is quite right in that last statement. I was wondering myself upon what theory they did change the rate fixed by the Senate, as the Senate acted specifically on that year, virtually repealing the law as it stood.

Mr. SIMMONS. No; not repealing it; amending it.

Mr. SMOOT. Well, it is the same thing, because the tax law for 1918 is virtually repealed by the legislation that we passed. In other words, the law as it was passed by the Senate provided that the taxes imposed under the bill for 1918 should apply only to that year, and then the Senate passed legislation for the year 1919. The House not having acted upon it, I wondered how it was that they could be increased. I simply brought up the subject at this time in order to get the Senator's ideas as to why it was done.

Mr. SIMMONS. I have stated to the Senate and to the Senator the views of the conferees with respect to this matter, and in those views I heartily concur. I believe that the Senator upon further reflection will also agree that that change was within the province of the committee.

As I have stated, the Senate adopted a series of amendments applicable to incomes and profit taxes commonly designated as relief amendments which will result in a reduction of the taxes in the cases to which these amendments are applicable, and will materially diminish the revenue from these sources. It is estimated that the reduction in revenue resulting from these amendments will amount to approximately half a billion dollars.

The more important of these amendments are those relating to amortization and depletion, first, with reference to industrial plants and vessels; second, with reference to oil and gas wells, mineral deposits, and timber where profits are realized through depletion of the capital; and, third, those amendments relating to shrinkage in inventories and net losses.

Mr. CALDER. Mr. President——

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

Mr. SIMMONS. I yield.

Mr. CALDER. I have in mind the case of a shipyard on the west coast. The owner of this yard had several shipyards on the east coast. At the request of the Government, through the Shipping Board or the Navy Department, he very largely extended his shipping plant on the west coast, investing practically all the profits from his eastern yards in his western yard so as to extend his plant to do Government work. Under circumstances of that kind can he ask the Government to consider his profit invested in his plants, which to-day are not worth much more than 25 per cent of what they cost him, because they cost him war prices, and in the cancellation of the contract by the Shipping Board his yard is not worth what it was before?

Mr. SIMMONS. I can answer the Senator generally by saying that if by reason of the investment of his profits in an extension of his yards he has constructed a plant which was necessary in time of war to meet the demands which were made upon him at that time for production, but which after the termination of the war has depreciated in value because not needed; in that case, under the amortization provision he will be allowed to amortize to the full extent of the depreciation in value. Of course, if there is salvage he would be allowed to amortize only down to the salvage value.

Mr. CALDER. Less the salvage?

Mr. SIMMONS. Less the salvage; but the amortization allowance is based upon the total cost value of the property amortized, and that is made in these amendments specifically applicable to plant and machinery constructed or installed for the production of articles contributing to the prosecution of the war.

Mr. CALDER. I am glad to have the Senator's expression of opinion on the subject, because I was not sure that the shipbuilding plants were included in the terms of the bill, and I wanted to be certain that that was the Senator's view.

Mr. SIMMONS. Yes; the bill is explicit with reference to that character of property. On account of the amortization provision contained in the bill, contractors for war material are going to find very great relief, because I realize, and the Senate must realize, that in very many instances to meet the emergency of war contractors were required not only to construct new plants but to install machinery that will be of very little value to them after the war has ceased.

I wish to call the Senator's attention, further, and I wish to call the attention of the country, to the fact that there are some war contractors who have been attacking the bill who have been importuning Senators to use their influence to defeat the bill, so that the tax against them might be levied under the present law, which imposes lower rates of taxes. They would find, if they should accomplish their purpose and defeat this bill, that when the taxes were levied under the present law they would not get the benefit of this amortization privilege, and that might mean in many instances higher taxes under the present law than under the proposed new law.

Mr. CALDER. I think the Senator is correct.

Mr. SIMMONS. There is nothing in the present law that gives any such deduction or allowance.

Mr. CALDER. I know there is not; but I understand there is a ruling or decision of the Treasury Department that has helped out the situation somewhat. I am quite sure that but for that ruling a great many concerns would have gone bankrupt.

Mr. SIMMONS. I think there was a ruling that helped them to some extent, but the ruling did not and could not help them to the extent this bill does, for this bill helps them to the extent of the full original cost, if the loss is total.

Mr. CALDER. I am sure that is very fair. Does the Senator think the Treasury Department is justified under the previous law in amortizing the loss of a shipbuilding plant where a profit on the investment has been made?

Mr. SIMMONS. I doubt it very seriously. I think it would be quite a departure from the terms of the law.

Mr. SMOOT. In further answer, I will say to the Senator that in most cases there was an absolute contract between the Government and the owners of the plant. Of course, the Government has to give weight to that.

Mr. CALDER. I have in mind several cases where men were led to believe there would perhaps be a certain figure of profit. The Government has come in subsequently and rather taken the ground that they could not under the law, despite the fact that

they had fitted out these shipyards, allow any such procedure. That I very much regret.

Mr. SIMMONS. There can be no doubt that under the bill their power will be ample and plenary, so far as plant and facilities acquired on or after April 6, 1917, are concerned.

Mr. SMOOT. It is very sweeping in its provisions.

Mr. SIMMONS. It is very sweeping, as the Senator from Utah very justly observes.

There is another amendment of this character which, of course, will very considerably reduce the amount of revenue to be collected under the bill, but which, I think, under the conditions which now exist, industrial and economic, will be of the greatest possible relief to the taxpayer and is but a fair measure of justice. I refer to the amendment or amendments relating to shrinkage in inventories and net losses. These provisions were retained by the conferees with some amendments. In fact, Mr. President, the amendment which the conferees made to the inventory provision I regard as most vital. It will very greatly strengthen it, in my opinion, and I refer to it this afternoon, because I think the business people of the country who have not read the bill, but have relied upon the newspapers for their information with reference to this and other important provisions, have not yet come to realize the great relief it will afford under the present conditions. Market values are falling and this decline will undoubtedly proceed at a constantly accelerating rate. Under such circumstances the allowance for falling inventories, as amended by the conferees, will afford the greatest relief from the heavy taxes which the bill imposes.

In general terms, where during the year 1919, by reason of a decline in values, the inventories upon which the incomes for the year 1918 were based have shrunk so as to make it apparent that the tax which would be paid in 1919, based upon these high inventories, would be based upon values that no longer exist, values that have disappeared, which will never be realized, the bill permits a reduction to the extent of the decline in the inventory values and provides that the tax for the preceding year shall be redetermined and paid upon the new basis of value, instead of upon the original inventory basis.

I do not think it is possible to estimate with any degree of accuracy what will be the loss in revenue as the result of this amendment. It is a broad, sweeping amendment, but it does nothing more than common justice to the taxpayers. It says to the taxpayer that where your profits turn out to be, by reason of shrinkage in inventory values mere paper profits, you shall be allowed to pay your tax upon the basis of the actual inventory value at the time you make your return for 1918, and if the losses have not been discovered at the time you make those returns and they are discovered any time during the year 1919 then the commissioner may make the allowance and the taxpayer may get the benefit of the shrinkage.

Let me illustrate with the case of the cotton manufacturers. They have laid in great stocks of raw cotton, the larger part of which was purchased at 30 cents or more than 30 cents a pound. The inventories for the year 1918 would have to be based upon those values. That cotton is to-day worth probably not much over two-thirds of the amount for which it was purchased. If they are required to pay their taxes without any rebate upon the basis of the cost of this raw material still in hand, it is easy to see that they would have to pay tax upon a value charged against them, but which will not, as a matter of fact, ever be realized.

I wish to call attention to this fact, Mr. President, and I do it because, while the bill was in conference, I received many telegrams from the people of my State protesting in one way or another against this tax, and asking that the rates be reduced so as to yield $4,000,000,000 rather than $6,000,000,000. Of course, they were told that could not be done; that the conference committee had no power to take such action even if it had the desire. They then said defeat the bill so that we may be taxed under the present law. Of course, everybody would rather be taxed upon the basis of $4,000,000,000 than upon the basis of $6,000,000,000.

I wish, in connection with these protests, to emphasize the fact that if this bill should fail the manufacturers of this country, producers, and tradesmen, who have purchased great stocks of material at high prices, would pay large taxes, based upon inflated inventory values; and if the taxes should be levied under the present law there would be no such relief as this particular amendment affords. The amendment allows a rebate to the full amount of the shrinkage. I think in very many cases they will find that the relief which will come to them through the amortization provision of the bill, through the obsolescence provision of the bill, through the net-losses provision of the bill, and through the inventory provisions of the bill will more than offset the difference between the new rate and the rate at which they would pay taxes under the present law.

Coming now to the excess-profits and war-profits taxes, I may say in general that the House accepted the rates adopted by the Senate with but few modifications. The House conferees accepted the excess-profits rates adopted by the Senate for the taxable year 1918, with an amendment increasing the second bracket from 60 per cent to 65 per cent, and they accepted the Senate rates for 1919 and thereafter with no material change except that relating to income derived from war contracts, to which I shall refer hereafter.

It will be seen from this statement that the House accepted nearly all of the Senate amendments with respect to individual income taxes, corporate income taxes, and profits taxes, so far as rates of taxation are involved. Ordinarily the Senate could not have expected the House to have acquiesced in practically all of these amendments, with a few minor modifications; but the House conferees recognized the fact that after the bill left the House the situation changed, and that most of these reductions were made by the Senate to accomplish the recommended reduction from eight to six billion dollars in the amount of revenue to be raised under the bill.

There was one important change made by the conferees in the profits tax for the taxable year 1919 and subsequent years. While agreeing to the Senate rate of 20 and 40 per cent, the conferees of the House insisted upon an amendment in which the conferees of the Senate very heartily concurred. In fact, the Finance Committee had discussed, before the bill was reported to the Senate, the wisdom of making an amendment of that character. I had announced myself in favor of it, and declared a purpose to introduce it upon the floor of the Senate, but inadvertently I failed to do it. The conferees of the House insisted upon, and the Senate conferees heartily concurred in, an amendment to the 1919 rate providing that where the net income of any corporation derived from any contract or contracts with the Government exceeded $10,000, that part of its income accruing from such contracts should be taxed under the 1918 rates.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I yield to the Senator.

Mr. KELLOGG. Do I understand that in 1920 the war-profits tax against contracts with the Government is 80 per cent, and not against other business operations?

Mr. SIMMONS. I do not know whether the Senator understood me or not. I state that a war-profits tax was imposed upon corporation derived from Government contracts. It is not an income tax.

Mr. KELLOGG. No; I understand that. There is a war-profits tax this year of 80 per cent, for 1918?

Mr. SIMMONS. Yes.

Mr. KELLOGG. Now, I am speaking of next year, 1919.

Mr. SMOOT. The taxable year.

Mr. KELLOGG. The taxable year of 1919. Is the war-profits tax of 80 per cent against war contracts alone?

Mr. SIMMONS. Yes.

Mr. KELLOGG. Let me see if I understand that. Here is a shipbuilding concern, or any concern, manufacturing for the Government. Although it may make not more profit——

Mr. SIMMONS. Did I say "war contracts"? I mean by that term Government contracts made between April 6, 1917, and November 11, 1918.

Mr. KELLOGG. Well, suppose a shipbuilding concern, or any other manufacturing concern, was willing to work for the Government at the same rate, or even at a less rate, of profit than it would work for a private concern. The concern which is patriotic enough to do Government work is penalized next year with an 80 per cent tax, while other manufacturing concerns, right beside it, pay no tax at all.

Mr. SIMMONS. The Senator is mistaken about others right beside it paying no tax. The others would pay the excess-profits tax, which is 20 and 40 per cent; and the corporation to which the Senator refers, if it were making profits outside of those made on its contracts with the Government, would only pay at those rates, 20 and 40 per cent. The Senator knows what we were driving at. The President, in his message to Congress, stated that, while he favored the reduction of the taxes for 1920 to $4,000,000,000 and favored a reduction in the profit rates, a high war tax against war profits ought to be continued.

Mr. KELLOGG. Quite so.

Mr. SIMMONS. The Secretary of the Treasury, in his recommendation asking that the war-profits tax be abolished after 1918, suggested that there ought to be provision by which the 80

per cent rate would be continued for profits realized after 1918 from Government contracts made during the war; and the purpose which the conference committee had in view was to see to it that a Government contract heretofore made, and based upon the prices that had heretofore obtained, should pay the same tax upon its war profits when those war profits were made in 1919 as it is required under the law to pay when those profits were made in 1918.

Mr. KELLOGG. I am quite aware of that, and I would not object to everyone who makes a war profit from contracts with private individuals or with the Government being required in 1919 to pay a good, heavy rate of tax; but the war-profits tax this year—1918—makes no discrimination between those working for the Government and those working for private individuals; and while I have no doubt some contractors may have made very large profits from the Government, I think you will find that those manufacturers and contractors who were not doing business with the Government made more money than those who were doing business with the Government.

Mr. SIMMONS. Will the Senator pardon me for calling his attention to the fact that the contracts referred to in this amendment are only such contracts with the Government as were made between April 6, 1917, the day when we went into the war, and November 11, 1918, when we went out of the war. The presumption is that these contracts were based upon the high costs and the high rate of profits that obtained during the war.

Mr. KELLOGG. Quite so.

Mr. SIMMONS. They go over; they are executed in the next year. There is no change in the contract. The basis is the same. The contractor may be able to make a larger profit in 1919 because of falling markets, falling cost of labor, falling cost of material than he made in 1918; and to let that contract escape the higher tax that the bill imposed upon all other contracts made upon the same basis, it seems to me, would be quite a discrimination.

Mr. KELLOGG. I agree with the Senator; but why should not a contract made by a shipbuilding or a manufacturing company with a private concern, made in the same time, to run the same length of time, making the same big profits, be taxed in the same way? That is why I can not understand the provision.

For instance, let me explain. One contract is made with the Government for building ships, and it runs from July, 1918, to July, 1919. If it is made with the Government, the manufacturer must pay 80 per cent this year of 1919. If it is made with a private concern, although the profit is greater, and it is a war contract, he pays no taxes at all under the war-profits tax in 1919. That is the point.

Mr. SIMMONS. Yes; I see the point the Senator makes.

Mr. KELLOGG. During the war we made no discrimination between those manufacturing for the Government and those manufacturing for private concerns, and I do not see why we should make any discrimination during 1919.

Mr. SIMMONS. Mr. President, I think everybody in this country recognizes the fact that even while the war was going on there was quite a difference between the profits that were derived from Government contracts and those derived from private contracts. They were upon a different basis while the war was in progress. It is a matter of common knowledge that in the case of Government contracts, because of the fact that the situation required speed, because time was the essence of the thing, and because every consideration of expense had to be sacrificed to acceleration in delivery, the contractors with the Government demanded a profit which they did not get and could not have obtained from private sources. That was spoken of during the war as one of the chief elements that entered into and formed the basis of a large part of the consideration which the Government agreed to pay on these contracts.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I do.

Mr. SMOOT. I will say to the Senator that perhaps that was so in some cases; but I know of many, many cases where the private contractor was selling at a higher rate than that at which the Government was purchasing the same class of goods, and in some cases, I will say to the Senator, I know of concerns that were selling goods to the Government and also making the same goods for private parties, and the price at which they were sold to the private purchaser was higher than the price at which they were sold to the Government.

Mr. SIMMONS. Doubtless some cases of that kind may be found; but the Senator knows that when they were constructing these great cantonments, when it was of the utmost importance that they should be ready to receive in the quickest possible time the soldiers who were coming from every part of the country, advertisements went out offering the highest prices for labor and for material in order that speed might be accomplished. The Senator knows that that was so with reference to shipbuilding. He knows that that was so with reference to the manufacture of munitions of war. If the Government could not get them quickly, they would be of no use to the Government. Speed was of the very essence of the thing, and prices calculated to obtain labor and material in the quickest possible way were demanded by the contractors and paid by the Government, and this was true of all of these contracts, of those that were not executed as well as those that were executed before the armistice.

Mr. SMOOT. I agree with all that the Senator has said. I know that the prices advanced beyond all reason; but what I can not understand, Mr. President, is this: While those prices to the Government were advancing, so they were advancing to the individual contractor. He had to pay those prices, and in some instances even more than the Government paid, and the persons that sold those goods to the private contractor or to the Government made those outrageous profits; and it seems to me that we ought to catch those profits, whether they were made by an individual contractor or whether they were made by a contractor with the Government. That is the only thing that I can not understand about this proposed amendment. I will say to the Senator that it is a new subject matter. It was never discussed, and it has been put in here since the bill passed the Senate. It is a new thing entirely, and when I read it I wondered why it was in here.

Mr. SIMMONS. It is an amendment to the Senate amendment. The conferees accepted the Senate amendment with an amendment.

Mr. SMOOT. But I mean they changed the Senate amendment by amending it, and put in provisions that were not passed upon by the Senate at all. It is entirely new.

Mr. SIMMONS. I know it is new in the Senate, but it is permissible under the rules.

Mr. SMOOT. I do not want the Senator to get the idea that I am going to make a point of order on those things. I simply wished to bring it out here in the discussion. If I wanted to be captious over the matter, of course I could simply say that there is new matter put in here contrary to the rules of the Senate; but I am not going to do it, and I do not want any other Senator to do it.

Mr. SIMMONS. I am very glad to hear the Senator say so. I do not think his objection would be tenable, but I am very glad to know that the Senator does not propose to be hypercritical.

Mr. SMOOT. I think it would be tenable. Of course, that is a difference of opinion; but, be that as it may, if I knew it would be sustained I would never raise it, I want to say to the Senator, either on this item or on any other item that is in the bill. That is not the question. The only thing that I desire to emphasize is that I believe, just as the Senator from Minnesota [Mr. KELLOGG] believes, that wherever these unconscionable profits were made, whether by a contractor doing private work or by a contractor doing Government work, there is no difference in principle, because the people ultimately have to pay them.

That is the only position that I take in this matter. I am not going to ask the Senator to strike it out. I simply think it is an unfair proposition, and I do not think it can be defended, if you are intending to do exact justice between all citizens of our country.

Mr. SIMMONS. Mr. President, I have said all that I desire to say with respect to that. I am sorry that my colleague upon the committee, the Senator from Utah, disagrees with me.

Mr. President, in addition to the relief amendments placed in the income-tax title, but affecting profits taxes as well as income taxes, amendments relating to amortization and obsolescence, shrinkage in inventories, and so forth, the Senate added a general relief clause investing more or less discretion in the Commissioner of Internal Revenue and the advisory tax board for relief in cases clearly establishing injustice, inequality, or discrimination. The House conferees accepted these provisions of the Senate.

The relief provisions as contained in the Senate amendments were specific in their terms. They specified the special conditions and circumstances under which the commissioner might give relief. The conferees on the part of the House, while not specially objecting to that method of relief, insisted that it was very much better to give authority in more comprehensive terms and without such detail of specification and particularization. After careful discussion and consideration it was agreed to rewrite the Senate relief provision and give the necessary power

to the commissioner in general terms. The general opinion of the conferees and of the department, and I concur in that opinion, is that the amendment as redrafted broadens rather than restrains the powers of the commissioner in the matter of relief against injustice, inequality, and discrimination.

Such a provision, Mr. President, is of the greatest importance in a bill to take effect under conditions such as now exist in this country. There is no such power invested in the commissioner under the present law, but cases arose under the present law in which a strict application of the rigid and inflexible definition of invested capital would have worked such intolerable hardship and oppression that the commissioner was compelled to cast about and find, if possible, authority by which he might partially, at least, relieve against such hardship. Of course the commissioner could not give full relief. Of course there might be some question about his authority to give even partial relief in many cases.

While some relief could be accorded measurably though not fully meeting the requirements of the particular cases under the conditions existing during the application of the present law, it is perfectly apparent that under the changed conditions which exist now, in the chaotic situations in which the business interests of the country have been thrown, the measure of relief which can be afforded under the provisions of the present law would prove utterly and miserably inadequate.

Therefore, Mr. President, in the interest of common justice, having laid down a hard and fast—practically an inflexible—rule to measure invested capital, a rule adopted probably because we could not find anything better, it was thought expedient and necessary under these conditions to invest the Commissioner of Internal Revenue with broad powers and discretion in certain conditions and circumstances to grant such relief as justice and common fairness would dictate should be given. We accordingly framed the general provision to which I have referred, and the House conferees accepted it with a slight amendment.

That is another one of the provisions which, I think, the business interests of the country have not yet come fully to realize. They may know that there is some provision here by which the commissioner can help them in case of difficulties of the kind I have described, but I do not think they have yet come to realize the breadth of the discretion which is lodged in the commissioner in this amendment and what it may be worth to them under the conditions which now confront us.

I know this bill imposes high taxes. It is necessary to impose high taxes, higher than we have been paying heretofore. But, Mr. President, while the rates are higher, while the taxes will be higher, I believe that when you take into consideration the relief provisions of the bill as compared with the relief provisions of the present law it will be found that this bill will bear with but little greater weight upon the great business interests of the country than the present law, especially on that part of the business interests that have to pay, in addition to income taxes, excess-profits or war-profits taxes.

It is estimated that the reductions in rates made by the Senate amendments and retained in conference, and the reductions resulting from the ameliorative and relief amendments made by the Senate and retained in conference, will probably reduce the revenues from the House estimates approximately $900,000,000 for the taxable year 1918.

Mr. President, your conferees, very much to their regret, were forced by the attitude of the House to yield the plan which the Senate had devised for taxing insurance companies. The Senate had stricken out altogether the House provisions with reference to insurance and had written in a new scheme upon an entirely new basis. The House conferees while not objecting to the scheme in toto objected to a part of it which was absolutely essential to the whole, and as we thought essential to the justice of the scheme. They were willing to accept the rate adopted by the Senate, but they were not willing to allow the deductions provided in the Senate scheme.

Your conferees did not think that its scheme would be equitable or satisfactory if the deductions were eliminated, and, after much controversy and much discussion, reflection, and investigation—for we did investigate a good deal to see if we could not reach a basis of compromise—finding ourselves unable to come to any satisfactory adjustment with reference to the Senate scheme, the Senate receded, and the effect of that was to restore with slight amendments the House provisions of the bill.

There was also, Mr. President, sharp disagreement in conference between the two Houses with reference to inheritance taxes. The present law is the basis of the House scheme; in fact, it is the House scheme, with lower rates; that is to say, the House rates are very much higher than are the rates of the present law. Its basis is an estate tax; that is to say, the taxes are levied against the entire estate of the decedent after the authorized deductions have been made.

The Senate scheme was based upon an entirely different principle. It did not tax the total estate of the decedent, but it taxed the amount going to each one of the beneficiaries of the estate, giving each one of those beneficiaries a deduction, and, of course, splitting up the amount and dividing it between the beneficiaries, and taxing it as so divided. Even at the same rates as those in the House bill, the yield of the tax would have been less, because the rates of the House bill, like the rates of the present law and like the rates recommended in the conference report, are graduated according to the size of the entire estate, while the rates of the inheritance tax were adjusted to the size of the several distributive shares. The Senate conferees, finding it impossible to get the House conferees to agree to their plan of an inheritance tax, accepted the House plan of an estate tax, with material reduction in the rates applicable to small and moderate sized estates.

The House rates were, I believe, nearly double the rates of the present law. The Senate rates were, in effect, very much lower. The rates that we finally agreed upon in conference are very much less than are the rates of the present law for estates of less than $750,000. They are not so very much higher than the rates in the Senate amendment. So it may be said, speaking broadly, that while the Senate yielded to the House as to the method of imposing this tax the House yielded to the Senate as to the rates of the tax.

Mr. President, I pass over the tobacco schedule, because there were no changes of importance made in conference from the Senate amendments. The Senate reduced the House rates on cigars, cigarettes, and tobacco. The House conferees accepted practically all of these reduced Senate rates. A slight increase was made in the tax on cigarettes. The conference raised that rate from $2.90 to $3 a thousand. There was also one change in the rate with reference to cigars selling for more than 5 cents and for less than 8 cents from $5.40 to $6 a thousand. Otherwise the House accepted the Senate rates.

The same thing, Mr. President, is true with the Senate rates on admissions and dues. The House had doubled existing rates and the Senate amendment cut the House rates in two, and restored the rates of the present law. The House conferees accepted all of these reductions made by the Senate. The only exception, I believe, is the tax on cabarets. That was raised a little bit above the Senate amendment, halfway, I think, between the Senate rate and the House rate, to be accurate.

The House practically accepted all of the Senate excise rates. There was a slight change in the automobile tax and the tax on vending machines.

The House accepted, with slight exceptions, all of the rates of the Senate with reference to special taxes, the exception being chiefly the rates on ship brokers and customhouse brokers.

The conferees changed the Senate's basis of calculating the capital-stock tax from the net-assets basis to market-value basis as provided in the present law. With those unimportant exceptions all of the Senate's reduced rates were agreed to.

The same is true of the stamp taxes. The only material change made by the conferees in the stamp section of the bill affecting rates was that on foreign insurance, which was reduced from the Senate rate of 5 per cent to 3 per cent.

Mr. President, the Senate made a very striking amendment to the House bill in its amendment permitting a corporation whose principal income is derived from the personal activities of the principal stockholders to be taxed as a partnership instead of as a corporation. The fundamental reason for that change is found in the fact that the excess-profits taxes and the war-profits taxes for 1918 would be extremely oppressive—I might use a harsher term than that—would be almost destructive if they were imposed without allowing a reasonable exemption or deduction.

This exemption or deduction is based very largely upon the invested capital. With a deduction which for excess-profits tax can not be less than 8 per cent of the invested capital, and for war-profits tax can not be less than 10 per cent of the invested capital—with this allowance entirely exempt from taxation—a capitalistic corporation is by the very letter of the law guaranteed a reasonable profit, however high the tax may be upon that part of their profits in excess of this allowance, so that no concern whose business is based upon capital, whose profits are the returns of capital, can be bankrupted or can be deprived of what in the business world is regarded as a fair return upon the capital invested in the business. But where the income is not derived from capital, but is derived from the

personal exertions of the principal owners of the corporation, there can be no exemption based upon invested capital. If these excess-profits and war-profits taxes were imposed, therefore, upon a corporation that had no capital or very little capital, they would constitute a flat tax upon the entire earnings, without any deductions except for the actual expenses incurred in the conduct of the business. That would be a great hardship. We sought in the present law to remedy that by imposing a flat 8 per cent tax in such cases. That was an unsatisfactory solution. The House sought in this bill to solve the problem by imposing a flat tax of 20 per cent upon the net income in lieu of the profits tax. That was not a satisfactory solution. But when we permit such concerns to be taxed as a partnership we exempt them under the present law from excess-profits taxes and from war-profits taxes, and put them upon a parity with the individual and the partnership paying taxes only upon their income.

The Senate made that amendment, and I think it was one of the wisest amendments made to the bill. The House conferees accepted that amendment, but after reflection the House conferees and the Senate conferees concluded that there was a class of profits made largely by corporations with no capital invested, but which rely only on their personal services, that would escape just taxation under the Senate amendment. So, by mutual consent, we added a provision to the bill exempting from this privilege accorded personal-service corporations corporations 50 per cent or more of whose gross incomes consists of—

Gains, profits, commissions, or other income derived from a Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive.

We also provided that this provision should not include corporations "50 per cent or more of whose gross income consists of gains, profits, or income derived from trading as a principal."

Another Senate amendment with which the conference had trouble, but which was finally accepted by the House conferees, was the amendment providing for the consolidated return. That is one of the good provisions of the bill. I should have been exceedingly sorry to have seen it stricken from the bill, and yet the House conferees seemed to be very much opposed to it. After long discussion we finally compromised that matter by retaining the Senate's consolidation scheme with a provision taking out of it any corporation "organized after August 1, 1914, and not successor to a then existing business 50 per cent or more of whose gross income consists of gains, profits, commissions, or other income derived from Government contracts or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive." In case the corporation is taken out of the consolidation for this reason, that particular corporation is assessed separately, while the other affiliated corporations are assessed on the consolidated basis.

Mr. President, there is another amendment which occupied the time of the conference to some extent, but was finally happily adjusted. That was in connection with the controversy over the so-called King amendment. I think the conferees on the part of both Houses felt that the amendment as originally adopted was too broad. Senators will remember that that amendment was offered during the last stages of the consideration of the bill in the Senate, and it was understood, I think, and so expressed upon the floor of the Senate at the time, that the amendment would require some consideration by the conferees. While we rewrote the amendment, I think that what we have included in the bill will accomplish the main purpose which the author of the amendment, the Senator from Utah, had in mind. It was prepared, after consultation with the Commissioner of Internal Revenue and with the experts of the department, with a view to authorizing the commissioner to call for and to secure from the contractor and from the Government department concerned such information with respect to the contract as the commissioner deems necessary in order to enable him properly to adjust and assess the taxes.

Mr. WADSWORTH. Mr. President, would not the commissioner have the right to do that now?

Mr. SIMMONS. I presume he would, but it was thought best to make it clear that he had the powers which he said he should have. In asking the commissioner's advice, we said to him, "We want to give you with respect to these matters all the power you think you need." I will state to the Senate, as frankness requires, that this amendment was practically prepared under his direction and I think it gives him all the powers which he needs to get the information that is thought necessary to adjust and assess the taxes properly.

Mr. President, there were two Senate amendments from which the Senate conferees receded. One of those amendments was that relating to campaign contributions, presented in the Senate by the distinguished Senator from Colorado [Mr. THOMAS]. From the very first reading of the bill in conference that amendment became the subject of much discussion and controversy. A rather ugly state of mind was developed on the part of some members of the conference with respect to it. The House conferees sharply disagreed about it, three of them being very pronounced in their opposition. It was finally taken back to the House for instructions, and the House did instruct its conferees to yield if the retroactive provision of the amendment were eliminated. The House conferees did yield; they stated that, of course, they had to carry out their instructions; but it was very evident that in yielding that did not end the matter so far as they were concerned. There were some strong expressions on the matter by a majority of the House conferees. On the part of the Senate conferees, while, of course, they were bound by the action of the Senate, some of them stated that, if the provision were amended as proposed by the House conferees, they would not support it. I do not wish to go into a discussion of the situation that developed, but the situation which did develop satisfied me that, if this amendment were retained in the bill, it would lead to long and bitter discussion in both Houses, and that in this Chamber it would probably result in dangerous delay or in the ultimate defeat of the bill. Under these circumstances the House conferees went back to their body and asked for instructions, and upon the initiative of certain prominent Senators a poll was taken on both sides of this Chamber as to the present feeling of Senators with respect to this amendment, particularly in connection with conditions disclosed with respect to it in conference.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. I yield.

Mr. THOMAS. Can the Senator inform me who took that poll, and when?

Mr. SIMMONS. As long as the Senator puts the direct question to me, I think that I owe it to him and owe it to the Senate to say that, in view of the representations made to me by the Senators to whom I have referred as to the present feeling of the Senate, I asked the Senator from Virginia [Mr. SWANSON] to make a poll of the Democratic Senators, a poll having already been made and communicated to me of the Republican Senators. Another poll of Democratic Senators other than that made by the Senator from Virginia was taken to verify that poll as to certain Senators whose answer to the first poll was somewhat indefinite and to extend it to certain Senators who were not present at the time the first poll was taken. This supplementary poll was taken by an official of the Senate at my instance.

Mr. THOMAS. Mr. President, I wish to say that it is the first I ever heard of any such poll, and I am the author of the amendment.

Mr. SIMMONS. I am speaking now about the Democratic side of the Chamber.

Mr. THOMAS. I happen to be on that side of the Chamber.

Mr. SIMMONS. A similar poll, I am advised, was taken on the other side of the Chamber. I do not know who took it, but the result of the poll was brought to the attention of the conferees. Considering all these circumstances, therefore—the situation which developed in the committee, which to my mind meant delay, and long delay, and possibly the ultimate defeat of this measure if this provision were retained in the bill, added to the fact that these polls reflected a changed sentiment on the part of many Senators with reference to the amendment—the Senate conferees felt that it was their duty to recede, and they did.

Mr. JOHNSON of South Dakota. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from South Dakota?

Mr. SIMMONS. I do.

Mr. JOHNSON of South Dakota. I wish to say, as one Member on this side, that I was asked in that poll how I felt about the amendment, and I said that I favored it.

Mr. SIMMONS. The other amendment from which the Senate conferees receded was that with reference to the zone system. It is well understood that ever since the zone system was first proposed as a provision of a revenue bill both sides of the Senate have been opposed to it. The Senate struck it out of the present law. It was restored in conference, under pressure amounting almost to coercion.

We had two votes in the Senate upon this question while the present bill was under consideration; and those votes, both the vote in Committee of the Whole and the vote in the open Senate, disclosed the fact that a very decisive majority of the Senate was opposed to the zone system; but from the very beginning it was well known that the House has been just as much in

favor of this system as we have been opposed to it. Every vote that they have taken there has sustained it. Their conferees have uniformly insisted, with great persistence, upon its retention, and when the Senate adopted the amendment under discussion repealing that system I think it was well understood by Senators that the Senate conferees would be confronted by a persistent and obstinate opposition from the House conferees.

We were not mistaken about that. From the very outset we were notified that that particular Senate amendment had to go out of the bill. This matter was discussed all through our conference sittings. It kept bobbing up every day. It would not down, and always there was the same note, that whatever else happened there could be no agreement unless this Senate amendment was eliminated. Your conferees urged that it be taken back to the House, as the campaign-contribution amendment was taken back, but that was very politely declined; and, although every member of the Senate conferees regretted it, we finally felt that it was necessary to yield on this amendment.

Mr. WADSWORTH. Mr. President, will the Senator say whether any proposal was made for modifying the terms of what might be called the zone system?

Mr. SIMMONS. I think not. The Senator means, by the House?

Mr. WADSWORTH. By the House or by the Senate.

Mr. SIMMONS. No; I do not think there was any discussion of a compromise. I do not think the temper of the opposition encouraged any.

Mr. WADSWORTH. It was just a question of "take it or leave it"?

Mr. SIMMONS. Yes.

Mr. WADSWORTH. And will the Senator say whether or not the Finance Committee, or, within his knowledge, the House Ways and Means Committee, have investigated the effect of the zone system, as it has thus far been operating, on postal rates and on the distribution of magazines, weeklies, and daily newspapers?

Mr. SIMMONS. I can not tell the Senator about that. There was not much detailed discussion of this amendment, because the character of the opposition precluded such discussion. I myself have no information about it, and there was none disclosed by the conferees upon the part of the House. They based their opposition upon the ground that the repeal of this system would be in the interest of a flagrant subsidy that had for years prior to its enactment been given to certain publications.

Mr. WADSWORTH. The situation, to my mind, is a very distressing one. I think the whole system is a violation of wise public policy, and I was wondering whether the Finance Committee of the Senate, in the course of its consideration of the bill, had secured any reports from the Post Office Department or elsewhere as to the actual effect of the zone system as it has now been operating for about a year.

Mr. SIMMONS. I will state to the Senator that we did not. The Senator from Utah [Mr. SMOOT], who has always been very active and very much interested in this matter, may have secured some facts along that line, but they were not presented to the committee.

Mr. WADSWORTH. May I be prompted by the Senator from North Carolina as to when the zone system took effect?

Mr. SIMMONS. Under the present law?

Mr. SMOOT. July 1, 1918.

Mr. WADSWORTH. Then I am mistaken.

Mr. SIMMONS. It did not take effect for some time after the passage of the law, July 1, 1918, as stated by the Senator from Utah.

Mr. WADSWORTH. I am mistaken, then, in saying that it has been in effect for a year; but, at any rate, there has been no report from anybody of an official character, so far as the Senator knows?

Mr. SIMMONS. Not before the Finance Committee, because that committee was so pronouncedly and fundamentally against the zone system that it did not require any detailed information with reference to its operation in order to induce action.

Mr. POMERENE and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and if so, to whom?

Mr. SIMMONS. I yield to the Senator from Ohio. I think he addressed the Chair first.

Mr. POMERENE. If it is any consolation to the chairman of the committee, I desire to say that so far as I am concerned, if the only choice to be had was between the zone system and a reduction of the rates below what they are, I want to compliment the conferees on their good judgment in receding.

Mr. SMOOT. Mr. President, I was going to ask the Senator if it is not a fact that before any meeting of the conference was held the statement was made in the public press that the amendment of the Senate would go out or the bill never would become a law?

Mr. SIMMONS. I believe that statement was made in the press, but I do not know that it was made as coming directly from any particular person.

Mr. SMOOT. I will say to the Senator that I saw it in the press, and saw it credited to one particular person who was a member of the conference.

Mr. PENROSE. Mr. President, if the Senator will permit me, I think, regardless of what was said, that there was a very strong impression created that there would be no bill unless the Senate conferees receded. I do not charge that to any individual conferee, but that impression was indelibly impressed on my mind.

Mr. SIMMONS. And on the mind of each member of the committee.

Mr. PENROSE. Yes.

Mr. SIMMONS. Mr. President, there are some other matters which I should like to discuss in connection with this bill, but I have detained the Senate so long that I will defer them until the provisions of the report to which they refer is reached in the regular course of the discussion.

Mr. THOMAS obtained the floor.

Mr. PENROSE. Mr. President, I did not know whether or not the Senator from North Carolina was going to move an adjournment now.

Mr. SIMMONS. No; I will say very frankly that I should like very much to have a night session.

Mr. PENROSE. Oh, the Senator can pass his bill to-morrow, in all probability.

Mr. SIMMONS. We might pass it in a pretty short time to-night. As the Senator knows, we passed it a little while ago without any discussion at all. The Senator was out of the Chamber at the time.

Mr. PENROSE. I know that the Senator has made a speech two or three times longer than I had any idea he would make. It has been very interesting and illuminating——

Mr. SIMMONS. I thank the Senator for that statement.

Mr. PENROSE. But I think we had better proceed in an orderly way.

Mr. THOMAS. Mr. President, I shall not detain the Senate very long. I regret very much that this report comes at the end of a long session, and that it affects a bill the passage of which seems to be very essential to the national welfare.

One of the great evils of our legislation consists in the fact that the most important measures which we are called upon to enact are finally submitted to our ultimate judgment during the closing days of the Congress considering them. Hence they are rushed through without that consideration which they deserve, and in some cases much evil is apt to result from the hasty manner in which we dispose of great and important questions. There are two features of this bill, however, to which I wish to advert for a moment, and then, as far as I am concerned, I shall not obstruct its passage.

I wish to refer, first, to the reinsertion in this bill of the income tax against the salaries of the President of the United States and of the Federal judges, both of which, as I construe the Constitution under which we act, are protected from this and from all other methods of diminishing them during the occupancy of the incumbents. I have read the Constitution and comments upon it in vain if these provisions can be ignored, disregarded, and violated by indirection; and, so believing, I am not able, with that provision reinserted in the bill, to give it the sanction of my vote. I gave at length last September the reasons why, in my judgment, these items should be eliminated from the bill. They were eliminated by the Senate Committee on Finance, and were reintroduced at the conference.

I refer now to the amendment whose adoption I succeeded in securing on the 23d day of September by a vote of 34 yeas to 28 nays. I tried to get favorable consideration of that amendment in the committee without success. The Senate thought better of it than the committee did, and adopted it by a very decided majority. I do not think I speak too harshly when I say that I never thought the amendment had any chance whatever with the Senate conference committee. Every member of it voted against the amendment; and while it was loyally supported literally, it was not supported otherwise.

