PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRENNAN: A bill (H. R. 8108) for the relief of Charles Gittery, jr.; to the Committee on Claims.

By Mr. CABLE: A bill (H. R. 8109) to carry out the findings of the Court of Claims in the case of James B. Jewett; to the Committee on War Claims.

By Mr. HOUGHTON: A bill (H. R. 8110) to carry out the findings of the Court of Claims in the case of Samuel M. Morgan; to the Committee on War Claims.

By Mr. HULL: A bill (H. R. 8111) granting an increase of pension to John W. Wabrass; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 8112) granting an increase of pension to Katherine Hoch; to the Committee on Invalid Pensions.

By Mr. LUHRING: A bill (H. R. 8113) granting a pension to Malinda K. McGowen; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 8114) for the relief of Thomas A. Groover; to the Committee on Claims.

By Mr. SANDERS of Indiana: A bill (H. R. 8115) for the relief of Warren Lindley; to the Committee on the Post Office and Post Roads.

By Mr. ZIHLMAN: A bill (H. R. 8116) granting an increase of pension to Jacob S. Best; to the Committee on Pensions.

PETITIONS, ETC.

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

2289. By Mr. CLAGUE: Petition of citizens of Currie, Minn., favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

2290. Also, petition of citizens of Madelia, Minn., favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

2291. By Mr. DYER: Petition of Southern Illinois Milk Producers' Association, favoring the passage of the Fordney bill, which will give relief to the dairy interests; to the Committee on Ways and Means.

2292. Also, petition of International Boiler Makers and Iron Ship Builders and Helpers of America, Indianapolis, Ind., regarding Senate bill 657, amending section 1014 of the Revised Statutes of the United States; to the committee on the Judiciary.

2293. Also, petition of State Board of Accountancy of Missouri, favoring the filing of a tentative return where it is impossible to file a complete return within the time prescribed by law; to the Committee on Ways and Means.

2294. By Mr. KISSEL: Petition of Samuel, George H., and Theresa Dovey and Charles Rassigo, jr., all of Brooklyn, N. Y., urging larger appropriations to be used in the building of ships at the New York Navy Yard; to the Committee on Appropriations.

2295. By Mr. MICHENER: Petition of W. E. Taylor and 30 other citizens of Grand Rapids, Mich., asking for the repeal of the excise tax on candy; to the Committee on Ways and Means.

2296. Also, petition of Kleis Beverage Co., of Ann Arbor, Mich., opposing tax on carbonated beverages, etc.; to the Committee on Ways and Means.

2297. Also, petition of sundry citizens of Michigan, favoring the removal of the 10 per cent tax on carbonated beverages; to the Committee on Ways and Means.

2298. By Mr. RIORDAN: Petition of interstate committee of one hundred, on prevention of pollution of coast waters and beaches; to the Committee on Rivers and Harbors.

2299. By Mr. SANDERS of New York: Petition of Automobile Club of Rochester, N. Y., opposing the imposition of a $10 tax on all automobiles; to the Committee on Ways and Means.

2300. By Mr. TEN EYCK: Petition of 17 constituents from Watertown, N. Y., against the compulsory Sunday observance bill (H. R. 4388); to the Committee on the District of Columbia.

2301. By Mr. TOWNER: Resolution of Rhode Island State Federation of Women's Clubs, with a membership exceeding 6,000 women of the State, indorsing the Towner-Sterling education bill; to the Committee on Education.

2302. Also, resolution of Medical Women's National Association at annual meeting held at Boston, Mass., June 11, 1921, indorsing Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

2303. Also, petition of Jacob Shively and 29 other citizens of Osceola, Iowa, protesting against the passage of House bill 4388; to the Committee on the District of Columbia.

2304. Also, petition of Everett W. Ballew and 43 other citizens of Baltimore, Md., and elsewhere, asking for the passage of the Sterling-Towner educational bill; to the Committee on Education.

2305. Also, petition of Mrs. C. Purcell and 29 other citizens of Baltimore, Md., and elsewhere, asking for the passage of the Sterling-Towner educational bill; to the Committee on Education.

2306. Also, petition of Mrs. Jerome C. Bernstein and 27 other citizens of Baltimore, Md., asking for the passage of the Sterling-Towner educational bill; to the Committee on Education.

2307. Also, petition of Miss Alice Nearing and 29 other citizens of White Plains, N. Y., and elsewhere, asking for the passage of the Sterling-Towner educational bill; to the Committee on Education.

2308. Also, petition of Mrs. Susan Wallace and 15 other citizens of Gravity, Iowa, and vicinity, protesting against the passage of the compulsory Sunday observance law (S. 1948); to the Committee on the District of Columbia.

2309. By Mr. WARD of North Carolina: Petition of Pitt County Chamber of Commerce, Greenville, N. C., regarding House bill 6377; to the Committee on Agriculture.

SENATE.

TUESDAY, *August 9, 1921.*

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

Our Father, we thank Thee for the brightness of another morning. We thank Thee for the way along which Thou art leading us, that we can recognize that the goodness of God never fails. Help us so to understand Thy ways with us and through us that we may fulfill the tasks committed to us to Thy glory and to the highest interest of our loved country. We ask in Jesus Christ's name. Amen.

NAMING A PRESIDING OFFICER.

The Secretary, George A. Sanderson, read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., August 9, 1921.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. IRVINE L. LENROOT, a Senator from the State of Wisconsin, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro Tempore.

Mr. LENROOT thereupon took the chair as Presiding Officer.

The Assistant Secretary, Henry M. Rose, proceeded to read the Journal of the proceedings of the legislative day of Friday, August 5, 1921, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ball	Glass	McCormick	Smith
Borah	Gooding	McKellar	Smoot
Brandegee	Hale	McNary	Spencer
Broussard	Harreld	Nelson	Stanfield
Bursum	Harrison	New	Stanley
Calder	Heflin	Nicholson	Sterling
Cameron	Johnson	Norbeck	Sutherland
Capper	Jones, N. Mex.	Oddie	Swanson
Caraway	Jones, Wash.	Overman	Townsend
Culberson	Kellogg	Owen	Trammell
Curtis	Kenyon	Phipps	Wadsworth
Dial	Keyes	Poindexter	Warren
Edge	King	Pomerene	Watson, Ga.
Ernst	Ladd	Ransdell	Watson, Ind.
Fernald	La Follette	Sheppard	Williams
Fletcher	Lenroot	Shortridge	Willis
Gerry	Lodge	Simmons	

Mr. CURTIS. I wish to announce the absence of the Senator from Pennsylvania [Mr. PENROSE] on official business, attending hearings before the Senate Committee on Finance. I ask that this announcement may stand for the day.

Mr. LA FOLLETTE. I was requested to announce the absence of the Senator from Nebraska [Mr. NORRIS] on account of illness.

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present. The Senate will receive a message from the President of the United States.

A message in writing from the President was transmitted to the Senate by Mr. Latta, one of his secretaries.

CARE AND TREATMENT OF WORLD WAR VETERANS.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. HARRISON. On July 20, after the House had passed the bill known as the Sweet bill, the Senate passed it, it being a bill to improve the facilities and services of the bureaus affecting disabled soldiers. That has been some three weeks ago. I was wondering if the President has signed the bill yet. I thought perhaps the message that has just come to the Senate from the President was one approving that bill, it now being three weeks since it passed the Senate.

The PRESIDING OFFICER. The Chair will inform the Senator that the bill having originated in the House, the House will be notified of its approval by the President.

Mr. HARRISON. Has it yet been signed and become a law?

The PRESIDING OFFICER. That notification would go to the House.

Mr. HARRISON. Is it still in the House?

The PRESIDING OFFICER. It being a House bill, the message will go to the House and not to the Senate.

Mr. HARRISON. So I presume it has not yet been signed.

Mr. CURTIS. The bill was only signed by the Presiding Officer of the Senate three or four days ago.

Mr. HARRISON. Then it has not yet become a law. It was rushed through here quickly in order to give some relief. I do not know why it has not yet become a law.

AMENDMENT OF NATIONAL PROHIBITION ACT.

Mr. CALDER. Mr. President, I was detained from the Chamber yesterday when the final vote was taken on the bill (H. R. 7294) supplemental to the national prohibition act. The RECORD shows that I was paired on that bill with the senior Senator from Georgia [Mr. HARRIS]. If I had been present I would have voted against the bill. If the senior Senator from Georgia had been present he would have voted for it.

Mr. EDGE. Mr. President, I desire to make an announcement similar to that just made by the Senator from New York [Mr. CALDER]. In view of the request made for unanimous consent last week, when a final vote on the bill was asked for Monday and denied, I assumed that there would not be a vote yesterday. I wish it clearly to appear in the RECORD that if I had been present I would have voted against the amendment of the Volstead Act.

MISSISSIPPI BARGE LINE.

Mr. MCKELLAR. Mr. President, I wish to have inserted in the RECORD a statement of the earnings of the Mississippi Barge Line. I am happy to state that during the past four months that institution has steadily made profits to the Government, and very good profits, after allowing for depreciation and all charges. They have made such an excellent showing that I ask unanimous consent that the figures for April, May, June, and July be inserted in the RECORD.

The PRESIDING OFFICER. The Senator from Tennessee asks unanimous consent to have inserted in the RECORD the statement referred to. Is there objection? The Chair hears no objection, and it is so ordered.

The statement is as follows:

April.

Tonnage, 36,917.

Revenue	$166,366.10
Operation expenses	122,541.24
Profit	43,824.86
Divided as follows:	
Depreciation	27,102.85
Absolute profit	16,722.01
	43,824.86

May.

Tonnage, 34,412.

Revenue	$158,263.23
Operation expenses	129,555.98
Profit	28,707.25
Divided as follows:	
Depreciation	28,040.35
Absolute profit	666.90
	28,707.25

June.

Tonnage, 37,000.

Revenue	$180,000.00
Operation expenses	134,500.00
Profit	45,500.00
Divided as follows:	
Depreciation	33,500.00
Absolute profit	12,000.00
	45,500.00

July (estimated).

Tonnage, 39,200.

Revenue	$190,000.00
Operation expenses	133,000.00
Profit	57,000.00
Divided as follows:	
Depreciation	32,000.00
Absolute profit	25,000.00
	57,000.00

SUMMARY.

April, May, June, July (estimated), 1921.

Tonnage, 147,529.

Revenue	$694,629.33
Operation expenses	519,597.22
Profit	175,032.11
Divided as follows:	
Depreciation	120,643.20
Absolute profit	54,388.91
	175,032.11

Average revenue, $4.43 per ton, of which 36 per cent is grain. The upstream and downstream tonnage is nearly balanced 50-50.

GOVERNMENT OF MEXICO.

Mr. SHEPPARD. Mr. President, I ask that a resolution passed by the Legislature of Texas favoring the recognition of the present Government of Mexico be read at the desk.

The PRESIDING OFFICER. Without objection, the Secretary will read the resolution.

The Assistant Secretary read the resolution, as follows:

House concurrent resolution 18.

Whereas for a period of nearly 10 years, beginning in 1910, the neighboring Republic of Mexico has been in the throes of revolution which made for political instability and which constantly jeopardized life, liberty, property, and the pursuit of happiness; and

Whereas by legal methods as provided for by the constitution of the land there has been elected to and installed in the presidency of our sister Republic across the Rio Grande His Excellency the Hon. Alvaro Obregon; and

Whereas President Obregon has the confidence, respect, and support of the people of Mexico to a degree almost unprecedented in the history of that country, with the result that to-day Mexico is enjoying peace and stability; and

Whereas through the efforts of President Obregon a new era of cordiality and friendly relations has been initiated between the peoples on either side of the Rio Grande, who for so long misunderstood and distrusted each other; and

Whereas the friendly attitude toward American citizens and American interests so uniformly manifested by President Obregon since becoming the President of the Republic of Mexico eight months ago is of that sincere nature and of that evident good faith which makes the best feeling between nations, strengthened by the promise of President Obregon in frequent utterances that Mexico will meet every just obligation for which Mexico as a Nation is responsible; and

Whereas it is altogether fitting and appropriate that the Lone Star State of Texas should join her sister States of California, Arizona, Oklahoma, Michigan, and Illinois in a formal expression of friendship to the people of Mexico and of commendation and confidence in President Obregon: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Legislature of the State of Texas declare itself pleased with the election of and administration by President Obregon and congratulate the people of Mexico upon the new era of peace, prosperity, and amicable relationship which have been established; and be it further

Resolved, That it is the sense of the Legislature of Texas that the best interests of our Nation and our State will be served and the restoration of order in world affairs will be hastened by the immediate official recognition on the part of the Government of the United States of the Government of Mexico, as administered by President Obregon; and be it further

Resolved, That the clerk of the house be, and is hereby, directed to forward copies of this resolution to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to each of the Texas Senators and Representatives in Congress; and be it further

Resolved, That the clerk of the house be, and is hereby, directed to send a copy of this resolution to His Excellency the Hon. Alvaro Obregon, President of the Republic of Mexico.

CHAS. G. THOMAS,
Speaker of the House.
LYNCH DAVIDSON,
President of the Senate.

I certify that house concurrent resolution No. 13 was adopted by the house July 30, 1921.

CARL PHINNEY,
Chief Clerk of the House.

I certify that house concurrent resolution No. 13 was adopted by the Senate August 1, 1921.

W. V. HOWERTON,
Secretary of the Senate.

Mr. LODGE. Mr. President, what action was taken on the resolution which has just been read?

The PRESIDING OFFICER. The Senator from Texas merely asked that it be read at the desk.

Mr. LODGE. And that it lie upon the table?

The PRESIDING OFFICER. The Senator from Texas made no request as to the disposition of the resolution, but it will lie upon the table unless some further request be made in reference to it.

Mr. SHEPPARD. I ask that the resolution may be referred to the Committee on Foreign Relations.

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

PETITIONS AND MEMORIALS.

Mr. SHEPPARD. Mr. President, I ask that a letter containing a resolution recently adopted by the Supreme Forest Woodmen Circle Convention in the city of New York, in behalf of the so-called Sheppard-Towner bill for the protection of maternity and infancy, be printed in the RECORD.

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

SUPREME FOREST WOODMEN CIRCLE,
Omaha, Nebr., August 5, 1921.

Senator MORRIS SHEPPARD,
The Senate, Washington, D. C.

DEAR SENATOR: At the recent meeting of the Supreme Forest Convention in the city of New York the following resolution was unanimously adopted:

"Whereas the Sheppard-Towner bill for the protection of maternity and infancy is now pending before Congress; and

"Whereas the purpose of this measure is to enable the Federal Government, through the Children's Bureau, to cooperate with the States in the distribution of information and instruction relating to the hygiene of maternity and infancy; and

"Whereas the need of such an enactment is shown by the fact that about 200,000 infants and from 15,000 to 20,000 mothers are dying in the United States every year through lack of proper instruction and care, a fact brought out by the Children's Bureau and other child-welfare organizations at the recent hearings in Congress on this bill: Therefore be it

"*Resolved*, That the Supreme Forest Woodmen Circle, an organization with local units in every section of the United States, hereby indorse this bill and urge Congress to adopt it as soon as possible or practicable; and be it further

"*Resolved*, That copies of this resolution be sent to Senator MORRIS SHEPPARD and Representative H. M. TOWNER, at Washington, for presentation to Congress."

Fraternally, yours,
[SEAL.]

MARY E. LEA ROCCA,
Supreme Guardian.
DORA ALEXANDER TALLEY,
Supreme Clerk.

Mr. CALDER. I present a petition signed by a number of citizens of the city of Binghamton, N. Y., praying recognition of the independence of the Irish republic. I ask that the petition be referred to the Committee on Foreign Relations and printed in the RECORD.

There being no objection, the petition was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD without the names attached, as follows:

To the Foreign Relations Committee of the Senate of the United States, Washington, D. C.:

We, the undersigned citizens of the United States, residing in the city of Binghamton, New York State, representative by birth or origin of various nations of Europe, including Czechoslovakia, Ukrainia, Lithuania, Poland, France, Greece, Russia, and Rumania, have, after a careful and impartial study of the heroic struggle now being made by the dauntless people of Ireland for liberty, and having been convinced of the justification of their demand, cheerfully subscribe to the following:

"Whereas England's brutal policy toward the people of Ireland deserves the condemnation of the justice-loving people of the world; and

"Whereas it appears that a very large percentage of the citizens of America are in favor of and deeply sympathize with the Irish in their aspirations for liberty: Therefore be it

"*Resolved*, That the Foreign Relations Committee of the United States Senate be, and hereby are, respectfully urged to give their full and unstinted support to joint resolution (S. J. Res. 1) declaring that the independence of the republic of Ireland ought to be recognized by the United States of America."

BINGHAMTON, *N. Y., May 20, 1921.*

Mr. NICHOLSON. I present a petition from the North Park Stock Growers' Association, of Colorado, relating to legislation regulating the meat and meat-products trade. As this petition is rather brief and contains a great deal of information, I should like to have it printed in the RECORD in full, if there is no objection.

The PRESIDING OFFICER. The Senator from Colorado asks unanimous consent that the petition referred to by him be printed in the RECORD. Is there objection?

Mr. WADSWORTH. May I ask the Senator how long it is?

Mr. NICHOLSON. It is very brief. If the Senator desires to have it read, I will have it read. It is very brief, however.

Mr. WADSWORTH. I do not ask to have it read.

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

At a meeting of the North Park Stockgrowers' Association, held at Walden, Colo., on August 4, 1921, the following resolution was unanimously adopted:

"Whereas the live-stock industry of the United States is in a deplorable financial condition, involving banks, merchants, and other related lines of business. The producer is selling his cattle for 25 per cent less than the cost of production. The average retail market is taking a gross profit of 100 per cent. The hotels and restaurants are taking a gross profit of from 200 to 400 per cent over the prices that they pay to the wholesalers from whom they buy.

"For many years it has been the pet hobby of the cheap politicians and other unsophisticated persons to cry, 'Stop thief!' at the packers. While the packers may have been guilty of some unfair practices in the past, an investigation of the entire meat industry of the country shows that all the injustices of the packers combined amount to a mere bagatelle compared to the practices of the retail markets, hotels, and restaurant keepers. The excessive prices demanded are placing meats beyond the reach of the average consumer, whereas, considering the wholesale prices, meats should be about the cheapest foods and within the reach of everyone.

"The best illustration of the enormous profits made in retailing meats are the large number of markets in residential sections of our cities, doing a small amount of business but operating under heavy overhead expenses. An investigation of many of these places and their fixed charges prove that they are making a gross profit far exceeding 100 per cent.

"We believe that a great mistake was made by the Federal authorities in restricting the packers to the wholesale meat trade. We know that the large packers, with their knowledge of the trade and business organizations, can distribute every pound of meat for 25 per cent of the present profits made by retailers. The distribution of meats by the smaller packers in the States of Oregon and Washington absolutely prove this contention. When the wholesale price of beef or the prices on the hoof are the same in Oregon and Washington as in the rest of the United States, meats can be purchased 25 to 40 per cent cheaper from the packer-operated retail markets in the Pacific coast cities than in the cities where there are no packer-operated markets. We believe that the retailer should be licensed and limited the same as the packers. If it is fair to limit one, it is fair to limt the other.

"We believe that 40 per cent would be a liberal gross profit for any retail market doing a reasonable amount of business. We also believe that if 30 per cent of the 100 per cent profit now being taken by the retailer were given to the producer that the producer could remain in a state of solvency. We further believe that if the remaining 30 per cent taken by the retail markets were given to the consumer meat products would be placed within the reach of all classes of consumers. The consumption of meat products would increase to such an extent that everyone connected with the live-stock industry would be benefited. As a result of the increased volume of business the overhead percentage charges of both packer and retailer would be materially reduced; railroads would be enabled to reduce rates.

"The live-stock industry is perhaps the most essential basic industry of the United States. The fertility of the soil

of a country can only be measured by the amount of live stock that it carries. The present crisis in the live-stock industry is placing it on the brink of destruction, and can only be averted by immediate and intelligent legislation: Therefore be it

"*Resolved*, That we request the Congress of the United States to immediately enact such legislation as may be necessary to stop excessive profiteering in the retail sale of meats and meat products; be it further

"*Resolved*, That a copy of this resolution be sent to all Members of Congress from Colorado, requesting them to take prompt action in the matter and help save the live-stock industry from complete destruction."

Mr. NICHOLSON presented a memorial of sundry citizens of La Junta, Colo., remonstrating against the enactment of Senate bill 2135, which they allege gives unlimited authority to the Secretary of the Treasury to deal with the payment of the British war debt to the United States; also questioning President Harding's statement that granting a bonus to ex-service men at this time would disturb the finances of the United States, which was referred to the Committee on Finance.

He also presented a resolution adopted by the department encampment of Colorado and Wyoming, Grand Army of the Republic, held at Golden, Colo., June 23, 1921, favoring an amendment to the pension laws allowing soldiers' widows a pension although their marriage was at a date subsequent to June 27, 1905, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the department encampment of Colorado and Wyoming, Grand Army of the Republic, at Golden, Colo., June 22, 1921, favoring the enactment of legislation making monthly payments to soldiers of the Grand Army of the Republic and their widows, which was referred to the Committee on Pensions.

He also presented a petition of the Graphite Corporation, of Greeley, Colo., praying for the enactment of legislation placing a tariff duty on crude amorphous graphite, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Grand Army of the Republic of Colorado and Wyoming, at its annual encampment held at Golden, Colo., June 22, 1921, protesting against the age limit set by the Postmaster General for postmastership applicants, which was referrred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the City Council of Glenwood Springs, Colo., favoring the recognition of the republic of Ireland by the Government of the United States, which was referred to the Committee on Foreign Relations.

He also presented a petition signed by sundry citizens of Glenwood Springs, Colo., praying for the recognition of the republic of Ireland by the Government of the United States, which was referred to the Committee on Foreign Relations.

Mr. NELSON presented a resolution adopted by the convention of the Minnesota Game Protective League, at Gull Lake, Minn., July 15, 1921, and also a resolution of the Gopher Campfire Club, of Belle Lake, Minn., favoring the enactment of Senate bill 1452, to establish shooting grounds for the public, refuges for migratory birds, etc., which were referred to the Committee on Agriculture and Forestry.

He also presented 67 letters in the nature of memorials from sundry bankers in the State of Minnesota, remonstrating against the enactment of legislation providing for the use of revenue stamps on bank checks, which were referred to the Committee on Finance.

Mr. TOWNSEND presented memorials of sundry citizens of Grand Haven, Mayville, Elkton, Reese, Ann Arbor, Munith, Stockbridge, and Van Buren County, all in the State of Michigan, remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a recent meeting of the Michigan Milk Producers' Association, favoring the enactment of the so-called Fordney filled milk bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by officers and members of Detroit (Mich.) Chapter, Salve Regina, favoring international disarmament, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Charles A. Learned Post, No. 1, the American Legion, of Detroit, Mich., favoring an amendment to the Constitution of the United States giving Congress the power to regulate the use for travel of all air space over the earth and within the borders of the United States and its Territories, etc., which was referred to the Committee on the Judiciary.

Mr. JONES of Washington presented three memorials of sundry citizens of Mount Vernon, Seattle, and Carrolls, all in the State of Washington, remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a resolution adopted by the Augusta (Kans.) Chamber of Commerce, favoring the so-called French-Capper truth in fabric bill, which was referred to the Committee on Interstate Commerce.

Mr. McLEAN presented a petition of the Women's Benevolent Association of the Macabees, of Ansonia, Conn., praying for the passage of the so-called Norris resolution relative to Ireland, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Benjamin Franklin Council, American Association for the Recognition of the Republic of Ireland, of New Haven, Conn., calling upon Congress not to agree to any settlement of the British debt or further postponement of interest thereon until England recognizes the republic of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry candy manufacturers of New Haven, Meriden, and Bridgeport, all in the State of Connecticut, praying that the excise tax on candy imposed under the revenue act of 1918 be repealed, which was referred to the Committee on Finance.

He also presented memorials of Hannah Benedict Carter Chapter, Daughters of the American Revolution, of New Canaan, and Green Woods Chapter, Daughters of the American Revolution, of Winsted, both in the State of Connecticut, remonstrating against the enactment of legislation commercializing the national parks, which were referred to the Committee on Public Lands and Surveys.

REPORTS OF COMMITTEES.

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which were referred the following bill and joint resolution, reported them each without amendment:

A bill (H. R. 6514) granting Parramore Post, No. 57, American Legion, permission to construct a memorial building on the Federal site at Abilene, Tex.; and

A joint resolution (S. J. Res. 67) stating the true meaning and intent of the provisions relating to the erection and use of the George Washington Memorial Building in the act 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," approved March 4, 1913, as amended.

Mr. KENYON, from the Committee on Agriculture and Forestry, to which was referred the resolution (S. Res. 110) to investigate activities of the National Grain Dealers' Association and other organizations engaged in combating legislation for the relief of agriculture, reported it without amendment.

Mr. SPENCER, from the Committee on Claims, to which was referred the bill (S. 157) for the relief of the Rosen Reichardt Brokerage Co., of St. Louis, Mo., reported it with an amendment and submitted a report (No. 245) thereon.

He also, from the same committee, to which was referred the bill (S. 165) for the relief of Hans Weideman, reported it without amendment and submitted a report (No. 246) thereon.

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

A bill (H. R. 1940) for the relief of the Southern Iron & Metal Co., Jacksonville, Fla. (Rept. No. 247); and

A bill (H. R. 2117) for the relief of the city of West Point, Ga. (Rept. No. 248).

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (S. 2356) for the relief of Clarence L. Reames, reported it without amendment and submitted a report (No. 249) thereon.

Mr. BRANDEGEE, from the Committee on the Judiciary, to which was referred the bill (S. 2272) to amend the act approved October 29, 1919, known as the national motor vehicle theft act, reported it without amendment.

TRADE WITH CHINA.

Mr. BRANDEGEE. From the Committee on the Judiciary I report back favorably with an amendment the bill (H. R.

4810) to authorize the incorporation of companies to promote trade in China. I ask consent of the Senate that I may have leave to file a written report on this bill at some time within a week.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent that he may have leave to file a report upon the bill known as the China trade bill within a week. Is there objection?

Mr. KING. Mr. President, may I inquire of the Senator whether there is a minority report on that measure?

Mr. BRANDEGEE. No. The bill reported by the Senate Committee on the Judiciary is a substitute for the House bill. No member of the committee who voted against it announced his intention to file a minority report. There were several members of the committee who voted against it.

Mr. KING. This is the granting of a charter by the Federal Government to private individuals to engage in private business in some other country, is it?

Mr. BRANDEGEE. No; not exactly, if the Senator will permit me to answer the question by stating my view of it. It is practically the creation of a general Federal incorporation act, under which any five persons may, with the approval of the Secretary of Commerce, file articles of incorporation and become a body corporate for the purpose of transacting business between the people of the United States and the people of China. It proceeds upon an entirely different theory from that upon which the House bill proceeded. The House bill attempted to incorporate citizens of the United States as a corporation for the purpose of conducting business wholly within China. The Committee on the Judiciary of the Senate did not think that Congress, under the commerce clause of the Constitution, which confers the right to regulate foreign commerce among other things, would be constitutionally authorized to incorporate a company for the transaction of business exclusively within the Chinese Republic; but they did take the view that under the right to regulate commerce with foreign nations we would have a right to incorporate a company for the transaction of business between citizens of the United States and citizens of China. However that may be, it is a constitutional question, and can be argued on the floor at the time the Senate acts upon the bill. I do not want to take up the time of the Senate with it now.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? There being no objection, it is so ordered.

BILLS INTRODUCED.

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

By Mr. STERLING:

A bill (S. 2372) for the relief of Alfred Sjostrom; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 2373) granting certain lands to Escambia County, Fla., for a public park; to the Committee on Public Lands and Surveys.

By Mr. STANFIELD:

A bill (S. 2376) to amend section 5202 of the Revised Statutes of the United States, second edition; to the Committee on Banking and Currency.

By Mr. JONES of Washington:

A bill (S. 2377) to authorize the extension and widening of Ninth Street from Longfellow Street NW. to Underwood Street, and Underwood Street from Ninth Street to Georgia Avenue NW.; to the Committee on the District of Columbia.

By Mr. CAPPER:

A bill (S. 2378) granting a pension to Carra Belle Jacobs (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2379) providing for the appointment of Warrant Officer Emil Bergdahl as captain of Cavalry, United States Army, to take rank under the provisions of section 24a of the act of Congress approved June 4, 1920; and

A bill (S. 2380) for the relief of Henry P. Collins, alias Patrick Collins (with an accompanying paper); to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 2381) to make a survey of the Saratoga Battlefield, and to provide for the compilation and preservation of data showing the various positions and movements of troops at that battle, illustrated by diagrams, and for other purposes; to the Committee on Military Affairs.

SAVING OF GOVERNMENT FUNDS.

Mr. KING. Mr. President, Gen. Dawes—who has been doing, I think, admirable work, and I hope his powers may be increased if he can effectuate any reforms—made a statement recently in which he said that the budget bureau had saved substantially $112,000,000. My opinion is that the general is in error, and that he will suffer a rude awakening when the Federal agencies of the executive departments make up their final report for the year. He will find that some of these bureaus in which he reports gains will demand further appropriation and report deficiencies. The distinguished general does not yet know the habits of Government departments and bureaus. However, giving full credence to the general's report, I am offering a bill requiring that the savings referred to by Gen. Dawes be covered into the Treasury. We should "grab" them while we can. I am afraid they will prove illusive, but let us see whether they have been or can be saved. I ask the reference of the bill to the Committee on Appropriations.

The bill (S. 2375) to repeal authorizations for the expenditure of certain moneys for the fiscal year 1922, and to cover the same into the Treasury, was read twice by its title and referred to the Committee on Appropriations.

Mr. KING. Mr. President, attention has been called repeatedly to the fact that a great many appropriations which were made, particularly during the war, and which were not absorbed, are carried over, and a practice has grown up under which large appropriations are carried over from year to year, and without any further legislation made available for utilization by the various departments. It is a pernicious practice. No business house in the world could carry on business in that way. I offer a bill, and ask its reference to the Committee on Appropriations, which calls for the return to the Treasury of all these amounts.

These unexpended balances, amounting to tens and, indeed, hundreds of millions of dollars, should be covered into the Treasury immediately, and there should be legislation which will in the future compel the return to the Treasury at the end of each fiscal year of all unexpended balances. The practice of making permanent appropriations and appropriations for an indefinite period is wrong. It makes for waste and extravagance, and is contrary to all sound principles of business administration. It is time for reforms in the business methods of the Government.

The bill (S. 2374) to cover into the Treasury of the United States the balance of all appropriations remaining unexpended on June 30, 1922, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENTS TO TARIFF BILL.

Mr. STANFIELD submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were referred to the Committee on Finance and ordered to be printed.

Mr. RANSDELL submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

ENROLLED BILLS PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on August 9, 1921, they had presented the following enrolled bills to the President of the United States:

S. 252. An act to amend an act approved February 22, 1889, entitled "An act to provide for the division of Dakota into two States and to enable the people of North Dakota, South Dakota, Montana, and Washington to form constitutions and State governments, and to be admitted into the Union on a equal footing with the original States, and to make donations of public lands to such States"; and

S. 732. An act to extend the provisions of section 2455, Revised Statutes, to lands within the abandoned Fort Buford Military Reservation in the States of North Dakota and Montana.

DOCKET OF UNITED STATES SUPREME COURT.

Mr. SPENCER. Mr. President, one of the questions with which we shall soon have to deal seriously is the crowded condition of the dockets of the Federal courts. I ask unanimous consent that there may be printed in the RECORD a brief article from the Central Law Journal which was written by Mr. Thomas W. Shelton, of Virginia, who is the chairman of the committee on uniformity of judicial procedure of the American Bar Association.

The PRESIDING OFFICER. The Senator from Missouri asks unanimous consent to have printed in the RECORD the mat-

ter presented by him. Is there objection? There being no objection, it is so ordered.

The article referred to is as follows:

"THE DANGER OF THE INCREASED BURDEN UPON THE FEDERAL SUPREME COURT FROM ITS CONTINUALLY EXPANDING DOCKET.

"The conservative Harvard Law Review (vol. 32, p. 538, No. 3), the guide and inspiration of thousands of America's greatest jurists and lawyers, gives expression to the statement that 'the Supreme Court (sic. of the United States) has made a number of loose and inconsistent statements, some of which must necessarily be repudiated.' It is worthy of note that the particular issue in which the above observation appeared was dedicated to Hon. Oliver Wendell Holmes 'on the happy occasion of his eightieth birthday.'

"Consciousness of the high authoritative source of the remark drives the mind of thoughtful men to measuring the possible effect of such a condition and sets one in search of the cause, rather than the verity thereof. It is not necessary to go into the latter, since the very suggestion from any respectable source of carelessness or any other inefficiency, or a lack of conservatism or well considered language in America's great tribunal, is sufficiently alarming. The executive and legislative departments might suspend for a stated period without other result than inconvenience but, should the Supreme Court cease to function at all one dares not predict the result. As a governmental agency that great tribunal, said Thomas Jefferson, 'Has the weight of all manner of conflict on its hands because it is the last appeal of reason.' It alone applies the 'legal checks' that makes possible the perpetuation of the American Republic—democracy administered through a strong republican form of government.

"Now it is of first importance to be mindful that its great power is not derived from a Constitution or statutes or duress, but from the voluntary submission of a highly intelligent and patriotic people justified by their faith, respect, and reverence. For that reason one's heart almost ceases to beat at the thought of a possible cause for lack of reverence. The instance calls for the repetition of sentiments long ago expressed and suggestions then ventured for the lessening of the onerous duties of the court so that its important labors might be leisurely and deliberately performed. But before doing this an humble appreciation of the greatest tribunal of justice on earth is permissible.

"It is respectfully submitted that faith in and submission to the Supreme Court is the cohesion binding together the Union of the States. The history of the court is an interesting and vital story of the conflict and evolution of many years of interstate relations and the establishment of interstate commercial regulations. In bringing about this wholesome status the Supreme Court converted an inert parchment into a plastic, flexible tie, profitably binding the States together in amicable relation and automatically disposing of friction as it arises. No code of statutes prepared by a Solomon would have achieved this marvelous result so necessary to the stability of the new and untried Republic, even though the statutes could have been agreed upon. There is no legislative body on earth that could have enacted enough statutes and sufficiently elastic to have momentarily met the kaleidoscopic developments and changes in interstate political and economic relations during the early growth of the Nation, with its diversified interests and keen antagonisms and rivalries. That is the basis of John Marshall's great reputation, daily growing brighter in the hearts of a grateful people.

"Thus the Supreme Court nurtured the Nation in its infancy, trained it in its youth, and is now guiding it in the straight and narrow way in its maturity. It has been to the Nation a pillar of fire by night. It has guided destructive revolutionary doctrines into beneficial evolutions. The violence of anarchy and the persuasiveness of the demagogue have fitted themselves into the constitutional mold. The oppression of concentrated power and the chicanery of corrupt organizations have ceased to trouble and alarm at its simple word. It is the final arbiter between man and his brother, the State and the church, the citizen and the soldier, and even between Congress and the Chief Executive himself. Who may measure the debt of the country to its highest court?

"And, it is well to add, that there abides in the hearts of the people of this country a sublime faith in their highest tribunal that makes of submission the noblest attribute of national character. That faith is the corner stone upon which rests the very existence of the Republic. It is as beautiful as filial bondage and stronger than the duress of arms. Believing these things, is there a more patriotic duty in the noble profession of the law than the sacred obligation to encourage, foster, and make justifiable that faith in the highest court of the country that is the very breath of its life?

"The Supreme Court of the United States is necessarily the most deliberate body within the conception of the mind of man and requires time for mature thought. Haste in its affairs is not conceivable. But it must not be overlooked that it has its economic side as well as commerce, and its humanity may gradually and unconsciously respond to a public demand for dispatch at the cost of the wisdom and careful expression that made its reputation. It is just that possibility, but not probability, that presents the greatest menace to the strength of the court and through it the destruction or weakening of respect and confidence. The public must continue under the conviction that the Supreme Court weighs its words as if each measured life and death and has plenty of time in which to select the most appropriate. Let us give this sentiment a thought.

"John Marshall handed down but 519 opinions during the entire tenure upon the bench of 34 years and 5 months or substantially 12,390 days, from February 4, 1801, to July 6, 1835. (Carson's Hist. Sup. Ct., p. 286). Deducting approximately 1,788 Sundays and a 30-day annual vacation, aggregating 1,020 days, we have left 9,582 working days. Therefore he averaged an opinion every 18 working days.

"The Supreme Court at its October, 1919, term, ending in June, 1920, 'actually considered 501 cases, of which, 210 were argued orally and 291 submitted on printed arguments' (Atty. Gen.'s Rept., 1920, p. 10). There were 1,019 cases actually pending, 609 of which were disposed of during the term (id. p. 10). Dividing the opinions equally amongst the nine members they each wrote approximately 56 opinions in 291 actual working days, which is ascertained by deducting a 30-day vacation and 44 Sundays. Every five days an opinion had to be produced by each member of the court, assuming that no member was absent from duty—a most improbable premise. This is substantially three times the speed required of John Marshall.

"But since these results are predicated on full work time they do not fairly reflect the actual conditions. Time must be taken out for hearing argument of 210 cases at the bar of the court. More than half of its term the court sits from noon to 4 o'clock. We shall put to one side the considerable time consumed in the consideration of motions, petitions for certiorari, and other incidental duties, rapidly multiplying, that call for the most laborious and conscientious thought and research. No effort has been made to set out other than the most obvious duties performed. It is manifest that the Supreme Court is one of the hardest worked organizations in America with daily increasing duties as will now appear from a comparison of its dockets of yesteryear.

"At the beginning of the October term, 1904, there were 282 cases brought over from the past term and 400 new cases added, totaling 682 cases. Of these 402 were disposed of during the term, leaving untouched 280 or just 2 cases less than in the beginning. Passing the eight intervening years it found awaiting it in October, 1913, a docket of 604 cases carried over from 1912—an increase of about 250 per cent—to which were added 524 new cases, making a total of 1,128 cases. By the hardest exertion and application 593 were disposed of, leaving 535 to be carried over to the October, 1914, docket. It will now be observed that a degree of haste had been forced upon the court. The number of cases disposed of in 1913 was nearly double the entire docket of 1904. A big increase in business is reflected and evidences the necessity for relief, for two reasons. The first is in the interest of prompt hearings, and the second is the subject of this discussion.

"But there is another element. No thoughtful person will be unmindful that nearly all of this work is epoch-making and calls for the supreme genius, learning, patience, research, deliberation, and physical power possessed by these great and able jurists. They not only should not be hurried or harried but they must be permitted to proceed under the conditions that made possible the masterful work of John Marshall and under the inspirations that guided his great mind and spirit. It is pertinent to inquire of the effect upon him of crowding and haste and impatience. As a question of psychology, the people must continue to visualize the Supreme Court as the most deliberate and painstaking and most nearly perfect of human organizations. They love to think so, but they also know that it is the final earthly resort for justice.