I knew, Mr. President, that the amendment was having a hard time, not only because the Senate members of the conference committee had voted against it here and also in the committee, but because it offered a real method of preventing the collection of huge sums of money for campaign purposes and their expenditure at public elections. We have much legislation upon the statute books upon that subject, and thus far it has amounted to nothing. There are more ways of driving a coach and four

through a statute, whether State or national, that is designed to prevent the corrupt use of money in elections, than any other statutes of which I have knowledge. It occurred to me and to some others that if a heavy tax could be placed upon such contributions over and above a certain sum, and also excepting those which under the statutes candidates may make, it would prove to be an effectual stop, certainly a great diminution, in the evil against which it was aimed, and the existence of which no man has ever, so far as I know, denied.

The amendment had not been in the committee long before I was informed that it was not at all popular. It was not long after that before I was informed that it was more popular with the House committee than with the Senate committee; and about that time I was informed that the chairman of the Republican national committee had come to Washington, and was also quietly active in opposition to this amendment. I heard about that time that the Democratic leader of the Senate was also engaged in working against the adoption of that amendment. It now seems that the junior Senator from Virginia [Mr. SWANSON], certainly without my knowledge, for he never said anything to me about it, for the purpose of aiding the committee in the effort to beat this measure, took a poll of this side of the Senate, while somebody else, I presume equally opposed, polled the other side.

Mr. SWANSON. Mr. President, I hope the Senator will permit me to interrupt him.

Mr. THOMAS. I am simply stating what the Senator from North Carolina [Mr. SIMMONS] stated upon the floor.

Mr. SWANSON. I do not know what the statement of the Senator from North Carolina was. I did not hear it. My connection with the matter I will state to the Senator.

Mr. THOMAS. I certainly will yield the floor to the Senator for that purpose.

Mr. SWANSON. My connection with the matter was this: The Senator from North Carolina [Mr. SIMMONS] came to me and asked me to ascertain what the sentiments of the Democrats were regarding this amendment, and asked me to poll them, so as to guide him as far as possible in that conference, stating that he was having difficulty with it.

As to such Senators as were here who did not vote, or who had voted against the amendment, I made a memorandum in writing, which he has, without trying to control any Senator or suggesting any course of action to him. I told him frankly what the Senator wanted. The Senator from North Carolina has that memorandum, if he has kept it, in which that information was put down, so that any man interested in the matter could say whether he desired the Senate to recede or whether he was indifferent about it. The Senator from North Carolina was given that memorandum, with that information opposite each man's name, for his own guidance, and I understand that what he did not ascertain somebody else continued to ascertain for him.

Mr. PENROSE. Mr. President, will the Senator from Colorado permit an inquiry?

Mr. THOMAS. Certainly.

Mr. PENROSE. I should like to ask him whether he does not realize that the objections of the House conferees to his amendment were largely based on the fact that it was retroactive?

Mr. THOMAS. I am aware of that.

Mr. PENROSE. And the Senate conferees were unwilling to destroy or mar the symmetry of his amendment by permitting any alteration in it. The two Houses were deadlocked upon the question.

Mr. THOMAS. Oh, I have no doubt, Mr. President, that the high regard which the Senator from Pennsylvania had for the symmetry of my amendment was the moving cause of his opposition to it.

Mr. PENROSE. I did not say "the substance"; I said "the symmetry," Mr. President.

Mr. THOMAS. I said "the symmetry" also.

Mr. PENROSE. I know the Senator did.

Mr. THOMAS. Indeed, the Senator's love of symmetry is so notorious that it sometimes operates to prevent the exercise of his better judgment.

Mr. President, the House considered this amendment on the floor and by a large majority proposed an amendment striking out the retroactive nature of it and making it entirely prospective. As far as I was able to inform the committee—and I never went near them upon this subject; I was not invited, and did not deem it appropriate to go unless I was invited—I suggested to the two Democratic members of the committee, I believe the only two who attended the conference, the chairman and the Senator from Georgia [Mr. SMITH], that I would be more than content to see this amendment remain in the bill by striking out its retroactive feature. When the opportunity was given for that purpose after the House had acted, the devotion of the Senator from Pennsylvania to the symmetry of the amendment and the consequent impossibility upon his part of permitting it to be in any way mutilated seems to have found unanimous support from all the other members of the committee, with the result that, by joint Republican and Democratic action, this amendment, which I believe would go far to purify elections in America, has been slaughtered. It has disappeared from the bill; and those of us who want to see it enacted, who believe that it is a good amendment, can only obtain further action upon it by nonconcurring in this report, sending it back to the committee, and thus taking upon ourselves the responsibility of defeating the bill.

That, Mr. President, I do not want to do; but I want to take this occasion to let the country know how that amendment was defeated, and I believe that those in America who want to put a stop to the unlimited use of money in national elections will see to it, when this amendment comes up again—as it will come up in future Congresses—that both parties, instead of combining to defeat it, will be equally anxious to combine in making it a part of the laws of the United States.

Mr. KENYON. Mr. President, may I ask the Senator a question before he sits down?

Mr. THOMAS. Yes.

Mr. KENYON. I did not quite understand. Were the House conferees willing to agree to this amendment with the retroactive feature out?

Mr. THOMAS. The House conferees were opposed to the amendment as it stood. It was then taken to the floor of the House, and the statement was made by one of the members of the conference that it was a Senate bluff and introduced by a man having a grievance, or words to that effect. I think the Member from Missouri [Mr. RUCKER] proposed a substitute for or amendment to the Senate amendment which struck out the retroactive feature and made it prospective only. The House thus instructed their committee to report and stand for that sort of an amendment, but the Senate committee declined to concur. That is the history of it as I read it from the RECORD.

Mr. President, in connection with the other amendment to which I referred, placing an income tax upon the salary of the Chief Magistrate of the Nation and the members of the judiciary, I ask permission to place in the RECORD without reading a letter upon that subject bearing date the 16th day of February, 1863, written by the then Chief Justice of the United States, the Hon. Roger B. Taney, to the then Secretary of the Treasury, the Hon. Salmon P. Chase.

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

The matter referred to is as follows:

SUPREME COURT OF THE UNITED STATES,
Washington, D. C., October 3, 1918.

Hon. CHARLES S. THOMAS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: As requested by you to-day, I inclose herewith a copy from the records of this court of the letter written by Chief Justice Taney to the Secretary of the Treasury in February, 1863.

Very truly, yours,

JAMES D. MAHER,
Clerk of the Supreme Court of the United States.

SUPREME COURT OF THE UNITED STATES,
Tuesday, March 10, 1863.

Order of court.

Ordered, upon the request of the Chief Justice, that the following letter from him to the Secretary of the Treasury be entered on the records of the court:

WASHINGTON, *February 16, 1863.*

Hon. S. P. CHASE,
Secretary of the Treasury.

SIR: I find that the act of Congress of the last session imposing a tax of 3 per cent on the salaries of all officers in the employment of the United States has been construed in your department to embrace judicial officers, and the amount of the tax has been deducted from the salaries of the judges.

The first section of the third article of the Constitution provides that "the judicial power of the United States shall be vested in one Supreme Court and such inferior courts as Congress may from time to time ordain and establish. The judges of both the Supreme and inferior courts shall hold their offices during good behavior, and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office."

The act in question, as you interpret it, diminishes the compensation of every judge 3 per cent, and if it can be diminished to that extent by the name of a tax, it may in the same way be reduced from time to time at the pleasure of the legislature.

The judiciary is one of the three great departments of the Government created and established by the Constitution. Its duties and powers are specifically set forth and are of a character that requires it to be perfectly independent of the two other departments, and in order to place it beyond the reach and above even the suspicion of any such influence the power to reduce their compensation is expressly withheld from Congress and excepted from their powers of legislation.

Language could not be more plain than that used in the Constitution. It is, moreover, one of its most important and essential provisions. For the articles which limit the powers of the legislative and executive branches of the Government and those which provide safeguards for the protection of the citizen in his person and property would be of little value without a judiciary to uphold and maintain them which was free from every influence, direct or indirect, that might by possibility in times of political excitement warp their judgments.

Upon these grounds I regard an act of Congress retaining in the Treasury a portion of the compensation of the judges as unconstitutional and void; and I should not have troubled you with this letter if there was any mode by which the question could be decided in a judicial proceeding. But all of the judges of the courts of the United States have an interest in the question and could not, therefore, with propriety undertake to hear and decide it.

I am, however, not willing to leave it to be inferred from my silence that I admit the right of the legislature to diminish in this or any other mode the compensation of the judges when once fixed by law, and my silence would naturally—perhaps necessarily—be looked upon as acquiescence on my part in the power claimed and exercised under this act of Congress, and would be regarded as a precedent, establishing the principle that the legislature may at its pleasure regulate the salaries of the judges of the courts of the United States and may reduce their compensation whenever Congress may think proper.

Having been honored with the highest judicial station under the Constitution, I feel it to be more especially my duty to uphold and maintain the constitutional rights of that department of the Government, and not by any act or word of mine leave it to be supposed that I acquiesce in a measure that displaces it from the independent position assigned to it by the statesmen who framed the Constitution; and in order to guard against any such inference I present to you this respectful but firm and decided remonstrance against the authority you have exercised under this act of Congress, and request you to place this protest upon the public files of your office as the evidence that I have done everything in my power to preserve and maintain the judicial department in the position and rank in the Government which the Constitution has assigned to it.

I am, sir, very respectfully, yours,

R. B. TANEY.

Mr. SAULSBURY. Mr. President, before the Senator takes his seat I should like to ask him if he does not think that the amendment proposed by him, to which he has referred, regarding the tax on campaign contributions, could have been supported in the Senate, from his knowledge of the feeling of the majority who would probably vote on it?

Mr. THOMAS. Why, Mr. President, I had no doubt of it. I do not believe that a single man who voted for it was liable to change. I will read their names:

Senators ASHURST, BECKHAM, BORAH, CHAMBERLAIN, CUMMINS, GRONNA, HENDERSON, HITCHCOCK, JOHNSON of California, JOHNSON of South Dakota, JONES of New Mexico, KENDRICK, KENYON, KIRBY, LA FOLLETTE, LENROOT, LEWIS, MCKELLAR, MCNARY, MYERS, NELSON, NORRIS, NUGENT, OVERMAN, PHELAN, POLLOCK, POMERENE, SAULSBURY, SHAFROTH, SHEPPARD, THOMAS, TRAMMELL, VARDAMAN, and WILLIAMS.

There were 34 not voting. How they would have voted upon the amendment of course I do not know. It may be that if any considerable number of them had been in attendance, or should be in attendance should the matter again come up for consideration, they would vote against it. I do not know.

Mr. POMERENE. How many were there against it?

Mr. THOMAS. There were 28 against it. The vote stood 34 to 28, with 34 not voting.

Mr. POMERENE. What was the date of the vote?

Mr. THOMAS. The 23d of December.

Mr. SAULSBURY. I only inquired because I was a good deal impressed by the plan which the Senator had, so far as I know, originated, to put a stop to enormous campaign contributions, which we know have become not uncommon in this country; and I do not think any person who supported that amendment had any particular desire to have it retroactive, unless it might be that men who had made those contributions might contribute toward a fund which might be used by the Department of Justice in finding out what the result of those contributions was at the last election.

Personally I should have been very glad to have that amendment go through as it was originally; but, looking to the future, I think it would have been very much better to have it go through with the retroactive clause struck out.

I sincerely hope that the Senator from Colorado, who will have an opportunity, will insist on every occasion—possibly even to the extent of going as far as the advocates of some of these sacred measures which have been pinned on every bill which came into the Senate from time to time until they have finally gone through, although they have made many bills look like a clothesline on Monday morning—I sincerely hope that he will insist upon putting this amendment on until it attracts the attention of the country sufficiently to be adopted and to be insisted upon.

Mr. THOMAS. Of course, the Senator knows that an amendment of this kind must appear, if at all, upon a revenue bill originating in the House. This retroactive feature, I should perhaps say, is due to the fact that it was introduced before the committee last September. This bill levies taxes for the year 1918, and it was not retroactive at the time it was introduced except in so far as that part of the year which had passed was concerned, and it was not amended here because I wanted to introduce it precisely as it was introduced there. That accounts for the fact that when it was ultimately adopted in the Senate, the elections were over and it would have had a retroactive effect. I was quite willing to have it so. I was not insistent upon its being so. I will endeavor to the best of my ability if opportunity hereafter offers, as I think it will, if I live, to incorporate it in the first revenue measure that comes before the Senate for consideration.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SMOOT. I ask the Senator from North Corolina if he will consent to take a recess.

Mr. SIMMONS. I would like very much to go on longer and then take a recess until 11 o'clock to-morrow.

Mr. PENROSE. I do not think anyone wants to go on at this late hour. Neither do I think it is fair to ask anyone to go on now when no one is here. I was going to suggest that the Senate adjourn or take a recess.

Mr. SIMMONS. As the Senator knows, I have not been in the Chamber very much of late, but I was under the impression that the Senate has been sitting until about half past 5.

Mr. PENROSE. Until 5 or a little after.

Mr. SIMMONS. Would the Senator from Utah have any objection to proceeding now?

Mr. SMOOT. I do not want to begin at five minutes past 5. I know most Senators are away, and, in fact, I never want to talk to the Senate unless I have something to say.

Mr. PENROSE. There is not a quorum here.

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

Mr. THOMAS. Before that motion is made, will the Senator move that when we recess we shall recess until 11 o'clock?

Mr. SIMMONS. Very well, I move that when the Senate takes a recess it shall recess until 11 o'clock to-morrow morning.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. SIMMONS. 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.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, February 12, 1919, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *February 11, 1919.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we pray that amid the conflicting reports which come to us from the peace council over the sea that we may possess our souls in patience, praying for light to guide the men who are confronted with gigantic problems, that they may be able to adjust all differences, and form a peace league which shall insure unity, right, and justice for all mankind. In the name of the world's Great Exemplar. Amen.

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

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3992. An act to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; and

S. 5516. An act to amend an act approved March 4, 1913, entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes."

The message also announced that the Senate had passed with amendments the bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending

June 30, 1919, and prior fiscal years, and for other purposes, had requested a conference with the House of Representatives on the bill and amendments, and had appointed Mr. MARTIN of Virginia, Mr. UNDERWOOD, and Mr. WARREN as the conferees on the part of the Senate.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5516. An act to amend an act approved March 4, 1913, entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes"; to the Committee on Public Buildings and Grounds.

DEFICIENCIES.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the second deficiency bill, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

H. R. 15140. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes.

The SPEAKER. The gentleman from Kentucky [Mr. SHERLEY] asks to take from the Speaker's table the bill just reported, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER announced the following conferees: Mr. SHERLEY, Mr. EAGAN, and Mr. CANNON.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 3992) entitled "An act to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians.

The message also announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 30.

Resolved by the Senate (the House of Representatives concurring), That Hon. KEY PITTMAN, as one of the Senate managers, is hereby authorized to affix the name of JAMES D. PHELAN as one of the Senate managers to the conference report on bill (S. 2812) entitled "An act to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain" under oral authority and by telegram requesting such action.

REFUSAL OF LICENSES BY WAR TRADE BOARD.

Mr. FULLER of Illinois. Mr. Speaker, I move to discharge the Committee on Interstate and Foreign Commerce from further consideration of House resolution 531, and consider the same in the House now.

The SPEAKER. Does the gentleman claim privilege?

Mr. FULLER of Illinois. It is a privileged resolution.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 531.

Resolved, That the President, if not incompatible with the public interest, be requested to communicate to the House what, if any, reasons exist for the War Trade Board to refuse license to American manufacturers to export manufactured goods to citizens of neutral countries with which we are not and have not been at war; and what, if any, reasons exist for the refusal of the said War Trade Board to permit American manufacturers to communicate with their customers in such countries in regard to future business.

Mr. GARNER. Mr. Speaker, I make the point of order it is not privileged.

The SPEAKER. Why?

Mr. GARNER. It asks for reasons. It does not ask for facts. You can not make a resolution that asks for reasons privileged under the rule.

Mr. FULLER of Illinois. It calls for facts.

Mr. GARNER. It calls for reasons, if I understood the reading of it.

Mr. FULLER of Illinois. Well, they would be facts.

The SPEAKER. It reads:

Resolved, That the President, if not incompatible with the public interest, be requested to communicate to the House what, if any, reasons exist for the War Trade Board to refuse license to American manufacturers to export manufactured goods to citizens of neutral countries with which we are not and have not been at war; and what, if any, reasons exist for the refusal of the said War Trade Board to permit American manufacturers to communicate with their customers in such countries in regard to future business.

Mr. FULLER of Illinois. Mr. Speaker, if it makes any difference, I move to strike out the word "reasons" and ask them to report what facts, if any, exist.

Mr. FOSTER. Mr. Speaker, I object to that.

The SPEAKER. What is it the gentleman from Illinois wishes?

Mr. FOSTER. I make a point of order that it can not be done under that resolution. It has to be introduced and go to the committee.

Mr. GARNER. Mr. Speaker, the resolution is not in order. All the Speaker has to do is to refer to the precedents. There are scores of them to the effect that you can ask for facts but can not ask for reasons.

Mr. FULLER of Illinois. Mr. Speaker, if I may be heard on the point of order——

The SPEAKER. Well, briefly.

Mr. FULLER of Illinois. I think it makes no difference whether it says "reasons" or "facts." It is facts that it calls for. What I desire to know and what the House ought to know is whether or not we have an autocratic board here in the city that prevents American manufacturers from doing business. I have in mind two or three particular cases from my district where they have not only refused to permit the export of sewing machines to Spain and to Mexico, but where they have absolutely refused to permit any communication with men in those countries in regard to that business.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that the gentleman is not addressing himself to the point of order.

The SPEAKER. The Chair thinks the point of order is well taken.

Mr. FOSTER. The point of order made by the gentleman from Tennessee is certainly well taken.

The SPEAKER. The Chair was just cogitating on that proposition as to whether reasons and facts are practically the same.

Mr. GARRETT of Tennessee. Mr. Speaker, a resolution of inquiry which asks for facts is clearly in order, but a resolution which calls upon the President or any department to give reasons for an action has always been held not to be in order. There can not be any possible doubt about that.

Mr. GARNER. Let me give an illustration to the Chair. The fact is that I go to the Office Building, but the reason I go over there is a different proposition entirely. I go to the Office Building, but can not give any reason why I do. I think the difference is too apparent to ask whether reasons are facts. The rule, as I understand it, that makes a thing privileged is relative to calling for facts as to what the President did. The reason for these things is a different matter entirely.

Mr. FULLER of Illinois. The reasons must depend upon the facts.

The SPEAKER. The Chair knows; but you can ask for the facts.

Mr. FULLER of Illinois. The resolution does that.

The SPEAKER. The Chair thinks the point of order is well taken. The gentleman could remodel his resolution very easily.

Mr. FULLER of Illinois. Then, Mr. Speaker, may I offer to amend the resolution and state the facts instead of the reasons?

Mr. GARRETT of Tennessee. The point of order has been sustained. The gentleman will have to introduce another resolution and refer it to the committee.

LEAVE TO ADDRESS THE HOUSE.

Mr. MANN. Mr. Speaker, I ask unanimous consent that, to-morrow, after the reading of Lincoln's Gettysburg Address, my colleague Mr. FULLER be permitted to address the House on the subject of Lincoln for 15 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that to-morrow, after the reading of Lincoln's Gettysburg Address, his colleague Mr. FULLER be permitted to address the House on the subject of Lincoln for not exceeding 15 minutes. The Chair himself has been intending for the last 10 years to make an address on Lincoln and hopes to do it some time.

Mr. MANN. Why not do it?

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

CALENDAR WEDNESDAY—HOUR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the business in order to-morrow, Calendar Wednesday, be dispensed with, and that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that Calendar Wednesday business in order

to-morrow be dispensed with, and that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

There was no objection.

REPRINT OF HEARINGS.

Mr. CAMPBELL of Pennsylvania. Mr. Speaker, I ask unanimous consent that a reprint be ordered of the hearing on the bill H. R. 13392, held on January 13, and that a print be made of the subsequent hearing on February 6 on H. J. Res. 382, on the Coast Guard Service.

The SPEAKER. The gentleman from Pennsylvania asks that a reprint be made of hearings on January 13 and February 6 on the bill H. R. 13392 and H. J. Res. 382. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, the gentleman asks unanimous consent for a reprint of a hearing. If it has not yet been printed it would be printed as a House document?

Mr. CAMPBELL of Pennsylvania. Yes; and a subsequent hearing was held, and it is desired that they both be printed together.

Mr. MANN. That is not a House document.

Mr. CAMPBELL of Pennsylvania. Yes; it is a hearing.

Mr. MANN. It is a committee print.

Mr. CAMPBELL of Pennsylvania. I was informed that unanimous consent had to be obtained to get a reprint with a subsequent hearing.

Mr. GARNER. What is the hearing on?

Mr. CAMPBELL of Pennsylvania. On the bill H. R. 13392, concerning the transfer of the Coast Guard to the Navy, and House joint resolution 382.

Mr. GARNER. Is the object in getting this reprint to send out copies to members of the Coast Guard? What is the object you have in view? Enough copies no doubt are printed to supply Members of the House. I can not understand why you want a reprint, unless it is to send out the reprints promiscuously.

Mr. CAMPBELL of Pennsylvania. Another hearing was had, and a print of it is desired.

Mr. GARNER. The committee has authority to print it.

Mr. CAMPBELL of Pennsylvania. I understand they have.

Mr. GARNER. Then go ahead and print it. You do not have to get unanimous consent here.

Mr. CAMPBELL of Pennsylvania. I was informed you did have to.

Mr. GARNER. You are mistaken. If they could have the first hearing printed they could have the second.

Mr. CAMPBELL of Pennsylvania. They wanted a reprint of the first, so as to have both hearings printed together.

Mr. MANN. If it is reprinted by order of the House it would be a House document, and that is not usual.

Mr. CAMPBELL of Pennsylvania. There was a demand for the reprint of the first hearing, together with a print of the second hearing, for the information of those interested in the legislation.

The SPEAKER. Is there objection?

Mr. MANN. I object. I think the committee has authority to print.

INCREASE OF THE NAVY.

Mr. POU. Mr. Speaker, by direction of the Committee on Rules, I present a privileged report.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FESS. Mr. Speaker, I ask unanimous consent to print in the RECORD an address I made at Pittsburgh on the spread of bolshevism.

The SPEAKER. The gentleman will have to get his friend to withdraw his demand for a quorum. Nothing can be done in the absence of a quorum.

Mr. STAFFORD. I will withhold making the point.

The SPEAKER. What is the gentleman's request?

Mr. FESS. To print in the RECORD an address of mine at Pittsburgh on the spread of bolshevism.

The SPEAKER. The gentleman from Ohio asks unanimous consent to print in the RECORD an address delivered by him on the spread of bolshevism. Is there objection?

Mr. GARD. Reserving the right to object, where was the address made?

Mr. FESS. Before the chamber of commerce at Pittsburgh.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

Mr. LANGLEY, by unanimous consent, was granted leave of absence for one week on account of sickness in the family.

THE RAILROADS.

Mr. FAIRFIELD. Mr. Speaker——

Mr. STAFFORD. Mr. Speaker, I withdraw the point of order that there is no quorum present.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. FAIRFIELD. I desire to present a petition from constituents of mine, asking that the Government take over the railroads. They ask that it be put in the RECORD.

Mr. FOSTER. They can not do that, Mr. Speaker. I object.

The SPEAKER. The gentleman from Illinois objects.

INCREASE OF THE NAVY.

Mr. POU. Mr. Speaker, I submit a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 566.

Resolved, That after the adoption of this rule it shall be in order in the consideration of H. R. 15539, a bill making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes to consider new legislation in said bill, notwithstanding the general rules of the House, as follows:

"For the purpose of further increasing the Naval Establishment of the United States, the President of the United States is hereby authorized to undertake prior to July 1, 1922, the construction of the vessels enumerated below:

"Ten first-class battleships, carrying as heavy armor and as powerful armament as any vessels of their class, to have the highest practicable speed and greatest desirable radius of action; two of these at a cost, exclusive of armor and armament, not to exceed $21,000,000 each, to be begun as soon as practicable, subject to the limitations herein.

"Ten scout cruisers, carrying suitable protection and armament suited to their size and type, to have the highest practicable speed and greatest desirable radius of action; two to cost, exclusive of armor and armament, not to exceed $8,000,000 each, to be begun as soon as practicable, subject to the limitations herein.

"And for the purpose of further increasing the Naval Establishment of the United States in accordance with the latest improvements in the construction of ships, and in the armor and armament therefor, the Secretary of the Navy is hereby directed to submit to Congress on the first Monday in December next, general description of such additional vessels as may be needed to complete and round out the Navy of the United States. Types and numbers shall be recommended after full consideration and analysis of recent war experience, and particular attention shall be given to aeroplane carriers and any other new types developed during the war or shown to be necessary by the aforesaid war experience.

If at any time before the construction authorized by this act shall have been contracted for, there shall have been established with the cooperation of the United States of America any tribunal or tribunals competent to secure peaceful determination of international disputes, and which shall render unnecessary the maintenance of competitive armaments then, and in that case, such naval expenditure as may be inconsistent with the engagements made by the establishments of said tribunal or tribunals, may be suspended when so ordered by the President of the United States, and no contracts for the construction of vessels herein authorized shall be entered into prior to February 1, 1920.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is not.

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

The SPEAKER. The gentleman from North Carolina moves a call of the House.

A call of the House was ordered.

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

Anthony	Francis	Mondell	Siegel
Birch	Gould	Moon	Smith, C. B.
Bland, Ind.	Graham, Ill.	Moores, Ind.	Smith, T. F.
Booher	Gray, N. J.	Nichols, Mich.	Snyder
Borland	Hamill	Nolan	Steenerson
Britten	Hamilton, N. Y.	Norton	Stephens, Miss.
Brumbaugh	Harrison, Miss.	O'Shaunessy	Sterling
Carew	Haskell	Park	Stevenson
Chandler, N. Y.	Heaton	Platt	Strong
Church	Heintz	Porter	Sullivan
Cooper, Ohio	Helm	Pratt	Swift
Costello	Helvering	Price	Taylor, Ark.
Cox	Husted	Rainey, H. T.	Templeton
Davey	Ireland	Rayburn	Tilson
Delaney	Johnson, Ky.	Reavis	Tinkham
Dill	Johnson, S. Dak.	Roberts	Treadway
Dooling	Kahn	Rodenberg	Venable
Drukker	Key, Ohio	Rouse	Waldow
Eagan	Kreider	Rowe	Walker
Eagle	Linthicum	Russell	Walsh
Estopinal	Lundeen	Sabath	Watson, Pa.
Fairchild, G. W.	McKinley	Sanford	White, Ohio
Fisher	McLaughlin, Pa.	Scully	Wood, Ind.
Flood	Madden	Sears	Woods, Iowa
Flynn	Miller, Minn.	Sherley	

The SPEAKER. On this roll call 330 Members have answered to their names, a quorum.

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

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

LEAVE OF ABSENCE.

Mr. MILLER of Washington, by unanimous consent, was granted leave of absence, on February 12, on account of delivering a Lincoln Day address.

EXTENSION OF REMARKS.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to extend my remarks by printing an article by my colleague [Mr. CARTER of Massachusetts] embodying the results of his observations on his recent trip to Europe.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to insert in the RECORD an article written by his colleague [Mr. CARTER of Massachusetts] on his trip to Europe. Is there objection?

There was no objection.

INCREASE OF THE NAVY.

Mr. POU. Mr. Speaker, I ask unanimous consent that the debate on the resolution reported from the Committee on Rules be two hours, one hour to be controlled by myself, and one hour by the gentleman from Kansas [Mr. CAMPBELL], at the end of which time the previous question shall be considered as ordered.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that debate on this rule be limited to two hours, one hour to be controlled by himself and one by the gentleman from Kansas [Mr. CAMPBELL], and that at the end of that time the previous question shall be considered as ordered. Is there objection?

Mr. CAMPBELL of Kansas. Mr. Speaker, reserving the right to object—and I shall not object—I have had requests from both sides of the House for much more than an hour's time. Members say they want to discuss this rule and the matters that it involves and to have the matter disposed of on the question of adopting the rule making the proposition in order. Could the gentleman extend the time? I know the tentative agreement was for an hour on a side.

Mr. POU. I would prefer not to extend the time. The gentleman knows that under the five-minute rule there will be opportunity for debate. I think the chairman of the Committee on Naval Affairs [Mr. PADGETT], so far as he could be, has been very generous already.

Mr. CAMPBELL of Kansas. But there is an impression in some parts of the House and a hope in other parts of the House that there will be no five-minute debate upon this matter; that its consideration will be denied by the defeat of the rule.

Mr. POU. If the rule is to be defeated, it seems to me that an hour on a side ought to be sufficient.

Mr. BURNETT. Has any time been agreed upon for general debate in the Committee of the Whole?

Mr. POU. There will be no general debate. The rule simply makes in order that part of the bill which on yesterday was held not to be in order.

Mr. BURNETT. I understood from the chairman of the Committee on Naval Affairs that perhaps there would be time devoted to a general discussion of the proposition.

Mr. POU. I think, perhaps, if the rule is adopted the chairman of the Committee on Naval Affairs will be generous in any agreement as to time.

Mr. BURNETT. I wanted to know whether there would be an opportunity for general debate.

Mr. POU. Mr. Speaker, I ask unanimous consent that the debate on the rule be limited to two hours, one hour to be controlled by myself and one hour by the gentleman from Kansas [Mr. CAMPBELL], and that at the end of that time the previous question be considered as ordered.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the debate on this rule be limited to two hours, one hour to be controlled by himself and one hour by the gentleman from Kansas, and that at the end of that time the previous question shall be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. POU] is recognized for one hour.

Mr. POU. This resolution makes in order that part of the naval bill which was ruled out on a point of order on yesterday. Of course, those who were present yesterday are familiar with what took place. What is known as the greater Navy program was ruled out on a point of order. The Committee on Rules felt that the House should be given an opportunity to vote upon legislation of such vast importance. The rule simply makes this legislation in order. The question of the naval program is in a way raised by the rule itself.

Now, Mr. Speaker, this situation is presented: This war was brought to an end sooner than most men expected by the acceptance of the formula laid down by the President of the United States. His program, consisting of 14 proposals or conditions, was agreed to by Great Britain, France, Germany, Italy, and some of the smaller States. No criticism can rob the President of that triumph. No good man would wish to rob him of the credit. I well remember the comments on that message wherein his 14 points were announced to the world. The almost universal comment in this Chamber was that the President was demanding too much; that Germany would never agree to the things he demanded. But a thing almost without parallel happened. The great nations of the earth accepted that program of the President, and adopted it without change, as the basis for a peace which it is hoped will be built up for all time to come. The President prior to the trip to Europe had asked for the enactment of the program contained in this bill.

After he arrived in Europe and engaged in negotiations there, which all the world hopes will result in a permanent peace, he reaffirmed the request that he made in his message, which was, in effect, that the United States ought to maintain an unconquerable Navy. Now, my own judgment—if it is worth anything, and certainly I know that it is not worth much—is that there are just two kinds of navy that this Nation ought to maintain; either an unconquerable navy—and I have always supported that since I came into this Chamber in the Fifty-seventh Congress—or if not an unconquerable navy, then a navy just large enough to do the police duty necessary to take care of our coast lines. What sense is there in having a navy just big enough to be defeated?

An admiral in the Navy, known and respected throughout the world, now dead, told me once that one battleship having guns with a range of 12 miles was more than the equal of five battleships having a range of 10 miles. For one I hope and pray that the day will come when a big navy is not necessary to our safety as a nation, but so long as men kill each other in war I want my country to have a navy big enough to win. That I believe to be practical common sense. God in heaven knows I hate war. Oh, Mr. Speaker, I have reason to hate war, but I believe a great navy is the best and most economical insurance against war.

Has it come to the point where this great Nation of ours, rich and powerful, to-day the premier nation of the world, must depend upon the navy of any other country for protection or support? I was astonished, I felt humiliated as an American citizen, when I heard the suggestion actually made on this floor that gentlemen would vote for this program if they were assured that the navy of Great Britain was not big enough to do the job. My God! Where is the Americanism in such a suggestion as that. For one I am proud to stand here and support this program. I want a navy big enough to conquer any other single navy in the world if the time ever comes when we must fight.

Mr. LONGWORTH. Will the gentleman yield?

Mr. POU. I will.

Mr. LONGWORTH. If the program the gentleman advocates is wise, and I, like him, have always been a big Navy man, why not begin now instead of waiting until February 1, 1920?

Mr. POU. It would please me better to begin it now. Now, Mr. Speaker, in conclusion, every man who loves peace should hold up the hands of the man now in Europe who is trying to build up a perpetual world peace. The only place in the world that I know of where President Wilson is constantly criticized is in America, mostly here in this Chamber. He is putting forth his best endeavors that the aspirations of mankind for everlasting peace shall not fail. Reaffirming the request made in his message, he has told us that this legislation will be helpful to him in the great task that he has undertaken. Gentlemen who criticize this man for this trip do themselves great injustice. History is going to give the President a place, a place of which every American may justly be proud.

What is the result of this war? Seven million men killed, 14,000,000 men wounded. The debt of France equals half of her total wealth; that of England equals 37 per cent of her total wealth; and ours will probably be $50,000,000,000. My God, we do not want a repetition of such a tragedy as this ever again! [Applause.] It has struck at the hearts of thousands of homes in America. The tragedy of it all is greater than words can express. Instead of criticizing the President, instead of making his task harder, it seems to me the hour has come when every man should rise above party and stand by him and support him in his great effort to satisfy the aspirations of all civilized mankind for an everlasting peace on earth. [Applause.]

No man ever went forth on a nobler mission. No man ever accomplished so much in so short a time. Having written the conditions upon which peace is based, he is criticized because he goes to take part in the council of the very powers which accepted his program. Those who criticize him for going to Europe would almost certainly have criticized him if he had remained in America.

Mr. CAMPBELL of Kansas. Mr. Speaker, on the 11th of November last the terms of an armistice were accepted by Germany that thrilled the hearts of the entire part of the world that was in opposition to the German Empire in the most colossal war ever waged in the history of civilization; everybody accepted the terms of the armistice with satisfaction and with joy. Since that day the attention of the world has been taken from the war that was waged, the steps leading up to it, and the inhumanities with which Germany carried it on. The terms of the armistice have been in a large measure forgotten, and on yesterday when the time arrived for renewing the armistice, which came as the result of the heroism of our boys with those of the allies, had been so far forgotten that Germany showed a front, and to-day is uncertain as to whether or not she will accept the terms laid down for the continuation of the armistice or the terms of peace when they are finally agreed upon. The war, with its issues, with its victories, has been for the moment forgotten as the result of a campaign to prevent wars in the distant future.

This war should have been terminated with a crisp, decisive peace treaty, agreed to as soon as possible after the peace commissioners assembled. [Applause.] There should have been no time lost in terminating this war and demobilizing our armies. Then the question of avoiding wars in the proximate or the remote future could well have been taken up.

I agree with the gentleman from North Carolina that the aspirations of the world should be gratified and that every precaution should be taken, and covenants or agreements entered into by our country with the nations of the world to secure immunity in the future against another such catastrophe as the one through which the world has just gone. But I must be excused from accepting his method of securing covenants against future wars.

Mr. Speaker, a covenant entered into for the future peace of the world should be entered into openly and voluntarily by all who are parties to the covenant. No nation should sign such a covenant for the future peace of the world under duress or by the threat of force from any other nation.

Let us take the question before us this morning and strip it to the marrow: It is proposed that the nations shall covenant together for the peace of the world in the future. The President has been the leading exponent of that lofty ambition, and I wish him Godspeed, and sincerely hope that when the conference is over we shall have an arrangement that will adjust international differences without resorting to the arbitrament of arms. But any arrangement or league entered into at the point of the bayonet for the future peace will not last. The nation that is forced to enter into such a covenant will break it when it ceases to fear the bayonet.

Mr. Speaker, the President on the very day of his appeal to the Congress of the United States for an unheard-of naval program in the United States thrilled the Chamber of Deputies in Paris by advocating a disarmament of the world to save the world from future wars and to save the people of the world from the burden of taxation caused by armaments and preparations for war. This question to-day brings up before the House the proposition as to whether or not we shall say to the President, "While you are urging France and England and Italy and Spain and Japan and all the rest of the world to disarm we will grant your request, Mr. President, for the greatest naval program ever undertaken by any nation in the history of mankind." Is it honest? I refuse to believe that the President really wants that kind of an authorization handed to him while he is urging the rest of the world to disarm. I believe that he is honestly endeavoring to provide for the peace of the world—not by force of arms, not by battleships, but by mutual covenants entered into by the nations of the earth.

If this thing is done, which we are asked to do now, it is a challenge to England, a challenge to France, a challenge to Japan, a challenge to Italy, a challenge to every nation in the world to increase their armament, to increase the number of their battleships, and to prepare for war, because the greatest, the richest, the most powerful nation in the world, the nation which has the most unlimited resources, is to-day, while urging all of the other nations of the world to disarm and to enter into covenants of peace, preparing to control the seas and for arbitrament by arms with the greatest navy the world has ever seen. Are we aiding the President in establishing a league for the preservation of world peace or are we obstructing his purpose in giving this sort of authorization in this bill to-day?

But it is said that the President wants this done. I do not know whether he does or not. It is said that a cryptic telegram was received from him in which he said he did want it and that anything short of this colossal naval program would be fatal to his plans. Even if he did say to the Committee on Naval Affairs that he wants the greatest naval program ever undertaken in the world, he may have erred in judgment as to the best plan to pursue to enable him to arrive at a conclusion that would result in a league of nations. The President has not always been infallible in his judgments with respect to some of these things. Like the rest of mankind, he is sometimes liable to err; and if he asked for this—and the House does not yet know that he did, in terms—I believe that it was a mistake upon his part.

Already there is in the press of Europe severe criticism of the Secretary of the Navy of the United States for urging a great Navy while the President is in Paris urging the rest of the world to disarm. We are not calming the troubled waters by thrusting into them the greatest naval program that has ever been embarked upon by any nation during the very hours that the peace conference is finishing the constitution for a league of nations—on the last day, perhaps, for the consideration of the constitution of such a league. The question is up to us, Shall Congress at this time thrust upon the peace table, into the face of the world, a belligerent program such as the world has never before seen?

It was the duty of the Committee on Naval Affairs of this House to have reported to Congress a bill carrying an appropriation for the present Navy, supporting it for the ensuing fiscal year and then, if anything should arise, if anything is wanted after the peace has been agreed upon in Paris, if a league of nations should fail, I would support a naval program that would insure safety to our merchant fleet in the waters of all the seven seas. But that time has not yet arrived. The peace conference has not concluded its work. It has not yet finished its discussions. It has not yet even discussed the terms of peace. Germany has not yet been handed the terms of peace and told to "sign here." The only question now under consideration is a league of nations, enabling the nations of the earth to disarm, and we are asked to thrust into the face of that program a naval program that would cost a billion and a half of dollars and at the same time obstruct, rather than aid, the President in his efforts to provide for the peace of the world. This rule should not be agreed to.