"The solution of the trouble, without additions to the present membership, is not so difficult if Congress can be induced to act. And it is believed it will. Without going into details the practical mind naturally turns to the administration of justice

as a whole, including the circuit courts of appeals, by an uncompensated group of lawyers and judges who would after a careful study, consultation, and inquiry formulate a program that would form an intelligent and scientific basis for final action by Congress. This is the English way, and it is a sound one. The expansion of the country and the growth of business has been phenomenal and problems of administering justice have increased in proportion. If relief is to be given it must be in a way commensurate with the expansion of the Nation. No statutory patchwork will suffice. Congress would thus convince the people of its good intention and would share a great responsibility with the lawyers, where it belongs.

"THOMAS W. SHELTON."

DOCKETS OF UNITED STATES DISTRICT COURTS.

Mr. SPENCER. Mr. President, the article which I have presented, and which has been ordered printed in the RECORD, deals entirely with the overburdened docket of the Supreme Court of the United States. What is true of that court, as Mr. Shelton so clearly outlines, is even to a greater degree true in regard to the United States district courts in the several districts of the United States. I ask that there may also be printed in the RECORD a brief summary of the actual condition of the dockets of the United States district courts which was furnished me within the last day or two from the office of the Attorney General. This summary shows an intensely interesting state of affairs. There were in 1913, the year before the World War, 52,618 cases commenced in those courts; there were at the end of that year 102,012 cases pending.

If we turn from 1913 to the last year, we find that instead of 52,618 cases having been commenced there were 104,000 cases commenced, which is nearly accurate, though it is partly an estimate, because a few of the reports have not yet been received. Of those 104,000 cases which were commenced in the United States district courts in the year 1920 more than 70,000 were criminal cases. The burdening of the dockets of the courts which have to deal with the great questions of the constitutional rights of the individual with a lot of cases the punishment of which characterizes them as misdemeanors is something which should give us great concern.

Mr. KING. Will the Senator yield?

Mr. SPENCER. I will yield if the Senator will allow me to finish my statement.

This summary also shows that there were pending at the end of the year 1920, 140,000 cases in the United States district courts, as compared with 102,000 cases in 1913. The condition is one that, of course, interests us and one with which sooner or later we shall have to deal.

Mr. President, if there is no objection, I ask that the table of cases I have presented, setting forth the facts I have stated and the data for other corresponding years, together with a statement of the expenditures incident to the Federal judiciary, may be inserted in the RECORD for our information.

Mr. KING, Mr. HARRISON, and Mr. McKELLAR addressed the Chair.

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

Mr. SPENCER. I yield.

Mr. KING. I hope that the table which has been submitted by the Senator from Missouri may also be referred to the Committee on the Judiciary. Some time ago, at the request of a member of the Federal judiciary, I called the attention of the Senate to the enormous amount of work which is now devolving upon the Federal judges, resulting largely from misdemeanor cases, as indicated by the Senator from Missouri. Nearly all of the 70,000 new cases are misdemeanor cases, which ought to be tried by a justice of the peace or by some inferior tribunal. I suggested at that time, and I beg leave to repeat the suggestion, that the Judiciary Committee take cognizance of the situation. I think some instrumentality, some judicial tribunal, may be devised, supplementary to the present Federal courts, in order to handle the misdemeanor cases. If that were done, then the Federal courts could go on looking after the important cases and the little misdemeanor cases, the petty cases, which ought not to be in the existing Federal courts, could be disposed of by the inferior tribunals.

Mr. SPENCER. May I say to the Senator from Utah—and doubtless there will come some suggestion from him that will remedy the situation—that the difficulty lies in the fact while everybody would agree that there ought to be some commission or some inferior tribunal created that would immediately proceed to determine these misdemeanor cases, but under the Constitution of the United States every inferior court which has to do with Federal business is a life office, holding during good behavior, and when we appoint a judge to try misdemeanor cases we have in fact created a new Federal judge, whose term of office may run long after the emergency which caused the creation of the office has ceased to exist.

Mr. KING. I appreciate that; but, in my opinion, the business of the Federal courts in the future will continue to increase, and we could well have some permanent inferior tribunal as a sort of an adjunct to the district courts to take up unimportant matters and to act as referee in bankruptcy and in other matters.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. SPENCER. I yield.

Mr. McKELLAR. I wish to say to the Senator, in view of what he has just said about the crowded dockets of the Supreme Court and of the district courts, that the same statement holds true of a number of the circuit courts of appeal of the United States, notably in the circuit where the Senator from Missouri has his home, the eighth circuit, the docket of which is crowded, so that the court is more than two years behind. In like manner in the sixth circuit the circuit court of appeals is about two years behind. In the fifth circuit the court is not so far behind, but in the second circuit it is very far behind. The same crowded condition exists in all the Federal courts, both in the appellate courts and in the district courts.

Mr. SPENCER. I think the Senator from Tennessee is entirely right.

Mr. POMERENE. Mr. President, will the Senator yield to me for a moment?

Mr. SPENCER. I yield to the Senator from Ohio.

Mr. POMERENE. In view of the statement which has been made, it may be interesting to say a word with regard to the conditions in the Federal court at Cincinnati. Some months ago a movement was set on foot to create a new judgeship in that district. The United States district judge, Hon. John Weld Peck, wrote me on the subject. He has been on the bench about two years. When he was appointed the docket was overcrowded. Now, he is up with his docket, and during the last year he was assigned to Memphis, Tenn., and served one month there, and was subsequently assigned by the Chief Justice of the United States to go to New York, where he also served one month. He is on his job all the time.

Mr. KING. We want more judges like him.

Mr. HARRELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. SPENCER. I yield to the Senator from Oklahoma.

Mr. HARRELD. I should like to ask the Senator from Missouri if his investigations did not disclose that because of the conjested condition of the court dockets there are being lost to the Treasury of the United States large amounts of money in fees, fines, and forfeitures? I should like also to inquire if, as a matter of fact, it would not be along the lines of economy to have more judges so as to take care of the congested condition of the business of the Federal courts? In my State a short time ago I made an investigation, and have the figures which show that in the eastern district in my State there is such congestion—and great complaint is made of that—that many cases are being held up, and the Government is absolutely losing money in the way of fines and forfeitures. In my judgment, in that State at least, it would be a matter of economy to provide an additional judge. I wish to know if that is not true also in a great many other districts?

Mr. SPENCER. There can be no doubt, I think, as to the truth of what the Senator from Oklahoma has said.

Mr. WADSWORTH rose.

Mr. McCORMICK. I ask for the regular order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri to print in the RECORD the matter referred to by him.

Mr. HARRISON. Mr. President——

Mr. NELSON. In connection with the statement which has been made——

Mr. WADSWORTH. I was going to ask for the regular order.

The PRESIDING OFFICER. The Senator from New York asks for the regular order. Is there objection to printing in the RECORD the table referred to by the Senator from Missouri?

Mr. HARRISON. I have no objection to that.

The PRESIDING OFFICER. There being no objection, the table will be printed in the RECORD.

The table referred to is as follows:

Comparison of business and expenditures—Department of Justice and United States courts.

(Includes all cases brought before the United States district courts, excluding naturalization proceedings.)

	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
BUSINESS UNITED STATES DISTRICT COURTS.										
Cases commenced	50,691	52,618	57,646	62,768	64,963	62,017	72,237	80,291	91,254	[1] 104,000
Increase, number of cases		1,927	5,028	5,122	2,195	*2,946*	10,220	8,054	10,963	
Increase, per cent		3.8	9.5	8.8	3.5	*4.5*	+16.4	11.1	13.6	
Cases terminated	46,648	53,450	56,336	60,393	75,502	65,955	85,441	83,422	68,735	[2] 85,000
Increase, number of cases		6,802	2,886	4,057	15,109	*9,547*	19,486	*2,019*	*14,687*	
Increase, per cent		14.5	5.4	7.1	25	*12.6*	29.5	*2.3*	*17.6*	
Number of cases pending at close of year	102,299	102,042	120,208	132,102	129,421	118,926	100,389	96,255	118,744	[2] 140,000
EXPENDITURES.										
Justice	$5,217,912.01	$5,569,228.57	$5,743,110.32	$5,743,064.35	$5,830,250.81	$5,917,202.50	$7,904,336.82	$9,324,827.76	$9,913,872.15	
Courts	4,978,660.90	4,925,431.97	4,992,808.30	5,020,163.60	4,995,283.11	5,053,322.56	5,584,935.43	5,771,938.15	6,643,490.29	
Total	10,196,572.91	10,494,660.54	10,735,918.62	10,763,227.95	10,825,533.92	10,970,525.06	13,489,272.25	15,096,765.91	16,557,362.44	[2] 17,900,000
Increase, amount		298,087.63	241,258.08	27,309.33	62,305.97	144,991.14	2,518,747.19	1,607,493.66	1,460,596.53	[2] 1,400,000
Increase, per cent		2.9	2.3	½ of 1	$\frac{5}{10}$ of 1	1.3	22.9	11.9	9.6	[2] 9
Special items							$783,320.19	$1,122,574.11	$772,269.49	

[1] Estimated, of which 70,000 are criminal cases.

[2] Estimated.

NOTE.—Figures in italics indicate decreases.

STATEMENT BY REPRESENTATIVE KELLER.

Mr. HARRISON. Mr. President, along the same line as the documents which have been placed in the RECORD by the Senator from Missouri, and which are very instructive, there appeared in yesterday's paper statements by two very distinguished Republican leaders—one by Representative KELLER, of Minnesota, and the other by Representative FREAR, of Wisconsin. I ask unanimous consent that their statements be placed in the RECORD for the instruction of the Senate.

Mr. KING. May I say to the Senator from Mississipi that the letter of Representative FREAR I offered in connection with my remarks yesterday, and made a part of my remarks in the RECORD.

Mr. WATSON of Indiana. Mr. President, I should like to inquire what the statements are about.

Mr. HARRISON. I will have them read for the information of the Senator.

Mr. KING. They are about the dye monopoly, and other matters.

The PRESIDING OFFICER. The regular order has been called for.

Mr. HARRISON. I did not understand that the Senator objected to the statements referred to by me being printed in the RECORD.

Mr. WADSWORTH. I asked for the regular order in the midst of the discussion on the congested condition of the dockets of the Federal courts.

Mr. SMOOT. In view of the fact that one of the statements has been in the RECORD only once, I do not see why it should not be ordered printed in the RECORD every morning.

Mr. HARRISON. While the Frear statement is very interesting, I do not want it to go in twice. I ask that the Keller statement go in the RECORD.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent that the statement referred to by him be printed in the RECORD. Is there objection?

Mr. POINDEXTER. I will ask the Senator from Mississippi if this statement was not printed in the proceedings of the House of Representatives?

Mr. HARRISON. I do not think so. It would not hurt if it was printed on the Senate side, so that some of the Senators might read it.

Mr. POINDEXTER. They are both printed in the same RECORD. There is no occasion for reprinting it. I have no objection to printing it once, but I do object to printing it twice. I wish the Senator would inquire whether the Representative who wrote the statement did not have it printed in the RECORD.

Mr. HARRISON. If unanimous consent is granted, and I find that it has been placed in the RECORD, I shall not incorporate it again; but I should like to get the consent, because the statement is very instructive.

Mr. POINDEXTER. If the Senator will make that inquiry and act accordingly, I have no objection.

The PRESIDING OFFICER. Is there objection? There being no objection, it is so ordered.

The matter referred to is as follows:

REPRESENTATIVE KELLER'S STATEMENT.

"Our ability to compete with other nations for world markets—and consequently our prosperity—primarily depends on reasonable transportation charges, cheap power, low interest, easy rents, low taxation, efficient labor, and systematic distribution. We have adopted a policy which has brought about the exact reverse of these ideal conditions. Our exorbitant transportation rates absorb producers' profits and paralyze production. Our great natural water-power resources are monopolized or undeveloped, and power is correspondingly dear. Interest rates are high, credit is controlled, and speculators are favored over producers. Rents are excessive, taxes are crushing, and our manner of distribution is the most costly and cumbersome in the civilized world. The Government has attempted to legislate on every one of these vital problems within the past six months, but instead of honestly searching for the best way out of our industrial difficulties and welcoming the disinterested advice of economists, scientists, engineers, real financiers, and experts in various lines, the machinery of Government has been commandeered by a little clique, ignorant of the A, B, C's of economics, whose blind obedience to Wall Street is responsible for the stupid, selfish, and shortsighted policy that is retarding our prosperity and creating profound distrust and discontent among the people.

"The President has assumed more power than any of his predecessors and tells Congress what bills to pass and what not to pass. Bills concocted at secret conferences are introduced without being referred to responsible committees. The President's advisors seem to think it possible for this country to lift itself by its economic bootstraps and vaguely promise that a half billion dollar gift to the railroads—which in some mysterious manner is not to increase taxes—will 'restore prosperity.' They would do better to busy themselves with lowering rates, taking off the transportation tax, and seeing to it that the railroads are run efficiently with a minimum of waste. But that is not likely so long as railroad executives can depend upon the administration for lavish gifts.

"In the matter of farm credits—absolutely imperative if the purchasing power of the people is to be restored—the President interfered to block a bill designed to eliminate middlemen and directly aid the producers. As a consequence a camouflaged measure has been passed which will benefit bankers, dealers, and speculators more than it will the actual raisers of farm crops.

"I agree with the President that the revenue bill should have been taken up before the tariff. Tariffs should be based upon the difference in the cost of production at home and abroad. Taxation has become one of the largest items of production. How could a fair tariff be framed when its authors did not know the basic elements that entered into the costs of production? But the Ways and Means Committee was more interested in protecting special privilege than in devising scientific schedules, and the tariff bill was driven through the House under a special rule which limited debate and practically prohibited amendment. It was such a bungling job that it must be

rewritten by the Senate. I have been informed that it is intended to shove the revenue bill through the House under another special rule—one of those tricks which makes a farce of representative government. Most Members of the House want to carry out the people's wishes, but a little dominant minority has tied down the safety valve of free discussion until an explosion impends which will scatter the Republican Party from Maine to California.

"The Ways and Means Committee has demonstrated its utter unfitness to deal intelligently with the great financial measures on which to a great degree the prosperity of the country depends. Advocates of intelligently constructive measures were hurried through their testimony with scant courtesy, and I am reliably informed that it was actually proposed to hold no public hearings at all on taxation.

"Taxation is the most important matter that confronts the United States. Federal taxes alone now aggregate approximately $4,000,000,000 a year. One-third of the net income of corporate business is put into State and National taxes. Practically all these taxes are levied upon production. This vast tribute can not be taken from industry without the serious danger of disrupting our entire economic structure. There is not the slightest doubt that much of our business depression is directly due to our unscientific methods of raising revenue. High taxes inflate prices and thus decrease the purchasing power of the public. When declining sales prevent the taxes from being passed along to the public they rest with paralyzing effect upon industry itself. The result is industrial stagnation, with agricultural impoverishment, widespread unemployment, and general distress.

"There is no reason why raising necessary Government revenues should not promote production. There are rules of taxation just as well established as the laws of mathematics. But instead of calling in competent experts, the Ways and Means Committee seeks the advice of a multimillionaire Cabinet officer, whose suggestions seem to be based on preelection promises rather than time-tested principles of economics.

"He suggests repeal of the excess-profits tax, reduction of the higher surtax rates on individual incomes, increase of the corporation tax, retention of the ruinous transportation tax and the nuisance taxes, with new impositions on automobiles and bank checks and increased rates on first-class postage.

"This policy will further depress industry and fail to raise sufficient revenue for the Government's needs. The proposal to repeal the excess-profits tax and to lower the higher individual income surtaxes, without providing any constructive substitute, is special legislation of the most vicious character. Less than 5,000 persons—most of them war profiteers—pay the higher surtaxes on incomes of more than $100,000 annually, yet Secretary Mellon wants to cut in half the $500,000,000 which they contributed to the upkeep of the Government and throw the additional burden upon small manufacturers, jobbers, merchants, and workers and farmers.

"Mr. FORDNEY offers no objection to this—he is very sympathetic to wealth—but he sees the political danger in increasing taxes and seriously proposes that this be avoided by borrowing money for current expenses. This is a contemptible subterfuge, which should not be tolerated. We ought to retire our national debit more rapidly, not increase it. It could be paid off in 30 years if the tax program I have proposed were adopted.

"Taxes can not be reduced unless the administration agrees to a drastic cut in its military expenditures. Ninety-three per cent of our revenue goes for war purposes, and the President strenuously objected to any curtailment of this program. It is possible to lighten taxes on industry, however, provided that the administration and its lieutenants on the Ways and Means Committee quit coddling millionaires and monopolists and seriously consider the taxation of inheritances and land values.

"Several billion dollars annually pass by inheritance in this country. Increased rates on these estates would produce between $500,000,000 and $750,000,000. There is no valid reason why this tax should not be increased. A tax on inheritances is not a tax upon industry. It does not have an injurious effect upon business. Instead, it actually will increase business and add more capital for productive purposes by taking money which otherwise would be held by individual heirs or trusteeships, generally in the form of tax-exempt securities, and diffusing it for productive purposes. According to Secretary of the Treasury Mellon, there is $10,000,000,000 invested in tax-exempt securities. Most of this amount can be reached in no way except through an inheritance tax. One of my bills reduces the rates on earned income, and the inheritance tax bill is in effect a deferred income tax to be collected at a point where evasion is impossible and where the amount of the levy can not check production or retard investment.

"A 1 per cent tax on land values, with all improvements deducted and an individual exemption of $10,000, would raise approximately $1,000,000,000 annually. The deduction of improvements and the exemption of $10,000 would eliminate practically all farmers and city home owners. The bulk of this billion dollars would be paid by the owners of unused natural resources, of vacant city lots, and those who hold agricultural land out of use for speculative purposes. This tax actually would reduce rents, promote building, and stimulate general production. Taxation of land values always has this effect.

"These bills are before Congress. Two other bills repeal all the nuisance taxes; do away with the tax on transportation; abolish the excess-profits and corporation-income taxes, which have inflated prices and add an element of uncertainty to business; distinguish between earned and unearned income by one-half. This program lifts $1,750,000,000 from industry—virtually cutting the present taxes in two—and replaces this sum by levies that will stimulate production.

"This program would go a long way toward restoring prosperity, but it is hardly considered by the administration's inner circle, whose members are so engrossed in legislating for the interests of 5,000 millionaires that they can not comprehend the needs of the 109,995,000 people who carry on the constructive work of this Nation."

INTERSTATE HIGHWAY SYSTEM.

Mr. HEFLIN. Mr. President, a few days ago the Washington Star contained an article charging that some of the States had wrongfully disposed of war material furnished by the Federal Government for use in building and improving public roads in the States. I have a telegram on the subject from the State engineer of Alabama which I wish printed in the RECORD. The charge is not true, so far as Alabama is concerned.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent that the telegram referred to by him be printed in the RECORD. Is there objection?

Mr. SMOOT. Mr. President, I am not going to object. I am simply going to call the attention of the Senate once more to the fact that I do not believe the CONGRESSIONAL RECORD ought to be a public daily printing bulletin. Every day it is getting worse and worse. The RECORD is supposed to be for the purpose of recording what is done in this body and in the House of Representatives. It is getting now so that more than half of the volume of the CONGRESSIONAL RECORD is made up of outside publications, newspaper reports, editorials from different magazines, and so on. We did have it stopped for a while. I am not a Member of the Committee on Printing now, or I assure the Senator I would do everything I could to stop it again.

Mr. HARRISON. Of course, the Senator's remarks are not leveled at the statement of Congressman KELLER.

Mr. SMOOT. I am not speaking of any particular article; I am speaking of them as a whole. The Senator ought to pick up the RECORD to-morrow morning and find what the Senate has done, and then find what is in the RECORD outside of the Senate proceedings. As far as the cost is concerned, of course that does not make any difference, because billions are to be spent for anything now; but I want to say to the Senator that every one of those pages costs the Government of the United States $50 and over to print, besides the cost of carrying it through the mails, and I think we ought to begin to take into consideration even hundreds and thousands of dollars a day.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? There being no objection, it is so ordered.

The telegram is as follows:

MONTGOMERY, ALA., *August 6, 1921.*

Senator J. THOMAS HEFLIN,
Washington, D. C.:

This department has not disposed of any surplus war materials given Alabama. See article in Washington Star, July 31.

W. S. KELLER, *State Engineer.*

THE TOBACCO SITUATION.

Mr. SMITH. I introduce a Senate resolution and ask unanimous consent for its immediate consideration. I will state that this matter came up in the Agricultural Committee and I was authorized by the committee to present this resolution. It simply asks for certain information from the Federal Trade Commission in reference to the condition of tobacco and its sale in this country, both in the raw and in the manufactured form. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent for immediate consideration of a resolution which will be read by the Secretary.

The resolution (S. Res. 129) was read, as follows:

Resolved, That the Federal Trade Commission be, and is hereby, directed to investigate the tobacco situation in the United States as to the domestic and export trade, with particular reference as to market price to producers for tobacco and the market price for manufactured tobacco and the price of leaf tobacco exported, and report to the Senate as soon as possible the result of such investigation.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. SMOOT. I want to say to the Senator that I just received the other day from the Agricultural Department a full statement of everything that is asked for in this resolution.

Mr. SMITH. I think the Senator is mistaken, in view of the fact that there is a claim made that the amount of raw tobacco on hand is so far in excess of any demand that the farmers who produce it in every State I have heard from—and I have heard from a good many, and, as a tobacco producer myself, I know it reflects the condition in my State—are actually hauling their tobacco back into the fields, and in fields where fertilizer is needed they are actually using some of their leaf tobacco for that purpose. There is no market at all for such grades of tobacco, and the claim of those who are purchasing is that they have an oversupply, while at the same time inquiry has revealed the fact that all manufactured tobacco, in the form of snuff, cigarettes, cigars, and chewing tobacco, is at the peak of war prices.

Surely, those who produce it are entitled to know if the condition of the market for the leaf tobacco, both at home and abroad, is such that they can not absorb any more, and then to be informed of the conditions that produce that very anomalous condition, where the manufactured tobacco in all forms is at the peak of war prices, while the material out of which the manufactured form is made is without a market, and is begging for a market. As I specify in the resolution, I would like to have a detailed statement as to the reason why that condition exists, if any can be given, based upon natural laws. The Federal Trade Commission is operating, and they will return to the Senate, without any cost to anybody, their findings, whatever they may be, and I hope that the Senator will allow the resolution to go through.

Mr. SMOOT. I have not yet had time to go over it, but the department sent me information, in response to my inquiry, not as to what was produced or the amount on hand, but as to the consumption, in order that I may make an estimate of what revenue the Government will receive out of the sale of tobacco for the next fiscal year. That information, of course, any Senator can get at anytime by asking the Agricultural Department. It is true that they did not give any reason why the prices are high, or state whether they are high or low.

Mr. SIMMONS. That concerns only the prices of manufactured tobacco, not of leaf tobacco.

Mr. SMOOT. They gave the amount of leaf tobacco supposed to be on hand. They estimated what the crop for this year would be.

Mr. SMITH. If the Senator will allow me, what I am desirous of knowing from the commission which we have established is what are the reasons, if any, for this abnormal difference. A little piece of chewing tobacco which, previous to the war, cost 5 cents, now costs 15 cents. Cigarettes are proportionately high. Cigars are proportionately high. All forms of manufactured tobacco are still at the peak, while the producers of it actually can not find a market at all for certain grades.

Mr. SIMMONS. The data which the Senator from Utah has relates to another phase of the question.

Mr. SMITH. Entirely.

Mr. SIMMONS. The Senator from Utah is interested in the raw tobacco.

Mr. SMITH. The raw material.

Mr. SIMMONS. He is trying to ascertain the production for the purposes of revenue legislation.

Mr. SMOOT. I am interested in all phases of the question.

Mr. WADSWORTH. Mr. President, I shall have to ask for the regular order.

The PRESIDING OFFICER. The regular order is called for. Is there objection to the immediate consideration of the resolution submitted by the Senator from South Carolina?

Mr. SMOOT. The Senator should let the Agriculture Department furnish him with the information, as it has it in hand.

The resolution was considered by unanimous consent and agreed to.

OHIO RIVER BRIDGE.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1934) granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street railway toll bridge across the Ohio River, between the city of Huntington, W. Va., and a point opposite in the State of Ohio.

The amendments were, on page 1, line 6, to strike out the word "toll" and to amend the title so as to read: "An act granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street railway bridge across the Ohio River, between the city of Huntington, W. Va., and a point opposite in the State of Ohio."

Mr. SUTHERLAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXTENSION OF RENTS ACT.

The PRESIDING OFFICER. The morning business is closed.

Mr. BALL. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 2131, the District of Columbia rents act.

The PRESIDING OFFICER. Is there objection?

Mr. FLETCHER. Mr. President, I shall not object to the consideration of the bill; I shall do nothing to obstruct its disposition; but I expect to explain my position in regard to it in due course. For the present, I shall not make any objection.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2131) to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Delaware [Mr. BALL] to the committee amendment, which the Secretary will state.

The ASSISTANT SECRETARY. On page 3, the Senator from Delaware proposes to strike out all of lines 12 to 21, both inclusive, and to insert in lieu thereof the following:

SEC. 123. In all cases where the owner of any rental property, apartment, or hotel has, prior to April 18, 1921, collected or received any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of the title, he may within 30 days after this section takes effect return such excess rental or charge to the tenant directly, and if such return is made within such period the owner shall not become liable under the provisions of section 112 of this act. An owner who has obtained a judgment against a tenant for, or which includes, such rent or charge in excess of the amount fixed in such a determination of the commission shall move to vacate such judgment to the amount of such excess, within 60 days after this section takes effect. In case such motion is not made and such owner does not exercise reasonable diligence to have such judgment vacated, such judgment, to the amount of such excess, shall be null and void.

The PRESIDING OFFICER. The question is upon the amendment proposed by the Senator from Delaware to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment reported by the Committee on the District of Columbia.

The ASSISTANT SECRETARY. On page 5, line 1, the committee proposes to change the number of the section from 4 to 5.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 5, lines 4 to 14, inclusive, the committee proposes to strike out section 5 in the following words:

SEC. 5. That in all cases where the owner has, prior to April 18, 1921, collected any such excess rent or charge he may return such excess to the tenant direct, and in default of his so doing, then, upon application by the tenant to the commission, a rule shall be issued against such owner and served in the same manner as other notices from the commission, requiring such owner to refund such excess to the tenant within 10 days from the service of such rule, and in default of such refund within said 10 days the commission shall proceed to recover double the amount of excess with costs and attorney's fee, as herein provided.

The amendment was agreed to.

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

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

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. BRANDEGEE. Mr. President, I do not desire to make any extended remarks upon the bill, but I have grave doubts as to the constitutionality of the measure. It does not seem to me that three years after we have concluded the war Congress has authority to pass a bill of this nature, interfering with contracts made by private parties. That is all I care to say about the measure.

Mr. BORAH. Mr. President, I wish to ask the Senator from Connecticut a question. I agree with the Senator; I have very grave doubts myself about the constitutionality of the bill; but what more power had we under the Constitution three

years ago to deal with this particular subject than we have now?

Mr. BRANDEGEE. I am unable to cite anything more specific in the Constitution authorizing such legislation than that during a war, exercising the so-called war powers, Congress has power to do anything that in the judgment of Congress is necessary to win the war. That is the basis of all such legislation originally, and I think it falls to the ground when we are at peace.

Mr. BORAH. I only desire to say, Mr. President, that in my opinion the whole theory upon which these war powers were extended to such subjects as this has no basis in the Constitution at all. There are certain war powers given Congress in the Constitution, and those powers are defined. The Congress of the United States can exercise no powers in war any more than it can in peace, except those which are provided for in the Constitution. I want to record again, as I have so often recorded, that this entire theory that in some way or other when war is declared the Constitution disappears and reappears when the war is at an end, is wholly fallacious under our theory of government. The Constitution obtains and is our sole source of authority in war the same as in peace.

Mr. FLETCHER. Mr. President, the question in the mind of the Senator from Idaho [Mr. BORAH] and the suggestion by the Senator from Connecticut [Mr. BRANDEGEE], we may get a little light upon by reference to a case which involved the constitutionality of the act of which the bill is amendatory. It is a case decided by the Supreme Court of the United States. Since the matter was up last week I have been furnished with a very comprehensive and clear discussion of the subject in the form of a brief prepared by certain gentlemen here in the city, which I will make reference to a little later.

Mr. BRANDEGEE. Was that a decision of the Supreme Court of the United States or of the Supreme Court of the District of Columbia?

Mr. FLETCHER. Of the Supreme Court of the United States. The constitutionality of the act was decided in the case of Block versus Hirsh, and the Court of Appeals of the District of Columbia in that case held the law to be invalid. The case was taken to the Supreme Court of the United States, and on April 18, 1921, the Supreme Court of the United States held the act to be constitutional by a 5 to 4 decision.

It is to be noted that the majority opinion of the court based the constitutionality of the act solely and entirely upon the ground that there was, quoting from the opinion, an "emergency growing out of the war, resulting in rental conditions in the District dangerous to the public health and burdensome to public officers, employees, and accessories, and thereby embarrassing the Federal Government in the transaction of the public business." That was the ground upon which the court held the act to be constitutional.

Mr. BORAH. Of course, Mr. President, the logic of that statement is that as soon as war is declared the Constitution of the United States is suspended, and nothing is to be considered except the public interest, and what the Congress of the United States or the court deems to be the public interest.

There is no other conclusion to be drawn from that statement than the fact that the Congress must determine for itself what is in the public interest, regardless of any power which may be defined in the Constitution.

Mr. FLETCHER. The Supreme Court in that decision was very careful to say that the decision of Congress as to an emergency, for instance, was not conclusive. They said in the same opinion:

> No doubt it is true that a legislative declaration of facts that are material only as the ground for exacting a rule of law, for instance, that a certain use is a public one, may not be held conclusive by the courts. * * * But a declaration by a legislature concerning public conditions that by necessity and duty it must know is entitled at least to great respect. In this instance Congress stated a publicly notorious and almost world-wide fact. That the emergency declared by the statute did exist must be assumed, and the question is whether Congress was incompetent to meet it in the way in which it has been met by most of the civilized countries of the world.

That was the basis upon which the Supreme Court upheld the constitutionality of the act. The court distinctly said that the fact that we may now say that the emergency continues to exist is not conclusive on the court at all.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Connecticut?

Mr. FLETCHER. Certainly.

Mr. BRANDEGEE. What was the date of that decision?

Mr. FLETCHER. April 18, 1921.

Mr. BRANDEGEE. It is possible that the court is correct. Of course, whatever the Supreme Court of the United States decides is the law, whether we think it is a proper interpretation of the situation or not. But the legislation that we are now asked to pass is another effort to extend a war statute, and it is being passed after the Congress by joint resolution has declared that we are no longer at war. Whether the reasoning of the court in that case or its conclusion there would obtain in a suit under the present bill is an entirely different proposition.

Mr. FLETCHER. That is just the point I am coming to. I have no objection to the legislation if it can accomplish any good. So far as I am informed, the commission is a very admirable one. Their decisions have been fair and just and reasonable. I have never had any occasion to come in contact with them, one way or another, and know nothing about the actual transaction of business before the commission, but I take it that they are all honorable citizens of great integrity. I believe there is one woman member of the commission, and all of them have done excellent work. I am not questioning that. It is the principle of the thing to which I can not quite agree, and I think we are establishing here a very dangerous and vicious precedent.

Mr. BRANDEGEE. It seems to me not only that but I can not help considering that it shows a lack of faith in ourselves, for the very men who voted that we are at peace to be now exercising war powers in time of peace and passing legislation that it is admitted could only be passed or justified or palliated when we were at war to save the life of the Nation.

Mr. FLETCHER. It is worth considering now that the Supreme Court, at the time this case was before them, recognized that the statute was to terminate at the end of two years. It is specifically pointed out that it was an emergency measure only to last for two years, and they considered that fact as having a direct bearing on the question of constitutionality.

Now, it expires by its own limitations next October, but the proposal is to continue for 7 months longer. If we can do that for 7 months, why not do it for 12? If we see fit before the 7 months expire, why not propose to extend it another 6 or 7 months?

Mr. BRANDEGEE. Will the Senator be good enough to send the decision to me, that I may examine it?

Mr. FLETCHER. I have not the decision; I was reading from the brief; and I am glad to send it to the Senator.

Mr. SHORTRIDGE. Mr. President——

Mr. FLETCHER. I yield to the Senator from California.

Mr. SHORTRIDGE. I venture to suggest to the Senator that the philosophy of the decision referred to is exactly that which proceeds along the same line as the Supreme Court and inferior Federal courts have held to in many cases during the war. The reasoning is this: The Congress having power to declare war, inferentially has the power to carry on war, inferentially has the power to carry on war successfully if possible, and inferentially has the power to enact such legislation as will aid in the carrying on of war successfully. That power is deraigned directly from the specific delegation of power in the Constitution. Subdivision 18 of section 8 of Article I confers upon or delegates to the Government all powers necessary to carry out the specifically delegated powers.

Upon that theory and upon that reasoning the statute in question was upheld. It was an exercise of the so-called war power. The war being over that power ceases, and I claim with deference, agreeing, I think, with the Senator from Florida, that the decision is not authority now for the enactment of such legislation as the pending bill. Congress in time of peace has no power, and I say it with great deference, to enact a statute of that character. During war days it has the power, if in the judgment of Congress such legislation is in aid of the carrying on successfully of the war in which the Government is engaged. That is the philosophy of all the decisions upon these questions. I have been through many of them and argued many of them.

Mr. FLETCHER. The decision is important not only because it has determined the constitutionality of the act which is sought to be amended, but because it has a direct bearing upon this very question now before us. I contend that the decision itself supports the claim here that this proposed legislation is not constitutional, because the decision in that case involving that question as to this act was based upon the fact that there was an emergency existing during the war and that under those particular circumstances the legislation could be justified. Even then it was an opinion by a divided court of five to four.

There was a very serious question even when the war was on, even when we had 100,000 people more in Washington than we have to-day, even when they could not get accommodations in apartment houses or anywhere else and the public business was jeopardized and hampered and hindered in vari-

ous ways and people were suffering and were crowded in rooms. Under those circumstances even the Supreme Court by a divided vote of five to four said that the legislation was an attempt to meet that emergency and considered it in the interest of the public and upheld it. Certainly that condition does not exist to-day in the city of Washington.

Mr. WILLIS. Mr. President——

Mr. FLETCHER. There is no war on, there are no war conditions, there is not that crowded situation that we had then, and there is not that justification for this sort of legislation. In my judgment we are doing a futile thing when we pass the bill to extend that act seven months longer.

I yield to the Senator from Ohio.

Mr. WILLIS. I dislike to interrupt the Senator, but I happen to have before me the decision of the Supreme Court, from which I should like to read at least a paragraph or two on that point.

Mr. FLETCHER. I am glad to have the Senator do so.

Mr. WILLIS. The court said right upon the specific point the Senator is now so ably discussing:

> The statute embodies a scheme or code which it is needless to set forth, but it should be stated that it ends with the declaration in section 122 that the provisions of title 2 are made necessary by emergencies growing out of the war, resulting in rental conditions in the District dangerous to the public health and burdensome to public officers, employees, and accessories, and thereby embarrassing the Federal Government in the transaction of the public business.

The Senator will observe that the court put this on the ground that the situation then existing, and which was sought to be remedied, resulted in an embarrassment to the Federal Government. Then the court goes on to say:

> As emergency legislation the title is to end in two years unless sooner repealed.

The court clearly placed it upon the ground which the Senator has just stated, that it was an emergency. That is set forth, if the Senator will permit me further, in the syllabus, which says:

> 1. The emergency growing out of the World War clothed the letting of buildings in the District of Columbia with a public interest so great as to justify, despite United States Constitution, fifth amendment, such temporary regulation as is made by the act of October 22, 1919, title 2, section 109—to remain in force two years unless sooner repealed—giving a tenant the privilege of holding over after the expiration of the lease, subject to regulation by the commission appointed by that act, so long as he pays the rent and performs the conditions as fixed by the lease, or as modified by the commission.

The syllabus further said:

> 2. A limit in time to tide over a passing trouble may justify a law that could not be upheld as a permanent change.

Obviously the implication from that is that the court is upholding the act only upon the basis that there was an emergency growing out of the war, and that in time of peace the court would hold, although that is an inference, but the clear inference, I believe, that in time of peace there would be no such emergency and consequently no need for the act.

Mr. FLETCHER. I am much obliged to the Senator. I think that reinforces the position which I took at the outset. I have already referred to the particular point mentioned, set out in that case.

Let us go back a little and see what the legislation is. The act was passed by Congress on October 22, 1919, and by its terms expires at the end of two years from the date of enactment. It is proposed now to extend that for seven months, or until May 22, 1922.

The act created a commission which has the power to fix rents to be charged and paid for all rental real estate in the District of Columbia, irrespective of the contract of lease entered into between the tenant and the landlord.

It further provides that so long as the tenant shall pay the rent fixed by the commission—not by the landlord, not by agreement, but fixed by the commission—he shall be evicted only in two cases; first, in the case in which the complainant landlord desires the property for his own personal use, and, second, where he wants the property for the purpose of tearing it down in order to immediately construct new rental property.

Those are the only two instances where the owner of the property can do what he likes with his own property. There may be an apartment house in which a tenant may become thoroughly objectionable, may be disorderly, may jeopardize the standing of the whole house and thus depreciate the value of the property, and yet the landlord, even though the tenant may be a renter from month to month, would be utterly unable to dispossess that tenant. The commission could not order it done. The commission has no power under the very terms of the act to evict a tenant or allow a tenant to be evicted except in the two instances which I have mentioned, where the owner desires the property for his personal use or where he desires to tear down the building in order to construct new rental property. These are the only two instances where a tenant can be put out of possession of the premises.

Now, it is proposed to continue that authority and control over the property which an individual may own, may have built, and put his money into, and expected at the time, of course, to control it. The question is, does that condition which existed when the bill was passed in 1919, nearly two years ago, exist to-day in the District? I take it the committee had to find, before they could feel justified in reporting the pending bill, that that emergency continues to exist. I suppose they found that. From the hearings before that committee, however, I can draw no such conclusion. I have had some occasion to look into those hearings, and I do not believe that the testimony shows that condition to exist; certainly as to the main fact it can not exist, and that is we are not to-day at war and we are not operating under war conditions.

As to the other facts, they do not exist; for instance, according to the testimony before that committee given by Mrs. Taylor, she—

> estimated that at the beginning of the war there were some 300,000 people in Washington; that the peak of population was 600,000; and that, at the present time, there was somewhere between 400,000 and 460,000.

In other words, there has been a falling off in the population of Washington approaching 200,000 since the so-called rent law was put upon the statute books.

There are also the statements of other witnesses before the committee; for instance, of one real estate agent, "that in 1919 his office received from one to twenty-five applications per day for rooms, apartments, and so forth, whereas to-day they are only receiving one or two." Other testimony before the committee, taken from advertisements in the newspapers of people wanting apartments and advertisements in the newspapers by owners of apartments advertising for tenants, shows that there has been a vast decrease in the number of people wanting accommodations and a vast increase in the number of people who have apartments for which they desire to find tenants.

Statements furnished by both electric street railway companies show, for instance, that the total of the decrease of the two companies in the number of passengers carried per month has been 1,982,273 as compared with the number that traveled in 1919 on those electric street railway cars.

Another real estate operator says:

> From reports received, however, it appears that there are for rent in Washington at the present time 354 apartments and 280 dwellings.