I reserve the remainder of my time.

Mr. POU. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. KELLEY].

Mr. KELLEY of Michigan. Mr. Speaker, the actual hostilities connected with the great war are over, and the German Army is back of the Rhine. The actual rulers, the real heads, of the four great allied nations are in a peace conference to-day. England is represented by Lloyd George, France by Clemenceau, Italy by Orlando, and America by Mr. Wilson. In the hands of these four men to an unusual degree rests the future peace of the world. Whether we would have wished the personnel of those sitting about the peace table to be different is of no consequence. Whatever part America has in straightening out the world's tangle, it must be done very largely through the personality of the President and those who are associated with him, of his own choice. What are these men trying to do over there? These four men, representing the four great free nations of the earth, are over there trying to work out some plan by which the world shall not again be visited with the scourage of war such as we have just passed through. They are trying to work out a reduction of armament, so that there may be lifted from the backs of the world the terrible burdens incident to maintaining tremendous armies and tremendous navies. My colleague [Mr. CURRIE] and I on the 29th day of last May were in the village of Chateau-Thierry, in France. We saw on that day thousands upon thousands of French, British, and American troops being rushed to the front to stop the German advance, only 3 or 4 miles away at that time, and while these thousands of boys from all these great nations were being rushed into the gap, on the other track thousands more were coming back from the field of battle in ambulance trains, with broken legs and broken arms and broken bodies, and as we walked the streets of that French village and watched that terrible scene, at the time when the German advance was at its high-water mark, we said, "It does seem as though when this thing is once over the statesmanship of the world ought to be able to get together and see to it that nothing like this shall ever occur again." [Applause.] Every man here, every man in America, I care not who he may

be, in his thoughtful moments desires that these commissioners succeed in bringing about a reduction of armament. They want them to succeed in making some arrangement by which the probability of war will at least be reduced for the future. No man on this side of the House or on the other side of the House has anything in his heart, of course, but the highest wish for the success of our commissioners in bringing about these two world-desired situations—the reduction of armament and some sort of an arrangement or agreement by which the peace of the world, if possible, may be maintained in the days that are to come.

When the President and his associates come back here with definite propositions, then it will be time for us, of course, to examine into them carefully and determine whether or not, in our judgment, they are such propositions as we want to commit the American people to, but in the meantime we should put our faith and our trust in those who under the Constitution are the only ones clothed with authority to work out anything in our name either for ourselves or for the balance of the world. [Applause.] I know that we sometimes have some little feeling here on our side against the President, and on the other side, too. I know he sent word into some districts represented by Democrats to nominate this man and to defeat that man. I know that he sent out a letter——

Mr. BUTLER. To defeat all of us.

Mr. KELLEY of Michigan. I know he sent out a letter in which he said that the Republicans had, during the war, done what they could to take the management of the war out of his hands and put it into instrumentalities of our own choosing, but the fact, of course, remains known to us and to all men that no Executive ever sat in the White House who has had behind him more completely the support of the country and all parties than the present Chief Executive of the United States. [Applause.] But that does not matter. We can even overlook the fact that he sent out the letter, because in all human probability our majority was somewhat increased thereby. [Applause on the Republican side.] But in any event it does not matter so much, does it, which of us may sit here for a brief hour after all? If the President, gathering to himself all the power—and he has been given more power than any other of his predecessors—gathering to himself all the prestige of this great Republic, if he as our official representative abroad can accomplish these two great purposes, what difference does it make what our personal feeling toward the President may be?

Mr. BUTLER. Will my friend permit me to ask him a question? First permit me to say just one sentence, that this is the only time we have had any difference of opinion——

Mr. KELLEY of Michigan. Yes; we have agreed.

Mr. BUTLER. Does the gentleman here advocate this because he wishes this Navy increased, or does he do it for the purpose of bringing about a reduction of armament?

Mr. KELLEY of Michigan. I am about to reach that in just a moment.

Mr. BUTLER. Take all the time the gentleman wishes.

Mr. KELLEY of Michigan. I am going to discuss that proposition in just a moment. That is the next thing on which I am going to touch.

Mr. BUTLER. Take your own time, it will be done well in any event.

Mr. KELLEY of Michigan. There is one other consideration, and I want every man in this House to think of it right now in connection with this great purpose and desire to effect a reduction in armament and to create some tribunal which may hold out some hope for peace in the future, and that is this: Our commissioners abroad may not succeed. They may fail, and, as for myself, I do not want the President of the United States to come back and say that he was on the point of getting a reduction of armament, that he was on the point of bringing into being a tribunal which would adjust the demands of the world and prevent war, but that at the critical moment the Congress of the United States withdrew its support, and because of that action he failed. [Applause.] I do not want the President to be able to say that upon his return to the United States. I do not ask the President to take any responsibility for the constitutional duties devolving upon me as a Member of the House; and if as President of the United States he is charged under the Constitution with the initiating of treaties, then I want in case of Executive failure that the blame shall fall exactly where the credit and the glory will rest in the event of success. [Applause.] I at least am not anxious to take responsibility from the place where it has been put under the Constitution and drag it down upon the shoulders of the Members of Congress. Now, the question that the gentleman from Pennsylvania [Mr. BUTLER] has asked me is, How does this proposed legislation affect the situation and fit into what I am saying? In the first place, the well-understood policy of the United States, declared here many times before, is the reduction of naval armament. That is known to every man here. The desire of this country is that there be brought about a reduction of armament throughout the world.

Mr. LAZARO. Will the gentleman yield in that connection?

Mr. KELLEY of Michigan. Just let me finish what I am saying, and then I will—and if it is going to help the commissioners abroad, the commissioners from England, France, and Italy, to know what America would feel itself obliged to do in the event that a reduction of armament is not to be agreed to by other leading nations, then I, for myself, am willing that they should have the benefit of that knowledge in advance. [Applause.] I yield to the gentleman.

Mr. LAZARO. The gentleman said it was the policy of this country to disarm, provided, of course, the other nations are willing?

Mr. KELLEY of Michigan. Absolutely.

Mr. LAZARO. And there is a provision in this measure that authorizes the President to quit the building program if the other nations agree to do the same thing.

Mr. KELLEY of Michigan. I thank my friend from Louisiana for injecting that statement into my remarks.

Mr. LAZARO. And until that is done we ought to go ahead.

Mr. KELLEY of Michigan. Of course, no patriotic man, having in mind what America means and is going to mean throughout the ages for the civilization and liberty of the world, would be willing to expose the sacred heritage of this Republic to hostile attack which might destroy in a day all we have struggled for a hundred years to attain. [Applause.] Oh, no.

There is another reason why it occurs to me that it will be helpful abroad for us to declare that in the event that the world refuses to disarm, that America must go forward with adequate preparation necessary for our own protection. We have as much at stake in the world as any other nation. Vast power can be trusted as safely in American hands as in the hands of any other nation in the world. We sincerely hope that it may not be necessary to expand our Naval Establishment, but the world may as well know first as last that, if the old order is to continue, America can not do otherwise than to look after itself. The knowledge of such a policy brought home to the commissioners sitting around the peace table in Europe, in my judgment, will fortify them against objections coming from their own people to what might be regarded as the surrender of prestige and influence which go with great naval and military power. [Applause.]

Now, just one word in conclusion. These are troublous days. There never was a time when men needed to free themselves from prejudice more than to-day. All Europe is shaken with unrest and uncertainty and no one is wise enough to look into the future and say with any degree of certainty what faces us there. In the economy of things it is not given to the average man to lift the curtain separating to-day from to-morrow. It probably is well that it is so, but in this great hour when so much is at stake for us and for our children and for all mankind, I sincerely hope that the curtain may be lifted so that the four world figures sitting at the peace conference may at least catch a quick and hasty glance down the long corridors of the future and from that glance, quick and hasty as it may be, may they catch enough of the Divine purpose to help them to shape and fashion the world now in the remaking in harmony with the spirit of justice and eternal right. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, our colleague from Michigan [Mr. KELLEY] always speaks with tremendous power, not only with conviction but generally with persuasion, and has the facility for compelling those who might differ from him to give him the most sympathetic respect to his statements even though we may not be able to admit the force of his conclusions. I think that nearly all that he said, as matters of statement, I could admit, but there are some conclusions that I regret I can not accept. And I would like to have the membership of the House to think just a moment on the appeal that he made when he referred to the status of the war and what ought to come out of it as a definite result.

I do not think anybody, whatever his position is, would stand out against the movement of disarmament if that movement was to be general among all the nations with which we must deal. But our duty now should be to see how the war is to end. The nation that ought to be within the ken of our eye is our enemy, defeated, it is true, but not totally disrupted. Nobody can close his eye to the possibility of resuscitated Ger-

many, if especially Germany can replete in Russia. And anybody that thinks that a nation that has not been touched, except in her man power, her entire industrial organization still intact, with a possibility in the immediate future of becoming one of the world's most dangerous powers—if anyone realizing that fully will see this possibility, it seems to me that our concern should not be a division among our allies, our friends, but a solidarity against our enemy. We ought not now in the American Congress to deal with propositions that look to a division of the allies that are against our enemy.

What is this? There is a form of threat. Against whom? Against whom can it be meant? It is not an announcement to Germany nor to Austria—to our enemies. It is a subtle announcement to the men with whom our President sits about the table, who are our friends, with whom we have been fighting a common enemy. And it is not an open statement, but it is a statement, not made clear to you—not to the House, at least—that there is something of a secret matter on which "we can not take the public into our confidence; this is something that we must hold as a club"; made more effectual by a refusal to allow the lawmakers to know what it means. Over whom? Over our friends, not our enemy. And to me it seems the one proper thing to do to-day is to sit about that table as friends and decide how the war shall end, and end at once, by signing this treaty. [Applause.]

Three months have elapsed. What has been done? The discussion comes to American shores in conglomerated dispatches, in which to-day you read one thing and which to-morrow you must unread. I know the American people want to put an end to the war, so that while it is really over it will be legally over, and the American soldiers will know what is expected of them, whether we will bring them home or what we are to do. In other words, instead of disputing with our friends as to the ending of the war with Germany, let us unite with our friends, and whatever is to be done let it be done with the cards on the table. [Applause.]

There are two things in this proposal that I do not like. One is that it is not known to the public what the play is, and another is that it seems to be held in the form of a threat to our friends that "if you do this, all right; if you do not do it, then we will deal with you." This is not the time to put that up. The time to make that proposal is when we have dealt with our enemy. The time for us to say whether we will disarm or not is when the war is ended and the treaty is signed; then we can stand upon a policy of disarmament. It would not be in the form of a threat then, but as a matter of legitimate negotiation. But as it now comes in here it is not only a threat, but the secret element in it, it seems to me, is unwise.

We are told that before the President landed he had his program made up; that he would seek an interview early with Lloyd George and lay his ideas before him; then he might be called upon to address the British public, and if what he wanted, which up to date is not made public to us, is not forthcoming, then he would consult the feasibility of recommending to our Nation a Navy the biggest or equal of any navy on the sea. I do not know what has taken place except what the dispatches carry. I do know, as you do, that conferences were held. I know, as you know, that the British public was addressed at Manchester and the French were addressed in the Chamber of Deputies. I do know, as you know, that the Secretary of the Navy has recommended a big naval program. I know, as you know, that an official inquiry was made of the President to know whether anything occurred to change the plan. Now comes to us—I do not mean to us, but to certain ones—a cablegram, a secret communication, so mysterious that it can not be given to the representatives of the people in Congress assembled, and upon that we are asked to embark upon such an expenditure as herein proposed. I stand for a great first line of defense, which is assured by completing the contracts already authorized, which we are willing to do and which will be done by this Congress. But I decline, while our President sits with our allies to effect a final peace treaty with our enemy, to do anything which will divide our friends at the very moment that our chief concern should be to insure unity of friends.

I shall be compelled, gentlemen, to vote against this rule. [Applause.]

Mr. POU. Mr. Speaker, will the gentleman from Kansas use a little more of his time? Could he conveniently do so now?

Mr. CAMPBELL of Kansas. I can use more time. How many more speeches will the gentleman from North Carolina have?

Mr. POU. There will be probably three short speeches.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. LONGWORTH]. [Applause.]

Mr. LONGWORTH. Mr. Speaker, I am opposed to this rule, because I am opposed to the alleged naval increase which it makes in order. No one can accuse me of not being a "big-navy" man. Since I was elected to Congress, 16 years ago, I have consistently voted for a big Navy, often for a Navy bigger than that recommended by the Committee on Naval Affairs. I have voted for battleships when many on this side, and more on that, voted for no battleships. I voted for four battleships when a then very distinguished Democratic leader urged eloquently that we should have no Navy at all, because New York harbor could be defended by rowboats.

But this proposition, gentlemen, is a naval program with a string to it. In the first place, not a cent is appropriated. In the second place, the program is not to be begun for more than a year, or nearly a year—until February 1, 1920. And in the third place, and worst of all, the increase is left contingent not on the will of the American people, but upon the decision of some nebulous tribunal of other peoples hereafter to be created. In my judgment, gentlemen, that is not a bona fide increase of the Navy.

What authority is given in favor of this proposition? A cable—nothing but a cable; and a confidential cable. I happen to be one of those referred to by gentlemen yesterday as the clique who are familiar with the contents of that cable. The situation simply was that the gentleman from Tennessee [Mr. PADGETT] read to me that cable and asked me that I keep it confidential; and, of course, I shall not abuse the confidence of the gentleman from Tennessee, for whom I have the highest regard; whom I regard as one of the very ablest chairmen of the Committee on Naval Affairs that we have ever had. It is not his fault that the House is not made fully acquainted with the contents of that cable. It is the fault of those who submitted it to him in confidence.

But, gentlemen, I do not believe in making of the membership of the House some sheep and some goats. [Applause.] We all ought to know what is in it. I happen to know, and I happen to differ from the gentleman from Michigan [Mr. KELLEY], who also knows and for whose opinion I have the highest regard. I do not believe that the contents of that cable justify me in voting for this proposition. [Applause.]

I believe the time has come, gentlemen, when this House shall vote authorizations and appropriations only with full knowledge of the facts. [Applause.] I think the time has come when this House should cease to be a mere registering machine of the will of the Executive, particularly when it is privately expressed. [Applause.]

We all of us listened the other day to the eulogy of a statesman by a statesman, and there was not a more significant sentence in that eloquent oration than the one in which it was said that the subject of the eulogy was a man who, throughout his public career, had no secrets from the American people. [Applause.] My colleagues, we are going to celebrate to-morrow the birthday of another great American, Abraham Lincoln, who had no secrets from the American people. [Applause.] We have had other Presidents of the United States who had no secrets from the American people. Would to God that we had one now! [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. POU. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. OLIVER].

The SPEAKER pro tempore. The gentleman from Alabama is recognized for 10 minutes.

Mr. OLIVER of Alabama. Mr. Speaker, the gentleman from Ohio [Mr. LONGWORTH], who professes great friendship for the Navy and who takes pride in the fact that he has always stood for a great Navy, is hardly consistent in refusing to support a rule that would, at least, authorize the House to consider a naval program. The gentleman is aware that if the rule is passed the bill as reported by the committee is open to amendment, and if he feels, as he now states, that a mistake would be made to withhold authority to make contracts until February 1, 1920, or to fail to now carry an appropriation for the new construction, he can offer appropriate amendments giving immediate authority to contract and carrying present appropriations.

Permit me to say that the personnel of the House Committee on Naval Affairs will represent the varying views on the floor of the House. Some have favored small navies. Some have favored a Navy second only to the largest, and yet others have favored a Navy equal to the largest; and the same differences of opinion now expressed on the floor of the House as to the wisdom of providing a new program at this time were fully discussed by the members of the committee, just as you have

discussed them here; and yet, notwithstanding such differences, the committee were later unanimous in recommending this program.

A distinguished gentleman from the Republican side of the House will be chairman of the Naval Committee in the next Congress, one whom every member of the committee honors and respects, and who will stand guard to see that economy is practiced. He first felt that the new program might now be safely postponed, but when the committee finally considered all matters submitted to it, the gentleman from Pennsylvania [Mr. BUTLER], like others, subordinated his individual opinion and joined in a unanimous report for this new program.

Now, let me suggest some past facts to those who venture to assert that the President might use this as a threat. They have forgotten that the President in February, 1916, long before we went to war with Germany, in a speech at St. Louis declared himself in favor of a great Navy. I quote his language:

There is no other navy in the world that has to cover so great an area of defense as the American Navy, and it ought, in my judgment, to be incomparably the most adequate navy in the world.

Prior to that, in July, 1915, the General Board submitted to the Secretary of the Navy the following recommendation for a naval program:

The Navy of the United States should ultimately be equal to the most powerful maintained by any nation of the world. It should be gradually increased to this point by such a rate of development each year as may be permitted by the facilities of the country, but the limit defined should be attained not later than 1925.

Evidently the President in his speech at St. Louis followed the recommendation announced by the General Board in July, 1915, and after the President's speech in St. Louis in 1916 this House in August of that year passed with practical unanimity what is now declared to have been the largest naval bill that any country ever passed, and permit me to call attention to a provision of that bill which the Members of this House without dissent voted for—and I am wondering how some, including the gentleman from Ohio [Mr. LONGWORTH], in view of the speech just made, can harmonize his present utterances with what he then voted for. I read from the August, 1916, naval bill this provision, known as the Hensley amendment, viz:

It is hereby declared to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration, to the end that war may be honorably avoided. It looks with apprehension and disfavor upon a general increase of armament throughout the world, but it realizes that no single nation can disarm and that without a common agreement upon the subject every considerable power must maintain a relative standing in military strength.

Remember this is a part of the bill providing for the greatest naval building program that this or any other country ever proposed. No one undertook to then suggest—as the gentleman from Ohio now does—that such a provision was evidence of insincerity or a mere bluff. Oh, no. Clearly it was only an affirmation of what the President in his speech at St. Louis declared—that if no agreement could be reached between the nations of the world limiting armaments, then we must build a navy equal in strength to any in the world.

You were but carrying out that policy in the August, 1916, bill, and yet, in providing for that large Navy, you announced an earnest desire that the nations of the world should meet and agree upon a limitation of armament, both on land and sea, and the bill of 1916 carried an appropriation of $200,000 to cover the expenses of delegates to a conference of the nations of the world, to be assembled on invitation of your President at the conclusion of the European war, for the purpose of considering and submitting recommendations looking to that end to their respective governments.

And now, as the gentleman from Michigan [Mr. KELLEY] well says, we are met with this interesting situation: Our representatives are in conference at Versailles, France, with representatives from the great nations of the world to consider this very matter, and no one will claim that our President is embarrassed on account of his declaration made at St. Louis in 1916, long before we entered the war, and which he has steadfastly adhered to since that time. In sending a wire to the Secretary of the Navy urging what he recommended to Congress before he went overseas he is but continuing to insist on a building program which he first declared for in February, 1916. He then, as now, coupled it with the further statements that authority should be given to discontinue all naval construction inconsistent with any international agreement that might be made looking to disarmament. Certainly there is here nothing inconsistent in the position of the President. No one can or will construe his speech of February, 1916, and his continuous insistence of the policy there announced as a threat.

Let me suggest that it might be misunderstood if the Congress should now refuse to provide for an increase of the Navy, pursuant to the policy announced in the naval bill of August, 1916, and continuously recommended by the President.

Certainly a review of these facts makes it clear why the President, without being misunderstood by any nation, continues to urge what he recommended in February, 1916, at St. Louis, to wit, "incomparably the most adequate Navy in the world."

Some have asserted that the President entertained different views prior to February, 1916; so did many Members of the House. I recall that the distinguished leader of the minority changed his mind on this subject overnight in a garden, and others suffered changes just as sudden. Few there are in the House, looking back over the legislation for the past 10 years, who can now claim that they have during such time not changed their views upon many great questions.

In conclusion let me say that the committee has thought it wise, in providing for this new building program, since it is consistent with the views held by the President and consistent with the position taken by Congress in the August, 1916, bill, to likewise insert in this bill the provision known as the Hensley amendment. We have not inserted the provision in full, as I read it a few minutes ago, but in that form it remains unrepealed in the bill of 1916, and carries an appropriation of $200,000 to cover the expense of assembling delegates to consider the question of submitting all differences and disputes between nations to an international tribunal and to submit recommendations for limitation of armaments.

Can there now be any possible misunderstanding of the President's position or the position of Congress on this important matter?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POU. I yield to the gentleman two minutes more.

Mr. OLIVER of Alabama. I repeat, can there now be any misunderstanding of the policy of Congress or the purpose and desire of the President as to disarmament? In a recent speech before the French House of Deputies the President gave utterance to this far-reaching and important statement:

The nations of the world are about to consummate a brotherhood which will make it unnecessary in the future to maintain those crushing armaments which make the people suffer almost as much in peace as they suffered in war.

My friends, what have you and I, since the passage of the bill in August, 1916, done to bring about what we there announced was the declared policy of Congress in reference to universal disarmament? The one man and the one organization that has done more to uphold the hands of the President in this matter is none other than an ex-President of the United States, Mr. Taft [applause], and the American League of Nations to Enforce Peace, of which Mr. Taft is president. This league is now holding meetings—North, East, South, and West—to declare their firm support of what you announced to be the national policy in the August, 1916, bill, and which policy the President has at all times consistently stood for, and which was the actuating reason of his trip overseas, that he might exert every effort to secure what you strongly declared for in the August, 1916, bill.

Let no one for a moment suggest, as the gentleman from Kansas [Mr. CAMPBELL] did this morning, that the President of the United States, who has consistently stood for an insuperably great Navy since February, 1916, and who has consistently since that date urged disarmament, and is now doing more than any other living individual to accomplish it, is seeking to use the building program provided for in the present bill as a bluff. The nations of Europe understand the position of the President and can not be misled.

Mr. CAMPBELL of Kansas. Why does he want it?

Mr. OLIVER of Alabama. Why did he want it in February, 1916?

Mr. CAMPBELL of Kansas. Why does he want it now?

Mr. OLIVER of Alabama. Do you subscribe to the statement of the gentleman from New Jersey, made yesterday, that when you learn Great Britain needs help to build more ships then you might be willing to authorize more?

Mr. CAMPBELL of Kansas. I do not.

The SPEAKER pro tempore. The time of the gentleman has expired.

By unanimous consent, Mr. OLIVER of Alabama was given leave to extend his remarks in the RECORD.

Mr. OLIVER of Alabama. Under leave to extend I herewith set out some data showing that most of the international conferences after a great war have lasted a long time:

The congress of Westphalia: The treaty decided upon at this congress, signed in 1648, brought to a conclusion the Thirty Years' War, which began in 1618. This was a dynastic war and was brought to a close by the exhaustion of all concerned. The peace treaty is said to

have settled the question of religious liberty at that time. The revocation of the edict of Nantes followed. Small States were numerous in the congress and their presence made every step cumbrous. One congress for peace was first proposed, and under negotiations in 1636 mutual agreements to meet being signed on July 22, 1641, the imperial delegates appeared on July 11, 1643, and the ratifications of the treaties were exchanged in February, 1649, 13 years from their first inception. Though the peace of Westphalia directly affected only the relations of the German States inter se, and with the immediate neighbors, France and Sweden, no European power was absent from the congress, except England, Poland, Russia, and Turkey; and even at this the Kings of England and Poland and the Grand Duke of Muscovy, as allies of one or the other of the belligerent powers, were included in the treaty of Osnabruck.

The congress of Utrecht: This was begun in the fall of 1711. The last treaty provided for in its sessions, from January 20, 1712, to April 11, 1713, were not signed till November 15, 1715, a period of nearly four years. The colonial supremacy of the English-speaking folk was established, and it put an end to the war of the Spanish successors.

The congress of Berlin: This met June 13, 1878, and adjourned in a month, July 13, its work done in a single treaty. Six great powers decided all matters, these England, France, Italy, Germany, Austria-Hungary, and Russia, while four small powers, interested in the result, were not represented, these Greece, Montenegro, Serbia, and Roumania. This congress settled territorial questions in Eastern Europe after the Russo-Turkish War. Turkey had refused to accept suggestions for future government of her Balkan possessions made by the six powers. At the Constantinople conference (Germany, Austria-Hungary, France, Great Britain, Italy, and Russia) Russia declared war.

The congress of Vienna: This was in session from September, 1814, to June, 1815. It readjusted the map of Europe after Napoleonic wars and was participated in by all the European powers except Turkey. It was called to make arrangements for carrying out the stipulations of the treaty of peace, known as the treaty of Paris, signed May 30, 1814. The congress never met as a body, but worked through two committees, one of which had charge of general European matters, and was composed of representatives of the great powers and of Spain, while the other, composed of representatives from Austria, Prussia, Hanover, Bavaria, and Wurtemburg, had particular charge of German affairs.

The principal questions before the congress were the claims of Russia and Prussia, and at one time war seemed imminent between the two eastern and three western powers. The main results of the negotiations were as follows:

The bulk of the Duchy of Warsaw was awarded to Russia as the Kingdom of Poland; Cracow was made a neutral republic; Prussia received West Prussia, Posen, the northern half of Saxony, and the bulk of the Provinces of the Rhine and Westphalia; Hanover was enlarged and made into a kingdom; Bavaria was compensated for her losses; and a territorial commission for the settlement of the boundary disputes between the German States was established at Frankfort, where it sat until 1819, and Germany was reorganized as a confederation of 39 States. Austria received back most of the territory lost by her in the wars with France and was compensated in Germany, Italy, and Illyria for the loss of Belgium. France lost additional towns and districts to Prussia, Bavaria, and the Netherlands and Sardinia as a result of Waterloo. Belgium, Holland, and Luxemburg were united to form the Kingdom of the Netherlands. Norway and Sweden were united. Finally, England retained Cape Colony and Ceylon, Mauritius, Helgoland, and Malta.

Versailles and Frankfort on the Main: In the Franco-Prussian War of 1870 negotiations began at Versailles in January, 1871, and peace was signed at Frankfort on the Main on May 10, 1871, France ceding Alsace-Lorraine, Metz, and Strassburg and a war indemnity of $1,000,000,000. France was occupied by German troops until the indemnity was paid. On January 18, 1871, at Versailles, William, King of Prussia, was proclaimed Emperor of Germany.

Spanish-American War: Protocol signed August 13, 1898, stipulated for the surrender by Spain of all claims of sovereignty over Cuba, the cession to the United States of Porto Rico and an island in the Ladrones, and for the occupation of the city and bay of Manila by the United States forces. The treaty was negotiated at Paris and signed December 10, 1898, and ratified by the Senate February 9, 1899, and signed by Queen Regent March 17.

Russo-Japanese War: At invitation of President Roosevelt representatives of Russia and Japan met at Portsmouth, N. H., in August, 1905, and signed a treaty of peace on September 5, 1905.

The Crimean War was concluded by the treaty of Paris of 1856. The treaty was made by the five great powers of that period and Sardinia and Turkey. Russia was on one side; France, England, Turkey, and Sardinia on the other. It lasted from 1853 to 1856. It was a congress treaty made between powers some of which had not been at war, and Russia, which on the whole was the vanquished party, made a cession of territory.

The American Revolution: The peace treaty between Great Britain and the United States was signed in Paris; referred to sometimes as the treaty of Paris and also as the treaty of Versailles. The congress lasted from November 30, 1782, to September 3, 1783. This was a treaty of the recognition of the independence of the United States of America and not of future stipulations. On November 25, 1783, the British forces were withdrawn from New York.

The treaty of Ghent: This brought to a close the War of 1812 between the United States and Great Britain. The conference lasted from August 6, 1814, to December 24, 1814. In it is the interesting stipulation that Great Britain shall come to terms with the warring Indian tribes and a declaration against the slave trade.

Spanish-American War: This was brought to a close by the treaty of Paris of 1898, thus recording the conquests made by the United States, Spain ceding what she had lost—Porto Rico, Guam, and the Philippine Islands. As to Cuba, Spain relinquished its sovereignty, with the provision that the United States should occupy the island temporarily and protect life and property.

The Balkan Wars: These wars were ended by the treaty of London, the conference lasting from December 16, 1912, to May 30, 1913.

Mr. POU. I should like to ask the gentleman from Kansas how many more speeches there will be on that side?

Mr. CAMPBELL of Kansas. We shall probably have two or three more.

Mr. POU. Will not the gentleman use some of his time now?

Mr. CAMPBELL of Kansas. I do not see the gentlemen who were asking for time.

Mr. POU. I yield 10 minutes to the gentleman from Maine [Mr. PETERS].

Mr. PETERS. Mr. Speaker, I propose to briefly discuss the so-called "increase of the Navy" program from the standpoint of one who favored it both before and after the famous cablegram from the President.

The principal reason for the sensation caused by this message from the Commander in Chief to the Secretary of the Navy is the mystery that has accompanied it, and also, perhaps, the Heaven-sent opportunity for the newspaper men to make a good story. A plain statement of the facts will remove misunderstanding and clear the air.

Carrying out the policy adopted three years ago of planning for the Navy several years ahead instead of the haphazard, uncertain, and jerky plan of annual authorizations of one or more ships, as Congress might vote, it became necessary the first of this session to consider another three-year program. The Secretary of the Navy made a recommendation of 156 ships, large and small, based, however, largely on the pre-armistice situation. This, after consultation with the committee and, presumably, with the distinguished experts who are heads of bureaus, was subsequently reduced to 20. There was some disagreement in the committee over this, as is well known. Some suggested that, as there might be an arrangement made to abolish war or reduce armaments, we had better not authorize any ships. Others thought it wiser to go ahead with a reasonable program and cut it off when world conditions were definitely changed and the papers signed. It was recalled that the President in his address to the Congress at the opening of the session had strongly and specifically urged the continuance of the three years' building program, and this was his language:

"I take it for granted that the Congress will carry out the naval program which was undertaken before we entered the war. The Secretary of the Navy has submitted to your committee for authorization that part of the program which covers the building plans for the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development for the Navy. I earnestly recommend the uninterrupted pursuit of that policy. It would clearly be unwise for us to attempt to adjust our programs to a future world policy as yet undetermined."

The question naturally arose as to whether the President had seen anything in Europe to cause him to change his mind. Nobody knew. Doubtless the Secretary of the Navy was aware of our attitude, and it seems he, on his own initiative, desiring to help us, and, as I believe, desiring to help the country at the same time, wired the President, saying that the committee was hesitating about bringing out a three-year program, thinking that developments over there might have changed the situation and obviated the necessity for it, and asking him if he adhered to his recommendation of December 2. The President wired back to the Secretary that he had learned nothing to change his mind and considered it more important than ever. These two messages were sent up to us by the Secretary and read aloud by the chairman. There was nothing more in the messages. No facts were given. No reasons mentioned. Nothing more is known by us. You, gentlemen, know all that I do about it, and I was present at all meetings of the committee when this matter was considered.

There is nothing in this much-advertised incident of the cablegram to cause any open-minded man to oppose this measure. The President gave his opinion when asked to. His opinion should and does carry more weight than that of any other American, because he occupies a unique position. He has a viewpoint from a position occupied by himself alone. His opinion did not change my views, as I was for the program before, nor do I believe it changed the views of a majority of the committee for the same reason, but it was considered of such importance by some patriotic members of the committee that they subordinated their personal views to what they regarded as the best interests of the country, and I honor them for it.

So it happens that the President, the Secretary of the Navy, and the entire committee all feel the same way about this matter. They may be all wrong. It may be wise to decline to authorize any continuation of the naval program heretofore established. It may be wrong to provide for the further building of ships after these now under construction are finished, but I do not believe it, and I do not think in planning stringent economy we should begin with the defenses of the country.

I favor a large and powerful American Navy—not so large as Great Britain's, because I can not conceive the possibility of trouble in the future between the English-speaking peoples which will require a fight to settle it—and I believe that from now on our job in the world is the same as hers; but it is at least interesting to recall that within the memory of men in this House the two nations have been twice on the verge of war. Great Britain must of necessity have the most powerful navy for purposes of defense. Her empire embraces nearly one-fourth of the land area of the globe and approximately one-

fourth of the population and is scattered all over the world. Forty millions of her home people dwell on a little island which can not produce enough to feed them. They could not sleep nights if they were not positively sure that her lanes of commerce were always open for the bringing in of food and raw materials by her mighty merchant marine.

We also must have a navy commensurate with our needs and our responsibilities—large enough to protect our interests in any situation possible to arise.

We came out of the Spanish War a world power. We come out of this war the world power. We can hardly avoid the world responsibilities which go with it.

It is the announced policy of the Government, and I think a very wise one, hereafter to divide our fleet equally between the Atlantic and Pacific Oceans, to have exactly the same number and weight of ships on one coast as on the other.

Our military sea frontier, which once simply went down one coast and up the other, now begins at Eastport, in the district I have the honor to represent, and extends to the Panama Canal, to Guam, to the Philippines, to the islands of Alaska, and thence back to continental America.

Our merchant marine, the lack of which was so wicked in this war, is about to expand and resume its proper place in the world. The development of defense by mines, submarines, and airplanes, in the opinion of thoughtful observers, has in no wise diminished the importance of a fleet. The battleship is the only force that will insure the keeping open of our sea frontiers and sea bases. We can not fortify every mile of our coast lines; it is easier to have a mobile naval force to protect them.

We can fortify at the entrance to our big cities, but the enemy may be mean enough not to go in that way. It is now well established—verified from different sources—that Germany perfected plans years ago, whenever she should attack this country, to effect a landing on the shores of Frenchmans Bay, in the State of Maine, fortify the beautiful hills which surround it, establish a base, land troops, and sweep westward through the helpless country, and come down to Boston and New York from the north. On the day war was declared between Germany and Great Britain the fast German liner *Kronprinzessin Cecile*—constructed to be transferred immediately into a war vessel and later used by us as the transport *Mount Vernon*—was four days out from New York filled with passengers and freight, including a large amount of gold. At the first click of the wireless announcing "the day" had come, her commander, an officer in the German Navy, opened his sealed orders which had been on board for years, and headed straight for Bar Harbor in Frenchmans Bay, there to wait and join a possible German force later. Nothing prevented this landing but the presence on the ocean of the American and British battleships—principally the British.

So long as we held control of the sea Germany could not win. If we had lost that, the war would have been over in a minute.

Many things—our responsibilities in this hemisphere, our participation in affairs abroad, the unsettled conditions in the world—demand a continuance of our naval power.

All the reasons that ever existed for a Navy exist now except one, the possibility growing out of a league of nations, and we have provided for that in the bill.

I see no inconsistency in trying to get a league of nations and planning for a Navy at the same time. We only plan for the Navy in case we do not get the league.

But gentlemen say, "Whom are we going to fight?" We will not have to fight anybody if we are well prepared. We would not have been in this war if we had been ready. More peace surrounds a bulldog than a black-and-tan.

Germany for the time is down and out. Other Germanys, other combinations against the peace of the world, may arise. A quite possible event at the moment is a combination of Russian and German Bolshevism and its spreading like a fire in a dry forest.

We can spring to arms quicker than we can spring to battleships, and without battleships arms are no good.

But gentlemen say this program for the increase of the Navy is too big. Let us look at it from a business point of view. There is no politics in it, anyway.

It is proposed for the next three-year program to dovetail into this one the eventual construction of 10 battleships, as good ones as anybody has, and 10 comparatively small scout cruisers. If things go along well we finish these ships in 1926. Do you know how many of our present battleships will be ready to retire by that time? Twenty-three. By then all the ships of mixed caliber—meaning by this ships having both large and medium sized guns—will be out of date. Twenty years is substantially the life of one of these complicated machines in anywhere near its full usefulness. In case of urgent necessity they may be used in the back lines, as was the old *Oregon* in this war, but after that they are principally useful to look at. When they become obsolete they are a liability and not an asset. A modern ship can hold a position just outside the range of an old one and pound her to pieces with no more danger to herself than if she were attending a Sunday-school picnic. At the Battle of Santiago the *New York* just was not in the fight at 7 miles away. Admiral Plunkett told our committee that the 14-inch naval guns he took abroad could drop shells on Germans 23 miles off, and those shells were just as troublesome after they arrived as if they had only traveled a mile. To be sure they were fired on land, but our sea ranges have increased greatly in 20 years.

We propose, then, to substitute for 23 battleships, by that time obsolete, 10 battleships of the best we can build—and that means the best in the world. We shall have put out of the line a total of 308,146 tons and put in 420,000. I ask you if that so far is an unbusinesslike or an improper thing to do?

The rest of the program is 10 scout cruisers. They do not take the place of anything, but there is an urgent independent reason for them. We have been deficient in these vessels for some time. We have three small ones, of only about 23 or 24 knot speed, and practically obsolete.

The lessons of this war have strongly impressed naval men with the importance of these vessels. They are the eyes of the fleet, and to make it most efficient we must have them if nothing else is done. They add only 70,000 tons to the Navy, but they are highly important tons on account of the speed with which our American ingenuity will be able to carry them through the water.

So long as we have a Navy it should be well balanced. We got top-heavy with destroyers during this war. I do not count Eagle boats, which Mr. Ford was to build and which, I understand, will not float, or some little matter of that sort, but good, reliable American destroyers, such as we produced in record time to meet this emergency. These vessels did magnificent service and we want to keep them. I was told in Queenstown last summer that 25 of our destroyers were admitted by British officers to be equal to 30 of theirs. Incidentally we were shown an American destroyer in the harbor of Queenstown which was said to be the best destroyer ever built, and I am proud to say that she was built and launched in record time at Bath, Me. Useful vessels like this, new and effective, we want to keep. When heavy vessels are built it is necessary to provide a lot of small ones to go with them. In this case we will not have to. The Navy will be rounded out better by having these heavier ships.

I am confident that anyone who believes in keeping up a reasonably strong navy will consider that a program which when worked out at the end of six or seven years will result in substituting 10 good battleships for 23 obsolete ones and adding 10 scout cruisers of only 7,000 tons each, badly needed, is not an unreasonable one.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. PETERS. Yes.

Mr. JOHNSON of Washington. When did I understand the gentleman to say that the new program would be completed?

Mr. PETERS. In 1926 or 1927.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POU. I yield to the gentleman five minutes more.

Mr. PETERS. But the question is asked, Why should we authorize them till we finish the ships now being built?

In all probability the next naval bill will be passed in the summer of 1920. If we put off this authorization till then, the department can hardly get to work on the program till the following year. It is in the interest of economy and efficiency, and it is highly desirable from a business point of view, that the department should know more in advance what its construction program is going to be. Any manufacturer who runs his business prudently and who has $400,000,000 worth of work in sight wants to know when it is coming several years in advance. The building of warships does not begin when the keel is laid. A very large part of the work comes before that. The present ships will be well beyond their first stages of construction by the time the new program can be taken up. The means employed to carry the construction of the first ships to the laying of the keel can be turned right over to the new program and dovetail in without lost motion. Many private yards now building torpedo boats will complete them before 1921, and the Government desires to use them for some of these new vessels without a gap. It will be expensive for the Government in both money and time if the yards have to stop work and shut down or get started on other construction. The work on the present program is so far advanced that it is in the interest of economy, efficiency, and speedy results for the Bureau of Con-

struction to know now whether the Government will adopt this program.