People built houses after this law went into effect to a considerable extent in the District, but they built them for sale, not for rent. They built apartments, but they built them for sale. Very few, if any, buildings have been erected for rent since this law was passed, because people are not going to invest their money in an enterprise of that sort and place the property absolutely in the control and under the management and direction of outside individuals.

To-day there are any number of buildings which are advertised for sale and any number of apartments which are advertised for rent. There are here in the Government hotels vacant rooms. One whole building near the Union Station, according to my information, is entirely vacant; it is not now occupied at all. There is no existing condition in the District of Columbia to-day that calls for this proposed drastic regulation—more drastic than any of the regulations which I have known with respect to the housing problem anywhere in the country. It is unfair, arbitrary, and unjust to take charge of private property when there is no emergency existing that would warrant such action.

It may be that some rentals are too high; it may be that some people do not get enough salary to pay the rent which they ought to pay; but the remedy in such cases is, in some way, to increase the salaries, to increase the income. It may be that there are some landlords who are grasping. If so, I hope they will lose out, and that they will lose their tenants. They ought to lose them. If there are any Gradgrinds in the District who are oppressing the people they ought to be made to suffer; but this is not the way to remedy that situation. The way to reduce rents is to increase the number of apartments and the number of buildings which will be for rent. The people are not going to put up buildings or apartments, as I have said, for the purpose of renting them if they can not control their tenants and can not by agreement with the tenants fix the rent that they will derive from their investment.

It may be that people are now building to some extent in the District in spite of this law, but they are doing so with the idea that the law is to end. They have not figured that this law is to be perpetuated in peace times by having it continued time after time just before it expires by its terms. It is for

that reason, Mr. President, that I oppose the bill. I think it is unsound in principle; I think that it amounts practically to a confiscation of private property when there is no sort of justification for it.

The emergency which, according to my understanding, ought to be kept in mind in dealing with legislation of this kind is not some sort of imaginary, so-called emergency, or one based upon what some people may think is an excessive charge by landlords for apartments or buildings, but "as used in the law, it means that there is a shortage of living accommodations for the renting population of Washington, as augmented and increased by those who came here to assist the Government in the conduct of the war." That is what the Supreme Court had in mind, I think. Or, to put it in another way, the emergency arose at the time this law was enacted "from the fact of the shortage of housing in Washington, caused by the temporary war-time population, created a public interest in such facilities which justified regulation." That was the basis upon which we had to find the emergency to exist. If the emergency is based upon the fact that rents are higher than tenants can afford to pay, the law becomes simply a confiscation of private property, because there is no escape for a landlord from the payment of his taxes when they are due and from the payment of his interest and other fixed charges, and we undertake to tell the landlord that he must accept whatever we fix as a rental for his property.

I have referred somewhat to this brief. I think it is a very clear and very fair discussion of the facts developed before the committee. It is too long to go in the RECORD, but I should like to ask that the conclusions stated in the brief be inserted in the RECORD.

The PRESIDING OFFICER. The Senator from Florida asks that the matter referred to by him be inserted in the RECORD. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

CONCLUSIONS.

The testimony taken before the Senate committee clearly establishes the following propositions:

First. That whatever the situation may have been in October, 1919, there is to-day no emergency existing in the District of Columbia justifying the extension of the Ball rent law.

Second. A declaration by Congress now that such an emergency exists would be in direct contradiction of the evidence before the committee.

Third. Such a declaration would be contrary to the testimony even of those who favor a further extension of the act, such as the members of the rent commission, for the testimony adduced in this behalf consists almost entirely of opinions, is not supported by any facts, and is generally contradicted by admissions showing that housing conditions in Washington have entirely changed since the rent law was passed and that no shortage now exists.

Fourth. The affirmative testimony of real estate owners and of men long experienced in the business of renting apartment houses and other properties in Washington shows overwhelmingly that the ratio of vacant apartments, dwellings, and rooms to the number of persons desiring them is rapidly reaching the normal; that there is to-day more vacant houses looking for tenants than there are tenants looking for housing; that these facts are not disputed by any of the witnesses who are seeking an extension of the rent law, and that the only menace to this return to normal conditions is the continuance of congressional restriction.

Fifth. Specific facts and figures submitted to the committee, and undisputed, show that the population of Washington has been greatly reduced by reason of the departure of thousands of persons who were here during the war, all of which is shown particularly by the statistics of the Government departments, street railroad companies, telephone company, and from other reliable sources. The uncontradicted testimony further shows that the Ball Act, although passed as an emergency measure to relieve the housing situation in 1919, has not only failed to give any such relief, but has been the most potent factor in preventing a return to normal conditions; that this legislation has actually prevented the building of rental properties in the District of Columbia; that it is impossible to interest investors in the building of houses or apartments for rent so long as Congress enacts that such investor shall have no control over his investment; that it was only because of the belief that the act would be held invalid by the courts, as it was by the court of appeals, that building operations were beginning to recover, and that since the decision of the Supreme Court upholding the constitutionality of the law, and particularly since the present proposal to extend it for two years longer, it has not only discouraged but made practically impossible all enterprise of this character.

Sixth. It is true that in some instances the rents allowed by the rent commission have been reasonable, and that in other instances they did not permit a fair return on the investment; but whether fair or unfair, the mere fact of the uncertainty as to what the present commission or its successors in the future may do deters the investor from financing and the builder from building rental properties, for in these days of high return on money without risk no man will invest where there is an uncertainty of return, and the chief value and attractiveness of real estate investments has always been a sure return and an absence of mere speculation.

Seventh. The proposed extension of the rent law is even worse for the interests of the District of Columbia than its original enactment, because at that time it was held out to be a purely temporary measure, the act itself providing that it should expire at the end of two years unless sooner repealed, and to extend it now for a further period of two years puts before the investor and builder in Washington the specter of an uncertain, unnecessary, and un-American restraint upon business enterprise. Nor is there any hope of lifting this shadow hereafter, for if Congress now extends the Ball Act for two years, there is nothing to prevent its further extension at the expiration of that period.

Eighth. It was stated at the hearing before the committee that one reason for extending the law was the fear that if not so extended the owners of rental properties in Washington will increase their charges next October. There is no testimony making the basis for such apprehension, the facts as shown being that some rents have been going up, while others have been coming down, and that rents will be reduced just as everything else will be reduced by a decrease of abnormal charges in building materials, interest rates, taxes, insurance, and commodities and service of all kinds. But even if it were true that the expiration of this statue next October would result in instances of increased rent, the same thing would occur at the expiration of the extended period, because so long as this rent law is in existence building will be curtailed and the supply of housing will be restricted. The sooner, therefore, the operation of the act expires the sooner new buildings will be built and the sooner conditions will return to normal.

Ninth. Those who advocate extending the Ball Act, having failed completely to show any housing shortage, crowding conditions, or danger of real estate monopoly, which was believed to exist two years ago and which alone, in the opinion of the Supreme Court, empowered Congress to pass this law, now say that even though no emergency exists, still the rents charged in Washington are higher than the Government employees can afford to pay. This puts the contention where it rightfully belongs—a frank proposal to confiscate private property to make up the deficiency in the compensation paid to the employees of the Government caused by the increased cost of living in all directions. It is upon this ground alone that Congress, under the facts disclosed before the Senate committee, could justify the law, and such justification is not only socialistic and destructive of fundamental law and the traditions of this country but it means socialism in its worst form, for it confiscates not all property but the property of a particular class in a particular community. The next step must be the extension of rent laws to other States and other cities, and then the extension of the principle of fixing prices by law for all forms of property and all kinds of labor, for equality and impartiality will not prevail until all industry and all individual incentive is brought to the dead level of soviet stagnation.

Tenth. The testimony before the Senate committee shows that the only way to reduce the housing shortage in Washington is to build more houses. And the only way to reduce rents is to encourage competition. It is just as idle to pretend that buildings will go up and rents will come down by imposing discriminatory burdens upon both as it is to attempt the impossible feat of pulling one's self over the fence by the straps of one's boots. The continuation of a rent-fixing law in the District of Columbia will just as effectually prevent all new building, and thus require far higher rents, as would a statute bluntly making it unlawful hereafter to erect any new structures in this city.

We believe that every member of the Senate and House has the welfare of the National Capital at heart. And it is because we believe in its future, and have confidence in the good faith and the sense of fairness of Congress, that we have undertaken to present this brief discussion of the rent act and this review of the testimony taken upon the question of continuing the operation of that law. It is the policy of the present adminis-

tration, as defined by the President himself, that there should be less government in business and more business in government, and that the Government should, wherever it is possible, relieve the business of the country of all war-time restrictions; and every business and professional man of this District who is familiar with local conditions and with the practical effect of the Ball Act, knows that the development of Washington into the city we all hope to see it become will remain unrealized so long as its material development is interfered with by legislation of this kind.

Respectfully submitted.

BATES WARREN,
RICHARD A. FORD,
EDWIN A. KRAUTHOFF,
ABNER H. FERGUSON,
Counsel in their own behalf and for other property owners.

Mr. BORAH. Mr. President, I wish to say a word in regard to the constitutionality of this proposed measure. It seems to me the opinion which was rendered by the Supreme Court of the United States is not an authority for the constitutionality of this particular measure; in other words, if the reasoning of the Supreme Court be accepted, such a law could only be passed during a state of war. If this measure, therefore, is being urged upon the ground that its legality has been determined by the Supreme Court in the case of Block against Hirsh, I do not believe that that decision will be found to be an authority. I have no doubt we can deal with the subject of rents, but not in this way.

I wish to go back just a moment to express the view which I intimated a moment ago, and that is the view which is so often advanced in a vague and nebulous way, that war powers are powers commensurate with any discretion which the Congress of the United States may see fit to exercise.

I can conceive, Mr. President, of such an exigency and such an emergency arising when war is actually being carried on that we might say, "We will abandon the Constitution of the United States entirely; that it is a restraint and we will throw it aside; we will disregard it, and not presume to act under it." I can conceive of such a condition of affairs when that might be said; but I am speaking now of carrying on war in a constitutional way; that is, under and by authority of the Constitution and according to the principles of constitutional government. Of course, the right of revolution always exists. We might establish a dictatorship instead of a representative Republic. And we might say Congress should be that dictator. But, until we overthrow and renounce the Constitution, it, and it alone, is our sole source of authority for legislation. Holding the view that the war powers, the same as all other powers, are defined by the Constitution, the Congress could exercise no power other than that which is defined and granted by the Constitution.

The able Senator from California [Mr. SHORTRIDGE] has suggested that we have the power to declare war, and inferentially, therefore, to carry on war and inferentially to do whatever is necessary to make the war a success. I accept that doctrine so long as in exercising the power which Congress seeks to exercise it finds authority in the Constitution. But I ask this question: Suppose that Congress should conceive it to be necessary to deny all men the right of trial by jury from the hour that the declaration of war was passed; could we do it? Have we power to suspend any provision of the Constitution which a Congress might assume was somewhat embarrassing to the carrying on of the war?

This question was under consideration during the Civil War, and even so great a man as Mr. Lincoln approved a judgment rendered by a court-martial, largely on the theory which had been advanced that during a state of war anything could be done which was necessary to carry on the war. That was not the language which he used, but that was its purport, nevertheless. That case went to the Supreme Court of the United States, and the Supreme Court held, Ex parte Milligan, in language which ought to be written over the doorway of every legislative and congressional body, that the Constitution of the United States was made for war as well as for peace and that its terms and obligations were binding upon the Congress and all branches of the Government in time of war as well as in time of peace, and that the trial of a party not a member of the Army by a court-martial, the courts being open, was void, and that he was entitled to be tried according to the provisions of the Constitution of the United States in a court and before a jury.

That, Mr. President, is a decision which was rendered shortly after the Civil War. To my mind, it states the only true doctrine of constitutional law in a government which is operating under a written constitution. I recognize, of course, that there are certain war powers which we do not exercise during a state of peace; but they are powers which are defined and provided for a state of war. The men who framed the Constitution of the United States were among the greatest soldiers of the modern world. Washington had just carried out a war against the British Government at the head of the Army. Hamilton was a student of war, and had been actively engaged in war as one of the high officers of the Army. Those two men particularly, together with their associates, understood, of course, that at some time or other in all probability the American Republic would be called upon under the Constitution to carry on war, and therefore they devised and provided the method in which the war powers should be exercised. What I contend is that while those powers are called into activity during a state of war, they are nevertheless found in the language of the Constitution, and there is the only place where we can go to search for power.

I think the doctrine announced by the Supreme Court in this case leads inevitably to the conclusion, which undoubtedly is well lodged in the minds of many people, that when war is declared the Constitution of the United States is suspended. Many people believe, and I heard a Senator upon this floor advance the doctrine during the war, that whatever the Congress should see fit to enact during a state of war was its measure of power under the Constitution. Now, with all due respect to that able Senator, a more vicious doctrine was never advanced in a free Government.

Mr. McKELLAR. Mr. President, that doctrine was advanced by only one Senator upon this floor, as I recall.

Mr. BORAH. I think only one Senator had the courage to state it, but a great many undoubtedly entertained the same view, because they voted accordingly. Our authority for any act which we may see fit to pass is just the same to-day as it was upon the day after we declared war, and it was just the same after we declared war as it is to-day, and that is the Constitution of the United States.

This very bill shows the viciousness of any other theory. If you say to a body that it may exercise such power as in its discretion seems necessary, it will extend the time for which it may enact as well as expand its authority for enacting. In this instance, after we have declared the war at an end, after the war is actually closed, after a state of peace actually exists and has existed for three years, and after we have passed a resolution declaring a status of peace, we are still assuming to exercise the powers which the Supreme Court of the United States said could only be exercised during a state of war. Why? Because we were given to believe that our discretion and our judgment was the limit of our power in the passage of laws.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Tennessee?

Mr. BORAH. I do.

Mr. McKELLAR. Is not the jurisdiction of Congress over the District of Columbia and its affairs precisely the same as the jurisdiction of a State over its affairs? We have unlimited jurisdiction over the District of Columbia unless it is withheld by the Constitution.

Mr. BORAH. Does the Senator mean that we have power over the District of Columbia other than that which is given to us by the Constitution of the United States?

Mr. McKELLAR. The Constitution gives us plenary powers over the 10-mile-square area of territory known as the District of Columbia, and we have full and plenary powers over it, as I understand.

Mr. BORAH. Could we deny a citizen of the District of Columbia the right of trial by jury?

Mr. McKELLAR. Oh, no; not where there is an inhibition of the Constitution. I do not mean that; but I mean that in dealing with matters in the District of Columbia such as the rent of houses and the expiration of leases and various things of that sort, unless we are prohibited by the Constitution from dealing with those matters we have a right to deal with them.

Mr. BORAH. But the Congress of the United States could not invalidate a contract in the District of Columbia.

Mr. McKELLAR. Why, surely not. We can not do anything that is inhibited by the Constitution; but anything that is not prohibited or inhibited by the Constitution, as I undersand, under the Constitution we have a right to deal with in the District of Columbia.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I do.

Mr. POINDEXTER. The Senator from Tennessee has just announced a rather revolutionary doctrine. How does the Senator reconcile the idea that Congress has the power to do anything in the District of Columbia that is not prohibited by the Constitution of the United States with amendment 10 of the Constitution, which provides that—

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, *or to the people.*

It not only reserves powers to the State but—what is very frequently overlooked—it reserves powers to the people of the United States except where they are expressly delegated in the Constitution.

Mr. McKELLAR. I will simply read the part of the Constitution of the United States affecting this matter to the Senator and to the Senate, on page 377 of the Rules and Manual of the United States Senate:

> The Congress shall have power * * * to exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

Mr. BORAH. The language is "exclusive legislation"; but what legislation? "Exclusive" is not synonymous with "omnipotent."

Mr. McKELLAR. This is legislation, as I understand. We are legislating for the District of Columbia about rents, and unless otherwise prohibited——

Mr. POINDEXTER. There is not any middle ground. There must be some inalienable and fundamental rights reserved to the people, or there are none at all; and if the proposition of the Senator from Tennessee is correct, then we wipe out the Constitution of the United States so far as the people of the District of Columbia are concerned.

Mr. McKELLAR. Oh, quite the contrary. The Senator misunderstands me. My proposition is simply that the people of the District of Columbia are bound by the inhibitions of the Constitution, of course——

Mr. BORAH. The provisions of the Constitution.

Mr. McKELLAR. The provisions of the Constitution.

Mr. BORAH. That is all right. I agree with the Senator.

Mr. McKELLAR. But where the Constitution is silent we have absolute and complete jurisdiction and authority to deal with any matter. My proposition is that on the matter of the control of rents in the District of Columbia there is no inhibition in the Constitution against the Congress controlling them, and under that provision of the Constitution it has plenary power. We have the same kind of power over the District of Columbia that a legislature has in dealing with the affairs of a State. The legislature is limited only by the specific provisions of the constitution of the State and of the Constitution of the United States; and so this body, in dealing with the affairs of the District of Columbia, has complete authority and power except as limited by the provisions of our United States Constitution.

Mr. BRANDEGEE. That is the very point. Of course, the fact that the Constitution gives Congress authority to manage the affairs of the District of Columbia and to pass laws in the management of the affairs of the District of Columbia does not, I trust, in the opinion of the Senator from Tennessee, authorize Congress to violate any of the guaranties of the Constitution to protect the rights of the people?

Mr. McKELLAR. None whatever; why, of course not. My only proposition is that we are authorized and empowered to legislate as to any matter in the District of Columbia, limited only by the provisions of the Constitution.

Mr. BRANDEGEE. There is a constitutional provision which prohibits any State from passing any law which would impair the obligation of a contract. The Senator says Congress has plenary power to legislate about the rents that property shall yield in the District of Columbia. Yes; but if in so legislating, Congress violates a property right, guaranteed by the Constitution, of an inhabitant of the District of Columbia, then the Senator would say the legislation was unconstitutional, would he not?

Mr. McKELLAR. I would.

Mr. BRANDEGEE. Certainly.

Mr. BORAH. Mr. President, the bill which we are about to pass upon will soon pass away. It will last only for six months, perhaps, if it ever is enacted at all and the Supreme Court does not declare it unconstitutional; and while we may be concerned in that proposition it is not the primary proposition with me in this debate. For what it is worth, I want to record myself just as often as I can against the vicious principle of constitutional law which has come to be regarded in this country as so well established for a great many people—that is to say, that it is practically, in time of war, a government of unlimited and undefined powers.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. BORAH. Yes.

Mr. McKELLAR. I simply wish to say that in that statement I heartily and absolutely agree with the Senator from Idaho. There can not be any question about it under the decision of the Supreme Court of the United States right after the Civil War in the Milligan case.

Mr. BORAH. I did not have the Senator in mind when I made the statement. I stated a general belief.

The dissenting opinion in this case states the matter as must necessarily come to be the law of the land if we are going to have the Constitution at all. It says:

> If its power is superior to article 1, section 10, and the fourteenth amendment, it is superior to every other limitation upon every power expressed in the Constitution of the United States, commits rights of property to a State's unrestrained conceptions of its interests, and any question of them—remedy against them—is left in such obscurity as to be a denial of both. There is a concession of limitation but no definition of it, and the reasoning of the opinion, as we understand it, and its implications and its incident, establish practically unlimited power.
>
> We are not disposed to further enlarge upon the case or attempt to reconcile the explicit declaration of the Constitution against the power of the State to impair the obligations of a contract or, under any pretense, to disregard the declaration. It is safer, saner, and more consonant with constitutional preeminence and its purposes to regard the declaration of the Constitution as paramount, and not to weaken it by refined dialectics, or bend it to some impulse or emergency "because of some accident of immediate overwhelming interest which appeals to the feelings and distorts judgment."

Mr. President, that is all I desire to say.