This program is said to be expensive, and we must economize. That, of course, is true. It will cost four hundred millions, spread over six or seven years. We are now spending about three hundred millions per year for new construction, and that will be true during 1919. After that, and with this program added, expenditures on new work will dwindle down to about one hundred millions per year, which should be about normal, unless conditions largely change.

If we can not afford this program, then we must stop. Everyone must decide this for himself. In my individual judgment, we can not afford to stop.

There is no bluff about this program, as I see it. Neither does it mean the biggest Navy in the world by any means. It is a businesslike addition to a business Navy.

I am not in favor of a huge Navy. I am opposed to emulating Great Britain. I do not believe we should strive for the greatest Navy in the world. I do not think we should build a Navy because any other power wants us to or expects us to; nor do I think we should refrain from building up a Navy because any other power objects. [Applause.] This is our Navy and our own family row, and we will settle it among ourselves.

I have great admiration for the seamanlike qualities of a high-ranking admiral who testified before us, but no respect for his judgment when it comes to assigning reasons for this increase. We will not make this addition because other nations expect it or because some of them are busy and will ask no questions. We do not want to build a Navy when other people are not looking—we want to build it when they are looking. [Applause.] The principal usefulness of a navy is in being seen. When they see we have one, nothing else happens.

I believe that the traditional naval policy of this country, our growing maritime interests, our increasing responsibilities in the world, our lengthened sea frontiers, good business judgment, as well as the glorious record of our Navy in every war we have undertaken, all cry out for the adoption of this program. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, since I have had the honor of a seat in the Congress of the United States I have voted always for the largest Navy program available. I still favor a large Navy for the United States. I live on the north Pacific coast and should favor it, and I do favor it; but I find that this Government, under its war-emergency program of 1916, is building a large Navy, a larger Navy authorized by the Congress than it can complete and turn out in twice the three years allotted for it. That program is what makes this very naval appropriation bill carry the great total of $7,500,000,000—on toward eight billions of dollars. All Members of Congress know that this very day the Secretary of the Treasury, Mr. Glass, has stated that he is coming to Congress for an authorization for another bond issue and a new credit issue to a total of $20,000,000,000. This House will adjourn shortly, and all of the Members will go to their respective districts, where, of course, they will take part in the floating of the victory loan. You will find it harder work than the selling of previous bond issues, and you will be asked about the present great naval program and also about this proposed paper program. It will be well to know all about both; and why? No Member need think that he will be called, or can honestly be called, a small Navy man if he votes against this proposed paper program. Why? Because when you vote the money to go ahead with the 1916 program you are continuing a great Navy program.

THE PRESENT NAVAL PROGRAM.

For fear that we forget what this 1916 program is, I desire to tell you just what it is. Members should bear this in mind, because they will be asked in their districts about it. According to the report of Admiral Taylor, the 1916 three-year program, calling for 10 battleships, 6 battle cruisers, and 10 scout cruisers, was, on the 1st day of February, 1919, as follows:

None of those 10 battleships have been completed; 6 are zero done. They are being designed, and, while contracts have been let, no construction has been undertaken.

Four are from 5 to 40 per cent completed on the ways.

The six cruisers are not yet being built. They are being designed, and some contracts for material have been let, but no keel has been laid.

The 10 scout cruisers are from zero to 25 per cent finished. According to Admiral Taylor, of the 1916 program the first battleship could be completed in 18 months, and the last of that program, which would be the battle cruiser, the most complicated in design and the most difficult to build, would not be finished until five years from date.

The total amount expended on the 1916 three-year program on December 1 was, roughly, $113,000,000. The amount necessary to complete the program from beginning to end is, roughly, estimated at $815,000,000. We have appropriated, including the amount expended of $113,000,000, about $240,000,000, leaving appropriations necessary to carry the program to completion $575,000,000, roughly.

On February 1 we had 85 submarines in service, 73 building, and 9 authorized. On that same date we had 112 destroyers in service, 212 building, and 12 authorized.

Those figures are taken from the statements of Admiral Taylor, as presented to the House by the gentleman from New York [Mr. HICKS]. You see there is a stiff warship program under way. It can not be finished for years. Our present Navy will be placed on both oceans. The new ships will be put on both coasts.

The meaning of the cryptic cablegrams between the Secretary of the Navy and the President of the United States are not quite clear, but the real meaning of all this paper program is that if we authorize it, even with a string tied to it, our admiralty will see that we keep at the enlarged program. The result will be that other nations will be building great ships of commerce, and we will be putting countless millions into warships and cruisers.

Finally, Mr. Speaker, the state of the finances of the United States and the necessity for raising great sums of money, together with the fact that many of the depository banks of the United States throughout the country have during the past year and are now largely overdrawn upon by the Government, should make the Members of this Congress pause in this and all other appropriations. The figures are startling. We will have to raise billions per year for many years to come by taxation and bonds. Oh, gentlemen, when we know that no great power which is likely within the lifetime of any man on this floor to come to blows with the United States is in a financial condition to greatly extend its warship-building program, why should the United States propose even a paper program, thus to take the initiative that may make other nations build? Every mail brings complaints about these appropriations, about taxation, and about the cost of living. When will Members come to a realization of the fact that if we Congressmen vote billions after the war the people must pay the billions. The tax is passed on. Stop, or we will soon go far beyond the ability of the United States to collect the taxes and pay. I am most sincere. I stand for a great Navy, but I protest against a wild, extravagant plan at this time. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Speaker, I do not feel it essential that I state the fact that I have always been in favor of the most adequate and the largest Navy that has been proposed in any measure since I have been a Member of this House. I do not think that my attitude with reference to this rule or with reference to the proposed authority of the naval bill will reflect upon my desire that this Nation shall always have an adequate Navy. The proposition is submitted to this body, however, under very peculiar circumstances, and it is laid before the membership of this House at a time when the proposed program is out of harmony with the avowed aspirations of the people and out of harmony with the purpose for which we entered the war. There has grown up in America during the progress of this war, I think, the most magnificent national spirit that any nation has ever had. It is a spirit founded in ideals, a spirit in part prompted by one who is more of a dreamer than he is concerned with the practical affairs of life, but it is a spirit in which the United States placed all that it had in the world in the way of men and money to make a better world of this and a safer place for men to live in, a spirit that was beautifully stated by one who spoke of our boys in France as the representatives of the Nation that would return from the shores of that wonderful country with their hands as empty as they were when they went there, the spirit of the people who ask nothing for themselves. Now that the war is over and after more than 50,000 of the soldiers that were sent abroad are sleeping in the soil of France, after we have accomplished the purpose which we set out to accomplish, we find proposed in this body not peace terms that will crystallize our purpose in this war, but a measure that will mean a contest between the two nations that by race and language and tradition are natural allies. It is not a proposal that looks to permanent and perpetual peace, but is a proposal which looks to a contest between England and America as to which shall become the most warlike upon the sea. This thing we do is absolutely out of harmony with every avowed purpose of the United States when

it entered into this contest and out of harmony with the ideals of the people of America when the contest was concluded.

Upon what ground are we asked to make this tremendous authorization? Not by anything that places in your possession and mine the facts that would justify this, but a cablegram that is spoken of in hushed terms around this Capitol, that is whispered among the favored few who are permitted to see it, not a cablegram that gives the facts upon which you may arrive at a conclusion, but merely a cablegram that gives the conclusion of the one who sends it from the shores of another country. Before I would be willing to authorize a program that would fasten an indebtedness by way of taxation of $7.50 upon every man, woman, and child in the country I want to know the facts that justify it. I wonder if Members realize where we are drifting? I wish that the President would come home. I wish that the President, instead of occupying a summit beyond and above the ordinary affairs of life with his eyes fastened on the stars, dreaming of a Utopia and a short cut to the millennium, would look down into the shadow and see what is going on beneath.

Do you realize that the appropriations and the expenditures of this country in the next year, with the utmost economy, will aggregate more than a billion of dollars a month? Do you realize that with the tremendous expenditures which we are facing that we ought to economize to the last degree and provide only for those things that are absolutely essential in the present condition? How are you going to raise this money? By bonds and taxation. Every man who is at all familiar with taxation knows that, without regard to the manner in which you safeguard the measure, most of it ultimately becomes a consumption tax. The other day before one of the committees of the House Mr. Armour said that his excess-profits tax had amounted to $6,000,000 in the last year, and when asked if that was pushed on to the consumer he replied that it was probably so. Do you know that the merchant in the smaller communities, fearful that he will buy on a falling market, is refusing to buy, and that the jobber is refusing to load up for fear of loss, and that as a result of that the manufacturers are working short-handed; that idle men and men out of employment are already on the streets of our great cities? Do you realize when you demobilize the Army that we have now that you are adding to the unemployment? Go ahead with your idle dreams of universal brotherhood at a cost of $750,000,000 for this unnecessary program. Follow it out in the appropriations to carry it into effect, then levy your taxes, increase the consumption tax, make higher the cost of living, and place it upon the men who are walking in idleness the streets of America to-day, and you have a condition in this country that, so far as I am concerned, creates great apprehension. [Applause.] The Bolsheviki is not a disease. He is a symptom. He is the product of a condition, and the only way to treat him is not by treating the symptom but by removing the condition. Do not strike at its product instead of removing the condition. By this measure you are aggravating the condition. Oh, well, we have the idealist dreaming of that Utopia where there shall be universal brotherhood, of a condition in which the irritating problems of race and creed and national aspirations shall all be done away with by a mere formula, by somebody writing in a peace treaty that there shall be no more war. You may proceed along that line, gentlemen, but just so sure as you continue this wasteful extravagance, just so sure as you make these unnecessary authorizations for naval expenditures of millions of dollars, you are adding to a condition that to my mind creates more apprehension to-day than any other condition that confronts the American people. I have never been very sympathetic with this league of nations. Of course, we all want universal peace. Of course, we want war done away with. I would like to do away with it, but I can not help but be conscious of the frailities of mankind and the fact that more than 3,000 peace treaties have been agreed to in the history of this world, and that every one of them recited that the ultimate purpose of the treaty was to insure universal and perpetual peace. And wars still continue. I do not believe that the greatest navy in the world is essential to American life. I do believe that we should have less of dreams and more of good, common, horse sense in the administration of the affairs of this country. [Applause.] I believe, still further, that we should go to work and encompass a peace with Germany, that we should close up this war by making Germany powerless so far as threatening against the peace of this earth. I believe instead of waiting three months along the line of a league of nations and universal peace we should close up the war which we have been fighting. [Applause.] And I do not believe that before we have done that that we should be consuming our energy, consuming our time, and creating tremendous expenses preparing for a war with an ally rather than closing up a peace with an enemy. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. WALSH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts [Mr. WALSH] makes the point of order that there is no quorum present. The Chair will count.

Mr. WALSH. Mr. Speaker, I withdraw the point. It is apparent a quorum is present in the lobbies and cloakrooms.

Mr. LITTLE. Mr. Speaker, if you saw a man with whom you had an issue at stake get a gun you would proceed to get one. In this instance we serve notice on all the world that we expect and arrange for a broad platform of preparation for naval warfare. This is a direct challenge to every Government on earth to see who can build the most warships. There never was a more ill-timed, ungainly, unfortunate, threatening, menacing firebrand thrown into the arena of the world's activities than this. This is no time to threaten the nations of the world, all of whom are extending open and appealing hands to this great Republic which now stands at the summit of all the power and achievements that the world ever saw.

We have 4,000,000 of the best soldiers in the world, and we could almost dismiss them, put our ships out of commission, and be at peace and in no danger for 10 years; and yet they bring this proposition here. In the last analysis there is only one man to be consulted, and that is the taxpayer who will bear this burden and whose sons are fighting these battles.

There are only two questions: One is, What will he put in it? And the other is, What will he get out of it?

He put in $30,000,000,000 and the lives of 100,000 and the services of 4,000,000 sons. He gets glory, honor, and a good fight for a just cause, gallantly won. But he must get more: He must have the knowledge he has set up forever the cross of Christ in place of the crown of Cæsar as the standard of civilization.

If he is to be forced immediately into arms and armaments—into spending $1,000,000,000 for iron ships to carry on wars—he has gained nothing, and all his sacrifices are in vain. We expended $30,000,000,000 that the great annual expenditures for military and naval appropriations might cease. Has our taxpayer bought a gold brick? How long is this cry for more money to waste to continue? Why not take these millions and crisscross this country with roads? Why not spend it redeeming waste lands for farms for soldiers? Why not divide it among those who risked their lives for us?

They tell us that we have $250,000,000,000 worth of property. Six per cent on that sum is $15,000,000,000. The Federal revenue bill this year asks for $6,000,000,000. The State, city, and municipal taxes will be $4,000,000,000 more. That is $10,000,000,000. Of your $15,000,000,000 income on your investment two-thirds goes for taxation. We will be forced to borrow $5,000,000,000 more. And yet men come here asking for what? What are you going to get out of it? When this war began the Germans lined their coasts with submarines and mines, and the greatest Navy in the world never went near them. You say that we should build great ships of war to defend New York and the Panama Canal. You can protect our coasts with mines and submarines as easily as the Germans protected theirs with submarines and mines.

Mr. BAER. Did the German Navy get near the British Navy?

Mr. LITTLE. No. It did not get near it. It was just as afraid of submarines as the English were. Britain had twice the fleet Germany possessed, yet it never ventured within a hundred miles of the German coast, fearing submarines and mines, and the gentleman inquires whether the German fleet assailed the English coast. What is he driving at? What point is there to such a suggestion? If the Germans had no fleet their coast would have been just as well protected. The English fleet squatted in harbor behind great steel nets for fear some little submarine would poke its nose in among them and sink $50,000,000 or $60,000,000 worth of battleships by losing $1,000,000 or $2,000,000 worth of submarines. The gentleman is hardly in earnest. Let us conclude that he broached in jest.

Mr. CALDWELL. Will the gentleman yield?

Mr. LITTLE. I will, later.

Mr. CALDWELL. Just a short question.

Mr. LITTLE. I am awfully short of time myself.

Not one of the big ships ever dared to venture to sea unless it had a free track home. The only way the transports got across was not by the protection of any English Navy, but by fleet pairs of heels.

What are you getting out of it? If you put your money into submarines you would have $500,000,000 invested, and you would have 500 submarines, and there would not be a warship in the world that would ever dare to go out to sea unless it had investigated thoroughly and knew that there was not a submarine in sight. As long as a man is in danger he will fight and hit below the belt, and the first nation that will get into trouble will build submarines.

It is all nonsense to talk about abolishing submarines, my friends. What is the argument in favor of this plan in the bill? Not a thing on earth except a mystic utterance here that nobody understands. Whenever a Greek politician got into hot water he appealed to the oracle at Delphos. Once informed as to the advice desired, the prophecy sought floated out in mystic profundity as readily as the limpid waters sprang from the desert rock that Moses smote. Mr. Daniels was in trouble, and he invoked the Delphic oracle of America, and it gave forth an utterance which he says means more ships. The gentleman from Ohio [Mr. LONGWORTH] read it and says that it does not mean that. We are just as competent as anybody to pass upon the evidence produced, if the taxpayers select good Congressmen, and if we have to pass upon anything else we would be recreant in our duty. One man has as good a right to interpret the oracle as another. I interpret it to have intended submarines and mines—and, anyway, the oracle business all went into the discard at the November election. Said the Roman Emperor, when his general returned from the German forests, "Quintus Varus, what hast thou done with my legions?" Gentlemen of the House, the taxpayers will demand of you why, at a time like this, you spend a billion dollars of our money on iron pots that submarines can sink as fast as they catch them.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LITTLE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. MANN]. [Applause.]

Mr. MANN. Mr. Speaker, if this bill shall pass without the proposed authorization, it will carry appropriations for the maintenance and increase of the Navy to the extent of nearly $750,000,000, which I believe is the largest sum ever appropriated in time of peace by any nation of the world for the maintenance and increase of its navy. And that of itself is a sufficient answer to those who would say that such here as oppose the proposed authorization are not in favor of a sufficiently large Navy. [Applause.]

Mr. Speaker, I have heard but two arguments in favor of the proposed authorization. One is that a cablegram came from the President; the other is that it is the duty of this country to provide a Navy as large as the navy of Great Britain. I do not take the cablegram from the President too seriously. There are two ways in which it may be looked at. First, that the Navy officials, whose duty it always is to extend their power and the power of the Navy—and that is true of all branches of the Government service—asked the Secretary of the Navy to cable to the President for help while the naval bill was before the House. And the President, complying with the request of the Secretary of the Navy, cables back that, in his opinion, the proposed authorization should be granted. That is not to be considered very seriously. The President of the United States, a wonderful man, in a great position, still does not know all there is, and it is not his place to determine the appropriations which shall be made. That is our responsibility. We must act upon facts. We passed many an appropriation for the war at the mere suggestion of the Executive, but now that we have arrived at the point of peace it is time for us, when we make an appropriation, to know the reasons for the appropriation itself, and not act merely because some one in the executive department of the Government, even the President himself, thinks it ought to be granted.

Mr. Speaker, it has been suggested on both sides of the House, sometimes in the public discussion, more often in private conversation, that the President desires this authorization as a threat to force other nations to agree to its policies at the peace table. I do not know whether there is anything to that or not. But certainly if the President has reasons for desiring a great Navy he ought to give the reasons to us. And I doubt whether, if this be a threat, it would be a successful one. What is the situation? Emerging from a war where all peoples desire, if possible, to provide some method by which wars may be avoided in the future, we now are confronted with the actual proposition of whether or not we shall at this time proceed with an enormous naval program. If it be a threat, it is directed at Great Britain.

Gentlemen here have stated that we must never rely upon the Navy of Great Britain, and yet this bill itself does rely upon the Navy of Great Britain, because if this authorization be suspended by the President the Navy of Great Britain will still far overtop ours, and you propose to allow the President to suspend the authorization. And those who say that they desire the Navy of this country larger than that of Great Britain can not afford to vote for a proposition permitting the President to suspend its construction.

Mr. Speaker, I hope that the President will be successful in his aspirations for a league of nations, which will, through orderly and peaceful methods, prevent the settlement of disputes in the future by war. But I do not believe that before the peace is agreed upon, before the terms have been arrived at, that the proper way to secure peace in the future is for the Congress of the United States to say, "We propose to have a Navy large enough to lick the rest of the world." [Applause.] If Congress agrees to this authorization and the President uses it at the peace table, it will be used elsewhere. If we agree to this authorization, the report will go throughout the world that the United States of America proposes to enter upon a contest with Great Britain as to which nation shall have the largest and most powerful navy.

And every German in Germany and some elsewhere will say, "The allies, now that peace has come, commence to quarrel among themselves and prepare for future contests between themselves." That will be the gladdest piece of news that has leaked into Germany for many a day.

Mr. Speaker, we can afford to suspend the authorization for the future until peace has been entered into and we know where we stand. Can we afford, on the other hand, to borrow money now for an increased authorization of the Navy? We can not pay the expenses of the Government next year out of the tax bill which will soon become a law. Do we propose to increase the taxes or do we propose in time of peace to borrow money to build a Navy or do other work in that direction? We can not do it out of the revenues which come from the present law or the present bill. Will we undertake, just as we have had a war and are emerging into peace, to say that we propose to increase the tax burdens or borrow money in order that we may now, as we emerge into peace, enter into a contest as to who shall have the greatest navy in the world, and then perhaps go upon the theory that we will have war with Great Britain? Let us for a moment believe that after this war we may have peace for a few years and get ourselves settled back in our accustomed modes of business and life. [Applause.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. POU. Mr. Speaker, how much time have we remaining?

The SPEAKER. Five minutes remain on the gentleman's side and none on the other side.

Mr. POU. I yield to the gentleman from Wisconsin [Mr. COOPER] one-half of the remaining time.

The SPEAKER. The gentleman from Wisconsin is recognized for two minutes and a half.

Mr. COOPER of Wisconsin. Mr. Speaker, I did not expect to speak upon this rule and, of course, can compress nothing into two minutes and a half which will be adequate to meet the issue before us. I am in favor of passing the pending rule. If passed it would do nothing more than permit the House to debate and vote upon this exceedingly important question. The House should not be afraid of a full and fair discussion. It can not be led into doing anything wrong by merely hearing the truth from both sides.

This bill provides that—

> No contracts for the construction of vessels herein authorized shall be entered into prior to February 1, 1920.

It provides also that—

> If at any time before the construction authorized by this act shall have been contracted for there shall have been established with the cooperation of the United States of America any tribunal or tribunals competent to secure peaceful determination of international disputes, and which shall render unnecessary the maintenance of competitive armaments, then, and in that case, such naval expenditure as may be inconsistent with the engagements made by the establishments of said tribunal or tribunals may be suspended when so ordered by the President of the United States.

I again remind the House that if the bill should become a law no contracts for the construction of vessels therein authorized could be entered into prior to February 1, 1920—almost one year from now.

This seems to me to be a proposition very easily understood. Debating this rule, even passing the bill, would not bind, would not even permit, the United States to do anything before the

1st of February, 1920, not even so much as to enter into a contract. Long before that date the suggested tribunal will have been either established or not established. If such international tribunal shall be established—and I sincerely hope that it will be—then, of course, there will be no necessity of going on with this contemplated great navy. But if, as has been intimated by the papers, there are across the sea men in high place who are pronouncedly reactionary, and who wish it understood that the world has learned nothing through the awful four years of slaughter, but must go back to conditions as they were before the war, then it is well for the United States to take these precautionary steps, and to take them now. In any event it is wise now to adopt this rule and to listen to a fair discussion of the main proposition. [Applause.]

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. POU. Mr. Speaker, just one word in conclusion. I would like to ask the membership of this House, Can you afford at this time to defeat this rule? Now, this I believe to be true—patriotism is just as great on one side of the aisle as it is on the other. The President has had the support of this House from the day of the declaration of war. This program comes here with a unanimous report from a Committee on Naval Affairs representing every phase of thought on the naval question. I submit that at this particular time the House of Representatives can not afford to take the responsibility of voting down this resolution.

This is no new question. Every President that I have served under has favored a big Navy—both Mr. Taft and Mr. Roosevelt. Yes, Roosevelt, great American; sweet be his sleep. America will forever cherish his memory as a mother cherishes the memory of her own offspring. Those men always favored a big Navy.

I leave the question with the House, reminding you that having supported the President from the beginning of the war up to this good hour, we can not afford to take the responsibility of voting down this rule now. [Applause.]

The SPEAKER. The question is on agreeing to the rule.

The question was taken; and the Speaker announced that the noes seemed to have it.

Mr. POU. A division, Mr. Speaker.

Mr. FOSTER. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Clerk will call the roll. Those in favor of the rule will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 205, nays 148, answered "present" 3, not voting 73, as follows:

YEAS—205.

Alexander	Crosser	Heflin	Mudd
Almon	Curry, Cal.	Hensley	Neely
Ashbrook	Dallinger	Hicks	Nicholls, S. C.
Aswell	Davey	Holland	Nichols, Mich.
Austin	Decker	Hood	Nolan
Ayres	Denton	Houston	Oldfield
Baer	Dewalt	Howard	Oliver, Ala.
Barkley	Dickinson	Hull, Tenn.	Oliver, N. Y.
Barnhart	Dixon	Humphreys	Olney
Beakes	Dominick	Igoe	Osborne
Bell	Donovan	Jacoway	Overmyer
Benson	Doolittle	Johnson, Ky.	Overstreet
Beshlin	Doremus	Jones	Padgett
Blackmon	Drane	Keating	Peters
Bland, Va.	Dupré	Kehoe	Phelan
Blanton	Eagan	Kelley, Mich.	Polk
Brand	Evans	Kettner	Pou
Britten	Fairchild, B. L.	Key, Ohio	Quin
Brodbeck	Farr	Kiess, Pa.	Rainey, H. T.
Browning	Ferris	Kincheloe	Rainey, J. W.
Buchanan	Fields	Kitchin	Raker
Burnett	Fisher	Lampert	Riordan
Butler	Foss	Larsen	Robinson
Byrnes, S. C.	Foster	Lazaro	Rogers
Byrns, Tenn.	Freeman	Lee, Ga.	Romjue
Caldwell	Fuller, Mass.	Linthicum	Rouse
Campbell, Pa.	Gallagher	Littlepage	Rubey
Candler, Miss.	Gallivan	Lobeck	Rucker
Cantrill	Gandy	Lonergan	Sanders, La.
Caraway	Gard	Lufkin	Schall
Carew	Garner	Lunn	Scully
Carlin	Garrett, Tenn.	McAndrews	Shackleford
Carter, Okla.	Garrett, Tex.	McArthur	Shallenberger
Church	Godwin, N. C.	McClintic	Sherley
Clark, Fla.	Goodwin, Ark.	McCulloch	Shouse
Classon	Gordon	McKeown	Sims
Cleary	Gray, Ala.	McLemore	Small
Coady	Gregg	Maher	Smith, Mich.
Collier	Griest	Mansfield	Smith, C. B.
Connally, Tex.	Griffin	Martin	Snook
Connelly, Kans.	Hadley	Mays	Stedman
Cooper, Wis.	Hardy	Miller, Wash.	Steele
Copley	Harrison, Miss.	Montague	Stephens, Nebr.
Crago	Hastings	Moon	Sterling
Crisp	Hayden	Morin	Sumners
Tague	Venable	Welling	Woods, Iowa
Taylor, Colo.	Vinson	Welty	Wright
Temple	Walton	Whaley	Young, Tex.
Thomas	Watkins	Wilson, La.	Zihlman
Thompson	Watson, Va.	Wilson, Tex.	
Tillman	Weaver	Wingo	
Van Dyke	Webb	Wise	

NAYS—148.

Anderson	Fess	Knutson	Sanders, Ind.
Anthony	Focht	Kraus	Sanders, N. Y.
Bacharach	Fordney	La Follette	Sanford
Bankhead	Frear	LaGuardia	Saunders, Va.
Birch	French	Lea, Cal.	Scott, Iowa
Black	Fuller, Ill.	Little	Scott, Mich.
Bowers	Garland	London	Sells
Browne	Gillett	Longworth	Sherwood
Burroughs	Glynn	McCormick	Sinnott
Campbell, Kans.	Good	McFadden	Sisson
Cannon	Goodall	McKenzie	Slemp
Carter, Mass.	Gould	McLaughlin, Mich.	Sloan
Cary	Graham, Pa.	Madden	Snell
Chandler, Okla.	Green, Iowa	Magee	Stafford
Clark, Pa.	Greene, Mass.	Mann	Steagall
Claypool	Greene, Vt.	Mapes	Steenerson
Cooper, W. Va.	Hamilton, Mich.	Mason	Stephens, Miss.
Cramton	Hamlin	Merritt	Stiness
Currie, Mich.	Hawley	Mondell	Sweet
Dale	Heaton	Moore, Pa.	Switzer
Darrow	Hersey	Morgan	Timberlake
Davis	Hilliard	Mott	Towner
Dempsey	Hollingsworth	Nelson, A. P.	Vare
Denison	Huddleston	Nelson, J. M.	Vestal
Dies	Hull, Iowa	Paige	Voigt
Dillon	Hutchinson	Parker, N. J.	Volstead
Doughton	Ireland	Parker, N. Y.	Walsh
Dowell	James	Porter	Ward
Dunn	Johnson, S. Dak.	Powers	Wason
Dyer	Johnson, Wash.	Purnell	Wheeler
Edmonds	Juul	Ramsey	White, Me.
Elliott	Kearns	Randall	Williams
Ellsworth	Kelly, Pa.	Rankin	Wilson, Ill.
Elston	Kennedy, Iowa	Reavis	Winslow
Esch	Kennedy, R. I.	Reed	Wood, Ind.
Essen	King	Rose	Woodyard
Fairfield	Kinkaid	Rowland	Young, N. Dak.

ANSWERED "PRESENT"—3.

Emerson	Lever	Rayburn

NOT VOTING—73.

Bland, Ind.	Graham, Ill.	McLaughlin, Pa.	Smith, Idaho
Booher	Gray, N. J.	Miller, Minn.	Smith, T. F.
Borland	Hamill	Moores, Ind.	Snyder
Brumbaugh	Hamilton, N. Y.	Norton	Stevenson
Chandler, N. Y.	Harrison, Va.	O'Shaunessy	Strong
Cooper, Ohio	Haskell	Park	Sullivan
Costello	Haugen	Platt	Swift
Cox	Hayes	Pratt	Taylor, Ark.
Delaney	Heintz	Price	Templeton
Dent	Helm	Ragsdale	Tilson
Dill	Helvering	Ramseyer	Tinkham
Dooling	Husted	Roberts	Treadway
Drukker	Kahn	Rodenberg	Waldow
Eagle	Kreider	Rowe	Walker
Estopinal	Langley	Russell	Watson, Pa.
Fairchild, G. W.	Lehlbach	Sabath	White, Ohio
Flood	Lesher	Sears	
Flynn	Lundeen	Siegel	
Francis	McKinley	Slayden	

So the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. BOOHER with Mr. TREADWAY.

Mr. ESTOPINAL with Mr. EMERSON.

Mr. WHITE of Ohio with Mr. NORTON.

Mr. BRUMBAUGH with Mr. COSTELLO.

Mr. SLAYDEN with Mr. MCKINLEY.

Mr. RUSSELL with Mr. STRONG.

Mr. HAMILL with Mr. HUSTED.

Mr. O'SHAUNESSY with Mr. MOORES of Indiana.

Mr. DOOLING with Mr. BLAND of Indiana.

Mr. EAGLE with Mr. HAYES.

Mr. DENT with Mr. KAHN.

Mr. DELANEY with Mr. PLATT.

Mr. RAGSDALE with Mr. RAMSEYER.

Mr. HARRISON of Virginia with Mr. RODENBERG.

Mr. HELM with Mr. ROWE.

Mr. LESHER with Mr. SIEGEL.

Mr. PARK with Mr. SWIFT.

Mr. SABATH with Mr. TILSON.

Mr. SEARS with Mr. TINKHAM.

Mr. TAYLOR of Arkansas with Mr. WATSON of Pennsylvania.

On this vote:

Mr. SMITH of Idaho (for) with Mr. LANGLEY (against).

Mr. MILLER of Minnesota (for) with Mr. GRAHAM of Illinois (against).

Mr. THOMAS F. SMITH (for) with Mr. LEHLBACH (against).

Mr. SULLIVAN (for) with Mr. COOPER of Ohio (against).

Mr. LEVER (for) with Mr. HAUGEN (against).

Mr. EMERSON. Mr. Speaker, I voted "present." If I were not paired with the gentleman from Louisiana, Mr. ESTOPINAL, I would vote "yea." I should like to announce that my col-

league, Mr. COOPER of Ohio, is absent from the city. If he were present, he would vote against the rule and against the Padgett amendment, but would vote for the bill.

Mr. LEVER. Mr. Speaker, has the gentleman from Iowa, Mr. HAUGEN, voted?

The SPEAKER. He has not.

Mr. LEVER. I voted "yea," but I will withdraw my vote and vote "present," as I am paired with the gentleman from Iowa, Mr. HAUGEN.

The result of the vote was announced as above recorded.

The announcement of the result was received with applause.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. GRAHAM of Illinois for three days on account of important business.

THE OMAHA TRIBE OF INDIANS.

The SPEAKER. The Chair lays before the House a request of the Senate.

The Clerk read as follows:

THE SENATE, *February 11, 1919.*

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill S. 3992, entitled "An act to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians."

The SPEAKER. Without objection, the bill will be returned to the Senate.

There was no objection.

MINING OF COAL, PHOSPHATE, GAS, ETC.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent for the present consideration of Senate concurrent resolution No. 30, with reference to bill (S. 2812) to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain, in order to give another Senator authority to sign the name of Senator PHELAN, who has telegraphed his authority for that purpose.

The SPEAKER. The gentleman asks unanimous consent for the present consideration of the concurrent resolution which the Clerk will report.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), that Hon. KEY PITTMAN, as one of the Senate managers, is hereby authorized to affix the name of JAMES D. PHELAN as one of the Senate managers to the conference report on bill S. 2812, entitled "An act to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain," under oral authority and by telegram requesting such action.

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, why the haste for jumping this in right after the adoption of the rule?

Mr. FERRIS. I am glad the gentleman from Massachusetts has asked the question. This bill has been three times passed by the House and has been the subject of debate for four or six years. It has been killed every time in the Senate until this time, and after a long period we have got a bill, but one of the Senators, Senator FALL, from New Mexico, is sick, and Senator PHELAN is absent on account of the death of his business manager; he telephoned Senator PITTMAN authorizing him to sign his name. Senator PITTMAN did sign the name of Senator PHELAN, but the question was raised as to his authority to do it. The Senate has passed the concurrent resolution authorizing Senator PITTMAN to sign for Senator PHELAN.

Mr. WALSH. Have all the other conferees signed?

Mr. FERRIS. All but one; all five of the House conferees have signed.

Mr. MANN. Not all but one.

Mr. FERRIS. No; one is sick.

The SPEAKER. Is there objection to the present consideration?

There was no objection.

The resolution was agreed to.

NAVAL APPROPRIATION BILL.

Mr. PADGETT. 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. 15539, the naval appropriation bill.

The motion was agreed to.

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

The CHAIRMAN. The question is on the amendment to the amendment proposed by the gentleman from Minnesota [Mr. MILLER].

Mr. PADGETT. Mr. Chairman, I asked unanimous consent to withdraw the amendment which I proposed yesterday.

The CHAIRMAN. The situation is this: The gentleman from Tennessee [Mr. PADGETT] had offered an amendment. Then the gentleman from Minnesota offered an amendment to the amendment. The immediate matter before the committee is the amendment to the amendment.

Mr. MANN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. The rule which has been adopted by the House makes the legislation that is found on pages 53 and a part of 54 in the bill in order. The first two paragraphs of that legislation on page 53 have been stricken out on a point of order. An amendment has been offered by the gentleman from Tennessee. If that amendment is withdrawn, will it then be in order for the gentleman from Tennessee to offer as an amendment the first two paragraphs that have gone out on the point of order?

The CHAIRMAN. The Chair thinks so, undoubtedly. The gentleman from Tennessee asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Tennessee if he is willing to disclose what his procedure will be.

Mr. PADGETT. It was my desire to offer the whole provision as an amendment, with the statement that I would move to strike out the balance of the paragraph from the bill.

Mr. MANN. That is agreeable to us.

Mr. PADGETT. I will offer it as one amendment and give notice that I will move to strike out that which is remaining in the bill.

Mr. MOORE of Pennsylvania. Mr. Chairman, I desire to discuss the amendment.

The CHAIRMAN. What amendment?

Mr. MOORE of Pennsylvania. The amendment offered by the gentleman from Tennessee.

The CHAIRMAN. Debate on those amendments is exhausted. The Chair will suggest that the first thing is to dispose of the amendment to the amendment, the Miller amendment.

Mr. MOORE of Pennsylvania. May I inquire what the amendment is?

The CHAIRMAN. The gentleman from Tennessee offered an amendment to appropriate $2,000,000, and the gentleman from Minnesota offered an amendment to the amendment providing for an appropriation of $210,000,000. Now, the question is, unless it is withdrawn, on the amendment to the amendment. Debate has been exhausted upon it.

Mr. MOORE of Pennsylvania. Would it be in order to move to strike out that amendment?

The CHAIRMAN. The question is upon that amendment. Those who are opposed to it, of course, can vote against it. The motion to strike it out would not be in order. The question is on the amendment to the amendment proposed by the gentleman from Minnesota.

The question was taken, and the amendment to the amendment was rejected.

Mr. PADGETT. Mr. Chairman, I ask unanimous consent to withdraw the amendment which I had proposed.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to withdraw the amendment which he just proposed. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, reserving the right to object, I should like to explain why that request ought to be withheld, and would like five minutes in which to do it.

The CHAIRMAN. The question is, Is there objection? Debate upon the matter is exhausted.

Mr. MOORE of Pennsylvania. Reserving the right to object, I should like to ask the gentleman from Tennessee what would be the effect of the withdrawal of his amendment?

Mr. PADGETT. When that is done, I propose to offer as one amendment the provision covered by the rule.

Mr. MOORE of Pennsylvania. That has now been eligible under the rule.

Mr. PADGETT. Yes.

Mr. MOORE of Pennsylvania. Will the gentleman concede the right of discussion when that comes up?

Mr. PADGETT. There will be some discussion upon it.

Mr. MOORE of Pennsylvania. I was not able to get any time on the rule, and this is one of the most important matters concerning the vast industrial district, in which I in part represent, that can come up. I had no opportunity to discuss it. I voted against the rule, and I should like five minutes in which to explain why I voted "no"—not necessarily on my own account, but on account of others.

Mr. PADGETT. If the gentleman had voted "aye," it would not have been necessary to explain.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee to withdraw his amendment?

There was no objection.

Mr. PADGETT. Mr. Chairman, I offer the following amendment as a new paragraph, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. PADGETT: Strike out, on page 53, lines 1 to 25, inclusive, and, on page 54, lines 1 to 15, inclusive, and to insert the following:

For the purpose of further increasing the Naval Establishment of the United States the President of the United States is hereby authorized to undertake prior to July 1, 1922, the construction of the vessels enumerated below:

Ten first-class battleships, carrying as heavy armor and as powerful armament as any vessels of their class, to have the highest practicable speed and greatest desirable radius of action; two of these at a cost, exclusive of armor and armament, not to exceed $21,000,000 each, to be begun as soon as practicable, subject to the limitations herein.

Ten scout cruisers, carrying suitable protection and armament suited to their size and type, to have the highest practicable speed and greatest desirable radius of action; two to cost, exclusive of armor and armament, not to exceed $8,000,000 each, to be begun as soon as practicable, subject to the limitations herein.

And for the purpose of further increasing the Naval Establishment of the United States in accordance with the latest improvements in the construction of ships, and in the armor and armament therefor, the Secretary of the Navy is hereby directed to submit to Congress on the first Monday in December next general description of such additional vessels as may be needed to complete and round out the Navy of the United States. Types and numbers shall be recommended after full consideration and analysis of recent war experience, and particular attention shall be given to aeroplane carriers and any other new types developed during the war or shown to be necessary by the aforesaid war experience.

If at any time before the construction authorized by this act shall have been contracted for there shall have been established with the cooperation of the United States of America any tribunal or tribunals competent to secure peaceful determination of international disputes, and which shall render unnecessary the maintenance of competitive armaments, then and in that case such naval expenditure as may be inconsistent with the engagements made by the establishments of said tribunal or tribunals may be suspended when so ordered by the President of the United States, and no contracts for the construction of vessels herein authorized shall be entered into prior to February 1, 1920.

Mr. SAUNDERS of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SAUNDERS of Virginia. I just wanted to ask if this is the language found in the present bill.

The CHAIRMAN. It is.

Mr. BROWNING. Mr. Chairman, yesterday the chairman of the committee and myself had an agreement that there should be three hours of debate, one hour and a half to be controlled by him and the other hour and a half to be controlled by the gentleman from Pennsylvania [Mr. BUTLER]. Upon the strength of that time for debate I had promised a great deal more than the hour and a half. What I want to know is whether the chairman will agree that we can now have three hours of debate upon this amendment?

Mr. PADGETT. Mr. Chairman, it is true that yesterday before we began the consideration of the bill the gentleman and I had an agreement, as far as we could agree, that if it was agreeable to the House we would debate the matter for three hours, but conditions changed so yesterday that it got out of our hands, and instead of coming along in that way it went before the House. Yesterday there were several hours of debate upon all phases of this matter and two hours' debate to-day; so that I do not feel that the substance of that agreement is in effect now. We have had several hours of debate.

Mr. BROWNING. I want to state that not one of these gentlemen whose names I put down here for this debate has had opportunity to speak upon the matter. The Committee on Rules this morning understood that we were to have those three hours of debate.

Mr. PADGETT. I do not think so.

Mr. BROWNING. And they could not in the time they had, two hours, give these gentlemen time to speak upon it.

Mr. PADGETT. Several members of the Committee on Rules have stated to me that they fixed the very liberal provisions of two hours on the rule, with the expectation that the debate would take place under that and would be cut out of the debate after the adoption of the rule.

Mr. BROWNING. None of the Committee on Rules on this side of the House has informed me of any such arrangement.

Mr. PADGETT. I did not say that it was an arrangement with them. I said that that was their expectation, and several of them have told me so.

Mr. BROWNING. I think we can make better time by dividing it up and having debate upon the amendment.

Mr. PADGETT. Three hours would run us up until nearly half past 6 o'clock. I am willing to agree to an hour of debate.

Mr. FESS. We will finish it up to-day.

Mr. BUTLER. When the gentleman says that he will agree to one hour of debate, does he mean that to be divided between the two sides or one hour on a side?

Mr. PADGETT. I have suggested an hour only, but I want to be liberal.

Mr. BUTLER. The gentleman has no one on his side to speak, has he?

Mr. PADGETT. I do not know. It is likely that I shall have.

Mr. BUTLER. I suggest that the gentleman do not go around begging for them. We do not do that over here.

Mr. PADGETT. I will suggest that we have two hours, with the understanding that we take a vote at the end of the two hours, and the gentleman can have one hour and I shall have one, and if I do not have use for my time I shall be very glad to yield to the gentleman.

Mr. BUTLER. Give us an hour and a half.

Mr. PADGETT. I suggest that we agree upon an hour on a side.

Mr. BROWNING. I would like to have an hour and a half. We can not allot this time under one hour and a half.

Mr. HASTINGS. If the gentleman agrees to an hour and a half on a side, I shall object to the whole business.

Mr. MANN. Mr. Chairman, let me make this suggestion to the gentleman from Tennessee. It is now nearly 3 o'clock. It is very evident that the House will not remain here to transact other business after this bill is disposed of to-day, and it seems to me that we might give three hours of debate to the bill—two hours and a half anyhow.

Mr. PADGETT. I offered to the gentlemen two hours' debate, and I will give them all the time I can, and carry it out in good faith.

Mr. MANN. That would make the House adjourn rather earlier than need be——

Mr. PADGETT. No; it will take some time to take a vote and pass the bill in the House, as there will be, very likely, a roll call in the House, and that will run us up until after 6 o'clock. I will agree with the gentleman on two hours.

Mr. HASTINGS. If the gentleman will yield further, is that on the understanding that at the end of the two hours that all debate on this amendment is then closed and a vote had?

Mr. PADGETT. And all amendments thereto.

Mr. HASTINGS. And we vote on this amendment at the end of two hours?

Mr. BROWNING. I am perfectly willing to accept that, but I want more than an hour's debate.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate upon the pending amendment and all amendments thereto shall close in two hours, one-half of that time to be controlled by himself and one-half by the gentleman from Pennsylvania [Mr. BUTLER]. Is there objection?

Mr. BUTLER. Let the gentleman from New Jersey [Mr. BROWNING] control the time.

Mr. KEARNS. Mr. Chairman, reserving the right to object, does that mean debate will end at 5 o'clock?

The CHAIRMAN. It means that debate will end at the conclusion of the two hours.

Mr. KEARNS. That will be 5 o'clock?

The CHAIRMAN. That means there shall be two hours of debate.

Mr. BROWNING. Will not the chairman of the committee make it two and a half hours? [Cries of "No!"]

Mr. PADGETT. No, I can not——

SEVERAL MEMBERS. Regular order!

The CHAIRMAN. The regular order is demanded.

Mr. PADGETT. Mr. Chairman, I think the gentleman can be taken care of and I am doing the best I can.

Mr. BROWNING. All right.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from Tennessee?

Mr. MOORE of Pennsylvania. Mr. Chairman——

SEVERAL MEMBERS. Regular order!

The CHAIRMAN. Is there objection? [After a pause]. The Chair hears none. The gentleman from Tennessee is recognized for one hour.

Mr. BROWNING. Does the gentleman from Tennessee want me to allot any time? Shall I go on now and use some time?

Mr. PADGETT. If the gentleman will go ahead and use some of his time——

Mr. BROWNING. Mr. Chairman, the chairman of the committee has asked me to use some of my time and I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. LONDON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONDON. Is there any rule of the House which would prevent a repetition of old arguments?

The CHAIRMAN. That is hardly a parliamentary inquiry. The gentleman from Iowa is recognized for 10 minutes.

Mr. TOWNER. Mr. Chairman, I can readily understand how gentlemen who have voted to support the rule may yet reserve their decision regarding this amendment which is proposed until final argument has been made. I am opposed to the adoption of this amendment. Gentlemen of the committee understand, I think, or should by this time, that this amendment which is now proposed is not the amendment of the committee. It is the proposition of the Secretary of the Navy, which has received the indorsement of the President of the United States. I can easily understand how men on both sides of the House might hesitate at this time in refusing any legislation that the President says is necessary. I think, however, that gentlemen should consider the circumstances under which this request is made. We do not know what statements were made by the Secretary of the Navy to the President of the United States when he presented this matter to him. We can not know, because we are refused the knowledge of what the exact terms of the President's dispatch was to the Secretary of the Navy or to the Committee on Naval Affairs. The newspapers say that the President stated that a failure to adopt this program would be fatal to his negotiations, or, as subsequently modified, would be fatal to his undertakings. There is no material difference in the proposition. We ought not to give too much weight to what has been stated as the President's request to the Congress, unless we know what were the propositions that were put up to him. I would like to understand whether the President meant that only the additional and new program was to be considered, or whether he meant that we should carry out the program which has already been adopted. Did the President know that at this time we had seven battleships yet to build? Did the President know that we have five great battle cruisers yet to be built? Did the President know that we had seven scout cruisers yet to be built? Did the President know that we had 51 submarines yet to be built, besides other ships on the existing program? Did the President know when this proposition was placed before him by the Secretary of the Navy that we had, with the present existing facilities, all that we could possibly produce in two years' time? Did the President know that if we adopted any additional program we would have to enlarge the facilities for building these ships and it would take perhaps a year or two of time? Were all of these things known to the President when he said that unless the program was carried out it would be fatal to his negotiations? I judge not. Very easily the President might have supposed that if we should cease carrying out the existing program, if we should stop building battleships already authorized and appropriated for, that it might be considered that the United States had abandoned this very large and existing building program. But we do not know what was in the President's mind when this situation was put before him. I can not believe, Mr. Chairman, that the President is placed in such an embarrassing situation as to claim that a new and almost unheard of proposition of building battleships and battle cruisers and everything else larger than that proposed by any nation in the world should be undertaken at this time as a paper program and an announcement of a policy.

Because, gentlemen, if that be true, it would belie every act and every statement the President of the United States has made since he has been in Europe. The President went there for the purpose of insisting on the reduction of armaments. That was one of his 14 points that he stated time and again he should insist upon. He is now there pleading with England, pleading with France, and with Italy, and with all of the powers represented, that they should agree to a limitation of armament. Can it be possible that he would be so foolish as at the same time to say to his own Nation, "I do not mean this. I want you to go on and adopt the largest building program ever proposed in the history of mankind"? Why, gentlemen, if we should now do what is here proposed, we would say to the world on the invitation of the President of the United States, "The President does not mean it when he asks you to reduce your armament." That would defeat the very object that he has time and time again declared was so dear to him, the security of the reduction of armaments. Can it be possible that we will place the President in this embarrassing situation? Why, gentlemen say and plead with us, "Do not embarrass the President in his negotiations across the sea." And how could we embarrass the President more than to say he is not acting in good faith; he does not propose to reduce but rather to enlarge the armament of the United States. We will insist on you reducing your armies and scuttling your battleships, but we will go on building more. Gentlemen, it seems to me that we are embarrassing the President rather than otherwise. Would it not be wiser for us to say, "We will wait until these negotiations have passed. We will wait until the event is determined." We in the meantime have all we can do under existing authorizations to enlarge our Navy by the use of the existing facilities. We are now building a very large addition to the Navy, such addition as will make it the most powerful navy, next to that of Great Britain, in all the world and equal to any other three nations in the world. Suppose we take the other horn of the dilemma suggested, not very directly but always with indirection, in the debate on the floor of the House, that we must give this power to the President as a club. Let us see what that means. It could mean only one thing. It could only affect one nation. It could only mean that Great Britain shall consent to reduce her navy. If that is insisted upon, we all know Great Britain will never consent. It will mean that the league of nations, which we all desire, will fail. It will mean not only that an agreement for a limitation of armament will fail, but that the whole peace program will fail. Can we be unwise enough to bring about such a result? It is to help the President to secure the future peace of the world rather than to hinder him that this amendment should be defeated. [Applause.]

Mr. BROWNING. Mr. Chairman, I yield to the gentleman from New York [Mr. HICKS].

Mr. HICKS. Mr. Chairman, this item providing for the increase of the Navy has provoked more discussion both in the committee and on the floor of Congress than any other provision of the bill. To me the authorization of another three-year program, small in the number of ships contemplated, and hedged about by provisions for the study of the design and type of the vessels, and withholding their construction until the foreign situation clears, is entirely justified and, in my opinion, in accord with the desire of our people.

No one realizes more fully than do I the enormous burden placed upon our people by the necessity of war. No one appreciates more sincerely than I the noble sacrifice of our countrymen in the time of stress. No one is more anxious to have this Nation return to the ways of peace and have its manhood and its genius once more directed toward the development of the Republic. God speed the day when our boys will lay aside the uniforms they have worn with such honor and glory, and reenter the shop, the field, the office, and all the activities by which this mighty Nation has grown to such unequaled splendor. [Applause.]

Mr. Chairman, much misinformation has surrounded this item, much that has been misleading. It has been stated that this bill appropriates a vast sum for a new program. Such is not the case. Not a dollar of money is provided here for ships not already authorized. We only recommend a policy, a policy that can be changed or terminated at will, and which does not involve a penny. Our taxpayers will not suffer under this item, for no appropriations are made, and if an agreement is reached regarding armaments, no appropriations ever will be made.

This bill provides only for the Navy now in existence or being built under previous authorizations. In the light of the triumph of our Navy in the great conflict, with the deeds of its officers and men forming the brightest pages in our history, who is there who seeks to undermine its greatness or curtail its growth? [Applause.]

The Navy has been, is now, and always will be the first line of defense against the possibility of foreign aggression. It is the medium by which we guard our commerce on the seas, safeguard our rights abroad, and extend the protecting arm of the Government to our citizens and their property in foreign countries. It is the expression of the will and the purpose of the Nation, always ready to preserve the integrity of the Republic and maintain policies which have become part of our free institutions. With the financial and commercial centers of the world within our borders, we should not shackle the Navy or hinder its legitimate expansion.

It should be commensurate in its development with the increase in our population and the growth of our resources, both bringing to us new burdens and larger responsibilities as one of the great powers of the earth. To be effective it must be kept fully abreast of the skill and science of the times, and to accomplish this new ships must be laid down every year, and so I favor this provision in the bill, with the limitations that have been placed upon it.

All sincere advocates of peace hope for the adoption by the Versailles conference of a policy of disarmament. If this is approved, as I hope it will be, we can meet the situation by the cancellation of old contracts and the withholding of new ones. If it fails, then America will be in a position to carry out its own destiny without fear and without favor.

Standing for peace and an earnest advocate of an international covenant for the adjustment of future controversies, I still believe that this Republic should go forward in the fullness of its power and in the sweep of its majesty, undetermined by

the friendship of one nation and undismayed by the enmity of another. [Applause.]

Mr. BROWNING. Mr. Chairman, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, it has been my observation and experience that no good cause is ever permanently aided or advanced by a policy of threat or bluff. It is also my opinion that the carrying of a big stick is neither seemly nor persuasive when one sits in friendly conference for the purpose of securing the benefit of common counsel.

Over yonder at Versailles is assembled the most august tribunal ever gathered among men. Its problem is the most stupendous, intricate, and trying ever presented to any assembly in all recorded time. The only hope of a reasonably favorable and satisfactory outcome of their discussions and negotiations rests upon the maintenance of an attitude of candor, confidence, and good faith on the part of all those who have to do with those discussions.

It may not be considered seemly to hold or express an opinion differing from that of our chief representative—by self-appointment—at that council table, touching the matters to which this amendment relates; but may I not be allowed to suggest that those far removed from the currents of ambition that surge around that council table may be as well positioned to judge as to what becomes and preserves the dignity of the Republic as those who are in the very vortex of those currents of ambition. They know at Versailles, and they need no reminder, of the mighty potential strength of this Republic and the heroic valor of her sons. [Applause.] They know, and all the world knows, that we can build, equip, and maintain, if the necessity arise, a Navy greater than can be maintained by any other nation on earth. And this being true, do we enlarge or increase our influence at the peace table by this announcement of a policy of future expansion of the Navy, couched in language which proclaims its character of bluff and threat?

Mr. Chairman, this proposal does not express the spirit of the American people or the attitude which should characterize America at the peace table, and it is the peace table at which the paper guns of this paper addition to the Navy are aimed. [Applause.]

The provision is not in keeping with the dignity of the Nation. It calls in question our sincerity and good faith. It is altogether gratuitous and premature. It suggests a fear on our part that we shall not have the courage or intelligence to meet future issues, except under the spur of a preliminary announcement.

View the proposal as you will, as a future plan or purpose prematurely announced, as a brazen bluff, or as an ill-advised threat, from any and every possible viewpoint it is in bad taste, lacking in dignity, a blunder which, in view of the interests involved, assumes the proportion of a national crime. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWNING. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Chairman, a few years ago the annual appropriations for the Navy Department aggregated about $150,000,000. This bill, reported after the war with Germany has come to an end, carries about $750,000,000. And if the program that is put on paper is adopted it will cost the Government about $400,000. The annual expenditures that will be necessary on behalf of the Government to keep up the Navy Department, including that program, will be more than $1,000,000,000.

Before starting on this enlarged program we should consider the cost; we ought to know what we are doing. We ought to act, not because one man tells us how to act, but we ought to act, it seems to me, in response to the wishes of the 200,000 men and women that each of us represents. How many Members of this House realize that if we launch into this big program, and the military program must grow with it—how many of us realize that if we are to do this our annual expenditures will never fall below $6,000,000,000? Where is the money to pay the bills to come from? Vote for this program if you think best on the sole demand of the President alone and against the wishes of the taxpayers, but do not complain if these same taxpayers kick you out of office.

We should look the proposition squarely in the face. The friends of this proposition admit it is a bluff. In attempting to deceive others let us be careful lest we deceive only ourselves. Do you think that Great Britain and France do not know that this is a bluff? Why, it sems to me that if America's sentiment were ascertained in this regard, the sentiment of America would be found to be in favor of a league of nations or some plan to enforce peace. They want the President to be successful, to bring that about, but the people of the United States want the President to go to that peace conference with clean hands and impress the nations with which we are allied that America is in earnest in her demand for disarmament and earnestly wants some plan adopted to settle these international difficulties without war, without bloodshed. As an earnest of our good faith, the President should be able to point to the fact that in the United States, in further pursuance of that policy, the American Congress is taking steps to lessen its armament. He should be able to say to those in the conference that the United States will not increase her Navy and America will decrease her Army as rapidly as possible. That we mean what we say when we assert that we are in favor of limiting its armament.

That, I believe, is the sentiment of America to-day; and you gentlemen on that side of the aisle who are following the President on the proposition have but few following you. You will be called upon to give some better excuse to the people you represent for your vote for the amendment than the old excuse that you were following the President.

The people prefer the settlement of these international disputes in a peaceful way. If we are in favor of that program, let us honestly and honorably work to that end. I say the plan is dishonest; it is dishonorable for us to say in France and Great Britain, "We are in favor of a league of nations to settle these disputes; we are in favor of an agreement for disarmament"; but in the United States "We are in favor of a policy to increase our Navy and add to our armament; that we propose to increase our Navy program costing from $150,000,000 at the outbreak of the war to one costing over $1,000,000,000 a year." And we are agreeing to the program even before a peace treaty is signed.

I do not believe we are going to get anywhere with that kind of a policy. I believe that America ought to lay her cards on the table, so that the world can see that we are sincere in our protestations; that we are truly opposed to heavy armaments; that we are opposed to settling these disputes by war.

Mr. Chairman, I never saw, I never heard of a proposition so childish and so foolish as the proposition that is presented here. To think that men like Clemenceau, like Lloyd George, men that are representing friendly powers, can not see through the sham and hypocrisy that we are imposing upon our allies and friends! To me this is inconceivable. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BROWNING. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. BURROUGHS].

The CHAIRMAN. The gentleman from New Hampshire is recognized for 10 minutes.

Mr. BURROUGHS. Mr. Chairman, I am not in any sense of the word a "little-Navy" man. I have for many years believed in a strong Navy, and I publicly advocated that doctrine in my own State long before we engaged in war with Germany. I think we ought to have a Navy big enough and strong enough to protect our thousands of miles of seacoasts on both oceans, as well as our outlying possessions. We ought to have a Navy big enough and strong enough to protect our merchant shipping, which I hope in the near future to see once more carrying our flag as of old into every port and harbor of the world. We ought to have a Navy big enough and strong enough to safeguard all our interests in every quarter of the world.

But I am not going to vote for this appropriation, and I want to see it stricken out of the bill. I am wholly unwilling in the present state of the public finances to vote away some $400,000,000 of the people's money without a sufficient reason for it. Up to date no sufficient reason—in fact, no good reason at all—has been given. Every true friend of the Navy, every true friend of the American people, in my judgment, will under the present circumstances insist that the Navy Department go ahead and complete the construction of ships already authorized, and hurry up about it, rather than come in here now and ask for further authorization of hundreds of millions of dollars to build more ships, the construction of which can not be begun for many years.

Why, as I understand it, they have scarcely yet made a beginning on the program authorized in August, 1916. Nearly three years ago this Congress authorized the construction of 10 first-class battleships, 6 battle cruisers, and 10 scout cruisers, besides a large number of torpedo-boat destroyers, submarines, and other boats. Not one of these ships has yet been constructed. Not one of them is anywhere near completed. As I understand from testimony given at the hearings and from statements made to me by members of the committee, it will be a year and a half at least before any one of these boats already authorized is completed. As I understand the matter, it will be five years at least before this 1916 program is out of the way. Why, then, in the name of common sense, are we

starting in on another program of almost equal magnitude at the present time? For the life of me I can not understand it.

What is this proposition anyway? What are we asked to do? The bill provides for the construction of 10 first-class battleships and 10 scout cruisers, the construction to be undertaken prior to July 1, 1922, but no contracts to be entered into prior to February 1, 1920. The cost of this construction and equipment will be upward of $400,000,000. As I understand it, this involves and amounts to a declaration of policy on the part of this Government in favor of a huge naval expansion, that would, if carried out, put us substantially on an equality with Great Britain as regards naval establishment. As I understand it, this is a complete departure from any naval policy which we have heretofore advocated. As I understand it, it is a substantial, radical, fundamental change in our naval policy as adhered to consistently for more than a generation.

Now, it seems to me only the part of wisdom before embarking on any such ambitious program that we should have some good and sufficient reason for doing it. I have listened attentively to the debate on this bill and, so far as I have had opportunity, I have read diligently the hearings before the committee and the report of the committee, but up to date I must confess I have failed utterly to find any reason that was satisfactory, to my mind, for the action proposed.

To be sure, the President of the United States has sent a cablegram to the Secretary of the Navy in which he is understood to have recommended this appropriation. But the President of the United States did not send this cablegram of his own motion. An effort has apparently been made here to make it appear that the President of the United States is begging us and pleading with us to authorize this new program. Nothing could be further from the fact. So far as we know, he has done nothing of the sort. All we know is that the Secretary of the Navy, for some reason best known to him, saw fit to cable the President at Paris for his views concerning this matter and the President of the United States is understood to have sent back word to the Secretary of the Navy that his views as heretofore expressed were unchanged. The Secretary of the Navy has in confidence sent the President's cablegram to the distinguished chairman of the committee, and the chairman of the committee has in confidence shown the cablegram to the members of the committee and to certain other favored individuals, Members of this House. But the bulk of the membership of the House has not seen the message at all. We do not know a single statement it contains. All we know is that in substance it is said to be a recommendation in favor of this appropriation. We are not told what reasons, if any reasons, are given as a basis for the recommendation.

Now, Mr. Chairman, I am all done voting appropriations in this House simply because the President of the United States says the appropriation is necessary. For months I have sat dom or expediency or necessity of any of these appropriations, running into the millions, and even into the billions, and have asked no questions. If I have had doubt in regard to the wisdom or expediency or necessity of any of these appropriations, I have given the President the benefit of that doubt. Whenever he has said that something was needed I have voted for it. Whenever he has said that some power was needed I have voted to give it to him, and what I say for myself I say also for substantially the whole Republican membership of this House. We have all done the same thing. There has been no politics on this side of the Chamber. Politics was "adjourned," but it was not done on the initiative of the President of the United States. It was done long before he ever suggested it. And more than that, Mr. Chairman, let me say that politics was not reconvened either until the President of the United States spoke the word.

Mr. CALDWELL. Mr. Chairman, will the gentleman yield?

Mr. BURROUGHS. Yes; I yield for a question.

Mr. CALDWELL. Do you think that he should not have the support of this Congress, now that he is over there trying to secure peace?

Mr. BURROUGHS. I say that the President of the United States should have the support of this Congress absolutely.

Mr. CALDWELL. Then why do you not give it?

Mr. BURROUGHS. He should have the support of this Congress, on both sides of the Chamber; but I say to the gentleman, if the President of the United States wants this bill passed in order to have a trump card to play at the peace conference, why does he not tell us so—why does he not say so? [Applause.] If he has got any reasons why he wants this bill passed, he can send a cable message here giving the reasons. But he has not furnished any reasons. We are the people responsible for this legislation, and it is due us to have the reasons given as to why this important legislation should be enacted.

Mr. CALDWELL. Mr. Chairman, will the gentleman——

Mr. BURROUGHS. But up to date no reasons have been given. I decline to yield any more of my time.

Now, I have great respect for the President of the United States and the high office he holds. I admire his great abilities, and no man in this House is more willing to concede that he has great abilities than I am. But I utterly refuse to allow any man holding any position in this country, however exalted it may be, to tell me how to vote. The war is over now and I decline to let any man, even though he may be engaged in the great work of constructing a treaty of peace at Paris, reach under the table and pull a string and make me jump like a common manikin here on the floor of this House. It was bad enough to do that when it was attempted from the other end of the Avenue, but when they try to do it from the French capital, in my judgment, it will not succeed. Certainly it will not succeed so far as I am concerned. The connection is too long.

Mr. WINGO. Will the gentleman yield for a question?

Mr. BURROUGHS. Yes.

Mr. WINGO. Does the gentleman intimate that the President is responsible for the jumping that has been going on since this bill has been reported? Has he been pulling some strings?

Mr. BURROUGHS. I do not know to what the gentleman alludes.

Mr. WINGO. I refer to the jumping and the denunciation of him that has taken place since he gave his frank opinion in reference to this matter.

Mr. BURROUGHS. There has been no jumping, so far as I am aware, and if I have my way about it there will be no jumping in this Congress. So far as my vote is concerned, I propose to stand on my constitutional rights here as a Member of this House, and I propose to have reasons given before I vote for any measure of legislation or appropriate one dollar of the people's money.

Neither is it very satisfying to my mind to have the committee tell us, as they do tell us in their report, that we should have an "adequate" Navy. That is simply begging the whole question. We all want an adequate Navy. But what is an adequate Navy? As I look at it, Mr. Chairman, this question of military and naval defense is simply a question of sensible and reasonable adjustment of a Nation to its environment. It is a question of fact for each nation to determine for itself under the circumstances. We get no information whatever as the basis for our action here by the simple statement that we should have an "adequate" Navy.

Every Member of this House wants an adequate Navy, but before that even we want adequate reasons for voting away the people's money.

That is true at all times, but especially, Mr. Chairman, is it true in the present state of the public finances. Here we are now with a bonded debt of $16,000,000,000 and a floating debt of from four to five billions more. At this moment we are facing a bond issue of five or six billions and the possibility of still another one later in the year. I sat here in my seat last Saturday and voted for a huge tax levy of $6,000,000,000, an amount greater, as I understand it, than was ever carried before in any similar legislation in the history of the world. I confess that I hesitated for some time before I voted for that bill. Why did I hesitate? Because I knew the tremendous burden it was imposing upon the men and women and children and all the productive activities of this country—a burden under which many of them will inevitably stagger and groan, and quite possibly some of them go down in bankruptcy and ruin. I knew the inequalities and inequities in the bill, many of which I had sought in one way or other to correct. But I knew also that the debts we had contracted and the debts we were contracting from day to day we must pay. We had fought the war to a victorious conclusion. We had done our part and done it well, and now we must pay the bills. Under the circumstances there did not seem to be anything else to do than to vote the taxes, distasteful and obnoxious as they were.

I understand that in a few days we will be called upon to vote an appropriation of approximately a billion dollars to make up the guaranteed price of wheat to the farmers. I understand that within a few days we shall be called upon to vote perhaps $75,000,000 for a public-buildings bill. Then there is the great Mississippi River project, calling for three or four hundred million dollars, and Secretary Lane's project of land for soldiers, calling for $500,000,000. We just voted in the revenue bill for a $60 bonus for all the soldiers discharged from the service, and that involves two or three hundred million more. I do not criticize this appropriation. To my mind it is little enough. My own State of New Hampshire, through its legislature, has recommended that this appropriation be not less than $200 per man. Then we will be asked to vote $200,000,000

for good roads, a measure which has already passed the other body in this Congress.

Besides, Mr. Chairman, there is still a great army of our boys in Europe. Thousands of our men are way up in northern Russia fighting and being killed for some cause. I hope it is a good one, but I do not know what it is and I do not know who does know. I know one thing, Mr. Chairman, and that is that the people of this country, in my opinion, are entitled to know why these boys are fighting and being killed away up in northern Russia. All these men we must feed and clothe and take care of until we can at last get them home again.

What harm is going to be done if we strike out this appropriation? Under the terms of the bill as I read it we can not begin the construction of these ships anyway before February 1, 1920. That is substantially a year from this date. Why not go ahead and complete the program already under way before embarking upon a new program of such huge proportions? Why should we in the present state of the public finances, and with the whole country staggering under the burden of taxation already imposed, go on here day after day making these needless and wasteful expenditures? What sensible reason can we give to our constituents for voting for this appropriation? Other gentlemen may be able to think of some such reason. I am frank to confess that I can not.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PADGETT. I yield five minutes to the gentleman from Texas [Mr. BLACK]. [Applause.]

Mr. BLACK. Mr. Chairman, in August, 1916, Congress adopted a three-year construction program for the Navy. Ships included in that program were: Ten first-class battleships, 6 battle cruisers, 10 scout cruisers, 50 torpedo-boat destroyers, 9 fleet submarines, 58 coast submarines, and other craft of miscellaneous types. Some of that construction has been completed and much of it has not been. A great deal of it yet remains to be built. The three-year program was a new departure. Prior to that time Congress had pursued the policy of dealing with needed construction from year to year, expanding the Navy from time to time as the needs seemed to require. I am not prepared to question the wisdom of that policy, but in 1916 world conditions as to naval affairs had taken on a new and threatening aspect, especially in so far as the United States was concerned. These new conditions were the justification for the three-year building program.

On May 31, 1916, what was perhaps the greatest naval battle in all history was fought between the German Navy under the command of Admirals Hipper and Scheer and the British grand fleet under Admirals Jellicoe and Beatty. It was the Battle of Jutland. The Kaiser in his usual bragging manner had hailed it as a great German victory, and had congratulated his navy and had exhorted them to "Forward" with God. There was a school holiday throughout the Empire to celebrate the widely heralded victory. The British did not seem to be clear in their own minds just what appraisement to put upon the results of the engagement. They knew this comforting fact, however, that with the coming up of the full force of their grand fleet the Germans had retired from the engagement and had declined to make of it a fight to the finish.

On account of the secrecy which had surrounded the damage which had been done to the German fleet, and the further fact that the Kaiser had boasted of it as a great victory, our own naval authorities were no doubt in somewhat of an unsettled state of mind. In fact, a feeling of apprehension as to the supremacy of the British fleet was felt to some extent almost everywhere, and undoubtedly it was felt in the United States. Gradually the differences which had been growing up between the Imperial German Government and the United States of America since the sinking of the *Lusitania* were becoming more and more acute, and it was almost everywhere felt that if the Kaiser and his military party should win the war, then instead of Britannia ruling the waves Germany would rule them, and the standard of the Prussian Eagle would supplant those of the British Lion upon the high seas. After this then would inevitably come a conflict between the United States and Germany, because the Kaiser had declared to Mr. Gerard, so we are told, that after this war was over that he would take no foolishness from the United States. So it was in the midst of the logic of these events that the three-year program of 1916 was adopted. I find no quarrel with the three-year program. But events since then have assumed an entirely new aspect. Instead of the Battle of Jutland having been a great victory for the German fleet, we have it on the authority of the eminent German critic, Capt. Persius, that if it had not been for the skillful leadership and maneuvering of Admiral Scheer, coupled with the mist and darkness that prevailed, the entire German fleet would have been annihilated.

But, better than that, since then the gallant armies under Marshal Foch have brought the war to a triumphant close, and the "boast of heraldry and the pomp of power" of the supreme war lord of Prussia has been utterly crushed, and Count Hohenzollern is now spending his melancholy days in Holland, with none so poor to do him reverence. The democracies of the world have again demonstrated the fact, which history has emphasized through a period of 6,000 years, that the world never has and never will for long submit to the conquering heel of tyrant. And now that the "shouting and the tumult dies and the captains and the kings depart," and the statesmen of the world gather to prepare for peace, we have the amazing proposition laid before us that the greatest democracy of them all, the United States of America, shall enter upon, so far as I know, the first ambitious after the war program for an increase in armaments. I am perfectly well aware that there is coupled with the provision authorizing the new three-year program another provision which authorizes the President, under certain conditions, to suspend construction of it. But why enter upon a policy of this kind at this time at all? The whole world is staggering under the most tremendous burden of national debts that have been piled up since the dawn of time. Even in the United States of America it looks as if we will have a national indebtedness of at least $25,000,000,000. It is time that the Congress of the United States call a halt and take stock of the future.

Many thoughtful minds are alarmed at the unrest which prevails in the world to-day. And well may we give careful, sober thought to the grave domestic problems which are ahead of every nation in the world. The quicker we can return to normal domestic conditions, the easier these problems will be to solve. But they will be difficult and the processes slow at best. How can business and industry get back to normal conditions if all the money the people make is to be taken in taxation and bonds to maintain military and naval establishments and competitive armaments?

Secretary of the Navy Daniels in his annual report of 1918, speaking of this very proposed three-year program which we are now to vote upon, said: "Including the $600,000,000 for which authorization is requested in the new three-year program, the total estimates of the department for ship construction, including armor and armament, amount this year to $972,090,000. The total amount recommended for appropriation next year for ship construction, that is for completing vessels already authorized and for new vessels, is $572,090,000. Also, Secretary Daniels, in speaking of the 1916 three-year program, said:

> That seemed a very large expansion and involved an appropriation bigger than anybody had before proposed; but in the light of war expenditures the sum does not appear so huge as when Congress made the appropriation for the three-year program.

Very true, Mr. Secretary. We have been voting such stupendous sums within the last 18 months that a mere $600,000,000 seems a bagatelle, but it must be remembered that these huge sums have been voted under pressure of war necessity; under a sense of compelling duty. Many millions were voted and spent which, now that the armistice has been signed, can be of no useful purpose. But we had no way of knowing that, because we did not know when the war would come to an end, and therefore it was the part of patriotism and wisdom to prosecute it with every possible vigor. I am glad we did that. But now conditions have changed. The "war drum sounds no longer, and it is hoped the battle flag will soon be furled," and it becomes the duty of Congress to look into these appropriations with more discriminating attention. The people have a right to expect it of us, and we are derelict to our duty if we do not do it.

CONCLUSION.

I have always believed in and advocated a strong naval force and one which would be entirely sufficient to defend our coasts and our commerce on the high seas against any danger reasonably to be apprehended. I do not know what will be the fruits of the world peace conference which is now assembled at Versailles. No one knows. Its achievements are yet in the womb of time. It is to be hoped that its deliberations and its conclusions will bring about a better feeling and understanding among the nations of the world and that the peoples everywhere may catch a vision of peace and good will the like of which they have never seen before. I grant you that these hopes may be dashed to earth and many of our dreams may be shattered, and after its deliberations are concluded we may find it necessary to adopt the policy of building "incomparably" the greatest navy in the world, with all the financial burdens that policy will impose. Perhaps so. If so, then I am willing to do it. But surely it will be soon enough for the Congress of the

United States to adopt that policy when the peace deliberations have been concluded and their results are before us. Until then let us hope that a way will be found to stop the mad race for armaments among the nations of the world and that some kind of a court of arbitration with fixed powers and jurisdiction will be established to which nations may at least have the right to submit their differences and disputes, and that its efforts at mediation and conciliation will have the encouragement and support not by one power merely or by a single group of powers, but by all the world powers, working in harmony for the preservation and integrity of civilization. Then may the vision of Dumas be realized, when great armies shall vie for supremacy in acts of true charity and benevolence, their war cry being, "The Fatherhood of God and the brotherhood of man." [Applause.]

Mr. PADGETT. I yield five minutes to the gentleman from California [Mr. LEA].

Mr. LEA of California. Mr. Chairman, to-day we are asked to adopt a program that would make ours the greatest Navy in the world. This involves two propositions of fundamental, monumental importance. One is a great national policy and the other is a burden of debt that will rest upon the taxpayers and upon business in this country for a time of which no man knows the end. I am opposed to this program. I am opposed to it primarily for three reasons. The first is that of the 1916 program over $700,000,000 is unexpended, and that is sufficient to provide all the construction that should be necessary or desirable for three years to come.

In the second place, I am opposed to the adoption of this program because I believe this is an unhappy time, while our envoys are gathering around the peace table seeking to reach an agreement based on a common understanding, representing the heart's desire of the people of the world for permanent peace, for us to propose to build the greatest fighting machine in the world. [Applause.]

And in the third place, I am opposed to this program for the reason that if our security is not amply provided in the treaty of peace, there will be abundant time to provide this program, or whatever program may be necessary, after the treaty of peace has shown the necessity. In other words, to summarize my position, I believe this program is unbusinesslike, undiplomatic, premature, and imposes an unnecessary burden on the people of the Nation.

Let us consider the circumstances under which the suggestion is made to adopt the program. In 1916 we adopted a three-year program for naval expenditure of over $800,000,000. Over $700,000,000 of that program is unexpended to-day. It is an abundant program to keep us busy for three years to come. During the war we expended over $500,000,000 in addition to the three-year program, and now before we have completed one-quarter of the three-year program it is proposed to add four hundred million more.

The size of Navy required to properly defend our country is a relative matter. It depends upon the relative strength of the navies against which prudence requires us to be prepared. To-day, as always heretofore during our national life, England unquestionably has the strongest of all navies. During the war we largely increased our relative strength as compared with England's Navy. We have outdistanced every other navy in the world. The German Navy, which was our chief menace, has been destroyed. To-day no other power on earth has a navy comparable to ours in strength or effectiveness. No other nation now proposes a navy to approach our relative strength or endanger our security.

No one will assert that we should build the biggest of all navies with the expectation that some day we will contend with the British Empire for the physical supremacy of the sea. It is unthinkable that we should ever contemplate a war with that nation to whom we are bound by ties of kinship and race and from which we inherited our law, our language, our ideals, and our Christian faith.

Neither is the example of England one for our imitation. The British Empire equals four times our population and three times our area. It includes 70 countries and groups of islands located on every sea, populated by every nation, race, and tribe, exposed to attack from every direction, her homeland a small island, whose people are dependent upon the ships of her merchant fleet to bring 75 per cent of the food to sustain life. No fancy of imagination can compare our necessity of a big Navy to that of England. There has not been a time for 30 years when England could have preserved the integrity of her Empire for a single decade without the supremacy of her navy over that of Germany. England has and ought to have the greatest navy in the world.

It is easy to say, "I do not want my country to play second fiddle to any nation." It would be just as sensible to say, "I want the biggest of navies, whether we need it or not." The difference between England's biggest navy and ours is that she needs it and we do not. I want to build a navy as big as our necessity, not to gratify our vanity, but to serve our needs.

To-day the representatives of our Government are gathered around the table in Europe, seeking to agree on the terms of a just and enduring peace. I find no fault with our President in representing us there in a foreign land. Say what you will, it is the judgment of the American people that they would rather the lips of our President should speak for them at that table than the lips of any other living man.

Our representatives are meeting with our allies, the small nations, the neutrals, and even with those who were lately our enemies, seeking to unite in a league of nations founded on good faith and common purpose, in the hope of preserving the peace of the world. Negotiations thus far advanced have inspired the high hopes of the people of the earth.

Now it is proposed that the purposes of the United States at the peace table will be subserved by the declaration of this Congress in favor of the biggest navy in the world and in adopting plans to that end. In my judgment, such a program by the United States at this time is indefensible. To advance this program while we are meeting the nations of the world in a peace conference puts us in the position of making a threatening move for our pistol pocket. It is neither wise nor desirable that the action of the nations at the peace table should be influenced by threats or coercion.

We are negotiating for peace which we discount in advance by preparing for its failure. This program is the alternative of success at the peace table. We discount our peace prospect and impeach our motives in the middle of negotiations by providing for their failure.

Our hope for a just and enduring peace and cooperation of the nations must rest upon a common understanding voluntarily reached and actuated by the heart desire of the people of a stricken world. An unwilling agreement would be doomed to failure from the beginning.

This program involves a great question of national policy. It involves placing a great burden upon our taxpayers and the business of the Nation for years to come. It should never be adopted until the necessity for it is reasonably shown to exist. I can never lend myself to placing that policy and that burden upon our country until it has the approval of my own mind and my own conscience.

From the standpoint of those who advocate this extension of our Navy, the necessity for it depends on whether or not partial disarmament is agreed on at the peace conference. Will the peace treaty leave us competitive armaments or partial disarmament? No one knows.