Mr. SHORTRIDGE obtained the floor.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. SHORTRIDGE. I yield.

Mr. McKELLAR. I want the attention of the Senator from Connecticut for just a moment. I think I made a statement, in answer to a question which that Senator asked me a while ago, which ought not to have been made, but which was made due to my misunderstanding of his question. If I recall rightly, the Senator asked if Congress could impair the obligation of a contract made here in the city of Washington. If he did ask that question, then my answer was wrong, and was made under misapprehension. There is no inhibition in our Constitution on Congress violating the obligation of a contract. It is not done, but there is no inhibition in the Constitution against it. The inhibition in the Constitution is that no State shall pass any law impairing the obligation of a contract.

Mr. SHORTRIDGE. Does the Senator think that Congress can do so?

Mr. McKELLAR. I think it can, so far as the District of Columbia is concerned.

Mr. BRANDEGEE. The Senator based his whole statement upon an erroneous impression of the question asked him.

Mr. McKELLAR. Some Senator called my attention to it, and I was afraid I had made a misstatement about it.

Mr. BRANDEGEE. I will repeat, in substance, my question and the Senator's answer. I stated to the Senator that, of course, he was aware that the United States Constitution provided that no State could pass a law which would impair the obligation of a contract. Then I said, "Does the Senator, who claims that the Constitution gives Congress exclusive jurisdiction to legislate for the District of Columbia, contend that Congress can pass any law which will violate any right guaranteed by the Constitution to the people of the District?"

Mr. McKELLAR. If that was the question, my answer was entirely correct.

Mr. BRANDEGEE. I do not agree with the Senator that Congress can pass a law which will impair the obligation of a contract, because I think the framers of the Constitution, while they did not directly in terms prohibit Congress from doing it, assumed, of course, that Congress would not do a thing which it prohibited the States from doing.

Mr. McKELLAR. I think they assumed that; but there is no inhibition in the Constitution itself, except the inhibition placed upon the States, and Congress could pass such a law in dealing with the District of Columbia.

Mr. BRANDEGEE. I have no doubt that the Supreme Court would decide that Congress had no authority to do that which would impair the obligation of contracts.

Mr. BORAH. Referring to the statement of the Senator from Tennessee, what would become, then, of the fifth amendment?

Where is your due process of law, if the Congress of the United States can impair the obligation of a contract in the District of Columbia?

Mr. McKELLAR. My proposition was that there is no inhibition against it. But, so far as the question of the Senator from Connecticut is concerned, it was properly asked and properly answered, in my judgment.

Mr. SHORTRIDGE. I wish to call the attention of Senators to subdivision 11 of section 8 of Article I of the Constitution. Among the specific powers delegated to the Federal Government is this power:

To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

Now, subdivision 18 of the same section delegates this power:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

I took occasion to suggest a moment ago that it had been decided in many cases, having these two provisions of the Constitution in mind, that inasmuch as Congress had power to declare war, it had the power to carry on war, it had the power to adopt such ways and means as it deemed necessary to a successful carrying on of war.

Mr. BORAH. Mr. President——

Mr. SHORTRIDGE. I think the Senator and I will agree.

Mr. BORAH. Provided those means adopted do not conflict with the Constitution of the United States.

Mr. SHORTRIDGE. Precisely. Wherefore it has been held, and I think soundly and correctly, that anything which logically is calculated or intended to enable the Government to carry on war successfully may be enacted or provided for. It was under that theory that many laws were passed during the late war. Those familiar with the decisions will recall that that was the line of argument adopted by the several courts. But manifestly under that theory there must be some limit, or otherwise you wipe out the Constitution itself.

Whether courts have so said or not, I believe it to be true that whether a given act of legislation is designed logically to carry out a war power may be a legislative question, and very likely, where it is debatable, the judicial department of the Government would not intervene to hold that legislation void as contravening some particular section of the Constitution.

The very act passed here yesterday, this act said to be in aid of the enforcement of the prohibition law, is sustained, if it is to be sustained at all, upon that same theory. The eighteenth amendment gives to Congress the power to enforce that amendment by appropriate legislation. It is true the amendment speaks of intoxicating liquors "for beverage purposes," and those who submitted that amendment to the several States—and I assume the legislatures of the several States which voted to ratify it—so understood. But we were told here by learned Senators and learned lawyers that in aid of that legislation Congress has power to enact a law in respect to the use of intoxicating liquors for medicinal purposes, the argument being that thereby you are aiding in the effective carrying out of the confessed power of Congress in respect to the use of intoxicating liquors for beverage purposes.

So, in respect to this so-called war power, any act during war which has for its object the successful carrying on of war, the preservation of the liberty or the very existence of the Nation, may be said to be within the power of Congress to enact. But assuming that to be legally true, there must be limitations, and I will not prolong my remarks to pursue them. When war has ceased, as matter of fact and as matter of law, this so-called implied or delegated power to carry on war which justifies, if it does, a specific act of legislation, ceases with the termination of the war.

Therefore, to conclude, if there be no war, if we have peace, where is this power to enact this specific legislation in respect to and affecting a state of peace?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Idaho?

Mr. SHORTRIDGE. I yield.

Mr. BORAH. The rule of construction to which the Senator has referred, which justifies the exercise of this power, that is to say, that whatever logically in the mind of Congress was essential to the carrying on of the war, is no different, as I conceive, from the rule of construction which would apply to the exercise of any other power granted to Congress.

In the carrying out of any power, peace powers or any other power, whatever Congress does which is within the implied powers is constitutional. The rule of construction, in other words, is the same in both cases, is it not?

Mr. SHORTRIDGE. It would seem to be so. But let me add this, there is the inherent, inalienable right of self-preservation in a nation, and I do not have to read, to quote Lincoln, the Constitution and parse its every word and sentence in order to determine that a nation has a right to its own life. I go this far, I think, generally agreeing with the learned Senator, that if it should appear to be and be necessary, for the life of the Nation, we may, over and above and beyond the written Constitution of this Republic, do a given thing.

Mr. BORAH. Mr. President, now the Senator and I do not disagree at all. I agree, as I said a moment ago, that the exigency may arise in which we, as a people, would deem it absolutely necessary to put aside the Constitution entirely; but what I am speaking of is the carrying on of war under the Constitution before we have arrived at the point where we conceive that the Constitution is wholly inadequate and therefore put it aside.

The question which the Senator has raised is precisely the question which the great Webster raised in reply to Hayne. He said to Hayne: "You may do what you propose to do; I grant you that right; but it is revolution. It is not within the Constitution you are proposing to do it; it is the setting aside of the Constitution. But, so far as we profess to have a Constitution and profess to act under the Constitution and profess not to have revolutionized the Government, we can only exercise such powers as the Constitution grants, whether it is in time of war or in time of peace."

Mr. SHORTRIDGE. And with the great Daniel Webster and the great Senator from Idaho I very fully agree.

Mr. POINDEXTER. Mr. President, in my opinion this bill violates the Constitution of the United States in two particulars; it at least violates in two particulars the Constitution in so far as the Constitution applies to the action of States, and the question would arise, in the matter of Congress legislating for the District of Columbia, whether or not any such emergency exists as to the rental of houses in the District of Columbia at this particular time, more than two years after the war has closed, as would justify Congress in exercising greater powers upon the property and personal rights of the people of the District of Columbia than a State can exercise upon the people of the State.

This bill, if it should be enacted, in my opinion, as in the opinion also of the Chief Justice of the United States and three members of the Supreme Court, who dissented with him from the opinion of the court in a case coming up from the State of New York, would violate the obligations of contracts.

If a man rents his house for a year, the contract is that the lessee should give it up at the end of a year. If you pass a law providing that he can stay in there as l ng as he wants to, with the permission of a rent commission established by act of Congress, the contract is entirely changed, violated, and the law of Congress is substituted in its place.

The PRESIDING OFFICER. The Senator from Washington will suspend. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (H. R. 5676) taxing contracts for the sale of grain for future delivery and options for such contracts, and providing for the regulation of boards of trade, and for other purposes.

Mr. BALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Delaware?

Mr. POINDEXTER. I yield to the Senator to submit a request.

Mr. BALL. I ask unanimous consent that the unfinished business may be temporarily laid aside, to see if we can not complete the consideration of the bill which has been under consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

Mr. POINDEXTER. I object.

The PRESIDING OFFICER. Objection is made by the Senator from Washington.

Mr. POINDEXTER. Mr. President, to conclude the observation which I was just about to make upon the bill which we had under discussion before the unfinished business was laid before the Senate, in addition to violating the obligations of a contract, it in a very substantial manner takes private property for private use. That is something that is expressly prohibited by the Constitution of the United States so far as any legislation affecting either the District of Columbia or the States is

concerned. It takes private property for private use for the reason that it takes a dwelling house that may be owned in fee simple by a citizen of the District of Columbia at the expiration of the term of the lease which he may have made upon it and turns it over to another private citizen for his occupancy, because the latter considers it a matter of convenience and advantage that he should have the other man's house. It is in plain, direct, diametric conflict with the Constitution.

Mr. President, I reserve some further comment upon the decision of the Supreme Court of the United States and the reasons given in the decision upon the so-called Ball rent act for a future occasion if the bill shall be brought before the Senate again.

Mr. CAPPER obtained the floor.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Iowa?

Mr. CAPPER. I yield.

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

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

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

Ashurst	Fletcher	McKellar	Smith
Ball	Gooding	McNary	Smoot
Borah	Harreld	Nelson	Spencer
Brandegee	Heflin	New	Stanfield
Broussard	Johnson	Nicholson	Sterling
Bursum	Jones, N. Mex.	Norbeck	Sutherland
Calder	Jones, Wash.	Oddie	Swanson
Cameron	Kellogg	Overman	Townsend
Capper	Kenyon	Phipps	Trammell
Caraway	Keyes	Pittman	Wadsworth
Curtis	King	Poindexter	Warren
Dial	Ladd	Ransdell	Watson, Ga.
Edge	La Follette	Sheppard	Willis
Ernst	Lenroot	Shortridge	
Fernald	McCormick	Simmons	

The PRESIDING OFFICER. Fifty-eight Senators have responded to their names. A quorum is present. The Senator from Kansas [Mr. CAPPER] has the floor.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Washington?

Mr. CAPPER. Certainly.

LAND GRANT TO STATE OF WASHINGTON.

Mr. JONES of Washington. Mr. President, I have been hoping for a couple of weeks that we would reach on the calendar the bill (H. R. 1475) providing for a grant of land to the State of Washington for a biological station and general research purposes. It is a bill that turns over to the State of Washington for the site of a biological station and general research purposes certain lands that have heretofore been reserved for military purposes and never used. The War Department favors it, the Committee on Military Affairs favors it, and I should like to ask unanimous consent to temporarily lay aside the unfinished business for the consideration of this measure.

If it leads to any discussion, I shall not press the request, except that I wish to say this as a justification for urging its passage at this time: I have a letter from the president of the board of regents of the State university, in which he said:

> We have certain important work which is being held up at considerable inconvenience as well as expense and are therefore anxious indeed for its early passage.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the unfinished business be temporarily laid aside for the immediate consideration of House bill 1475. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 1475) providing for a grant of land to the State of Washington for a biological station and general research purposes, which had been reported from the Committee on Military Affairs with an amendment, on page 1, in line 8, after the word "granted," to insert the words "subject to the conditions and reversion hereinafter provided for," so as to make the bill read:

> *Be it enacted, etc.*, That the title and fee to portions of sections 1, 2, 11, and 12 of township 35 north, of range 3 west of the Willamette meridian, being a military reservation at San Juan Island, in the county of San Juan, State of Washington, containing about 484 acres, be, and the same are hereby, granted, subject to the conditions and reversion hereinafter provided for, to the State of Washington for the use of the University of Washington, for the purpose of a biological station and for general university research purposes, subject, however, to the right of the United States to at any and all time and in any manner assume control of, hold, use, and occupy without license, consent, or leave from said State or university any or all of said land for any and all military, naval, or lighthouse purposes, freed from any conveyances, charges, encumbrances, or liens made, created, permitted, or sanctioned thereon by said State or university: *Provided*, That the United States shall not be or become liable for any damages or compensation whatever to the said State of Washington or the University of Washington for any future use by the Government of any or all of the above-described land for any of the above-mentioned purposes: *Provided further*, That if said lands shall not be used for the purposes hereinabove mentioned the same or such parts thereof not so used shall revert to the United States.

The amendment was agreed to.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONTRACTS FOR FUTURE DELIVERY OF GRAIN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5676) taxing contracts for the sale of grain for future delivery, and options for such contracts, and providing for the regulation of boards of trade, and for other purposes.

Mr. CAPPER. Mr. President, I ask that the formal reading of the bill be dispensed with and that the committee amendment be first considered.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that the formal reading of the bill be dispensed with and that the committee amendments be first considered. May the Chair inquire of the Senator from Kansas whether the committee amendment in the form of a substitute is to be considered and the other amendments are withdrawn?

Mr. CAPPER. That is correct. I wish to take up the committee amendment in the nature of a substitute that was offered last evening.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? There being no objection, it is so ordered. The question now is upon the amendment in the nature of a substitute proposed by the Committee on Agriculture and Forestry, which will be read.

The READING CLERK. Strike out all after the enacting clause and insert the following:

> That this act shall be known by the short title of "The future trading act."
>
> SEC. 2. That for the purposes of this act "contract of sale" shall be held to include sales, agreements of sale, and agreements to sell. That the word "person" shall be construed to import the plural or singular and shall include individuals, associations, partnerships, corporations, and trusts. That the word "grain" shall be construed to mean wheat, corn, oats, barley, rye, flax, and sorghum. The term "future delivery," as used herein, shall not include any sale of cash grain for deferred shipment. The words "board of trade" shall be held to include and mean any exchange or association, whether incorporated or unincorporated, of persons who shall be engaged in the business of buying or selling grain or receiving the same for sale on consignment. The act, omission, or failure of any official, agent, or other person acting for any individual, association, partnership, corporation, or trust within the scope of his employment or office shall be deemed the act, omission, or failure of such individual, association, partnership, corporation, or trust, as well as of such official, agent, or other person.
>
> SEC. 3. That in addition to the taxes now imposed by law there is hereby levied a tax amounting to 20 cents per bushel on each bushel involved therein, whether the actual commodity is intended to be delivered or only nominally referred to, upon each and every privilege or option for a contract either of purchase or sale of grain, intending hereby to tax only the transactions known to the trade as "privileges," "bids," "offers," "puts and calls," "indemnities," or "ups and downs."
>
> SEC. 4. That in addition to the taxes now imposed by law there is hereby levied a tax of 20 cents a bushel on every bushel involved therein, upon each contract of sale of grain for future delivery except—
>
> (a) Where the seller is at the time of the making of such contract the owner of the actual physical property covered thereby, or is the grower thereof, or in case either party to the contract is the owner or renter of land on which the same is to be grown, or is an association of such owners, or growers of grain, or of such owners or renters of land; or
>
> (b) Where such contracts are made by or through a member of a board of trade which has been designated by the Secretary of Agriculture as a "contract market," as hereinafter provided, and if such contract is evidenced by a memorandum in writing which shows the date, the parties to such contract and their addresses, the property covered and its price, and the terms of delivery, and provided that each board member shall keep such memorandum for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, which record shall at all times be open to the inspection of any representative of the United States Department of Agriculture and the United States Department of Justice.
>
> SEC. 5. That the Secretary of Agriculture is hereby authorized and directed to designate boards of trade as "contract markets" when, and only when, such boards of trade comply with the following conditions and requirements:
>
> (a) When located at a terminal market upon which cash grain is sold in sufficient volumes and under such conditions as fairly to reflect the general value of the grain and the difference in value between the various grades of grain, and having adequate storage facilities and recognized official weighing and inspection service.
>
> (b) When the governing board thereof provides for the making and filing, by the board or any member thereof, as the governing board may elect, of reports in accordance with the rules and regulations, and in such manner and form as may be prescribed by the Secretary of Agriculture, and whenever in his opinion the public interest requires it, showing the details and terms of all transactions entered into by the board, or the members thereof, either in cash transactions consummated at, on, or in a board of trade, or transactions for future delivery, and when such governing board provides for the keeping of a record by the members of the board of trade showing the details and

terms of all cash and future transactions entered into by them, consummated at, on, or in a board of trade, such record to be in permanent form, showing the parties to all such transactions, any assignments or transfers thereof, with the parties thereto, and the manner in which said transactions are fulfilled, discharged, or terminated. Such record shall be required to be kept for a period of three years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and shall at all times be open to the inspection of any representative of the United States Department of Agriculture and United States Department of Justice.

(c) When the governing board thereof prevents the dissemination, by the board or any member thereof, of false, misleading, or inaccurate report, concerning crop or market information or conditions that affect or tend to affect the price of commodities.

(d) When the governing board thereof provides for the prevention of undue or unfair manipulation of prices or the cornering of any grain by the dealers or operators upon such board.

(e) When the governing board thereof admits to membership thereof and all privileges thereon on such board of trade any duly authorized representative of any lawfully formed and conducted cooperative associations of producers having adequate financial responsibility: *Provided*, That no rule of a contract market against rebating commissions shall apply to the distribution of earnings among the bona fide members of any such cooperative association.

(f) When the governing board shall provide for making effective the final orders or decisions entered pursuant to the provisions of paragraph (b), section 6, of this act.

SEC. 6. That any board of trade desiring to be designated a "contract market" shall make application to the Secretary of Agriculture for such designation and accompany the same with a showing that it complies with the above conditions, and with a sufficient assurance that it will continue to comply with the above requirements.

(a) A commission composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General is authorized to suspend for a period not to exceed six months or to revoke the designation of any board of trade as a "contract market" upon a showing that such board of trade has failed or is failing to comply with the above requirements or is not using reasonable diligence in enforcing its rules of government made a condition of its designation as set forth in section 5. Such suspension or revocation shall only be after a notice to the officers of the board of trade affected and upon a hearing: *Provided*, That such suspension or revocation shall be final and conclusive unless within 15 days after such suspension or revocation by the said commission such board of trade appeals to the circuit court of appeals for the circuit in which it has its principal place of business by filing with the clerk of such court a written petition praying that the order of the said commission be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such board of trade will pay the costs of the proceedings if the court so directs. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretary of Agriculture, chairman of said commission, or any member thereof, and the said commission shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the notice to the board of trade, a copy of the charges, the evidence, and the report and order. The testimony and evidence taken or submitted before the said commission duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way. Such a court may affirm or set aside the order of the said commission or may direct it to modify its order. No such order of the said commission shall be modified or set aside by the circuit court of appeals unless it is shown by the board of trade that the order is unsupported by the weight of the evidence or was issued without due notice and a reasonable opportunity having been afforded to such board of trade for a hearing, or infringes the Constitution of the United States, or is beyond the jurisdiction of the Secretary of Agriculture: *Provided further*, That if the Secretary of Agriculture shall refuse to designate as a contract market any board of trade that has made application therefor, then such board of trade may appeal from such refusal to the commission described therein, consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General of the United States, with the right to appeal as provided for in other cases in this section, the decision on such appeal to be final and binding on all parties interested.