Admitting that the necessity for this program is not now known to exist, those who favor it fail to make their case unless they can show that after the treaty of peace will be too late for its adoption. That they can not do. The $700,000,000 uncompleted construction under the program already adopted will fully cover all possible construction until peace is reached and we can exercise our discretion with full knowledge of the facts in determining our future policy.

We are asked to adopt a program before the necessity for it has been determined. The difference between adopting this program now and at some later date, when the necessity for it is shown, if at all, is the difference between acting without knowledge now or with knowledge at a later date.

Mr. SHERWOOD. Mr. Chairman, this is one of the most important matters that has come before Congress. I have been here, modestly quiet, for 15 years, and I make the point of no quorum.

Mr. PADGETT. I hope the gentleman will not make that point now.

Mr. MOORE of Pennsylvania. If the gentleman withdraws it, I shall renew it. There is too much suppression of discussion in this House on one of the most momentous bills ever considered by it.

The CHAIRMAN. The gentleman from Ohio makes the point that no quorum is present. Evidently there is no quorum, and the Clerk will call the roll.

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

Anthony	Clark, Fla.	Dent	Fairchild, G. W.
Bankhead	Classon	Denton	Ferris
Barkley	Collier	Dies	Flood
Bland, Ind.	Cooper, Ohio	Dill	Flynn
Booher	Copley	Dooling	Francis
Borland	Costello	Drukker	Gallivan
Brumbaugh	Cox	Elliott	Goodall
Burnett	Crago	Elston	Graham, Ill.
Caldwell	Dale	Esch	Graham, Pa.
Cantrill	Decker	Estopinal	Gray, N. J.
Carlin	Delaney	Fairchild, B. L.	Greene, Vt.

Gregg	Lunn	Ramseyer	Smith, C. B.
Griffin	McCormick	Randall	Smith, T. F.
Hamill	McKenzie	Reed	Snook
Hamilton, N. Y.	McKinley	Riordan	Snyder
Harrison, Va.	McLaughlin, Pa.	Roberts	Stevenson
Haskell	Mansfield	Robinson	Strong
Haugen	Mason	Rodenberg	Sullivan
Heaton	Miller, Minn.	Rowe	Swift
Heintz	Moores, Ind.	Rowland	Taylor, Ark.
Helm	Mudd	Rucker	Templeton
Helvering	Nolan	Russell	Tilson
Hensley	Norton	Sabath	Treadway
Howard	Olney	Sanders, La.	Waldow
Kahn	O'Shaunessy	Sanford	Walker
Kennedy, R. I.	Overmyer	Sears	Ward
Key, Ohio	Overstreet	Sells	Watson, Pa.
Kiess, Pa.	Park	Shackleford	Webb
La Follette	Parker, N. J.	Sherley	White, Me.
LaGuardia	Platt	Shouse	White, Ohio
Langley	Polk	Siegel	Wilson, Ill.
Lehlbach	Porter	Sims	Woods, Iowa
Longworth	Pratt	Slemp	
Lundeen	Price	Sloan	

The committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15529, the naval appropriation bill, and, finding itself without a quorum, he had caused the roll to be called, when 295 Members, a quorum, answered to their names, and he handed in the names of the absentees to be recorded in the Journal.

The committee resumed its sitting.

Mr. PADGETT. Mr. Chairman, in view of the request for a quorum, may I ask the gentlemen to remain here and maintain a quorum so that we can pass this bill by 6 o'clock? I yield five minutes to the gentleman from Oklahoma [Mr. CARTER].

Mr. CARTER of Oklahoma. I want it understood I did not make this point of no quorum. I am not so enamored of my knowledge on this subject that I would feel justified in making a point of no quorum in order to get an audience.

Gentlemen complain about the meager information they have as to the necessity for carrying out the program set forth by the amendment under consideration. Many of them have gone to the extent of saying they would not vote for this measure because they had not some inside information which seems to have been furnished the Committee on Naval Affairs. I confess myself some embarrassment in casting my vote without being more fully advised as to all the facts, for my information on this subject reminds me very much of how a magazine editor expressed himself to me some years ago in this city. I was introduced to him as an Indian, and he said, "Are you a regular Indian?" I told him I tried to be fairly regular. "What I mean is," said the journalist, "did you get your name put on one of these rolls and draw lands and money?" I said, "I have my name on the tribal rolls of the Choctaw-Chickasaw Tribes, and I hope sometime in the dim, distant future, through the meshes of the red tape of our Indian Bureau, to draw my proportionate share of land and money belonging to that tribe." He then retorted, "Mr. Carter, I am doubly glad to meet you. I have written a great deal on the Indian question. I have just finished an article on 'The habits and characteristics of the American Indian as viewed at close range,' and you are the first dad-burned Indian I ever shook hands with in my life." [Laughter.]

My position on this occasion is a fortunate one, for I can vote on either side of this question with perfect consistency, because my vote on naval construction in the past has ranged from the highest program proposed to the very lowest, as I thought the occasion demanded.

I confess I do not know just exactly what the occasion demands here. No one in this House knows what the exigencies demand. Nay, no one on this side of the Atlantic Ocean can say that the naval program proposed by this amendment is not necessary to our future peace and welfare.

I do know this: We have just emerged from a most horrible war, a war which cost us in the blood of American manhood the lives of more than 100,000 American boys, some thirty-odd thousand killed in line of battle and more than 70,000 dying in the camps. In addition to this we had nearly 200,000 wounded American soldiers. We can all agree that one of the principal things for which they fought was to make the future peace of the entire world safe. Moreover, we know that there is now in progress near the city of Paris a peace conference, and that each of our allies has its accredited delegates there, among them being our American representatives. The President of this great Republic, the head of our delegation in this great peace conference, is urging to his uttermost the necessity for a league of nations which may prevent future wars. In the midst of these negotiations he has cabled to the authorities here the urgent necessity for carrying out the program set forth by this amendment.

The question as to whether we agree with Mr. Wilson on internal problems is not at issue. It is not a question with us whether our representative at the peace conference be Democrat or Republican. It is not a question whether it is Mr. Wilson, Mr. Taft, or some other leader of a great political organization who now represents us at the peace conference. Whether we agree or disagree with him on American politics and public questions should not influence our views to the extent of prejudicing our vote on the subject of a league of nations and world peace.

It is enough for us to know that he is an American, the accredited representative of 100,000,000 American people, and that he is representing what he believes to be their views, and, with reference to the league of nations, what I believe to be the views of the American people.

Therefore, as representatives of these same people, our duty is to uphold and sustain him, at least until this conference is over and it is determined whether or not the permanent peace proposed by the league of nations may be possible.

Some of you gentlemen on the Republican side complain about spending these sums of money in support of the American Navy at this time, and yet the chairman of the Committee on Naval Affairs tells us that this is only about one-half the program that was proposed by the bill of 1916.

Yet, again, you same gentlemen on that side of the aisle did not hesitate to join us in voting some forty or fifty billions of dollars of credit for this war, more than $30,000,000,000 of which will have already been spent before the end of this fiscal year. In the fullness of your patriotism you did not hesitate to assist in furnishing for this war all the soldiers and sailors necessary to battle in defense of liberty, a permanent peace, and other American ideals. Shall we hesitate now with the goal of our ambition so near at hand?

What does the amendment under consideration provide? Does it make any appropriation from the people's Treasury? Not one red cent, and there is not a Member of this House but that knows this fact well and good. Ah, but you say, while it does not provide an appropriation it provides an authorization—a naval program which, according to the statement of the gentleman in charge of this bill, must cost some $412,000,000. Let us see about that. The second paragraph, beginning on page 1, line 7, says:

For the purpose of further increasing the Naval Establishment of the United States, the President of the United States is hereby authorized to undertake prior to July 1, 1922, the construction of the vessels enumerated below:

The last paragraph of the amendment further provides:

If, at any time before the construction authorized by this act shall have been contracted for, there shall have been established with the cooperation of the United States of America any tribunal or tribunals competent to secure peaceful determination of international disputes, and which shall render unnecessary the maintenance of competitive armaments, then and in that case such naval expenditure as may be inconsistent with the engagements made by the establishments of said tribunal or tribunals may be suspended when so ordered by the President of the United States, and no contracts for the construction of vessels herein authorized shall be entered into prior to February 1, 1920.

So, if a league of nations is provided by the peace conference at Versailles, then it will doubtless mean that not one dollar of the program proposed by this amendment shall be necessary, and this matter will certainly be determined before the time for beginning the program, as set forth in the amendment, rolls around.

But some of the opponents to this amendment have told us they did not believe in a league of nations. One gentleman has gone so far as to say that he has no sympathy with a "league of nations"; that it is a Utopian dream; that it proposes a short cut to the millennium; that it is visionary and impossible. I am not here to argue with that gentleman.

No precedent can be furnished in this world's history in substantiation or refutation of his statement. Therefore, I assert, that his asseveration that a permanent peace is impossible is, to say the most of it, equally visionary with the statement of our peace delegates that "the league of nations may give unto the world a permanent peace." We do not know, nor do the gentlemen on the other side of this question know, whether or not a plan can be worked out that will give us a permanent world peace, but we do know that it is worth a trial of our best efforts. We do know that it is a noble principle to which we might well aspire. We do know from a strictly financial and economical standpoint that the expenditure of these $412,000,000 even as an adventure would be preferable to the expenditure of some forty or fifty billions of dollars, as was the case in the recent conflict. We do know that our noble boys who went forth in defense of our liberty, and their splendid mothers, expect that we shall do everything within our power to insure the future peace of the world. We do know that the

souls of those 100,000 American martyrs who died in camps and were slain upon the fields of France will stamp with approval all efforts on behalf of any of our people to prevent any such future sacrifices. I believe our President is doing his duty as he is given light to see it, and in this crisis I for one shall not take the responsibility of embarrassing any effort on the part of our peace delegates that may have for its object the prevention of a holocaust such as that through which the world has just passed.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PADGETT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LUNN].

Mr. LUNN. Mr. Chairman, to my mind no measure of statesmanship can be permanently advanced by a policy of deception. Some have demanded that the cards shall be laid on the table, and, as I view the situation, the cards are on the table. There was a distinct policy established in 1916, and we are deliberating now as to whether that policy shall be indorsed and continued. There is another policy that we hope may be established throughout the world, which will modify our national program. Until that world policy is established, what should we do other than continue along the line of the policy already laid down? This program does not call for an appropriation of $412,000,000, although that is the amount that will be expended unless we can, through President Wilson at the peace conference, establish a new world policy—what he has termed a policy of moral force in the world, a policy of right and justice organized into a league of nations. The President has coined phrases which some people repeat with critical accent. They think there is no power in a phrase. But there is tremendous power in a phrase.

When he speaks of "the partnership of right," he speaks a phrase that reaches the heart of the great masses of men, whether it reaches the statesmen of the different nations or not. When he speaks of moral force to preserve the peace of the world, he is speaking in the language of the new day, the day that must come unless the world is forced back into the darkness in which we found ourselves during this terrible war. Preparedness is a word I have heard from gentlemen on the left as well as from gentlemen on the right, and this is simply carrying out the policy of preparedness which must be carried out unless the new world policy can be established. We hope and pray for that new day. We all hope and pray that "the partnership of right" may be written into the laws of nations. We work for the day when moral force shall exert its rightful sway. The masses of Europe have gladly acclaimed our President. They have even hungered to look upon this statesman, not alone because of the man himself but because of the principles for which he stands and because they believe he incarnates in his every fiber those principles which are necessary for the peace of the world.

There has been petulant criticism made on the floor of this House because of the character of entertainment given the President. Demagogic reference has been made to the gold plate and luxurious surroundings of America's guest. Courtesy demanded the uncritical acceptance of whatever kind of hospitality accorded him, and surely no one would desire the representative of America be anything else than courteous. But even amid the splendor of regal entertainment he did not forget the heartbeat of the plain people. He said:

> My heart goes out to the little poor families all over this great kingdom who stood the brunt and the strain of the war and gave their men gladly to make other men free and other women and other children free. These are the people and many like them to whom, after all, we owe the glory of this great achievement, and I want to join with you, for I am sure of joining with you, in expressing my profound sympathy not only, but my very profound admiration as well.

He also has realized and clearly stated that the opinions of mankind are fundamentally and ultimately created by the great working masses of the world. In Milan, Italy, he stated:

> I am as keenly aware, I believe, sir, as anybody can be that the social structure rests upon the great working classes of the world, and that those working classes in several countries of the world have, by their consciousness of community of interest, by their consciousness of community of spirit, done perhaps more than any other influence has to establish a world opinion which is not of a nation, which is not of a continent, but is the opinion, one might say, of mankind; and I am aware, sir, that those of us now charged with the very great and serious responsibility of concluding peace must think, act, and confer, in the presence of this opinion, that we are not masters of the fortunes of any nation, but are the servants of mankind; that it is not our privilege to follow special interests, but it is our manifest duty to study only the general interest.

In the various cities where the President has spoken he has confined himself to the great undying principles of right and justice. He has, in a most masterful fashion, interpreted the sentiments of those people by advocating principles which appeal to all people, regardless of race, color, or clime.

When surging multitudes crowded the streets to give welcome to President Wilson as the representative of this great Republic, he was not unmindful that from the heart of that mass came the cry that war might be no more. Noble they had been in making heroic sacrifice, but they were wearied with the welter of blood. Their backs were bending under the burdens incident to the terrible conflict. What wonder is it, therefore, that their enthusiasm knew no bounds as they gave welcome to the great American who stood unswervingly for the principles of a league of nations by which to organize the friendship of the world!

To some minds this is scouted as a mere ideal and denounced in a spirit that seems to argue that ideals are powerless; but ideals, my friends, are the beacon lights of progress. Out of the darkness of the past we advance by the radiance of their light. Ideals are the inspiration of effort. The course of history tends toward the realization of ideals.

We have arrived at that period when millions of men and women throughout the world believe that the great principles of a league of nations, the inspiring ideals of the fellowship of peoples, can be translated into practice by the agreements of international law. It constitutes the new policy which the world must adopt unless civilization is again to be darkened by the clouds of human combat. I admit that the President is an idealist. Thank God for that. But he is also practical; too practical, in fact, to suit his political enemies. His ideal at the present time is the world's ideal expressing the secret hope of the human heart, and he seeks, with all the power at his command, to translate that world ideal into practical international law. Is there a man who does not hope and pray that he may succeed? If he does succeed, then away with the old policy of armament; away with the great naval program; away with everything that smacks of war beyond that necessary to maintain the very principles that would be agreed upon by the league of nations.

We are confronted, therefore, by two policies: A national policy of preparedness, continuing and extending the naval program first adopted by the Democratic Congress in 1916; but in agreeing to continue this program we are doing so with the hope that it will be unnecessary, and with the provision distinctly made that if the league of nations can be formed then our great naval program can be reduced. Surely you gentlemen can ill afford to oppose the continuation of the naval policies begun in 1916; but there is evidently opposition to the extent of 148 votes. The great majority of this opposition is on the Republican side, but there is some on the Democratic side. I do not question the sincerity of these Members. I do not for a moment doubt but that they have come to their conclusion according to their best judgment. Personally I can not see any reason for opposing this program except on the basis that there must be a cessation of the building of armament through the formation of a league of nations; and if that be so, why this carping criticism; why these press dispatches sent overseas which, when read by the people of Europe, would make them think that the people of America were not back of the President in his noble ambition to organize a league of nations?

Reactionaries may rant, but you know and I know that the great mass of Americans, the multitudes that constitute our working classes, who bear the brunt of war, are back of the President's ideals and ideas, and for that reason they must eventually triumph. I for one believe they are going to triumph now, and if the President comes back having accomplished that for which he went, we can not but all rejoice that we had at the head of this mighty Nation one of the most astute statesmen, one of the great seers, one of the noblest prophets, who is able to see and phrase those ideals so that they become intelligible and acceptable to the statesmen of Europe. [Applause.]

In adopting this program we are not doing so as a threat, but acting in accordance with conditions as they now exist and coupling our actions with an appeal to the nations of Europe that they may soon come to an agreement regarding a league of nations so as to rid us of the necessity of carrying out this policy. No one who is humanly alive to the great wave of moral force throughout the world can fail to realize that opposition to that force will bring deserved disgrace. The heart of America beats true to the ideals which the President seeks to incorporate into definite law. The soul of our people is not a stranger to the cry for world peace. In the words of the President, expressed at Manchester:

> There is a great voice of humanity abroad in the world just now which he who can not hear is deaf. There is a great compulsion of the common conscience now in existence which, if any statesman resist, will gain for him the most unenviable eminence in history. We are not obeying the mandate of parties or of politics. We are obeying the mandate of humanity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUNN. May I ask unanimous consent to extend and revise my remarks?

The CHAIRMAN. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none.

Mr. BROWNING. Mr. Chairman, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON]. [Applause.]

Mr. JOHNSON of South Dakota. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota? [After a pause.] The Chair hears none.

Mr. JOHNSON of South Dakota. Mr. Chairman, I should be very glad to vote for the naval bill now under discussion and for the appropriation of $750,000,000 if any Member of this House could present a bona fide reason for its passage at this time, or if anyone could convince me that it is necessary to enact a law for a building program to commence in 1920. Until that is done I must refuse to vote for a measure which will commit the United States to an expenditure of $750,000,000.

The most potent reason that has been advanced for the passage of this law is the slight insinuation whispered from mouth to mouth that because of some international crisis, which no one but the President of the United States understands or is able to comprehend, we should commit ourselves to this program. In my opinion, it is about time that Members of Congress enacted a new declaration of independence, so far as their votes are concerned, and demand that all of the facts be given to them before legislation involving the expenditure of millions of dollars is enacted.

Personally I shall refuse to be led around by the nose by any man, whether he be the President of the United States, the president of the league of nations, or the president of anything else. I say this after having been in favor of appropriations for a large Navy, when the men now supporting this measure were its enemies. Anyone who desires to turn to page 9189 of the CONGRESSIONAL RECORD for June 2, 1916, will find that when the country was in imminent danger and the President knew we were going to enter the war and when we needed appropriations for a Navy I was supporting the naval bill, while the President and the administration and men now supporting this measure were opposed to it, and I should be glad to have anyone show me any consistency in opposing a measure for an increased Navy in 1916 and before we had entered the world's war, but could see it before us, and in supporting this measure. [Applause.]

It is inconceivable to me that the very men who opposed every expenditure for an increased Army and Navy when the United States was in danger are now so busily engaged in advocating the greatest Navy in the world. Their action indicates that their attitude is not taken on the merits of the case, but that there must be some ulterior motive. I say this with no desire to criticize the President of the United States, who was my commanding officer for one year, and for whom I rendered the best service in my power, as did every other man in the service. Many of us have not criticized him for desiring to go to foreign lands, but have wished him Godspeed in his trip, and express the best wishes for his success, as we know that the accident of fate has perhaps joined his success to the success of our Government. Those of us who have disagreed with him politically have naturally felt at times that there must be men of other political faiths than his who could render more service to the country than he has allowed them to render, and that men of our parties might be informed of contemplated action which affected us. We should perhaps have been allowed to do more than to enlist in the Army and pay the bills, because I think that men of all parties in the United States have been actuated by honest and patriotic motives. I have personally never even objected to the action of the President that we should not be elected to Congress on the ground that we are not patriotic citizens, although most of us must confess that we could not follow the line of reasoning which was advanced. [Applause.] His reasoning in that case is, however, as easy to follow as it is in this one.

It is apparent to me that there is a "nigger in the woodpile" somewhere, and that we are engaged in a game of monumental bluff, not a bluff against Switzerland or Serbia, but against one of our allies, and one with whom we are not in the slightest danger of war. It is disgusting to hear men continually speak of a disagreement between American and English soldiers. None who fought with them intimate such a thing, but it comes only from those who never fought. I believe that if we pass this measure in its present form we will find the President returning home with the argument that Congress was determined upon the enactment of a great building program, but that through his sagacity and skillful negotiations he has secured the reduction of armament and accomplished the things which the exponents of peace have so long desired. He will get you to vote for this bill and then claim the credit for saving vast sums of money. Again, I make this criticism as one of the men who have never objected to the President's trip abroad, but have wished him the greatest success in his negotiations.

We have had enough of wars, and if by any sort of league of nations we may have any assurances that we may escape another I desire to give him the greatest measure of credit. I want to say that from this time forth I shall vote with him whenever he will present the facts and the law, but I shall refuse to follow blindly the mysterious insinuations which apparently govern the majority in this House in all diplomatic negotiations and in the discussion of legislation. [Applause.]

Mr. BROWNING. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I have always been in favor of a large Navy, but to-day I voted against the rule providing for an increase in the Navy as proposed in this bill. Coming from one of the largest shipbuilding centers in the world, it seemed that I ought to say something on this subject, not only with respect to my own vote but of that of others who voted as I did. I noticed, with considerable interest, that most of the minority members, I think all of them, voted to sustain the rule, and yet I know that down in the depth of their hearts most of these gentlemen were opposed to the policy that this bill enunciates. I want that made clear, so that when anyone criticizes the votes that were cast to-day against providing an untold sum of money for a certain number of ships, the price of which is not indicated, construction of which is to begin somewhere a year hence, they will understand that at least some of the minority members of the committee, although compelled to vote by reason of the force of a mysterious cablegram, were at heart against the proposition. By the minority members I mean the Republican members of the committee, of course.

From my point of view the hour has struck when Republicans, at least, in view of the conditions abroad, in view of the condition of our Treasury at home, should be able to stand upon their feet and say, even to the President of the United States abroad, that we must protect the interests and welfare of the taxpayers of the United States. [Applause.]

I come from a committee that has been dealing with the problem of taxation now for nearly 10 months. We passed in this House on Saturday a bill which proposes to take $6,000,000,000 from the pockets of the American people. To do what? To pay for bills authorized, to pay for bills created by oral contracts, to pay for contracts made in lump sum to the extent of at least six times the amount of that great bill which passed here on Saturday—five times, at least. That is the domestic side of this question of generous appropriations.

Oh, gentlemen talk about being for a big Navy. Gentlemen say the question is, Are you for a Navy or against a Navy? That is not the question at all. The question is, Are you going to continue to rob the American people; are you going to continue to gut their homes; are you going to continue to impoverish them; are you going to pile up indebtedness so that the new generations for a hundred years will be unable to extricate themselves from the obligations you and your President are imposing upon them now? It is not a question whether you are going to have a big Navy. It is much graver than that.

The gentleman from New York [Mr. HICKS] in the debate yesterday—and his figures were not denied by the chairman of the committee, the gentleman from Tennessee [Mr. PADGETT]—indicated that the 1916 naval construction program was only partially under way. The Navy Department and the President have great sums of money to spend on ships the keels of which have not been laid and which can not be completed until way off yonder in 1920 and beyond, when it is proposed that this new and nebulous plan shall be put in operation.

Gentlemen are terrorized because of a mysterious cablegram from Paris. If the President, now over yonder in Paris, living in one of the palaces of the great and conferring with the crowned heads, knew what the American people to-day are saying about the revenue bill that passed through this House on Saturday, he might hesitate and send another cablegram that would recall the one we have not yet been shown but which is influencing the passage of this bill.

What have we done with regard to lump-sum appropriations to these contingent authorizations, dependent upon the will and judgment of a bureaucrat here down along the line, who gets his authority from the President of the United States through long-distance instructions or by such a mysterious cablegram as that which has not been read by the gentleman from Tennessee? What are we doing with respect to this carnival of expenditure?

Pick up this morning's papers and read what our friend, the new Secretary of the Treasury, proposes—our own former colleague, Carter Glass—in his letter to the chairman of the Ways and Means Committee. Read what he proposes, and then ask yourselves whether we are retrenching or whether the people's money is being hoarded for some future contingency? What is it the Secretary of the Treasury proposes? Now that there has been unloaded on his shoulders the greatest burden ever heaped upon a human being, now that the gentleman who preceded him has gone out of office and the burdens are piled high and higher, the new Secretary of the Treasury, seeing what is ahead of him, fearing the merry-go-round method of raising money by loan or otherwise may no longer succeed, proposes that we shall give him blanket authority to raise money as he sees fit, at any old rate of interest he proposes to pay, without regard to taxes or to the Constitution, which prevents us from exempting taxes under certain circumstances.

And this is no new thing. The President is "over there," and my information is that he is not witnessing such scenes of horror as are pictured to us to induce the appropriation of vast sums of money, but he is conferring with the diplomats, like unto those who came down this aisle on Sunday last, from every nation on earth, arranging that he shall be in a position, if need be, to send a battleship to Madagascar, or, at our expense, to keep in order the quarreling King and Queen of the Fiji Islands. I spoke to you a few days ago concerning the reported attitude of the great Lloyd George on this question of the league of nations. The suggestion was that the United States must stand responsible for the policing of the world. If there are troubles and disputes in Russia we must send our troops. You say there is something wrong in the Sicily Islands, which does not concern us; send your battleships there. Are we to become the policemen of the world? We are supposed to be rich. It is believed we can stand the expense. But how far are we to go and when will we stop?

We gave the President $100,000,000 sometime ago to do with it as he saw fit. Have we ever had an accounting of that expenditure that was satisfactory to this body? Is there a Member of the Committee on Appropriations who will rise in his place and say just where that money went? I am not challenging the President or his integrity as to the expenditure, but there are men down along the line under him who are as human even as all men are human and who will sometimes look after their own interest even when they speak in the name of the State. We had some testimony here in regard to the use of $5,000,000 of that $100,000,000 fund for the formation of a corporation to do business in Russia. Was that entirely satisfactory to this body?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Has my time expired, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. MOORE of Pennsylvania. I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. The time is in the control of the gentleman from New Jersey [Mr. BROWNING] and the gentleman from Tennessee [Mr. PADGETT].

Mr. MOORE of Pennsylvania. I ask unanimous consent that I may proceed for five minutes, the time not to be taken out of that. I will not then ask for further time.

Mr. BROWNING. I will yield the gentleman five minutes, through the courtesy of the gentleman from Ohio [Mr. KEARNS], to whom I had promised that time. He yields it to the gentleman.

Mr. MOORE of Pennsylvania. I thank the gentleman from Ohio for his courtesy, because I have been waiting patiently for five hours for the opportunity to talk on this question.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes more.

Mr. MOORE of Pennsylvania. I thank the gentleman from Ohio. Here is the statement of the Committee on Appropriations. There sits the chairman yonder. Let him deny the figures if he pleases. We spent over $12,000,000,000 in the fiscal year ending June 30, 1918, for our part in the war. Did we get anything out of it? Oh, the boys have gone and died in France and our merchant vessels have gone down through German submarine attacks. But we spent the $12,000,000,000, and we are beginning to pay for it now in tax bills. Here is the statement of the Committee on Appropriations, showing that for the fiscal year 1918 and 1919, ending June 30 next, we will have appropriated and authorized an expenditure of $36,000,000,000, and that little tax bill passed last Saturday, which is stirring this country to the core, raises only $6,000,000,000 of that tremendous amount. Have we gone wild?

Mr. JOHNSON of Washington. We have.

Mr. MOORE of Pennsylvania. Are we so fatuous financially that we believe we can strike the rock and with some magic wand produce these tremendous streams of revenue? The President asked for $100,000,000, to be accounted for in his own way, and we gave it to him. He spent part of it, and he came back and we gave him more. That was a trifle. This statement that I have in my hand shows that we have turned over millions and even billions of dollars to the President, not to be expended by him but through his agents, and many of them here at a dollar a year, and now gone from their so-called patriotic calling.

We gave him these billions of dollars because we trusted him. Now he is in France and we are beginning to reap the harvest of taxation here. We will have to bring in more bills to cover these billions which will be levied upon the people of the United States for the benefit of others as well as for ourselves and our loans.

What did we spend for making the loans that some people think they were patriots for buying, the loans which Mr. Glass, the new Secretary of the Treasury, now desires to raise at rates of interest that may be agreeable to the bankers if the sales are to be effective? The amount of money we turned over to the outgoing Secretary of the Treasury for the purpose of promoting those loans, paid to a large extent for the intense patriotic services of those whose voices are now stilled and will no longer engage in loan campaigns, was just $39,000,000.

Are you not getting tired of turning these great lump sums over in this haphazard way to gentlemen in control while the President is away? Next week we shall be called upon to appropriate $1,000,000,000, as much money, some one has calculated—and the calculation I find is correct—as represents one minute for every hour of every day from the time Christ was born down to this very hour to keep up food prices in the United States—another of these nebulous agreements which, if we break it, will be like the breaking of the "scrap of paper" that brought on the war in Europe.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GARNER. The gentleman voted for all those things?

Mr. MOORE of Pennsylvania. Yes; to support the President while the war was on.

Mr. GARNER. I am reminded of the question of the gentleman from Illinois [Mr. CANNON] which he put to me the other day: "Why whine about it when you voted for the proposition?"

Mr. MOORE of Pennsylvania. The war was then on, and the President demanded it. As I understand the conditions now, the war is practically over. The President is "over there" on business about which we are not fully informed.

Mr. GARNER. I want to join the gentleman in this reformation, but I do not want him to whine about what has already been done.

Mr. MOORE of Pennsylvania. I want the gentlemen on that side to join gentlemen on this side in a policy of retrenchment and economy from this time forward. Will the gentleman do it?

Mr. GARNER. I will.

Mr. MOORE of Pennsylvania. Will you be able to induce your President to exercise the same fair spirit that you have displayed?

Mr. GARNER. I hope so.

Mr. BROWNING. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DENISON].

Mr. DENISON. Mr. Chairman, I was interested and somewhat amused at the remarks of the gentleman from New York [Mr. LUNN] in which he commented on certain phrases and discussed the significance and the power of certain phrases that have been used by the President; and I remembered that in 1915, when, on account of the war in Europe, there was a demand for immediate preparation on the part of this country for an increased navy and an increased army the President made a swing around through Indiana and other States in the West and referred to the popular demand for greater preparedness as hysteria. I would have been glad to have heard the gentleman from New York comment somewhat on the meaning of that term "hysteria." I am unable to understand how the President could have denounced as "hysteria" the demand for a greater army and navy before this country got into the war, when Germany was threatening the whole world, and how after Germany has been crushed and her navy destroyed he can now come to us and demand an appropriation for a navy that is unprecedented. I can not for myself reconcile those two positions.

Germany had a powerful navy, the second in the world. She was destroying Europe and threatening the peace of the world.

Every consideration for our own safety urged us to get ready for the conflict. Yet the President was opposed to it and tried to arouse public sentiment against what he called the hysterical agitation for preparation for defense. It seems strange to me that he should have been so opposed to greater preparedness then and now should be so insistent for this authorization of hundreds of millions to give us a greater Navy than Great Britain after the German Navy has been destroyed.

Mr. CARAWAY. Will the gentleman yield?

Mr. DENISON. I yield to the gentleman from Arkansas.

Mr. CARAWAY. Did the gentleman agree with the President in 1916?

Mr. DENISON. No; I did not.

Mr. CARAWAY. And the gentleman does not agree with the President now?

Mr. DENISON. No; I do not. I think he was wrong then and I think he is wrong now. [Applause.] If I had the time I would be very glad to give the reasons why I think so.

Mr. CARAWAY. Will the gentleman yield further?

Mr. DENISON. I have not the time. My time is limited. Every now and then recently some one on that side of the House has risen and charged or intimated that we on the Republican side were anxious for an extra session of Congress.

Now, if there is any doubt on the question as to how the two sides of the House are acting on that subject, I want to say that in my judgment this bill and this proposal will settle the question, because if this new naval proposition passes the House it is certain to result in an extra session of Congress; for while it may get through the House, when it reaches another legislative body where there is a chance for some deliberation and discussion, and where there will be a demand that the lights be turned on before the appropriation or authorization is made, there will be so much time spent in the discussion of the bill that an extra session of Congress will be absolutely necessary; and if those who are backing this new naval program had been deliberately trying to bring on an extra session of Congress they could not have chosen a better method, in my humble judgment, than to bring this proposition before the Congress here in these closing days of this session.

Mr. Chairman, I have voted for every increase in our Navy that has been proposed since I have been a Member of the House. I have always believed that this country should have a Navy large enough to successfully defend us against attack from any source. But, situated as we are, I have never thought it necessary that we should try to build and maintain a Navy as large as Great Britain, whose Empire is scattered over all parts of the earth. I am willing to vote for such appropriations as may be necessary to carry to completion the naval program of 1916 and for any increases in efficiency that those at the head of our Navy Department may think necessary. But I am unwilling at this time to vote for the authorization of any new naval program either for the purpose of giving us a greater Navy than Great Britain or because the President has asked it in order to enable him to carry out his purposes at the negotiations now going on in Paris.

It is an easy matter for us to authorize or appropriate hundreds of millions for naval expenditures. Some of us seem willing to do so in a sort of spirit of boldness and pride over the fact that we can do so. But it will not be an easy matter to wring from the people the money to pay for them. The burdens of taxation resulting from this war are already falling heavily upon our people. If we enter upon a policy of naval competition with Great Britain we can not offer to the people of this country any hope of a lessening of the burden for generations to come.

I do not consider this question from the same point of view that I did before the world war. Before the war the German Navy was a menace to the world's peace. We were justified then in assuming any burden of taxation that would enable us to effectively meet that menace. Now the power of Germany has been destroyed, the German Navy is no more, and the menace to the world's peace has been removed. I can not believe that after defeating our enemy and the enemy of the world it is now necessary for us to at once prepare to defeat our friends and allies. If, after making common cause with Great Britain and her allies and successfully destroying the menace of the world, we must now immediately turn around and enter upon a naval program that will enable us to defeat those countries that were associated with us in this holy cause, I shall feel that the sacrifices of this war have been made in vain.

We are told by the gentleman from Tennessee [Mr. PADGETT] that we should authorize this new naval program because the President has sent a secret cable to the Secretary of the Navy, saying that he wants it done. We have reached the point, so far as I am concerned, when these large appropriations must have something more than the mere presidential wish or request to justify them. I am willing to vote for any appropriation that I am convinced by any plausible reason will promote the public safety or the public welfare. But I have voted for the last hundred million, or the last million, from the Public Treasury which the President may request for any cryptic or unrevealed purpose.

While we were at war I felt it my duty to vote for any appropriation that the President, as Commander in Chief of the Army, and those associated with him in the management of our military and naval forces, said was necessary. But now our enemy has been defeated. We have accomplished the purpose for which we entered the war. The Commander in Chief and the heads of the War and Navy Departments are no longer the sole judges of the necessity for appropriations. From now on I shall assert my right as a Representative of the people to use my own judgment as to the necessity for appropriations, and the President can not have my support for any appropriation he may ask unless he is willing to take the people of the country into his full confidence and justify his request by sound reasons which the people will understand and approve.

Mr. Chairman, I have no desire to embarrass the President in any plans he may undertake to consummate at the peace conference. I hope he may succeed to the fullest measure in what he undertakes to do. But I do not think the President should call upon Congress by cable for large appropriations of public funds for secret and mysterious purposes which can not be disclosed to the public. We as members of a coordinate branch of the Government are entitled to some consideration. I think that Congress should be spared the embarrassment of being called upon to blindly vote large appropriations for purposes which we can not explain to our constituents because they have not been explained to us.

It has been intimated that the President cabled the Secretary of the Navy, and the Secretary of the Navy whispered to the chairman of the Committee on Naval Affairs that the President desired this new naval program calling for an expenditure of some $400,000,000 in order to enable him to carry out his purposes more effectively in Paris. But even if the President had sent no such message, the purpose of this provision of the bill would be apparent upon its face. To me it seems most strange that there are any here who for a moment believe that such men as David Lloyd George and the other statesmen of Great Britain who are now handling the destiny of the British Empire could be influenced in the slightest by the clumsy and puerile provisions of this bill. To me it seems childish to think that those at the head of the Government of Great Britain, who for hundreds of years have maintained naval supremacy over all other nations, would be influenced in the slightest or determine their conduct in the least degree by this clumsy threat a la Daniels. And it is stranger still that any of the Members of this House, particularly those who by wisdom and long service have reached the high places on the great Naval Affairs Committee of the House, should so far fool themselves as to think that we could, by a threat of these large naval expenditures, frighten the Government of Great Britain or any other government into granting to President Wilson at the peace conference concessions to which they would not otherwise agree. Let us not deceive ourselves, above all things, and let us not believe for a moment that we can deceive those who are now guiding the destinies of the British Empire at Paris. Let us be frank and trust in the force of reason and justice, which is the hope of humanity, rather than the threat of force, to secure a happy solution of the great problems at the peace conference in Paris.

I am opposed to this so-called new naval program which will call for the expenditure of four or five hundred million dollars in addition to our present naval program. If that part of the bill is stricken out, I will vote for it. But if it remains in the bill, I will vote against the entire bill. I am especially opposed to that provision on page 54 of the bill which authorizes the President on the happening of certain contingencies to suspend the new naval expenditures authorized in the bill.

Mr. Chairman, I think that it is the province of the Congress to provide appropriations and to say when they shall or shall not be suspended. I am opposed to conferring upon the President or anyone else the proper and legitimate functions of Congress. While we were at war we of necessity conferred extraordinary powers upon the President, because that is necessary in time of war. But I shall not vote to confer upon the President any further powers that belong to Congress. If we are going to authorize a naval program, we ought to reserve to Congress the power to suspend it, if it is to be suspended. We ought not to confer that power upon the President or anyone else.

Not long ago Congress appropriated $100,000,000 out of the Public Treasury and placed it in the hands of the President or Mr. Hoover to use, presumably, for humanitarian purposes among the peoples of certain countries in Europe. It was stated at that time that that appropriation was urgently necessary in order to strengthen the President's influence and enable him to carry out his plans at the peace conference. Now it is sought in this bill to authorize the expenditure of four or five hundred million dollars upon a new naval program, and the power is to be conferred upon the President to go ahead with the expenditures or suspend them entirely upon the happening of certain contingencies. And it is said that for mysterious and undisclosed reasons this appropriation is necessary in order to strengthen the President's hand and enable him to more effectively carry out his purpose at the peace conference.

Mr. Chairman, I am opposed to making appropriations out of the Public Treasury for any of these purposes. I voted against the hundred million dollar appropriation for feeding the people of Europe from the Public Treasury, not because I was opposed to giving every aid within our power to the people of those stricken countries but because I was opposed to raising the money by taxation for such a purpose. And I shall vote against this appropriation for a larger naval program because I am opposed to authorizing or appropriating money out of the Public Treasury either as a futile threat against the naval powers of Europe or to enable the President to carry out some purpose which he is not willing to disclose to the Members of Congress and the people.

When peace shall have again been determined and declared, and when it shall have been ascertained whether there is any hope for the disarmament of the world and the peaceful settlement of international disputes, then if it should unhappily appear necessary for the United States to prepare for battle with those who are now our friends I will willingly vote for any naval program that will secure our safety. [Applause.]