(b) That if the Secretary of Agriculture has reason to believe that any person is violating any of the provisions of this act, or is attempting to manipulate the market price of any grain in violation of the provisions of section 5 hereof, or of any of the rules or regulations made pursuant to its requirements, he may serve upon such person a complaint stating his charge in that respect, to which complaint shall be attached or contained therein a notice of hearing, specifying a day and place not less than three days after the service thereof, requiring such person to show cause why an order should not be made directing that all contract markets until further notice of the said commission refuse all trading privileges thereon to such person. Said hearing may be held in Washington, D. C., or elsewhere, before the said commission or before a referee designated by the Secretary of Agriculture, who shall cause all evidence to be reduced to writing and forthwith transmit the same to the Secretary of Agriculture as chairman of the said commission. Any member of the said commission or said referee shall have authority to administer oaths to witnesses. Upon evidence received the said commission may require all contract markets to refuse such person all trading privileges thereon for such period as may be specified in said order. Notice of such order shall be sent forthwith to the offending person and to the governing boards of said contract markets. After the issuance of the order by the commission as aforesaid the person against whom it is issued may obtain a review of such order or such other equitable relief as to the court may seem just by filing in the United States circuit court of appeals of the circuit in which the petitioner is doing business a written petition praying that the order of the commission be set aside. A copy of such petition shall be forthwith served upon the commission by delivering such copy to its chairman or to any member thereof, and thereupon the commission shall forthwith certify and file in the court a transcript of the record theretofore made, including evidence received. Upon the filing of the transcript the court shall have jurisdiction to affirm, to set aside, or modify the order of the commission, and the findings of the commission as to the facts, if supported by the weight of evidence, shall in like manner be conclusive. In proceedings under paragraphs (a) and (b) the judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 240 of the Judicial Code.

SEC. 7. That any board of trade that has been designated a contract market in the manner herein provided may have such designation vacated and set aside by giving notice in writing to the Secretary of Agriculture requesting that its designation as a contract market be vacated, which notice shall be served at least 90 days prior to the date named therein, as the date when the vacation of designation shall take effect. Upon receipt of such notice the Secretary of Agriculture shall forthwith order the vacation of the designation of such board of trade as a contract market, effective upon the day named in the notice, and shall forthwith send a copy of the notice and his order to all other contract markets. From and after the date upon which the vacation became effective the said board of trade can thereafter be designated again a contract market by making application to the Secretary of Agriculture in the manner herein provided for an original application.

SEC. 8. That the Secretary of Agriculture may make such investigations as he may deem necessary to ascertain the facts regarding the operations of boards of trade and may publish from time to time, in his discretion, the result of such investigation, and such statistical information gathered therefrom, as he may deem of interest to the public, except data and information which would separately disclose the business transactions of any person, and trade secrets or names of customers: *Provided*, That nothing in this section shall be construed to prohibit the Secretary of Agriculture from making or issuing such reports as he may deem necessary relative to the conduct of any board of trade or of the transactions of any person found guilty of violating the provisions of this act under the proceedings prescribed in section 6 of this act: *Provided further*, That the Secretary of Agriculture in any report may include the facts as to any actual transaction on any board of trade without divulging the names of the persons therewith connected. The Secretary of Agriculture, upon his own initiative or in cooperation with existing governmental agencies, shall investigate marketing conditions of grain and grain products, and by-products, including supply and demand for these commodities, cost to the consumer, and handling and transportation charges. He shall likewise compile and furnish to producers, consumers, and distributors, by means of regular or special reports, or by such methods as he may deem most effective, information respecting the grain markets, together with information on supply, demand, prices, and other conditions, in this and other countries that affect the markets.

SEC. 9. That any person who shall fail to evidence any such contract by a memorandum in writing, or to keep the record, or make a report, or who shall fail to pay the tax, as provided in sections 4 and 5 hereof, or who shall fail to pay the tax required in section 3 hereof, shall pay in addition to the tax a penalty equal to 50 per cent of the tax levied against him under this act and shall be guilty of a misdemeanor, and upon conviction thereof, be fined not more than $10,000 or imprisoned for not more than one year, or both, together with the cost of prosecution.

SEC. 10. That if any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 11. That no fine, imprisonment, or other penalty shall be enforced for any violation of this act occurring within four months after its passage.

SEC. 12. The Secretary of Agriculture may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this act in the District of Columbia and elsewhere, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes.

Mr. CAPPER. Mr. President, it is nothing new that we hear to-day from the producers of food, from grain dealers and millers, and from the victims of speculation carried on without restriction, of the abominations of speculation in these basic products. It has been heard again and again, though this is the first time a bill has come to a vote in the Senate. But the Senate and the other branch of Congress again and again have had their attention called to this thing and inquiries have been held and hearings given at which over and over it has been charged and admitted that gambling constitutes a great part of all the business transacted on these exchanges. It is an immoral practice. But we are attempting to correct it in this bill, not merely because of its immoral character and influence but because of its arbitrary interference with economic laws and its disturbance of the balance that demand and supply of commodities when left to itself brings about. This great law of nature has always appealed strongly to the sense of justice in all men. Anything that tends to destroy or frustrate this great democratic law of nature, any combination or any distorted mechanism of trade is offensive to the sense of common justice and fair dealing which all men, and certainly we as Americans, cherish.

During the past year the price of wheat and corn has been determined to a large extent not by the demand and supply of the commodity itself but by the fabulous quantities sold on the exchange that never had any existence, that no grain farmer in the world ever planted, ever toiled over its cultivation and harvest, or offered for sale. I claim in behalf of this bill that its sole purpose is to eliminate from the exchanges exactly those operations that do not conform to a market place where prices are determined in accordance with

the law of demand and supply. The defenders of these practices of gigantic speculation and gambling do not deny the practices; they rest on the proposition, which in the long run is undoubtedly correct, that speculation can not overcome the law of demand and supply. We admit that it can not. But we know that temporarily, at least, the fictitious demand or fictitious supply created by gambling deals on the exchanges distorts true demand and supply and creates a false price; that it causes, and during the past year has caused, violent and unnatural fluctuations; and that when wheat and corn came on the market a year ago the resumption of options dealing was immediately followed by such an orgy of gambling operations as to drive prices within a period of months far below the cost of production.

Mr. President, when trading in wheat futures was resumed in July of last year, after more than two years of its suspension as a war measure, the "traders" of the Chicago Board of Trade began a great "bear" raid. This bear raid was maintained for nearly 10 consecutive months in the face of the greatest export demand for wheat this country ever experienced. When this raid began December futures opened at $2.75 per bushel. Before it ended the farm price of cash wheat in the grain belt had fallen to 85 cents a bushel.

While this steady decline and tremendous fall of wheat prices was going on during the old crop year ending in June this country established new high records for wheat exports, measured both in dollars and in bushels.

I offer these and other facts as my indictment of the grain gambler. His own market statistics convict him. The Chicago Board of Trade pleads guilty to his evil practices and promises, as it often has before, to abate them. On behalf of national welfare, on behalf of fair dealing and honest markets, I ask that the Nation's lawmakers put an end to this great evil.

The purpose of this bill, Mr. President, is to correct some of the evil practices of the professional speculators on the grain exchanges and to authorize supervision of the grain-futures markets, but not to disturb any of their legitimate and useful functions. It will not put any curb upon free and unlimited hedging by elevator companies, exporters, millers, and other manufacturers of grain products.

Briefly summarized, the evils in the marketing system which this bill undertakes to correct are:

(a) Market manipulation by large operators.
(b) Promiscuous and unrestricted speculation in foodstuffs.
(c) Dissemination of false crop information.
(d) Gambling in indemnities or "puts" and "calls."
(e) Arbitrary interference with law of supply and demand.

That these evils exist and should be eliminated is not challenged. They all grow out of dealings in futures. The bill does not touch any transaction in cash grain, for it is expressly provided in the definition section that it shall not include any cash grain for deferred shipment.

The plan of the legislation for correcting the evils is that future transactions shall be engaged in only on certain boards of trade, as, in fact, they now are. It then places the duty upon the boards of trade to correct the evils. It does not tell them how to do it. Their past experience has shown that they know how to do it. Their representatives agree that they will undertake to do it, and really all the legislation does is to compel them to do, under supervision of the Secretary of Agriculture, that which they say they ought to do and ought to have done a long while ago.

Every reasonable suggestion for safeguarding the machinery of the trade has been incorporated in the bill now before the Senate. Let me repeat that the bill does not concern itself at all with the sale or purchase of actual grain, either for present or future delivery. The entire business of buying and selling the actual grain, sometimes called "cash" or "spot" business, is expressly excluded. It deals only with the "future" or "pit" transaction, in which the transfer of actual grain is not contemplated. This legislation does not destroy the hedge; but on the contrary its object is to improve the hedge. It is not a regulation of business in the sense in which that term is usually employed.

What it does, very roughly, is this: It says to the eight boards of trade:

> Your body, if it wishes to deal in futures, must prevent the artificial manipulation of prices; you must prevent the circulation by your members of false reports as to crops or markets; you must abolish the most vicious and harmful forms of pure gambling.

It vests in a board of three Cabinet officers the power, not of regulation, but of supervision; the power to see that the boards do correct the abuses; and if they do not, these Cabinet officers have the power, subject to court review, to suspend the offending trader or, as a last resort, the board itself from the privileges of trading in futures.

DOES NOT INTERFERE WITH LEGITIMATE GRAIN TRADE.

Let me repeat that the bill does not interfere with any legitimate function of the board of trade. What it does, in brief, is this:

First. It specifically permits dealing in futures by providing that such dealing shall be carried on in certain markets. At present there are eight markets in which facilities are provided for future trading. All of them are located at terminal markets. The measure provides that the Secretary of Agriculture shall designate such boards of trade as "contract markets." It will be observed that no discretion is lodged in the Secretary of Agriculture, but that he is "directed" to designate such boards as meet the requirements as contract markets. If he refuses, he can be compelled, by mandamus, to make the designation.

Second. As a check on the evil of manipulation, the bill requires future contracts to be evidenced by memorandum in writing. It requires that the governors of the boards of trade shall direct members to make and file reports of such future transactions. It makes such records available to the inspection of the Department of Agriculture and the Department of Justice. At the present time no one can tell from the records what part of the trades in futures are speculative and what part are bona fide hedges. No one should object to this provision except the manipulators. Secrecy is necessary to the manipulator of the market, which is probably the reason the Chicago Board of Trade keeps no records. If a big manipulator undertakes to "bear" the market and the whole world knows he is doing it, he is the loser.

Third. The bill requires the boards of trade to use diligence in preventing the dissemination of false crop reports by its members.

Fourth. The bill requires that the privilege of dealing in futures shall be withdrawn from any board of trade unless it enforces rules which will prevent manipulation. Any manipulation of the market would mean the closing of its future trading business.

The bill then vests with the Secretary of Agriculture power, subject to court review, to investigate an individual member who is charged with disseminating false crop reports or manipulating prices, and, upon finding that such individual has been guilty of such practices, to suspend him from the trading privileges of contract markets. This is subject to court review. It then provides that in case a board of trade itself is not using reasonable diligence to correct these abuses a commission of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General may suspend its designation as a contract market, subject to a review by the courts.

Publicity is a true precautionary measure in reference to public markets, as it is in many other things. Section 5 of the bill is not an inquisitorial interference with the free course of trade, but merely a sanitary provision calculated to purify the atmosphere of the grain pits and to admonish speculators and gamblers of the right of government to protect the public and legitimate commerce from the abuses on these exchanges. I believe that the effect of this section will be salutary and that the requirement that records shall be made and kept on file of every transaction from its start to final completion will of itself greatly tend to deter big and little gamblers from attempting to interfere by their operations with the markets.

There are three additional provisions which should be noted. They are:

First. The taxing out of existence indemnities or puts and calls. Every representative of the board of trade before the committee admitted their evil and approved of their prohibition. A "put" is an option for a contract of sale; a "call" is an option for a contract of purchase. The consideration of the option is a dollar a thousand bushels. If the market closes to-day at $1.30, I may go to a dealer in Chicago and buy of him a "call." He fixes the "call" price. This "call" price is a fixed amount over the close of to-day's market. If it is a stable market, it may be 5 cents over to-day's market; if a fluctuating market, it may be 10 cents. Let us assume that he fixes the call price at 5 cents over to-day's market, or $1.35. The call is only good for the next day's market. The result of the transaction, then, is this: If the market to-morrow closes at $1.35 or over, I can exercise my option and compel the dealer to sell to me the wheat covered by the call at the call price. If it does not reach that point, I have lost the money paid for the option. The abuses to which this transaction are put are many, and the good it does is so remote and theoretical that all agree that they should be abolished.

Second. By amendment made in the House, the bill provides that contract markets shall permit cooperative associations of producers to membership. A great storm has waged over this provision, but I think it is one of the most commendable fea-

tures of the bill. The boards of trade say that cooperative associations are now welcome to membership, and, in fact, such associations are members of one or two of the boards of trade. The boards of trade, however, have a rule which prohibits rebating or splitting of commissions. They have never permitted a cooperative association to become a member unless that association distributed its profits upon the basis of the capital invested by its members. Most cooperative associations distribute their profits not upon the basis of capital invested, but upon a patronage or earning basis; that is, the more wheat a man sells through an association the greater his share of the profits, without reference to the man who has contributed to its capital. This, the boards of trade insist, is equivalent to a rebating of commissions; but I do not agree with them. If the cooperative system of marketing can handle the grain more economically or more satisfactorily, it will in time prevail, despite any obstacle that may be placed in its way. Whether the cooperatives can or can not do this time alone will tell. In the meantime they should be encouraged and should be given an even chance. It does not seem to me that it is a matter in which the boards of trade are interested, and that they could well afford to welcome them to membership and give them a chance to show that they can do the business more efficiently than it is being done at present.

Third. The bill as originally introduced in the Senate by myself, and in the House by Mr. TINCHER, provided for the elimination of so-called private wires. This was stricken out in the House and has been reinserted by the Senate committee.

Mr. President, it is against the law to run a gambling house anywhere within the United States. But to-day, under the cloak of business respectability, we are permitting the biggest gambling hell in the world to be operated on the Chicago Board of Trade. The grain gamblers have made the exchange building in Chicago the world's greatest gambling house. Monte Carlo or the Casino at Habana are not to be compared with it.

More than 500 private-wire houses have direct connection with the Chicago Board of Trade, according to the Federal Trade Commission, and it costs $3,000,000 a year to maintain them. Then come the wire systems of the Chicago brokerage houses, which seek speculative business where they may. One such system has 66 branches in 19 States. Eight years ago it had only 33. The mileage of the private-wire systems of Chicago Board of Trade members having offices in Chicago exceeds 106,000 miles.

This shows how the gambling game is growing.

The extent and completeness of its system for rounding up suckers explains how the Chicago Board of Trade must "sell" more grain every year than the entire globe produces. Approximately from eighteen and a half to twenty billion bushels of grain are sold at Chicago annually at a value ranging from fifteen to more than twenty billions of dollars.

The private-wire houses reap fortunes from the gambling in futures. A single house will in three days sell as much grain as can be delivered on the futures market in a year. When their wires are not otherwise engaged, they are used for transmitting faked or exaggerated statements of market conditions to get the little fellows into the game for the sake of the commission revenue.

Mr. President, the small gambler in futures has no more chance to win than the small gamester in a gambling house where they use marked cards and loaded dice.

In its constant search for victims to play the market the Chicago Board of Trade does more fishing than goes on in all the Seven Seas. Every week day it casts its net over the United States and Canada. Every night it is drawn in. You can hardly imagine the extent of the catch. Some recent instances are impressive.

One is the admitted embezzlement of $1,187,000 by R. J. Thomson, comptroller of the Minnesota firm of packers, the George A. Hormel Co. Thomson is credited with losing a part of this huge sum in operations on the Chicago Board of Trade.

Another is the closing of the Arcola (Ill.) State Bank and the arrest of its president and cashier, father and son, for a shortage of $400,000, due to losses in the Chicago grain pit.

Still another instance is found at Prophetstown, one of the largest grain centers of Illinois. Prophetstown's most prominent citizen and bank president, George E. Paddock, is now a fugitive from justice at the age of 72. His son, the bank's cashier, indicted with him for embezzlement of $150,000 of depositors' funds, has recently given himself up to the sheriff. Behind the bank room proper examiners found a secret chamber with direct wire connections to Chicago brokerage houses.

F. R. Robertson, prominent real estate and insurance man of Newton, Ill., in a fit of insanity caused from brooding over losses on the Chicago Board of Trade, shot and killed Charles Sutton, member of a grain brokerage firm, then killed himself.

When a cashier of the city treasury at Boston was appointed treasurer the other day, it was discovered he was short $40,000. He had lost it in grain market speculation expecting every day to win.

An Omaha grain operator named Rothschild, with offices at Omaha and St. Louis, staked his all in the Chicago Board of Trade's gambling game and lost, then turned on the gas and died.

A widow at Topeka, Kans., is suing to recover $35,000 lost in grain speculation last spring. A bookkeeper in a grain operator's office tells me the country would be shocked if it knew how many women were "playing the market."

At Corning, Kans., only a few weeks ago, after using the money of others in market flyers, and losing it, E. A. Miller, manager of the Farmers' Elevator Co., took strychnine when exposure came, ending his hopeless efforts to win back these losses.

Elevator managers, I am told, are particularly susceptible to the grain gambling mania. At one of our hearings A. L. Middleton, member of a farmers' cooperative elevator company at Eagle Grove, Iowa, testified that so many elevator managers had gone wrong in Iowa that his company had instructed its manager not to use the "hedge" except when requested to by vote of the directors.

This country is strewn with the financial carcasses of thousands of men who have been ruined in the Chicago grain pit. I have had scores of personal letters citing most pathetic cases. The almost constant stream of suicides and embezzlements for this cause in the day's news shows that the board of trade gambling game is widespread and claims many victims yearly.

Mr. President, of what use is it to abolish public gambling or to abolish the lottery when an institution is maintained in the small town to which every man is invited to drop in and gamble a few dollars on the grain market? It has been said many times during the hearings before the committee that his chance of winning was not one in twenty. The effect on the market is certainly harmful, for whether it affects the prices up or down it is an unwholesome and artificial market which is thus created.

It has been argued that it is necessary to have the small gambler in the small town to maintain the hedge. I do not believe it; probably half of the representatives of the boards of trade do not believe it and say so. It is a matter not capable of exact proof. I do want to say this, however: It is unbelievable to my mind that the merchandising of the foodstuffs of the country can not exist without a thousand gambling houses scattered all over the country engaged in gambling in the products of the farmer. I do not want my bread any cheaper if my gain comes from the widow who has gambled away her life insurance money, or from the farmer who has gambled away the savings of a lifetime, or from the bank clerk who has gambled himself into the penitentiary.

BOARD OF TRADE WILL NOT CLEAN UP.

Mr. President, probably the strongest argument that can be used at the moment in support of any contention that the grain exchanges should be placed under Government supervision is to quote the words of the Chicago Board of Trade's president and directors who outlined and described the evils of the trade (Exhibit B, pp. 474–478, hearing before the Committee on Agriculture and Forestry, United States Senate, on H. R. 5676) and, as early as April 12, 1921, promised prompt remedial action by the board of trade. In the same volume, page 485, J. P. Griffin, president, in a letter to Mr. Gates, set "July 25, as the date when the proposed amendments will be enacted into rules," but that date has passed and no report has been made by committees. Apparently the board of trade is making no effort to eliminate the evils which everyone admits exist.

Only yesterday I received a letter from a well-known member of the Chicago Board of Trade in which he says:

> "Puts" and "calls" are still rampant and "private wires" are endeavoring to stave off action until Congress adjourns. To-day, like all business days for years past, Armour is selling all the "puts" and "calls" in unlimited quantities that the "traders" will buy. If he can manipulate the markets to-morrow, so that they will not advance above "calls" or decline below "puts" the $10,000 or $20,000 which the farmer, the barber, and the blacksmith has bet with him to-day will be "velvet." They call it speculation, but they know and you know it is the cheapest sort of gambling.
>
> Personally, I visited the wheat pit this afternoon ("puts" and "calls" are traded in between 1.30 p. m. and 2.30 p. m.) and Armour's representative, George A. Seaverns, was surrounded by anxious buyers of "puts" and "calls" on wheat, who were taking them as fast as

he could write down the transactions. In the corn pit I found H. E. Schwarz, another agent, was performing the same service in corn.