Gentlemen of the House, I think we should conclude this war before beginning a too expensive preparation for another. The cost of this war will be a heavy burden upon our people for generations to come. Somebody here must speak for the people who will have to pay for this ambitious program. My own hope is that our representatives in Paris may reach a satisfactory agreement and sign a peace treaty with Germany at the earliest possible date. I think our troops should be brought home from Russia at once, and that every one of our boys should be brought back from Europe just as rapidly as the ships can bring them. I am opposed to policing any part of Europe or Asia with troops from this country, and I am opposed to entering into any kind of an agreement or league under which it may be our duty to hereafter police or assume control over any distant part of the world. I think we should get our boys home as quickly as possible to their families and their peaceful pursuits; that we should reconstruct or reorganize our disrupted industries so that our country can return again as rapidly as possible to its accustomed prosperity. We should put this war, with its burdens and its sacrifices, behind us as rapidly as it can be done. And I am cherishing the hope that the common cause which brought this country and France and Italy and Great Britain together as allies and friends to fight and destroy the enemy of liberty and free government, may keep us friends and save us from the awful burden of preparing for the defeat or destruction of each other. Being unwilling to begin preparation for war against our friends and allies before we have made peace with our common enemies, I am unwilling to give my support to this new naval program which will add so many hundred millions more to the burdens of the American people.

Mr. BROWNING. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, if my memory serves me right, on every previous occasion when the naval bill was before the House I have voted for the largest Navy that was proposed. But when I voted for those measures I voted for them not as a threat, but as a statement of a policy. I voted for them not for aggression, but for defense. I voted for them not as tending toward war, but, on the contrary, as tending toward peace. If I should support the proposition which is now before the House, I should violate every principle upon which I have before acted.

Mr. Chairman, for some reason it seems we know little about taking the action now before us. I was not one of those taken into the confidence of the chairman of the Committee on Naval Affairs by being shown the telegram of the President. Perhaps I would have been if I had asked to see it, but I realized that the gentleman could not give it to all the Members of the House without violating the confidence imposed in him, and I did not want to press him too hard. So the situation we now have is simply this: The House is expected to vote for the largest navy in the world for reasons it knows nothing about, that the Naval Committee knows a little about, that the Secretary of the Navy knows something about, and that the President will only disclose under the most positive requirements of secrecy.

Mr. SLOAN. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. SLOAN. Perhaps the gentleman did not approach him in the solemn posture that was necessary. I have understood you had to approach the keeper of the sacred word on the 14 points of ambiguity, and then with bated breath——

Mr. GREEN of Iowa. My friend from Nebraska can see here a beautiful example of the "open covenants openly arrived at," of which we have heard so much, and an instance of how Congress is to be "kept in touch with everything" that is going on at Paris. If we are not able to tell anything about the reason for our action or what will be meant by it, let us at least consider how it will be regarded abroad.

England at present has the first navy in the world. We have the second. There is no third. All other nations are so far behind that they are simply distanced. This demand to create the largest Navy in the world can only be construed as either a threat or a bluff directed at England. I am opposed to action being taken in either direction.

Mr. Chairman, why should we quarrel with England? In the laps of the two great English-speaking nations rests the civilization of the world. If they quarrel, it will be a setback for another hundred years, as it has been by the last great war for probably half a century, if not a whole one.

I have heard some accusations against the statesmen of Great Britain, but I never heard that they were insane or fools, and they certainly would be one or the other if they provoked a quarrel with this Nation, whether it had a large or a small Navy.

Just across the line at the north lies the fairest possession of the English Crown. Between us and Canada there is not a warship on all the Great Lakes nor a fortress along the border.

At any time we could take Canada; we could take it now, but England has no fears that we will be so foolish or so treacherous as to engage in unprovoked war; and why should we fear that England will be? With a superior fleet, it is possible, in event of war, that Great Britain could inflict much damage upon us, but no sane man would say that she could hope to win the war. In fact, for either nation victory would be a calamity only less staggering than defeat, for in the operation there would be destroyed its best friend and the only ally upon which it could safely rely. Again I say, why should we quarrel with England or England quarrel with us?

Mr. Chairman, between the two great English-speaking nations there are sacred ties that ought never to be broken. It is not merely that we are both of the same speech and largely of the same blood, although that is much. Beyond and above that is the fact that our sentiments, our hopes, our aspirations are the same. Alike in our veins courses the spirit of freedom. Alike our minds are filled with a determination to make all men equal before the law. This nation has in a bygone century fought England, but it was because we claimed the rights of Englishmen, and in this we were justified by England's greatest statesmen. We should now have one common aim—the extension of those great principles upon which our liberties are founded. We have no occasion to be suspicious or jealous of the other, but each should rejoice as the other develops in strength and power, knowing that thereby is created a further barrier against the return of autocracy or the rise of bolshevism.

Mr. Chairman, under the blood-soaked soil of France lie a million Englishmen, and beside them 50,000 Americans who fell in a common cause against the arch enemy of mankind. In death they were not divided. Shall we, the living, ever be led into a fatal quarrel over what they gave their lives to preserve? May Heaven keep us from such a fate. [Applause.]

Mr. BROWNING. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, this proposition, if adopted, commits our Government to the largest naval program in the history of the world. The contingency on which the apologists who are opposed to entering upon this great program is that there may be created at the peace council, as the amendment reads, a tribunal competent to secure peaceful determination of international disputes and which will render unnecessary the maintenance of competitive armament.

Read the reports of the peace council, and we know that that condition is not probable to arise. I am not a willing agent in being an accomplice to authorize the President to pull the hairtrigger and force compulsion at the peace table which the

negotiators are loath and unwilling to agree to. That is diplomacy by force and not diplomacy by negotiation. Never in the history of peace negotiations have such methods been employed to affect the outcome. I desire to believe that such is its real purpose. If such tactics were really intended, if I understand the stubborn Briton sufficiently well, it would be resented to the limit by calling off the negotiations.

This proposal, as I view it, has the full approval of the British officials. France impoverished by war, Great Britain impaired in its resources by its tremendous expenditures, are only too willing to have the burden of policing the world thrown upon the United States.

Have we entered this war in vain? Is the outcome to force our country to adopt a policy the opposite to its traditional position? Are we who prided ourselves in being opposed to a militaristic policy, now that the war has ended, to adopt this alien program merely because Great Britain has a larger navy than our own, and give heed to the jingoes and junkers in our midst? Is it intended that, having been freed from this burden, we are now to assume it, when no good reason exists? You might as well argue that because Great Britain has a standing army of a million men that we should adopt that policy and have a like standing army.

Before the war was ended we all knew that the peoples of all the belligerent powers were sick and sore over the struggle, and that the peoples would avoid future wars at almost any sacrifice. And now, being sick and sore, we are going to vote a program which everyone here believes will be of no value except to coerce and compel little nations to abide the results of the great powers; in other words, that we should be the policemen of the world. The American people are opposed to that policy.

They are not in favor of entering any league of nations whereby we will control the destinies of other peoples. That may be in harmony with the British policy, but it is not in harmony with the American policy. We entered the war to maintain inviolate our rights on the high seas, and we at all times declined to be enmeshed in the worries and policies of Europe. And yet here we are committing ourselves to-day to that policy which inevitably involves us in the politics and policies of the old world. You can not defend it as an American policy. It is foreign and alien to our policy of the past. Because, in 1916, when the war was flaming all over Europe, we adopted a three-year program because we could not tell then when we might be involved in the European contest; we did not by that action commit ourselves for all time to a policy of three-year programs. Even now, before that program is fairly launched, before the shipyards now in existence can complete that program, with the vessels only one-third started, we are asked to commit the Congress to a permanent policy that means our assuming the burdens of the world. No, Mr. Chairman, the taxpayers of America are opposed to shouldering this tremendous burden of $1,000,000,000 annually, and that is what it means for all time, for the sole purpose of policing the world. We need no such Navy for our own protection or for our own purposes. Our shore lines are protected by adequate fortifications. We have a greater Navy relatively than at any time in our history amply protected against any possible attack, with a Navy that can conquer any on the seas save one. I am not willing to be swayed by specters and imagery that will burden our civilization with the yoke of a billion dollars annual charge for years to come.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PADGETT. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Chairman, having voted for the rule just adopted, and intending, as I do, to vote for this proposal, my attitude being contrary to the views of the leaders on this side of the House and perhaps of a large majority of the Members upon this side of the House, I feel I owe it to myself to give my reasons for my action. This Congress, the Sixty-fifth or so-called War Congress, has responded at all times to every call made by the executive branch of the Government. It has passed every bill that has been requested; bills extending powers to the executive branch of the Government which no man in time of peace would think of extending; bills appropriating fabulous sums of money which in time of peace we would not think of appropriating. Our purpose was to win the war, and we did not want to do anything or fail to do anything that would lessen in the slightest degree our chances for winning the war. Now, the war has been won. Our armies have been successful. America won the war. Whatever other nations may say about it, we won the war. But in order to make our victory effective we must be successful at the peace table. Many of the bills this Congress has passed were passed under the lash of the Executive whip. We have been slaves more or less in this crisis to the Executive will, but I do not believe that the hour for emancipation has come just yet. Common men must arrive at their conclusions by simple processes. I must arrive at my conclusions by simple processes because I do not have the long experience nor perhaps the mature judgment which enables the experienced legislators on either side of the House to arrive at their conclusions; but if I were trying a lawsuit and I should ask my client to give me the right to do certain things or to expend certain money that I felt was necessary to win that lawsuit, and he refused to give me what I wanted, I would feel that he had thereby shifted the responsibility from my shoulders to his, and if I failed I would then feel that I had a right to say to him that if he had done what I asked him to do I would probably have been successful.

It has been said that there is nothing great or small by comparison; so, applying the same simple processes of reasoning to this most important legislative situation that I would apply in my own everyday life, I must conclude that if the Congress of the United States should deny the President what he asks for in this bill, and he should fail in what he is trying to accomplish at the peace table, he would be in a position to shift the responsibility for his failure from his own shoulders to the shoulders of the Members of Congress, and, so far as I personally am concerned, I do not want to be a party, and I do not intend to be a party if I know it, to any such a blunder. The President has sent word that he must have this legislation in order to succeed at the peace table. I do not care whether that was a secret message he sent or how the word came, so long as he is our representative in the most momentous negotiations that were ever engaged in since the world began I, for one, shall not be a party to hampering him by long-range arguments in regard to a situation about which I know practically nothing, but I am going to give him what he says he needs and then hold him responsible for results. Then if he fails he can not blame his failure upon anybody but himself. But when this war is settled I, for one, intend to claim my emancipation. I will be bossed around by those who carry the executive mandate no longer.

I am voting for this bill for another reason, and that is because I believe in a strict American policy, because I am in favor of looking after the interests of this country as against every other country in the world, and because I do not want my country to be in the position of having to rely upon the navy of any other country to protect it. I am for a sufficient Navy; and, unless peace negotiations should develop a situation which would result in disarmament, I stand ready to vote for such bills as will provide an adequate Navy, but I am forced to rely upon the judgment and the experience of the members of the committee and the Navy experts, and follow their lead as to the amount necessary to provide adequately.

While I am for an adequate Navy, yet I am opposed to a large Army. These two departments are so closely related that I feel that it is perfectly proper at this time for me to express my present views in regard to the Army. I am opposed to a large standing Army, and I believe that the Regular Army should be an Army of volunteers in time of peace. I am opposed to any permanent and general program of universal military training unless it should become apparent, as a result of the peace negotiations, that another war is imminent. As I see it now, I should not oppose a program that provided for training the youth of the country in the schools and where they reside if it can be done without interfering with their education or their advancement in the avocations of peace, but I shall oppose by my vote any universal plan of military training which will take the youth of the country away from their schools and their homes, placing them in camps for training and the carrying on of any general military system.

There are those in America who have developed a hysterical affection for countries other than their own, and forgetting history have advocated that we can well rely for protection upon the good will and the friendly feeling of such other countries. In my opinion an American who loves another country as well as his own must be distrusted by all patriotic Americans. I apprehend that as the days go on and the attitude of other nations is better understood that the impractical dreamer will be superseded by the practical thinker, and those who are unwilling to accept the strict American policy and give approval to the plan of looking after America first will be looked upon with as much distrust as was the pro-German during the war. The doctrine of America for Americans has been in large measure my creed, and to me it simply means to look after America first and the rest of the world afterwards. My adherents to this doctrine has been variously interpreted. Some have contended

that to advocate such a doctrine was to be disloyal. Others have been more charitable and have said that it only evidenced a lack of vision. Others say that it is a selfish doctrine and condemn it alone upon that ground, but I have gone through all the complexities of the legislative program incident to the war, and I have come out a stronger believer in the doctrine of America for Americans than ever before. It has been suggested that we can rely upon the English Navy for protection. Those who are impractical enough to advocate such a policy either must have forgotten or do not know that we have had more wars and complications with England than all the other nations of the world combined. Most wars are the result of a desire for commercial supremacy, at least that has been the controlling purpose in most of the wars in which European countries have engaged.

England has destroyed every commercial power that stood in her way on the Eastern Hemisphere. She destroyed the commercial power of Spain, of Holland, and of France. To-day there is only one great commercial rival of England, and that is the United States of America. From a strictly commercial standpoint America at this hour is in a stronger position than England. Let us hope that there may never be any occasion for any serious disagreement between England and America upon any subject, commercial or otherwise; but, bearing in mind the history of the world, which proves conclusively that nations have no gratitude, are inherently selfish, and are willing to sacrifice the best blood of the nation for commercial supremacy and aggrandizement, I believe that there is only one safe policy for this country to pursue, and that is the strict American policy. We are in a position because of our position of isolation to protect ourselves against successful interference by any other power or by a coalition of all the powers of Europe put together. If we adhere strictly to the Monroe doctrine and to the policies as laid down by the fathers of this country, developing our resources, taking care to eliminate internal dissensions, there is no power or combination of powers in the world that can rival America in the future. And there is no power or combination of powers, if we exercise good judgment and common sense, that can interfere with us successfully in any way. Therefore I am in favor of recognizing our invulnerable position, of protecting our seacoast by proper coast defenses and by an adequate navy. Then, I am in favor of keeping out of foreign entanglements in so far as it is possible for us to do so, leaving questions which are purely applicable to the Eastern Hemisphere for settlement by the peoples of the Eastern Hemisphere, only interfering in international affairs when the interests of America are involved. Finally, I am in favor of removing all restrictions which will hamper or interfere with American progress on the Western Hemisphere, which is one of the reasons why I am opposed to a large army and a military policy. The fathers of our country broke away in the beginning from the system of military training established in the Dark Ages. Every expression in our Constitution and in the constitutions of the various States of the Union which relate to the military define it as a means of defense and an institution to be maintained only for the protection of the American people in their personal liberty and in their property rights. Unless we take upon ourselves the settlement of all the disputes in the world we need not change, so far as our Military Establishment is concerned, the policy laid down by the fathers.

Mr. PADGETT. Mr. Chairman, I shall occupy the attention of the committee only for a few minutes, and then I shall ask for a vote upon the amendment. We have had very liberal and extended debate in general debate and under the five-minute rule, and now under the five-minute rule to-day under the two-hour agreement. I think that perhaps one or two matters might be called to the attention of the committee. The gentleman who spoke recently said that this was the largest naval program ever attempted by any country, and yet this is not more than about half of what was in the naval program of 1916, and we should bear in mind——

Mr. RAMSAYER. Will the gentleman yield?

Mr. PADGETT. I will.

Mr. RAMSEYER. Does the gentleman mean to say that the money appropriated by this bill is only half of what it was in the 1916 bill?

Mr. PADGETT. No; of the money that is in this bill not a dollar of it is for this new program. The money that is in this bill is for the maintenance, support, and upkeep and operation of the Navy.

Mr. RAMSEYER. When the gentleman refers to the program, he means in this amendment?

Mr. PADGETT. I refer to the building program, the new building program.

Mr. RAMSEYER. That is, in the amendment that is before the committee?

Mr. PADGETT. That is now being offered, is about one-half of what the program authorized in 1916 was.

Mr. KNUTSON. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. KNUTSON. Of course, the gentleman must realize that in 1916 the world was engaged in the war.

Mr. PADGETT. But America was not; we were not in it. Ours was entirely on a peace basis and on the assumption that we would not get in it.

Mr. KNUTSON. We all knew that we would get into it.

Mr. PADGETT. No; I think a great many of us thought that we would be able to keep out of it.

Mr. KNUTSON. That is, for political purposes.

Mr. PADGETT. I think not.

Mr. REED. Will the gentleman yield for a question?

Mr. PADGETT. Yes.

Mr. REED. If the pending amendment is adopted it does not greatly increase the appropriations this year?

Mr. PADGETT. Not this year; no, sir; but the appropriation which is estimated upon the present basis of the cost of labor and the cost of material aggregates $412,000,000.

Mr. REED. Exactly.

Mr. PADGETT. If there is a reduction in the price of materials and labor there would be corresponding reduction in the total cost of a new program on a rate distributed over about seven years from now.

Mr. REED. If this new program is defeated, taking into consideration pending expenditures and what the regular bill provides, will we not have a building program approximating a thousand million dollars anyhow?

Mr. PADGETT. No; it takes about $400,000,000, as it was shown in the hearings, to build the 1916 program after what is in the present bill. About $175,000,000 or $200,000,000 is embraced in the increase of the Navy.

Mr. REED. For our Naval Establishment?

Mr. PADGETT. A hundred and seventy-five millions in this bill is on account of the carrying on the work of the 1916 building program, and in addition to that it will take about $400,000,000 to complete it and that will run over a period of about five years.

Mr. REED. Will not this bill without this amendment for all purposes, maintenance and all, be around a thousand million dollars?

Mr. PADGETT. Oh, no; this bill will be about $722,000,000 or $723,000,000.

Mr. REED. And in addition to that some unexpended money?

Mr. PADGETT. There will have to be additional money appropriated next year for this building program——

Mr. RAMSEYER. To get this clear in our minds, do I understand the gentleman to say $179,000,000 of the present bill is to carry on the 1916 program?

Mr. PADGETT. Yes, sir.

Mr. RAMSEYER. Now, the balance—that is, deduct $175,000,000 from about $750,000,000——

Mr. PADGETT. There was $100,000,000 and some odd that was appropriated before that. It leaves about $400,000,000 yet to be appropriated upon the present basis of the cost of labor and material to complete the 1916 program.

Mr. RAMSEYER. What I would like to have the gentleman state in a general way is, What is the amount of money appropriated for in this bill—not the new program—aside from the 1916 program, for?

Mr. PADGETT. Deduct $179,000,000 from about $721,000,000 or $722,000,000 and you get the amount, and that is for the pay of 225,000 seamen, pay of the officers, the operation of the navy yards and the naval stations, the flying corps, and all of those operations of the Navy ashore and afloat, including the Marine Corps—50,000 marines and officers—and the operation of the marines the world over.

Mr. RAMSEYER. Now, another question. Is there likely to be a decrease next year and the year after for that part?

Mr. PADGETT. I think there will be for that part of it; yes, sir; because we are estimating 82,000 men, which would be providing an expenditure of about $85,000,000 for the pay of the Navy that is not contemplated. Now it is provided only temporarily. As to whether it will be needed next year, perhaps not all of it will, but perhaps some of it will be needed.

Mr. RAMSEYER. Now, one other question. If this amendment carries and the next bill makes appropriation for it, and will also make appropriation, of course, to carry out the 1916 program and make an appropriation for the upkeep of the Navy, can the gentleman give us an idea of what the naval appropria-

tion bill will be next year and the year following? That is, how much more will it be than this year?

Mr. PADGETT. I do not think it will be any more. Perhaps it may be a little less. We are getting back more nearly to a peace basis.

Mr. RAMSEYER. How many years will it be until we get back to before 1916?

Mr. PADGETT. We will never get back to 1916, because the Navy is several times larger than it was then, and it always will be.

Mr. BUTLER. May I ask the chairman a question? Did I understand the chairman to say that we will never be able to resume anything like the appropriations for the Navy that we had prior to 1916?

Mr. PADGETT. No; I do not think we will.

Mr. BUTLER. Will the chairman give me an idea as to about how much this Navy will cost the country every year until we get back to sober moments?

Mr. PADGETT. I said it would be reduced, and be less than it is now.

Mr. BUTLER. The chairman is safe in saying that it will be less.

Mr. PADGETT. We appropriated in 1916 on the basis of about 65,000 men in the Navy and about one-third of the ships we are appropriating for now. Now we are appropriating for 225,000 men in the Navy.

Mr. HULL of Iowa. May I ask the chairman of the committee how they are going to protect these new battleships five years from now against aerial torpedoes, dropped from the sky, under wireless control?

Mr. PADGETT. That has been discussed, and it is not thought that a torpedo dropped upon the deck of a ship will amount to much if it goes on the deck of a ship. As to whether or not the machine coming down and dropping only in the water would have much effect or not, that is problematical.

Mr. HULL of Iowa. The gentleman does not think that a torpedo having 500 pounds of TNT in it would have any effect if it was properly made?

Mr. PADGETT. I said if it was dropped on the deck of a ship it would create local injury, but would not reach the vitals of the ship, for the reason with a torpedo under water the force of the explosion goes in the way of least resistance. The water is immovable—that is, inelastic—and the torpedo goes in the way of least resistance, and the whole pressure goes toward the side of the ship. If it is dropped from up in the air the way of least resistance is away from the ship, and in the other direction, and hence the destructive force of the torpedo under water is many times greater than it is up in the air.

Mr. HULL of Iowa. But you calculate that the torpedo will stop when it reaches the deck. What is going to stop it if it has a steel point and is properly loaded?

Mr. PADGETT. A torpedo explodes upon impact, and the moment it hits the deck of a ship it explodes.

Mr. HICKS. In all of these new ships it is contemplated to have an armored deck, I will say to my friend from Iowa [Mr. HULL].

Mr. PADGETT. Yes; and also a subwater protection against torpedoes.

Mr. HUMPHREYS. Mr. Chairman, will the gentleman yield to me for a question?

Mr. PADGETT. Yes.

Mr. HUMPHREYS. About this new program, I do not know whether the gentleman has given this information or not, but if he did, I did not hear it. It calls for the construction of 10 big battleships and 10 scout cruisers.

Mr. PADGETT. Yes; $412,000,000, at the present cost of labor and material.

Mr. HUMPHREYS. When we construct a battleship or one of these big cruisers it is then necessary to have a number of auxiliary ships smaller than those to make the Navy a well-balanced machine?

Mr. PADGETT. Yes. I discussed that earlier in the consideration of the bill. Before the war we were, if I may use the expression, top-heavy in big ships and lacking in small ships, but on account of the submarine warfare against commercial vessels the situation changed and we are now well supplied with a large production—three hundred and forty-odd destroyers, a large number of submarines and chasers, and all of the small craft necessary. We are now unbalanced with an excess of small craft, and we need the larger craft to balance up, and we would not, in my judgment, need the small craft as we did before the war.

Mr. HUMPHREYS. You would not need, in the opinion of the gentleman, any of these auxiliaries to go with these big ships?

Mr. PADGETT. I think not for some time.

Mr. HUMPHREYS. You say "for some time." Do you mean we would not need them for these ships? Of course, it is going to be some time before we get these ships.

Mr. PADGETT. I do not think we would need them for the ships. Just what the future building program will be and how long they lasted is a thing to be determined in the future. But these additional small ships, in my judgment, would not be called for—additional small craft.

Mr. BAER. Mr. Chairman, will the gentleman yield for a question?

Mr. PADGETT. I yield for a question.

Mr. BAER. I understand that it costs us about three times as much to build a ship here as it does Great Britain. Can you give us any information on that?

Mr. PADGETT. No. They build cheaper than we do, but it is is not as much as that.

Mr. BAER. It is about twice in the labor and steel.

Mr. PADGETT. I do not think so. While the labor cost over there perhaps has been less than here, in some things their material cost is greater.

Mr. BAER. It is an argument for the amendment, nevertheless.

Mr. PADGETT. I ask for a vote.

Mr. HUMPHREYS. Mr. Chairman, is it in order to offer an amendment to that amendment?

The CHAIRMAN. It is.

Mr. HUMPHREYS. Then, I move to amend on the last line of the amendment by striking out "February" and inserting "June."

Mr. BUTLER. June, 1920?

Mr. HUMPHREYS. Yes.

Mr. BUTLER. I proposed that in the committee. I shall be delighted if the Committee of the Whole will accept it.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

Mr. HUMPHREYS. Mr. Chairman, is it in order to discuss it?

The CHAIRMAN. No.

The Clerk read as follows:

Amendment offered by Mr. HUMPHREYS: In the last line of the Padgett amendment strike out the word "February" and insert the word "June."

Mr. PADGETT. I hope the amendment will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Mississippi to the amendment

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. HUMPHREYS. A division.

The committee divided; and there were—ayes 45, noes 65.

Mr. HUMPHREYS. Tellers, Mr. Chairman.

The CHAIRMAN. Tellers are demanded.

Tellers were ordered; and the Chairman appointed Mr. PADGETT and Mr. HUMPHREYS to act as tellers.

The CHAIRMAN. Those in favor of the Humphreys amendment to the amendment will pass through the tellers and be counted.

The committee again divided; and the tellers reported—ayes 98, noes 77.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on agreeing to the amendment as amended.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 97, noes 71.

Accordingly the amendment as amended was agreed to.

The Clerk resumed and completed the reading of the bill.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent to return to pages 17 and 18 for the purpose of offering some amendments to perfect the legislation that was proposed yesterday before we took up the increase of the Navy.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to return to pages 17 and 18 for the purpose of offering amendments. Is there objection?

Mr. BUTLER. Mr. Chairman, reserving the right to object, will the gentleman from Tennessee state to what paragraph he wishes to offer the amendment?

Mr. PADGETT. On page 18, line 4, in the brackets, the gentleman will notice it says "[other than a dishonorable discharge]." I want to add after the word "dishonorable" the words "or bad conduct."

Mr. BUTLER. I thought we passed that yesterday.

Mr. PADGETT. No; that was objected to.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. PADGETT]?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PADGETT: Page 18, line 4, after the word "dishonorable," insert the words "or bad conduct."

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois is recognized on the amendment, unless the gentleman from Tennessee desires recognition.

Mr. PADGETT. I do not desire recognition.

Mr. MADDEN. I would like to ask the gentleman from Tennessee how many kinds of discharge are there?

Mr. PADGETT. There is an honorable discharge, a dishonorable discharge, an ordinary discharge, and a bad-conduct discharge.

Mr. MADDEN. Will the gentleman be kind enough to tell us just what kind of service a man must render in order to get an honorable discharge?

Mr. PADGETT. It has to be a satisfactory service, and the man has to complete his term of enlistment.

Mr. MADDEN. What is the ordinary discharge?

Mr. PADGETT. The ordinary discharge is where a man has rendered satisfactory service, but where he does not complete his term of enlistment and does not complete his contract. There is nothing dishonorable about it, and we have a provision here that honorable discharges shall be given to the men discharged since November 11, 1918, the date of the signing of the armistice; that instead of those men getting an ordinary discharge they may have an honorable discharge.

Mr. MADDEN. What happens to the man who gets an ordinary discharge? Is he turned adrift and compelled to pay his own way home?

Mr. PADGETT. Yes. He only gets his transportation if he gets an honorable discharge, and this legislation is intended to give those sailors and marines an honorable discharge who have not completed their terms of enlistment, but who have been discharged or may be discharged since November 11, 1918, and who would otherwise get an ordinary discharge. This will enable them to receive an honorable discharge, with their transportation home.

Mr. MADDEN. All that the gentleman has done now is to add the words "or bad conduct."

Mr. PADGETT. That is in the exception. A man who deserves a dishonorable discharge or a bad-conduct discharge ought not to receive an honorable discharge.

Mr. MADDEN. I understand that; but I never could understand why a man who has rendered satisfactory service, even if he has not completed his term of service, if he is disconnected from the service by mutual understanding between himself and the commanding officer under whom he served, should not receive an honorable discharge.

Mr. PADGETT. Under the regulations he had to complete his term of service in order to get an honorable discharge.

Mr. MADDEN. He could not leave the service without the consent of his commanding officer.

Mr. PADGETT. This legislation is intended to correct that, so as to give him an honorable discharge with his transportation.

Mr. MADDEN. I want to know why a man who has severed his connection with the service with the consent of the department, even though he may have done it before his term of enlistment expired, should not receive an honorable discharge?

Mr. PADGETT. Just because there is a difference between the man who does perform his full duty and stay his full term and the man who does not.

Mr. MADDEN. He could not leave the service without the consent of the department.

Mr. PADGETT. That is true; but there is that distinction. That is the condition that confronts us, and we are trying to correct it by this legislation.

Mr. MADDEN. This does not correct it.

Mr. PADGETT. Yes, it does.

Mr. MADDEN. What does it do?

Mr. PADGETT. This provides that, except for bad conduct or dishonorable discharge, he shall have an honorable discharge and get travel pay.

Mr. CRAMTON. Will the gentleman yield further?

Mr. PADGETT. Yes.

Mr. CRAMTON. I would like to ask the gentleman whether his amendment will take care also of the regulation, heretofore prevailing under article 3601 of the Navy Regulations, which requires some of these boys to pay back $60 for their clothing furnished them when they went in. I have a case of a boy who enlisted January 31, 1917, when the war emergency was upon us, but before we actually entered the war. He has served two years, and if he is discharged because of need at home, I understand he must pay $60 for clothing furnished him two years ago and now worn out. Will the gentleman's amendment, which gives him an honorable discharge, also take care of that?

Mr. PADGETT. I do not know whether they could do it or not. I never had the matter brought to my attention.

Mr. CRAMTON. I will not detain the gentleman; but I hope that it will.

Mr. SUMNERS. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. SUMNERS. I would like to ask the chairman of the committee what provision is made to take care of the situation where a 16-year-old boy, actuated by patriotic motives, went into the war, made a false statement in regard to getting in, and now his parents want to get him out?

Mr. PADGETT. I think if you ask the department they will discharge him. Always before the war they have discharged them on a disclosure of the state of facts.

Mr. SUMNERS. Given them an honorable discharge?

Mr. PADGETT. No; given them an ordinary discharge.

Mr. SUMNERS. Under the provision that you now undertake to make, are these boys, after they went through the war, to be sent back into private life with an honorable discharge or a questionable discharge?

Mr. PADGETT. He could not get an honorable discharge if his parents sought to have him discharged on the ground that he was not of age. If he comes and asks to be discharged and gets it under the gentleman's provision where they are demobilizing all of them, he would get an honorable discharge.

Mr. WOOD of Indiana. What will happen to those boys who have received an ordinary discharge, not an honorable discharge, before this bill became a law?

Mr. PADGETT. It relates back to November 11, 1918.

Mr. SAUNDERS of Virginia. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. SAUNDERS of Virginia. In these cases the gentleman mentioned in which a young men has got into the Navy, not old enough to be received, and his parents make application for his discharge, and he gets his discharge, does he get any pay?

Mr. PADGETT. He is paid up to the time of his discharge.

Mr. SAUNDERS of Virginia. The reason I ask is that they discharged a boy in the Army without pay, and he was a thousand miles from home.

Mr. FIELDS. I think the gentleman is wrong in his statement of facts.

Mr. SAUNDERS of Virginia. He was discharged at Fort Douglas, Utah, and his father had to send him money to get home.

Mr. FIELDS. If he was discharged without honor he does not get the pay. It is not a dishonorable discharge but a discharge without honor.

Mr. SAUNDERS of Virginia. It makes him forfeit his pay and leaves him stranded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. PADGETT: Page 18, lines 21 to 23, strike out the words "though regularly discharged and reenlisted immediately upon expiration of a full four-year enlistment" and in lieu thereof insert "now provided by law for men who extend enlistment on completion of full four-year term of enlistment."

Mr. PADGETT. I explained yesterday what that was. Under existing law when a man came to extend his enlistment in the Navy one, two, three, or four years he has to extend it for four years to get the benefit of the rate of the four months' pay. Under the law if a man serves the full four years he can be discharged, and if reenlisted within four months he gets four months' pay for reenlistment. Under the wording of this, when we put it in we understood, and it was so represented, that he would have to add all he had served to the extension, making four years. But as it is worded in the bill there is an interpretation that he might get that four months' pay upon extending for one year.

Mr. MADDEN. The four months' pay, in other words, is included in the four years?

Mr. PADGETT. Yes; he must serve four years in order to get the four months' pay, and this is to make it clear.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 18, line 15, after the word "discharged," change the period to a colon and add the following:

"*Provided further*, That any enlisted man who takes advantage of the provisions of this paragraph to secure a discharge from the Navy or Marine Corps and thereafter reenlists in the Navy or Marine Corps shall not be entitled to receive the benefits of the four months' pay provided by existing law for enlisted men reenlisting within four months."

Mr. MANN. Mr. Chairman, before the vote is taken upon that amendment, I ask unanimous consent that the gentleman from Pennsylvania [Mr. McFADDEN] may proceed for two minutes out of order.

The CHAIRMAN. Does the gentleman from Tennessee yield for that purpose?

Mr. PADGETT. Yes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from Pennsylvania [Mr. McFADDEN] may proceed for two minutes out of order. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Chairman and gentleman of the House, in the gallery of the House at this time sits Eddy Rickenbacher, the ace of aces. [Prolonged applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 17, line 21, strike out lines 21, 22, 23, 24, and 25, and in lieu of the language stricken out insert:

"That enrolled men so transferred shall be entitled to and receive the same pay, rights, privileges, and allowances in all respects as now provided by existing law for men regularly discharged and reenlisted immediately upon expiration of their full four years' enlistment in the regular Navy or Marine Corps."

Mr. PADGETT. Mr. Chairman, this is the same as the other with reference to the four months' pay, so that they would have to come in and serve their four years by doing their service instead of extending for one year and getting the benefit of the four months' pay.

Mr. BUTLER. It is the same limitation as the gentleman has already offered?

Mr. PADGETT. It is the same as the other.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I also offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 17, line 11, strike out the word "member" and insert the word "men."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. PADGETT. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the various amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass. Pending that I ask unanimous consent that the Clerk may be authorized to correct the totals.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the Clerk may be authorized to correct the totals. Is there objection?

There was no objection.

Mr. McCULLOCH. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee, that the committee do now rise and report the bill with amendments to the House with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15539, the naval appropriation bill, and had directed him to report the same to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. PADGETT. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. MANN. Mr. Speaker, I ask for a separate vote on the Padgett amendment, which was offered in accordance with the provisions of the rule.

The SPEAKER. The gentleman from Illinois demands a separate vote on the Padgett amendment, which was made germane by the rule this morning. Is a separate vote demanded on any other amendment; if not, the Chair will put them in gross.

The question was taken, and the remaining amendments were agreed to.

The SPEAKER. The question is on the Padgett amendment.

SECOND DEFICIENCY APPROPRIATION BILL.

Mr. SHERLEY. Mr. Speaker, pending that may I present a conference report for printing under the rule?

The SPEAKER. The Clerk will report it by title.

The Clerk read as follows:

A bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes.

The SPEAKER. Ordered printed under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1058).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, and 7, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended as follows: On page 3 of the bill, in line 4, strike out "$12,000" and insert in lieu thereof "$6,000"; and the Senate agree to the same.

SWAGAR SHERLEY,
JOHN J. EAGAN,
J. G. CANNON,
Managers on the part of the House.

THOMAS S. MARTIN,
O. W. UNDERWOOD,
F. E. WARREN.
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of said amendments, namely:

On No. 1: Appropriates $6,000, as proposed by the Senate, instead of $12,000, as proposed by the House, for expenses of community forums and civic centers in public-school buildings in the District of Columbia.

On No. 2: Authorizes the use in the District of Columbia of $9,000, as proposed by the House, instead of $5,000, as proposed by the Senate, of the appropriation for carrying on the work of the Employees' Compensation Commission in France.

On No. 3: Strikes out, as proposed by the Senate, the paragraph providing for the occupancy of the Navy Department Annex by the Auditor for the War Department.

On No. 4: Appropriates $23,000, as proposed by the House, for furniture and other office equipment for the Treasury Department.

On No. 5: Appropriates $5,000,000, as proposed by the Senate, instead of $4,000,000, as proposed by the House, for temporary employees of the War Department.

On No. 6: Provides for the restoration to their former positions of all former Government employees who have been drafted or enlisted in the military service in the manner as proposed by the Senate, instead of in the manner proposed by the House.

On No. 7: Appropriates $2,614.84 for rent of buildings for the Navy Department, as proposed by the Senate, instead of $2,570.84, as proposed by the House.

SWAGAR SHERLEY,
JOHN J. EAGAN,
J. G. CANNON,
Managers on the part of the House.

LEGALIZING INFORMAL CONTRACTS.

Mr. DENT. Mr. Speaker, pending that I would like to submit a conference report on the bill H. R. 13274.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 13274) to provide relief where formal contracts have not been made in the manner required by law.

The SPEAKER. Ordered printed under the rule.

COAL, OIL, AND GAS LEASES.

Mr. FERRIS. Mr. Speaker, I desire to submit a conference report on the bill S. 2812, the oil-leasing bill, to be printed under the rule.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 2812) to encourage and promote the mining of coal, phosphate, gas, and sodium on the public domain.

The SPEAKER. Ordered printed under the rule.

Mr. LEVER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from South Carolina rise?

Mr. LEVER. Mr. Speaker, I desire to announce to the House that to-day I reported the bill to take care of the guaranteed price of wheat. Members have been making many inquiries about it.

The SPEAKER. The question is on the Padgett amendment.

Mr. MANN. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays. Manifestly a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 194, nays 142, answered "present" 3, not voting 90, as follows:

YEAS—194.

Alexander	Dominick	Key, Ohio	Riordan
Almon	Donovan	Kiess, Pa.	Robinson
Aswell	Doolittle	Kincheloe	Rogers
Austin	Doremus	Kitchin	Romjue
Ayres	Drane	Kreider	Rouse
Bacharach	Dupré	Lampert	Rubey
Baer	Eagan	Lazaro	Rucker
Barkley	Eagle	Lee, Ga.	Sanders, La.
Barnhart	Farr	Lesher	Schall
Beakes	Ferris	Lever	Scully
Bell	Fields	Linthicum	Shackleford
Benson	Fisher	Littlepage	Shouse
Beshlin	Foss	Lobeck	Sims
Blackmon	Foster	Lonergan	Small
Bland, Va.	Freeman	Lufkin	Smith, Mich.
Blanton	Fuller, Mass.	McArthur	Smith, C. B.
Brand	Gallagher	McClintic	Snook
Britten	Gallivan	McCulloch	Stedman
Brodbeck	Gandy	McKeown	Steele
Browning	Gard	McLemore	Stephens, Nebr.
Buchanan	Garrett, Tenn.	Maher	Sterling
Burnett	Garrett, Tex.	Mansfield	Sumners
Butler	Godwin, N. C.	Martin	Tague
Byrnes, S. C.	Goodwin, Ark.	Mays	Taylor, Colo.
Byrns, Tenn.	Gordon	Miller, Wash.	Thomas
Campbell, Pa.	Gray, Ala.	Montague	Thompson
Candler, Miss.	Gregg	Moon	Tillman
Cantrill	Griest	Morin	Tinkham
Caraway	Griffin	Mudd	Van Dyke
Carew	Hadley	Neely	Venable
Carter, Okla.	Hamlin	Nolan	Vinson
Classon	Hardy	Oldfield	Walton
Cleary	Harrison, Miss.	Oliver, Ala.	Watkins
Coady	Hastings	Oliver, N. Y.	Watson, Va.
Connally, Tex.	Hayden	Olney	Weaver
Connelly, Kans.	Heflin	Osborne	Webb
Cooper, Wis.	Hicks	Overmyer	Welling
Crago	Holland	Overstreet	Welty
Crisp	Houston	Padgett	Whaley
Crosser	Howard	Peters	Wilson, La.
Curry, Cal.	Hull, Tenn.	Phelan	Wilson, Tex.
Dallinger	Humphreys	Polk	Wingo
Davey	Igoe	Pou	Wise
Decker	Jacoway	Quin	Woods, Iowa
Dent	Johnson, Ky.	Ragsdale	Wright
Denton	Jones	Rainey, H. T.	Young, Tex.
Dewalt	Kehoe	Rainey, J. W.	Zihlman
Dickinson	Kelley, Mich.	Raker	
Dixon	Kettner	Ramseyer	

NAYS—142.

Anderson	Fess	Lea, Cal.	Scott, Mich.
Anthony	Focht	Little	Sells
Bankhead	Fordney	London	Shallenberger
Black	Frear	Longworth	Sherwood
Bowers	French	McFadden	Sinnott
Browne	Garland	McKenzie	Sisson
Burroughs	Gillett	McLaughlin, Mich.	Slemp
Campbell, Kans.	Glynn	Madden	Sloan
Cannon	Good	Magee	Snell
Carter, Mass.	Goodall	Mann	Stafford
Cary	Gould	Mapes	Steagall
Chandler, Okla.	Green, Iowa	Merritt	Steenerson
Clark, Pa.	Greene, Mass.	Mondell	Stephens, Miss.
Cooper, W. Va.	Greene, Vt.	Moore, Pa.	Stiness
Cramton	Hamilton, Mich.	Morgan	Sweet
Currie, Mich.	Hawley	Mott	Switzer
Dale	Hersey	Nelson, A. P.	Temple
Darrow	Hilliard	Nelson, J. M.	Timberlake
Davis	Hollingsworth	Paige	Towner
Dempsey	Huddleston	Parker, N. Y.	Vare
Denison	Hull, Iowa	Porter	Vestal
Dies	Hutchinson	Powers	Voigt
Dill	Ireland	Purnell	Volstead
Dillon	James	Ramsey	Walsh
Doughton	Johnson, S. Dak.	Randall	Ward
Dowell	Johnson, Wash.	Rankin	Wason
Dunn	Juul	Reavis	Wheeler
Dyer	Kearns	Reed	White, Me.
Edmonds	Kelly, Pa.	Roberts	Williams
Elliott	Kennedy, Iowa	Rose	Wilson, Ill.
Ellsworth	Kennedy, R. I.	Rowe	Winslow
Elston	King	Sanders, Ind.	Wood, Ind.
Esch	Kinkaid	Sanders, N. Y.	Woodyard
Essen	Knutson	Sanford	Young, N. Dak.
Fairchild, B. L.	Kraus	Saunders, Va.	
Fairfield	La Follette	Scott, Iowa	

ANSWERED "PRESENT"—3.

Caldwell	Emerson	Rayburn

NOT VOTING—90.

Ashbrook	Flynn	Langley	Russell
Birch	Francis	Larsen	Sabath
Bland, Ind.	Fuller, Ill.	Lehlbach	Sears
Booher	Garner	Lundeen	Sherley
Borland	Graham, Ill.	Lunn	Siegel
Brumbaugh	Graham, Pa.	McAndrews	Slayden
Carlin	Gray, N. J.	McCormick	Smith, Idaho
Chandler, N. Y.	Hamill	McKinley	Smith, T. F.
Church	Hamilton, N. Y.	McLaughlin, Pa.	Snyder
Clark, Fla.	Harrison, Va.	Mason	Stevenson
Claypool	Haskell	Miller, Minn.	Strong
Collier	Haugen	Moores, Ind.	Sullivan
Cooper, Ohio	Hayes	Nicholls, S. C.	Swift
Copley	Heaton	Nichols, Mich.	Taylor, Ark.
Costello	Heintz	Norton	Templeton
Cox	Helm	O'Shaunessy	Tilson
Delaney	Helvering	Park	Treadway
Dooling	Hensley	Parker, N. J.	Waldow
Drukker	Hood	Platt	Walker
Estopinal	Husted	Pratt	Watson, Pa.
Evans	Kahn	Price	White, Ohio
Fairchild, G. W.	Keating	Rodenberg	
Flood	LaGuardia	Rowland	

So the amendment was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. ASHBROOK (for) with Mr. HASKELL (against).

Mr. CALDWELL (for) with Mr. MOORES of Indiana (against).

Mr. COLLIER (for) with Mr. LAGUARDIA (against).

Mr. HOOD (for) with Mr. SIEGEL (against).

Mr. HENSLEY (for) with Mr. COOPER of Ohio (against).

Mr. MILLER of Minnesota (for) with Mr. GRAHAM of Illinois (against).

Mr. SMITH of Idaho (for) with Mr. LANGLEY (against).

Mr. THOMAS F. SMITH (for) with Mr. LEHLBACH (against).

Until further notice:

Mr. NICHOLLS of South Carolina with Mr. HAYES.

Mr. CARLIN with Mr. KAHN.

Mr. CHURCH with Mr. HAUGEN.

Mr. CLARK of Florida with Mr. FULLER of Illinois.

Mr. O'SHAUNESSY with Mr. GRAHAM of Pennsylvania.

Mr. SULLIVAN with Mr. BIRCH.

Mr. HELM with Mr. MASON.

Mr. SEARS with Mr. NICHOLS of Michigan.

Mr. LUNN with Mr. SNYDER.

Mr. LARSEN with Mr. HAMILTON of New York.

Mr. CALDWELL. Mr. Speaker, I voted "yea," but I am paired with Mr. MOORES of Indiana, and I would like to be recorded "present" instead.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is, Shall the bill pass?

Mr. PADGETT and Mr. MANN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 280, nays 50, answered "present" 2, not voting 97, as follows:

YEAS—280.

Alexander	Drane	Kraus	Roberts
Almon	Dunn	Kreider	Robinson
Aswell	Dupré	Lampert	Rogers
Austin	Eagan	Lazaro	Romjue
Ayres	Eagle	Lea, Cal.	Rose
Bacharach	Edmonds	Lee, Ga.	Rouse
Baer	Ellsworth	Lesher	Rowe
Barkley	Elston	Lever	Rubey
Barnhart	Esch	Linthicum	Sanders, Ind.
Beakes	Fairchild, B. L.	Littlepage	Sanders, La.
Bell	Farr	Lobeck	Sanders, N. Y.
Benson	Ferris	Lonergan	Sanford
Beshlin	Fess	Longworth	Schall
Black	Fields	Lufkin	Scully
Blackmon	Fisher	McArthur	Shackleford
Bland, Va.	Focht	McClintic	Shallenberger
Blanton	Foss	McCulloch	Sherley
Bowers	Foster	McFadden	Shouse
Brand	Freeman	McKenzie	Sims
Britten	Fuller, Mass.	McKeown	Sinnott
Brodbeck	Gallagher	McLaughlin, Mich.	Slemp
Browning	Gallivan	McLemore	Sloan
Buchanan	Gandy	Madden	Small
Burnett	Gard	Magee	Smith, Mich.
Burroughs	Garland	Maher	Snell
Butler	Garrett, Tenn.	Mann	Snook
Byrnes, S. C.	Garrett, Tex.	Mansfield	Stedman
Byrns, Tenn.	Gillett	Mapes	Steele
Caldwell	Glynn	Martin	Sterling
Campbell, Kans.	Godwin, N. C.	Mays	Stiness
Campbell, Pa.	Goodwin, Ark.	Merritt	Sumners
Candler, Miss.	Gordon	Miller, Wash.	Sweet
Cannon	Gray, Ala.	Montague	Switzer
Cantrill	Green, Iowa	Moon	Tague
Caraway	Greene, Mass.	Moore, Pa.	Temple
Carew	Greene, Vt.	Morgan	Thomas
Carter, Okla.	Gregg	Morin	Thompson
Cary	Griest	Mott	Tillman
Clark, Pa.	Griffin	Mudd	Timberlake
Classon	Hadley	Neely	Tinkham
Cleary	Hardy	Nelson, A. P.	Towner
Coady	Harrison, Miss.	Nicholls, S. C.	Van Dyke
Connally, Tex.	Hastings	Nichols, Mich.	Vare
Connelly, Kans.	Hawley	Nolan	Venable
Cooper, W. Va.	Hayden	Oldfield	Vestal
Cooper, Wis.	Heflin	Oliver, Ala.	Vinson
Crago	Hicks	Oliver, N. Y.	Walsh
Crisp	Holland	Olney	Walton
Crosser	Houston	Osborne	Wason
Curry, Cal.	Howard	Overmyer	Watkins
Dale	Hull, Iowa	Overstreet	Watson, Va.
Dallinger	Hull, Tenn.	Padgett	Weaver
Darrow	Humphreys	Paige	Webb
Davey	Igoe	Parker, N. Y.	Welling
Davis	Jacoway	Peters	Welty
Decker	Johnson, Ky.	Phelan	Whaley
Dempsey	Jones	Polk	Wheeler
Dent	Juul	Pou	White, Me.
Denton	Kearns	Purnell	Wilson, Ill.
Dewalt	Kehoe	Quin	Wilson, La.
Dickinson	Kelley, Mich.	Ragsdale	Wilson, Tex.
Dill	Kennedy, Iowa	Rainey, H. T.	Wingo
Dillon	Kennedy, R. I.	Rainey, J. W.	Winslow
Dixon	Kettner	Raker	Wise
Dominick	Key, Ohio	Ramsey	Woods, Iowa
Donovan	Kiess, Pa.	Ramseyer	Woodyard
Doolittle	Kincheloe	Randall	Wright
Doremus	King	Rayburn	Young, N. Dak.
Doughton	Kinkaid	Reed	Young, Tex.
Dowell	Kitchin	Riordan	Zihlman

NAYS—50.

Anderson	Essen	James	Scott, Iowa
Anthony	Fairfield	Johnson, S. Dak.	Scott, Mich.
Bankhead	Fordney	Johnson, Wash.	Sells
Browne	Frear	Kelly, Pa.	Sherwood
Carter, Mass.	French	Knutson	Sisson
Chandler, Okla.	Good	La Follette	Stafford
Claypool	Goodall	Little	Steagall
Cramton	Hamilton, Mich.	London	Stephens, Miss.
Currie, Mich.	Hersey	Mondell	Voigt
Denison	Hilliard	Nelson, J. M.	Volstead
Dies	Hollingsworth	Powers	Wood, Ind.
Dyer	Huddleston	Rankin	
Elliott	Hutchinson	Reavis	

ANSWERED "PRESENT"—2.

Emerson Ireland

NOT VOTING—97.

Ashbrook	Fairchild, G. W.	Helvering	O'Shaunessy
Birch	Flood	Hensley	Park
Bland, Ind.	Flynn	Hood	Parker, N. J.
Booher	Francis	Husted	Platt
Borland	Fuller, Ill.	Kahn	Porter
Brumbaugh	Garner	Keating	Pratt
Carlin	Gould	LaGuardia	Price
Chandler, N. Y.	Graham, Ill.	Langley	Rodenberg
Church	Graham, Pa.	Larsen	Rowland
Clark, Fla.	Gray, N. J.	Lehlbach	Rucker
Collier	Hamill	Lundeen	Russell
Cooper, Ohio	Hamilton, N. Y.	Lunn	Sabath
Copley	Hamlin	McAndrews	Saunders, Va.
Costello	Harrison, Va.	McCormick	Sears
Cox	Haskell	McKinley	Siegel
Delaney	Haugen	McLaughlin, Pa.	Slayden
Dooling	Hayes	Mason	Smith, Idaho
Drukker	Heaton	Miller, Minn.	Smith, C. B.
Estopinal	Heintz	Moores, Ind.	Smith, T. F.
Evans	Helm	Norton	Snyder
Steenerson	Swift	Treadway	White, Ohio
Stephens, Nebr.	Taylor, Ark.	Waldow	Williams
Stevenson	Taylor, Colo.	Walker	
Strong	Templeton	Ward	
Sullivan	Tilson	Watson, Pa.	

So the bill was passed.

The Clerk announced the following additional pairs:

Until further notice:

Mr. STEPHENS of Nebraska with Mr. MILLER of Minnesota.

Mr. SMITH of Idaho with Mr. LANGLEY.

Mr. HENSLEY with Mr. COOPER of Ohio.

Mr. THOMAS F. SMITH with Mr. LEHLBACH.

Mr. ASHBROOK with Mr. HASKELL.

Mr. HOOD with Mr. SIEGEL.

Mr. SEARS with Mr. HAYES.

Mr. HAMLIN with Mr. MOORES of Indiana.

Mr. HELVERING with Mr. GRAHAM of Illinois.

Mr. MCANDREWS with Mr. GOULD.

Mr. TAYLOR of Colorado with Mr. WARD.

On the vote:

Mr. COLLIER (for) with Mr. LAGUARDIA (against).

Mr. IRELAND. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall, listening?

Mr. IRELAND. I was not.

The SPEAKER. Then the gentleman can not vote. Does he desire to vote "present"?

Mr. IRELAND. Yes.

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. IRELAND, and he answered "Present."

Mr. WILLIAMS. Mr. Speaker, I want to vote "aye."

The SPEAKER. Was the gentleman in the Hall, listening?

Mr. WILLIAMS. No.

The SPEAKER. Then you can not do it.

Mr. WILLIAMS. I will vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. WILLIAMS, and he answered "Present."

The result of the vote was announced as above recorded.

On motion of Mr. PADGETT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. PADGETT. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a letter from the Secretary of the Navy in response to my request for information relative to the radio stations.

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

There was no objection.

Following is the letter referred to:

THE SECRETARY OF THE NAVY,
Washington, February 3, 1919.

MY DEAR MR. CHAIRMAN: In response to your inquiry regarding the action of the Navy Department in purchasing the Marconi ship-to-shore stations, with special reference to the remarks of the Hon. JAMES R. MANN in the CONGRESSIONAL RECORD of January 29, 1919, I beg to submit the following:

Mr. MANN stated that I went before Congress and asked for authority to make this purchase and that authority was denied me. I have not at any time appeared before Congress asking for such authority. Such action would have been wholly unnecessary and uncalled for, as the solicitor had already officially advised me that it was a matter entirely under my jurisdiction. Mr. MANN undoubtedly had in mind my appearance before the House Committee on the Merchant Marine and Fisheries on the bill for the regulation of radio communication before which I advocated Government control of all radio stations. At that time the purchase of the Marconi stations, which Mr. MANN referred to, had been concluded. The circumstances leading up to this purchase are these:

Under the authority vested in the President for the prosecution of the war all radio stations were placed under control of the Navy Department and the rental paid therefor based upon their earnings over a period of time. This control by the Navy Department was necessary in order to insure reliable communication, to limit the use of radio, and so to control its use that the department would have complete knowledge of what was being done by that means of communication. The inadequacy of existing regulations to peace conditions or to conditions such as existed before the United States entered the war was clearly evidenced by the fact that for a long time a German company remained in control of the powerful high-power station at Sayville, which broadcasted information and sent unneutral messages to German cruisers operating in the Atlantic.

Most of the Marconi coastal stations whose purchase was effected by the Navy Department had been operated continuously in the Navy coast signal service since the United States entered the war and had proved to be of great military value. Their value to the naval communication service would be even greater after peace was declared, due to the necessity for increased facilities to meet the radio requirements of our enlarged merchant marine and to eliminate interference. We were paying the Marconi Co. an annual rental for them amounting to $67,827.24. In addition we had paid the Marconi Co. rental for their ship stations on those merchant ships which had been commissioned by the Navy, this rental being at the rate of $1,000 per annum per ship. As the value of the equipment varied from $750 to $3,500 per ship, it is apparent that if this procedure were long continued we should soon pay for the equipment, which would still remain the property of the Marconi Co. The Navy Department, therefore, adopted the policy of

purchasing the ship equipment rather than pay rental, as the steamship companies were compelled to do.

The business which the Marconi Co. had built up comprised shore stations at intervals along the coast designed especially for communicating with ships at sea, these ships being equipped with radio apparatus owned by the Marconi Co. and leased to the owners of the ship at an annual rental of $1,000. Ships proceeding along the coast would communicate with a station, which would in turn communicate by land wire, if necessary, with the owners, and thus keep them fully advised of her movements and make it possible for the owners at any time to judge the destination of the ship or communicate instructions to her.

The Shipping Board, which has taken over a large number of ships, was also paying the rental to the Marconi Co. which the owners previously paid, and on June 4, 1918, the Shipping Board adopted a resolution authorizing the Bureau of Steam Engineering of the Navy Department "to purchase for account of the Shipping Board the leased radio equipment and all vessels operated by or under control of the Shipping Board."

This was communicated to the Bureau of Steam Engineering under date of June 6, 1918, and that bureau entered into negotiations with the Marconi Co. for the purchase of the radio equipment installed on ships operated by or under the control of the Shipping Board. Owing to the absence in South America of the president of the Marconi Co., definite reply to the inquiry addressed to that company was not made until October 8, 1918, when the company stated that their ship and shore stations were so interrelated that the ship-to-shore business of the company would disappear with the sale of either. They preferred to sell both the ship and shore stations rather than either one and named a figure of $2,040,240 as their price, which, it was stated, had been arrived at from a capitalization of their business on a 5 per cent basis.

Careful investigation was entered into with respect to the property and rights to be retained by the Marconi Co. The Bureau of Steam Engineering, acting upon the request of the Shipping Board, recommended the purchase of the stations. The Acting Chief of Naval Operations recommended the purchase for urgent military reasons. The matter was then referred to the Assistant Secretary of the Navy for examination, and his answer was that the purchase was wise and necessary and was worth $1,500,000 to the United States. A conference was then had with the president of the Marconi Co., who declined an offer of $1,250,000, but finally agreed to accept $1,450,000 and to include in the transfer four stations in Alaska which up to that time had not been considered in the negotiations but which are considered valuable acquisitions.

This purchase was absorbed by the Shipping Board, the Railroad Administration, which also had ships using this apparatus under its jurisdiction, and the Navy Department, the Shipping Board paying $519,300, the Railroad Administration $141,200, and the Navy Department the remainder, $789,500. The amount paid by the Shipping Board represented the value of the radio equipment of 267 ships, and that by the Railroad Administration the equipment of 63 ships.

That the purchase will prove a good investment for the Government should be apparent from the statement that, as I have before stated, the Navy Department was paying the Marconi Co. an annual rental of $67,887.24 for the shore stations which it had been operating, besides which the annual rental for the stations on the ships operated by the Shipping Board and the Railroad Administration was $330,000, a total of $397,887.24, which ceased upon the purchase of the entire system for $1,450,000.

The purchase was not approved until I was satisfied officially by the solicitor that there was no legal obstacle. From the remarks of Mr. MANN in the CONGRESSIONAL RECORD, I judge that he is under the impression that I exceeded the limitation of $10,000 imposed for the purchase of land for sites for radio stations. While I am unwilling to admit that this provision applies to the transaction under consideration, I desire to state for your information that the value of the land included in the purchase, as given by the Marconi Co., is $5,930. Some of the stations are on leased ground, and in the contract with the Marconi Co. it is provided that the Navy Department shall take over the leases formerly held by that company.

That there was no misrepresentation of the attitude of the Navy Department before the Committee on the Merchant Marine and Fisheries is evident from the most casual perusal of my hearing. On page 9 I state:

"The operation of the radio service has proven so satisfactory that the *purchase of the shore radio stations of the Federal Telegraph Co. and the Marconi Wireless Telegraph Co. of America, except the four high-power stations of the latter, has recently been announced.*" [Italic mine.]

It is obvious that I could not have asked this authority of the committee, and not having asked for the authority, the committee could not have denied me something I had not asked.

Again on the same page I state:

"This purchase means that the Marconi Co. has gone out of business of handling ship-to-shore messages, and this business has been turned over to the Navy Department, by whom it will be handled in future."

The bill H. R. 13159, the passage of which I advocated before the Committee on the Merchant Marine and Fisheries of the House of Representatives, is a bill looking to the Government ownership of all radio stations in the United States, with the exception of amateur and experimental stations. It is specifically pointed out that the department considers the Government ownership of radio stations as a proposition entirely independent of the Government ownership of public utilities in general. Radio telegraphy, on account of unavoidable interference, must have centralized and unified control, which, in the opinion of the department, can be attained only by Government ownership.

It is the desire of the department to prevent any possibility of the erection of stations by companies incorporated in this country, but secretly under foreign control, as has happened in the past in the case of the Sayville and Tuckerton stations. This bill is entirely apart from any consideration of recent purchase of the stations of the Marconi and Federal Telegraph Cos., to which the remarks of Mr. MANN were directed.

The whole question of the purchase of these coastal stations was gone into thoroughly before the committee, and the committee understood perfectly that the purchase had been made. There was absolutely no question of it.

Very respectfully, JOSEPHUS DANIELS.

Hon. L. P. PADGETT,
Chairman Committee on Naval Affairs,
House of Representatives, Washington, D. C.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. DARROW, for three days, on account of official business.

To Mr. ASHBROOK, for three days, on account of official business.

EXTENSION OF REMARKS.

Mr. SANDERS of Indiana rose.

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. SANDERS of Indiana. To ask unanimous consent to extend my remarks by printing in the RECORD the very able eulogy delivered by the gentleman from South Dakota [Mr. JOHNSON] at Norristown, Pa., on Theodore Roosevelt.

The SPEAKER. The gentleman from Indiana asks unanimouse consent to extend his remarks by printing a eulogy by Mr. JOHNSON of South Dakota on Col. Roosevelt. Is there objection?

There was no objection.

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

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks on the bill just passed. Is there objection?

There was no objection.

Mr. HOLLINGSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WELLING. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

ARMY APPROPRIATION BILL.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15835, making appropriations for the support of the Army for the next fiscal year; and, pending that, Mr. Speaker, I ask unanimous consent that the control of the time during the general debate be divided equally between the gentleman from California [Mr. KAHN] and myself.

The SPEAKER. The gentleman from Alabama moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15835, the Army appropriation bill; and, pending that, he asks unanimous consent that the time on general debate be divided half and half between himself and the gentleman from California [Mr. KAHN]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion to go into Committee of the Whole House on the state of the Union.

The motion was agreed to.

The SPEAKER. The Chair had asked Judge SAUNDERS, of Virginia, to preside over this committee, but he has disappeared, and the Chair will ask the gentleman from Massachusetts [Mr. GALLIVAN] to preside until Judge SAUNDERS returns.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15835, the Army appropriation bill, with Mr. GALLIVAN in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15835, the Army appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 15835) making appropriations for the support of the Army for the fiscal year ending June 30, 1920.

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

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

There was no objection.

Mr. DENT. Mr. Chairman, this bill, so far as the amounts are concerned, has been reported by the Committee on Military Affairs practically unanimously. The legislation that has been put upon the bill is also practically unanimously agreed upon by the membership of the Committee on Military Affairs. 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. GALLIVAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the Army appropriation bill, H. R. 15835, had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found duly enrolled bill of the following title, when the Speaker signed the same:

H. R. 15219. An act making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1920, and for other purposes.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 55 minutes p. m.) the House adjourned until Wednesday, February 12, 1919, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. Letter from the Secretary of the Treasury, transmitting reports as to the rents received from properties located on sites of proposed public buildings purchased by the United States Government in Washington, D. C. (H. Doc. No. 1785); to the Committee on Public Buildings and Grounds and ordered to be printed.

2. Letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting supplemental estimate of appropriation required by the Ordnance Department of the Army for Watertown Arsenal testing machines, fiscal year 1920 (H. Doc. No. 1786); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

By Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 15836) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, as amended, reported the same without amendment, accompanied by a report (No. 1053), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

By Mr. LEVER, from the Committee on Agriculture, to which was referred the bill (H. R. 15796) to enable the President to carry out the price guaranties made to producers of wheat of the crops of 1918 and 1919 and to protect the United States against undue enhancement of its liabilities thereunder, reported the same with amendment, accompanied by a report (No. 1055), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

By Mr. MONTAGUE, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 15707) granting the consent of Congress to the county of Martin, in the State of North Carolina, to construct a bridge across the Roanoke River at or near Williamston, N. C., reported the same without amendment, accompanied by a report (No. 1049), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 15207) granting the consent of Congress to the Fall Branch Coal Co. to construct a bridge across Tug River, reported the same without amendment, accompanied by a report (No. 1050), which said bill and report were referred to the House Calendar.

Mr. SANDERS of Louisiana, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 14555) granting the consent of Congress to the board of supervisors of Itawamba County, Miss., to construct a bridge across the Tombigbee River at or near Barr's Ferry, in said county, reported the same with amendment, accompanied by a report (No. 1051), which said bill and report were referred to the House Calendar.

Mr. DECKER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 15039) granting the consent of Congress to the Newport road district to construct a bridge across the White River within or near the city limits of the city of Newport, Ark., reported the same without amendment, accompanied by a report (No. 1052), which said bill and report were referred to the House Calendar.

Mr. FLOOD, from the Committee on Foreign Affairs, to which was referred the joint resolution (H. J. Res. 357) requesting the commissioners plenipotentiary of the United States of America to the international peace conference to present to the said conference the right of Ireland to freedom, independence, and self-determination, reported the same with amendment, accompanied by a report (No. 1054), which said joint resolution and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (H. R. 13802) authorizing the Secretary of War to grant to John D. Sherwood, of Spokane, Wash., the right to overflow certain lands on the Fort George Wright Military Reservation, at Spokane, Wash., and to accept the conveyance to the United States of other lands to be designated by the Secretary of War and suitable for a rifle range in exchange for the land so overflowed, reported the same without amendment, accompanied by a report (No. 1056), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EMERSON: A bill (H. R. 15844) to incorporate The United States Soldiers, Sailors, and Marines World's War Veterans; to the Committee on the District of Columbia.

By Mr. EDMONDS: A bill (H. R. 15845) to provide for ocean mail steamship lines to South America, and to provide for their operation and disposition, and for other purposes in connection therewith; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRODBECK: A bill (H. R. 15846) authorizing the Secretary of War to donate to the borough of Red Lion, York County, Pa., one cannon or fieldpiece with carriage and suitable number of shells; to the Committee on Military Affairs.

By Mr. AYRES: A bill (H. R. 15847) authorizing the Secretary of War to donate to the city of Newton, Kans., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. OVERSTREET: A bill (H. R. 15848) authorizing the Secretary of War to donate to the city of Savannah, Ga., two German cannon or fieldpieces; to the Committee on Military Affairs.

By Mr. CALDWELL: A bill (H. R. 15849) authorizing the Secretary of War to donate to the Maspeth Civic Association one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. MORGAN: A bill (H. R. 15850) authorizing the Secretary of War to donate to the city of Cherokee, State of Oklahoma, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. MILLER of Minnesota: A bill (H. R. 15851) authorizing the Secretary of War to donate to the village of Mountain Iron, Minn., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. CANNON: A bill (H. R. 15852) authorizing the Secretary of War to donate to the city of Marshall, Ill., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. CHARLES B. SMITH: A bill (H. R. 15853) to amend sections 8 and 21 of the copyright act approved March 4, 1909; to the Committee on Patents.

By Mr. DENISON: A bill (H. R. 15854) to provide for the erection of a public building at Carbondale, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. LAMPERT: A bill (H. R. 15855) authorizing the Secretary of War to donate to the village of Omro, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 15856) authorizing the Secretary of War to donate to the village of Princeton, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 15857) authorizing the Secretary of War to donate to the village of Green Lake, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 15858) authorizing the Secretary of War to donate to the village of New Holstein, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 15859) authorizing the Secretary of War to donate to the village of Montello, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 15860) authorizing the Secretary of War to donate to the village of Winneconne, Wis., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. WINSLOW: A bill (H. R. 15861) to authorize the acquisition of a site and the erection of a Federal building at Whitinsville, Mass.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 15862) to authorize the acquisition of a site and the erection of a Federal building at Westboro, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. RAMSEY: A bill (H. R. 15863) for the purchase of a site and erection of a public building at Phillipsburg, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. KALANIANAOLE: A bill (H. R. 15864) to establish a fund for public work in the Territory of Hawaii, and for other purposes; to the Committee on the Territories.

Also, a bill (H. R. 15865) granting statehood to the Territory of Hawaii; to the Committee on the Territories.

Also, a bill (H. R. 15866) authorizing the Secretary of War to donate captured German cannon and fieldpieces to the cities and towns of the Territory of Hawaii; to the Committee on Military Affairs.

By Mr. WEBB: A bill (H. R. 15867) authorizing the Secretary of War to donate to the county of Gaston, in the State of North Carolina, two German cannon or fieldpieces with carriage and suitable complement of projectiles; to the Committee on Military Affairs.

Also, a bill (H. R. 15868) authorizing the Secretary of War to donate to the North Carolina School for the Deaf at Morganton, in the State of North Carolina, two German cannon or fieldpieces with carriage and suitable complement of projectiles; to the Committee on Military Affairs.

Also, a bill (H. R. 15869) authorizing the Secretary of War to donate to the city of Shelby, in the State of North Carolina, two German cannon or fieldpieces with carriage and suitable complement of projectiles; to the Committee on Military Affairs.

Also, a bill (H. R. 15870) authorizing the Secretary of War to donate to the city of Lincolnton, in the State of North Carolina, two German cannon or fieldpieces with carriage and suitable complement of projectiles; to the Committee on Military Affairs.

Also, a bill (H. R. 15871) authorizing the Secretary of War to donate to Davidson College, in the State of North Carolina, two German cannon or fieldpieces with carriage and suitable complement of projectiles; to the Committee on Military Affairs.

By Mr. WRIGHT: A bill (H. R. 15872) to authorize the Secretary of War to donate to the city of Columbus, Ga., one cannon or fieldpiece captured by the American Army from the forces of the Imperial German Government during the present war; to the Committee on Military Affairs.

By Mr. OLIVER of Alabama: A bill (H. R. 15873) authorizing the acquisition of a site for a public building at Greensboro, Ala.; to the Committee on Public Buildings and Grounds.

By Mr. KINCHELOE: A bill (H. R. 15874) authorizing the Secretary of War to donate to the town of Sturgis, Ky., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. LUFKIN: A bill (H. R. 15875) for the purchase of a site for and the erection of a post-office building at Gloucester, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. TINKHAM: A bill (H. R. 15876) authorizing the Secretary of War to donate to the city of Boston, Mass., three German cannons or fieldpieces; to the Committee on Military Affairs.

By Mr. PHELAN: A bill (H. R. 15877) providing for a site and a Federal building for a post office at Peabody, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. CRISP: A bill (H. R. 15878) to provide for the purchase of a site for a public building at Ashburn, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 15879) to provide for the purchase of a site and erection of a public building at Cuthbert, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. GODWIN of North Carolina: A bill (H. R. 15880) to provide for the erection of a public building at Southport, in the State of North Carolina; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 15881) for the erection of a public building at Lumberton, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 15882) to provide for a site and public building at Dunn, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. WOODS of Iowa: A bill (H. R. 15883) to provide for the construction, maintenance, and improvement of a system of national interstate roads; to the Committee on Roads.

By Mr. PHELAN: A bill (H. R. 15884) providing for a site and a Federal building for post office and other Government departments at Lynn, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. VINSON: Resolution (H. Res. 568) providing for the continued employment during the recess of nine messengers in the House of Representatives post office; to the Committee on Accounts.

By Mr. MILLER of Minnesota: Resolution (H. Res. 569) calling upon the Secretary of War to transmit a copy of The Bush Terminal Report; to the Committee on Military Affairs.

By Mr. FULLER of Illinois: Resolution (H. Res. 570) requesting the President to communicate to the House certain information regarding the War Trade Board; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES B. SMITH: Resolution (H. Res. 571) requesting the Secretary of Commerce to report on the value of motion pictures in promoting the expansion of interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By the SPEAKER: Memorial of the Legislature of the State of Utah urging an amendment of the law giving Federal aid in the construction of post roads, so as to insure a more equitable distribution of funds to sparsely settled States, and to provide a more reasonable time limit for the availability of such Federal aid; to the Committee on the Post Office and Post Roads.

Also, memorial from the Legislature of the State of Idaho, memorializing Congress to make an appropriation to construct a road in Idaho County, Idaho, to open up certain gold mining districts; to the Committee on the Post Office and Post Roads.

By Mr. CAMPBELL of Kansas: Memorial of the Legislature of the State of Kansas urging an appropriation for the building of a highway suggested by the Fort Leavenworth, Camp Funston, and Fort Bliss National Military Highway Association; to the Committee on Military Affairs.

By Mr. DAVIS: Memorial of the Legislature of the State of Minnesota, favoring the Smith-Bankhead bills making available for industrial and other cripples the same advantages of retraining that have been extended to soldiers wounded in line of duty, etc.; to the Committee on Education.

By Mr. LAMPERT: Memorial of the Legislature of the State of Ohio, urging the Congress of the United States to enact necessary legislation to allow soldiers, sailors, and marines who served in the war against Germany and her allies six months' pay after discharge; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Ohio, urging the Congress of the United States to secure at the earliest possible moment the discharge of farmers from the military and naval service; to the Committee on Military Affairs.

By Mr. LOBECK: Memorial of the Legislature of the State of Nebraska, calling upon Congress to fittingly reward the loyal and faithful men of the American Army and Navy; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Nebraska, protesting against the rewarding of slackers and objectors and urging the Congress to reward the brave and faithful who offered their lives in the service of the country; to the Committee on Military Affairs.

By Mr. MILLER of Minnesota: Memorial of the Legislature of the State of Minnesota, favoring the extension of the benefits of reeducation and retraining now extended by law to crippled soldiers, sailors, and marines to industrial and other cripples; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 15885) granting an increase of pension to Michael McCormick; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 15886) granting an increase of pension to Alonzo Green; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 15887) granting an increase of pension to George Brenizer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15888) granting an increase of pension to Andrew Cook; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Mississippi: A bill (H. R. 15889) to carry into effect the findings of the Court of Claims in favor of

Dora Alexander Miller and Emma Alexander, in her own right and as administratrix of the estates of Jennie Alexander, deceased, and of Charles T. Alexander, deceased; to the Committee on War Claims.

By Mr. WATKINS: A bill (H. R. 15890) to carry into effect the findings of the Court of Claims in favor of the estate of Jacob A. Wolfson, deceased; to the Committee on War Claims.

PETITIONS, ETC.

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

By Mr. BRODBECK: Petition of citizens of Red Lion, York County, Pa., asking for presentation of a captured German cannon, etc.; to the Committee on Military Affairs.

By Mr. CAREW: Petition of citizens of New York City, asking for repeal of the postal zone rate bill; to the Committee on Ways and Means.

Also, petition of fifty-fifth annual convention of the New York State Federation of Labor, protesting against the postal zone law; to the Committee on Ways and Means.

By Mr. CARY: Petition of Bricklayers' Union No. 8, of Wisconsin, held at Milwaukee, February 7, 1919, indorsing plans for appropriating funds to complete public works suspended by war; prohibiting immigration; providing salary for discharged soldiers; appropriating sum of money to purchase, drain, and irrigate Government-owned land to be sold to soldiers, sailors, and war workers; to the Committee on Military Affairs.

Also, petition of George Zeigler Co., Milwaukee, Wis., asking extension of time on new law governing profit required; to the Committee on the Judiciary.

By Mr. DALLINGER: Petition of sundry citizens of Arlington, Mass., protesting against the postal zone law; to the Committee on Ways and Means.

Also, petition of citizens of Arlington, Boston, and Salem, Mass., protesting against the postal zone law; to the Committee on Ways and Means.

By Mr. DAVIS: Petition of Minnesota Vegetable Growers' Association, at a meeting held January 30, 1919, at Minneapolis, Minn., protesting against any change in time, as by setting the clock ahead, as was authorized by a Federal act in 1918; to the Committee on Agriculture.

By Mr. DOOLING: Petition of Thomas J. Logan, Metal Trades Council, navy yard, New York, favoring immediate establishment of equitable retirement system for Federal employees; to the Committee on Reform in the Civil Service.

Also, petition of Traffic Club of New York, with membership of 1,100, urging Congress to enact such revised legislation as will provide a uniform system of regulation in essential matters and an early return of transportation systems of the country to control and management of their owners; to the Committee on Interstate and Foreign Commerce.

By Mr. EMERSON: Petition of H. B. & S. U., of Cleveland, Ohio, protesting against the admission to the league of nations nations that do not guarantee religious freedom; to the Committee on Foreign Affairs.

Also, petition adopted at meeting of leading citizens of Cleveland, Ohio, in favor of Senate resolution 378 (Senator LODGE's resolution); to the Committee on Foreign Affairs.

Also, petition of soldiers, sailors, and marines, requesting the incorporation of the United States Soldiers', Sailors', and Marines' World's War Veterans; to the Committee on Military Affairs.

By Mr. FAIRFIELD: Petition of citizens of Fort Wayne, Ind., for Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENCH: Memorial of mayor and council of Boise, Idaho, urging reclamation of Idaho lands by irrigation; to the Committee on Irrigation of Arid Lands.

By Mr. HAMILTON of New York: Petition of sundry citizens of Dunkirk, N. Y., favoring the retention of the railroads by the Government; to the Committee on Interstate and Foreign Commerce.

By Mr. HENSLEY: Petition of E. W. O'Rouke, W. S. Preston, and other citizens of De Soto, Mo., favoring national ownership and Government operation of all railroads, and indorsing specifically House bill 10550; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLINGSWORTH: Petition of Myron T. Herrick, chairman Cleveland Association of War Materials Manufacturers, favoring conference committee compromise on bill validating war-material contracts; to the Committee on Public Buildings and Grounds.

By Mr. KELLY of Pennsylvania: Petition of Braddock Board of Trade, favoring continued control of wire system of United States until proper legislation can be enacted by Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. KRAUS: Petition of sundry citizens of Huntington, Ind., in favor of Government control of railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of citizens of Wabash, Ind., in favor of Government control of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. LAMPERT: Petition of citizens of the State of Wisconsin, favoring House bill 10550, providing for the national ownership and Government operation of all railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of employees of the Soo Line Railway, North Fond du Lac, Wis., in favor of Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Pennsylvania: Petition of Philadelphia Chamber of Commerce, opposing Government ownership of railroads and telegraph lines; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Petition of Humbolt Chamber of Commerce, of Eureka, Cal., asking Congress to prevent the return of German and Austrian former residents who departed to join the central armies; also, for the deportation of interned enemy aliens; to the Committee on Immigration and Naturalization.

Also, petition of John P. Dean, Berkeley, Cal., against theater tax; to the Committee on Ways and Means.

Also, petition of V. E. Rae, of Weaverville, Cal., protesting against the postal zone law; to the Committee on Ways and Means.

Also, petition of executive committee of the California Teachers' Association, Central Section, urging the passage of Senate bill 4987; to the Committee on Education.

By Mr. TAGUE: Evidence in support of H. R. 567; to the Committee on Rules.