A very large percentage of the membership of the board of trade are criticizing the directors for their failure to keep faith with you gentlemen in Washington, especially in so far as the abolition of "puts" and "calls" are concerned, for every member knows that it did not require the appointment of a committee, nor any delay exceeding 20 days from the date when they declared against further tolerating them, to have utterly abolished "puts" and "calls." All of this spread-eagle stuff is to gain time and quiet any criticism from Washington. In the meantime, Armour is the bookmaker and absorbing the same as a pool room absorbs the suckers' bets which roll in over private wires from every village and hamlet of the great West.

OBJECTIONS TO THE BILL ANSWERED.

Mr. President, what are the objections to the pending measure by the exchanges? First, they say that the law is unconstitutional because of the use of the taxing power. The use of the taxing power for similar purposes has very many times been used by Congress. The cotton futures act is an example. In McRae *v.* the United States (195 United States, 27), the Supreme Court of the United States expressly said that the power of Congress to tax was its broadest power; and that the courts would not inquire into the reason for the use of the power; and in that case they sustained the law, which taxed artificially colored oleomargarine out of existence, when the entire history of the law shows that it was not, in fact, a revenue measure. I am advised by able lawyers that the proposed law is entirely constitutional.

Aside from their objection to the cooperative section, the great burden of the objection of the exchanges is the well-known cry, governmental regulation. I submit for the careful consideration of the Senate that this is not a regulatory measure. It is a measure which points out the evils, and gives the business itself the right and the power to correct them, and vests in the Government only the power of supervision and says to them that they themselves must correct these evils, or the Government will undertake to do it.

The powers conferred by the bill are as follows:

First. The Secretary of Agriculture is directed to designate certain contract markets. Those markets which comply with the conditions are entitled to be so designated.

Second. Records of their transactions are required to be preserved for three years "or for a longer period if the Secretary of Agriculture shall so direct." Certainly no bugaboo can be made out of vesting the power with the Secretary of Agriculture to require them to preserve their records for a longer period.

Third. Section 5, subsection B, requires the governing board of the contract markets to provide for the making and filing of reports "in accordance with the rules and regulations and in such manner and form as may be prescribed by the Secretary of Agriculture and whenever, in his opinion, the public need requires it." It will be assumed that if the records maintained are intelligible the Secretary will be satisfied, and that he will never exercise this power unless some member refuses to keep records which are intelligible.

Every other power is vested in the governing board of the exchange themselves. Every subsection of section 5 that places a requirement commences with the words, "When the governing board thereof."

So much for regulation.

When it comes to the matter of enforcing the law, that power must be in some one. It would be absurd to enact a law without providing for its enforcement. Aside from the usual penalty clause two methods are used. One of them was placed in the bill at the suggestion of the exchanges, and that was to provide that in case one member of a board of trade manipulated prices or circulated false reports the Secretary of Agriculture, after a hearing, shall suspend him from the privileges of future trading. The second method is that if a board of trade are not using reasonable diligence in cleaning up their house a commission of three—the Secretaries of Agriculture and Commerce and the Attorney General—may suspend their privilege as a contract market, and both of these are subject to court review.

Mr. President, the principal complaint growing out of governmental regulation is that the power is, in the last analysis, exercised by subordinates. The powers lodged in this bill to a great extent are such that they can not be delegated. No one but the Cabinet members themselves can sit upon this commission in finally passing upon the question as to whether the contract market shall remain in business.

The fact about the matter is that the objection on the ground of regulation will not bear the test of analysis. There is no regulatory power lodged in the bill except the very minor one as to the manner in which records should be kept. The other powers are vested in the governing boards of the exchanges themselves. Powers of enforcement of the law are vested in officials of the Government, subject to court review, and it is respectfully submitted that powers of enforcement can be lodged nowhere else.

A great many opponents of the measure who appeared before the two committees, representing the grain trade generally, agreed that in view of the storm that has raged about their operations for years some legislation would be helpful to the grain trade. I quote from the statements of some of the representatives of the grain business who appeared before the committees.

The following colloquy occurred between Mr. Julius Barnes and the chairman of the committee, the Senator from Nebraska:

The CHAIRMAN. I think you will agree there are a good many things going on on the boards of trade that ought to be eliminated if they can be.

Mr. BARNES. Yes, Senator. My whole emphasis is that the exchanges have clearly made some progress in eliminating those things. Take these spectacular corners of 20 years ago. The business conscience which thought they were smart has entirely altered.

The CHAIRMAN. Your theory is that it will improve itself if we let it alone?

Mr. BARNES. Yes.

Senator KENDRICK. Is it not possible under some conditions that corrective legislation might hasten those things or, even in some cases, it might bring reforms that the exchanges themselves could not possibly reach by their own authority?

Mr. BARNES. Yes; that is true. I must recognize that.

Mr. Barnes had stated that he believed that if the exchanges were let alone they would correct these evils, and that they were getting better. He was asked if the gambling in "puts and calls" had not been going on for many years, and he was then asked:

Senator CAPPER. * * * Have there been any rules and regulations of boards of trade laid down that would tend to eliminate that evil—and everybody admits it is a great evil?

Mr. BARNES. No. I think that is a fair shot at the exchanges. They should have eliminated that some time ago, because the public sentiment of the exchanges is almost unanimously behind their elimination. You are quite right in pointing out that the exchanges have failed to do that, even after public sentiment has formed, but they will do it.

Senator CAPPER. I think you will find the same statement made in the testimony that was given 12 years ago that you have made, and that is the only reason why I think there is more pressure back of this legislation at this time than ever before. There is a feeling, I think, on the part of a great many that the time has come when Congress must step in and undertake to do some of these things that the grain trade itself has failed to do.

Mr. BARNES. Senator, it is because I quite appreciate that that must be the situation—that there is pressure upon your office—that I have made these suggestions in regard to this bill. They are what, I believe, would preserve its constructive features and not make it destructive, although I am opposed to the regulation on principle.

Later on, he said:

Mr. BARNES. Well you see we are quite in accord as to the desirability of all of the enactments in the bill up to the point of intrusting in some hands the authority to close those exchanges. That, I think, is fatal because it undermines the trading.

Senator KENDRICK. That could be done with great discretion; I have no doubt about that.

Mr. BARNES. That is true. If you can alter that so as to put certain safeguards and assurances that it would not have the hasty judgment of any single man, no matter what his office, you have modified that very considerably.

Since Mr. Barnes testified the committee has so amended the bill to meet his objection that the power should not be vested in the hands of a single man.

Mr. Moore, of the Duluth Board of Trade, said concerning this measure:

I feel that the spirit back of this proposed legislation means to be constructive and intends to deal fairly with all interests affected. I am not here to object to Government supervision of exchanges, if Congress feels that the public welfare requires it.

Manipulation is so infrequent and usually obvious when it is in process that the exchanges can easily check it when they see the strong arm of the Government is behind it, with their laws already existing.

Mr. Crosby, of the Crosby Milling Co., of Minneapolis, said:

Mr. CROSBY. I think, Senator, our objection to the bill is to the feature of governmental control.

The CHAIRMAN. Do you not want any governmental control?

Mr. CROSBY. We do not have the slightest objection to supervision.

When Mr. Arnot, of the Chicago Board of Trade, was on the stand his attention was directed to the evil practices which had been enumerated by Mr. Griffin, the president of the Chicago Board of Trade, to the directors. He was then asked if those evils had not been embodied in the general principle of this bill. His answer was a follows:

Mr. ARNOT. Yes, sir; I think you are right, Senator; I think they will be covered, but Senator, there are other things that come up from time to time that might be wrong, some practice, for instance, that was never experienced before which we would want to correct. There is no bill that can cover all of these things that might go wrong on an exchange. However, it is the duty of the men who are there and in touch with conditions to find out and correct those things, and they should be made to do that. That has always been my opinion and is yet. They can do it better with authority back of them than otherwise, but it is up to them to do it.

Mr. Wells, of Minneapolis, summed up his position in a few words:

Mr. WELLS. Senator, I am not opposed to some legislation on the subject of grain trading or grain exchanges. I do not think any grain exchange opposes some legislaton which will make that exchange directly responsible to the Government for the proper conduct of its business. I think what they resent is an interference with the internal operations of the exchange which jeopardizes the operation of the market.

Mr. Wells presented the amendment which the exchanges desired, and then said of it:

I do believe that under the bill as amended we can function, and I think we would cooperate in every way to make it a success, but to go further and introduce more drastic features I doubt very much whether it would be anything but a case of strangulation—a slow death.

He also said:

I quite agree with your expression the other day, Senator, that we would gain a certain prestige or gain a certain public confidence if we were directly responsible to some governmental agency.

Senator CAPPER. I think you said you would be in favor of some kind of legislation?

Mr. WELLS. I favor a supervision which does not extend to the point of regulation. I favor making accessible to the proper Government authority such information as he may require when the public interests demand it.

Senator MCNARY. If the proposed measure and the amendments that you have submitted this morning were written upon the statute books and became a law, is it your opinion that that law would place such restrictions and difficulties upon the grain markets as to injuriously affect them?

Mr. WELLS. I believe that if the law as proposed were wisely and fairly administered the grain exchanges could continue to function satisfactorily. I think that temporarily the investing public might avoid the exchanges, but I think they would ultimately come back.

These were all statements made before the Senate committee.

At the time the representatives of the boards of trade appeared before the House committee the bill was in the form in which it was originally introduced in the Senate by myself and in the House by Mr. TINCHER. Of the bill as originally introduced, which is in substance the same as the bill now before the Senate, Mr. Wells, of the Minneapolis Board of Trade, speaking before the House committee, said:

H. R. 2363, the so-called Tincher bill, embodies a great many constructive ideas, and with certain modifications, to make it practical in its operation and to preserve the hedging markets, would, in my judgment, prove constructive legislation.

He also said:

It is rather significant, and I think will give you a little confidence in the position of the grain trade, to know that there is hardly a provision in the bill H. R. 2363, Mr. TINCHER's bill, which has not been covered prior to this hearing and subsequent to the general discussion of this subject by recommendations and resolutions of the boards of directors of the various grain exchanges of this country.

Mr. Griffin, the president of the Chicago Board of Trade, which board of trade, I might say, is the strongest opponent of this sort of legislation, said before the House committee, in opening his remarks, as follows:

I also concur in the statement of Mr. Wells that the Tincher bill has many elements of a constructive character. In principle, I wish to say to you, I indorse the Tincher bill. In precise detail I believe it needs amendment, largely to meet practical questions.

The original bill also had the indorsement of a number of other representatives of the grain exchanges.

PRICES OF FOODSTUFFS MANIPULATED BY SPECULATORS.

Mr. President, manipulation of the prices of the foodstuffs of the country by individuals for their own profit does exist, and it is conceded by all that it exists. The circulation of false and misleading crop information does exist. The legitimate machinery of the grain business has been prostituted, particularly in the small towns, to the purpose of pure gambling.

Statistics were presented to our committee, which have not been denied, that during certain periods the speculative market was more than three hundred times as large as the cash market. That is to say, there has been bought and sold in the pit three hundred times as much grain as actually existed, the exact figures being that for every 28 bushels of actual grain available 10,000 bushels have been bought or sold.

The Federal Trade Commission, in its recently published report, finds that future trading in grain amounts some years to more than 20,000,000,000 bushels, or three times all the grain produced in the world, while the actual amount of grain which changes hands at Chicago, where five-sixths of this trading is done, is a small fraction of 1 per cent of these billions of bushels. Transactions last year amounted to fifty-one times the amount of wheat produced in the United States.

That the abuses of the present marketing system should be corrected is not even open to dispute. It is the claim of representatives of the grain business that their correction should be left to the boards of trade themselves, without any legislation. It is interesting to note, however, that in hearings before the committee of the House of Representatives 12 years ago, when a similar bill was before that committee, the representatives of the boards of trade admitted then, as they do now, the existence of abuses, but claimed then, as they do now, that the correction should be left to the boards themselves. During the 12 intervening years very little has been done to correct the abuses.

This is not the first time an attempt has been made to correct these abuses. The matter has been before Congress off and on for more than 20 years. It has failed heretofore, in my judgment, because this is the first time that the taxing power has been attempted for that purpose. To undertake to correct the evils by use of the power over commerce or over the mails has been unsuccessful because the transactions are not matters of interstate commerce; and to forbid the use of the mails does not prohibit, but only interferes with, their operation, and interferes with the legitimate business as well as with the abuse.

Mr. President, in practically all of the Western States and in many of the other States, statutes have been enacted which have undertaken to remedy some of the evils, particularly that of promiscuous gambling. The police power, which is reserved to the States, has made that possible. The difficulty with these statutes is that in nearly every instance they prohibit a transaction where delivery is not intended. To prove intention is difficult and the statutes have been avoided by a simple provision in the contract for the future trade, reciting that it is the intention of both parties to make and accept delivery. Moreover, the States can not cure the evil. All that a single State could do would be to force the operators into another State.

Future trading in grain, almost exactly as it is carried on in this country, was carried on in Germany years ago. In 1896 the Bourse law was passed by Germany, which absolutely prohibited speculation in futures. This was modified in 1900 to permit such trading by members of grain exchanges only. The public in that country was not and is not permitted to speculate in foodstuffs.

The history of this sort of legislation in the Old World, the statutes of our various States, and the many years of study given to the subject by the committees of Congress and of the various departments should be proof enough that evils exist.

For many years there have been complaints of false crop reports. A report will go out to the grain trade that a bountiful rain has assured a tremendous crop in Kansas. The report will be in fact untrue. These became so frequent in 1920 when the great decline in prices occurred that I caused a number of these complaints to be investigated. In nearly every instance the source of such false information was found to be an operator on the "bear" side of the market.

Reports will come out to-day and be contradicted to-morrow. Certainly no harm can come from a requirement, as is found in this bill, that some supervision over reports of crop conditions shall be had, to the end that truth and not falsehoods shall be scattered broadcast.

Manipulation on the "short," or selling, side of the market by big speculators and "bear raids" by their followers, such as happen every year shortly before or immediately following harvest, play directly into the hands of European importers, who are enabled to buy millions of bushels of wheat in the futures market at a reduced price, which they later exchange for cash wheat. On several occasions during this greatest export year for wheat the raiders of the wheat pit depressed the price of the American crop 12 to 14 cents below the world price, below the cheap wheat of South America.

In playing their game the Chicago wheat gamblers sold something they did not possess to bear down the price of something they did not own. They wrecked the true market, depressed the value of the producer's property, and the big speculators and exporters bought wheat cheaper and cheaper.

Board of trade gamblers make wagers on billions of bushels of grain annually. A single commission house in the Chicago Board of Trade will in three days sell as much grain as can be delivered on the futures market in an entire year. Often an entire crop is "sold" before any of the grain has been harvested. One big market operator was "short" 30,000,000 bushels of corn in December when the price broke 4½ cents. It was a lucky break for the operator, although it subtracted from the value of the corn crop of every State in the Union.

Mr. President, every member of a grain exchange who testified before the Agricultural Committee of the Senate acknowledged that there is at times excessive speculation and undesirable speculation in the futures market. It was brought out that a few big traders at times influence prices—manipulate the market—by the great volume of their operations. Also it was shown that a continually fluctuating, and not a stable, market is the desire of the speculators.

Such a market is against the interests of the producer; he must have stable prices in order to market his crops to the best advantage. The reason for this is that rapidly fluctuating prices can not be fully reflected in the prices paid at country

stations, so an additional margin must be allowed when buying in the country, and it comes out of the farmer. Also, when prices are fluctuating as they have done for months past, consignments of grain from country points to the terminal markets are more likely to find the bottom price of the day's range than the top. Fluctuations benefit the scalper, whether in the pit or at the cash grain tables, but work against the producer.

OPERATORS ADMIT MARKET IS MANIPULATED.

Mr. President, the representatives of the boards of trade who have appeared before the committees of both House and the Senate have been frank to admit that manipulation goes on. In order that there may be no possible doubt that this manipulation of prices exists, I want to read you a few excerpts from the testimony of witnesses before the committees. In doing this I confine myself to the representatives of the grain trade, the boards of trade, who have appeared in opposition to the bill. It appears in practically all of the testimony of all of the witnesses, and it would only be duplication to refer to the testimony of some of the other witnesses before the House committee.

Mr. Julius Barnes, grain exporter and formerly president of the United States Grain Corporation and Wheat Director, in speaking of manipulation, said that the officers of the boards of trade know very well when manipulation is going on and who is doing it. I quote from his testimony:

Mr. BARNES. Why don't you drive right at the speculator who uses these market facilities?
The CHAIRMAN. Would we not have to separate his contracts from the others and find out how much he did?
Mr. BARNES. Yes, Senator; and that would be a hopeless project if you tried to analyze all the trades.
The CHAIRMAN. Then, how can you drive at him?
Mr. BARNES. The man who is doing that can be located by the size of his orders and the resources that he has.
Senator REED. How? Now, you come to the question.
Mr. BARNES. The exchange authorities themselves know very well by whom and when that is going on.
Senator REED. Then, the exchange authorities must be able to distinguish between that kind of a deal and other kinds of deals?
Mr. BARNES. Not the deal. They go at the individual who originates the deals, and by tracing his operations they can tell whether they are of a size and character such as to come within the definition of manipulation. Business conscience to-day condemns the manipulator.
Senator CAPPER. Is it not a fact that at various times while that bear market was on large operators went on the market and sold wheat in large volume, some of them possibly several million bushels, in the course of a day or two days?
Mr. BARNES. By common report, and I presume that is correct. It was done, Senator; yes.
Senator CAPPER. Now, would not that have a tendency to aggravate the situation and to further depress the market?
Mr. BARNES. Yes; while it lasted.
Senator CAPPER. And would not that work to the injury, first, of the producer?
Mr. BARNES. At that time, yes; of course, it must be met at some stage by buying an equal weight. They must get those contracts back and induce the buying of equal force. The injustice in that, Senator, lies not so much in that transaction as in the fact, which every reasonable man must admit, that through that process of decline under the influence of those sales some farmer may have his confidence undermined and market his product on the lower basis.
Senator CAPPER. Does that particular transaction that I spoke of on the part of the Armour Grain Co., for example, who, under the present rules, can go on the market any day and sell five or ten million bushels of wheat, assist in stabilizing the market or maintaining a steady market?
Mr. BARNES. No; because that is a transaction of great weight under concentrated direction. It is just like any combination and therefore is not fair, and is a matter which the exchange authorities ought to govern and regulate among themselves. The manipulator is an undesirable factor anywhere. He sometimes injects himself into the business of the exchanges, but not so often as in other businesses, or to such a harmful extent, such as building construction and building materials as recently disclosed.

Mr. Hargiss, the president of the Kansas City Board of Trade, testified as follows:

You want to know something of the abuses. I must admit to you that I think manipulation is a grave abuse on the exchange when it is indulged in. I think, on the other hand, that practically all manipulations, with few exceptions, have been on the long side of the market.

Upon being asked whether or not manipulation ought to be prevented, Mr. Hargiss answered:

Oh! absolutely. (S. Res. 275.)

And again, on page 277, he said:

You could put a very heavy penalty upon manipulation. Personally I believe, if there is not already a Federal statute—I know one man that was indicted for manipulation, I believe, but even a stronger criminal law on manipulation would cure the whole thing.

Mr. Arnot, a member of the Chicago Board of Trade, testified:

Senator CAPPER. Would it not be a good plan, then, to have some sort of governmental supervision, such as we contemplate in this bill, which will give an impartial Government official the opportunity to see the books on such an occasion as we have in mind here, when we think the market is being manipulated by somebody for the purpose of depressing the price of the farmers' product?
Mr. ARNOT. I should have absolutely no objection to that.

Mr. Gates, for years president of the Chicago Board of Trade, testified as follows:

Because the trade recognizes the manipulator as an enemy to the whole organization, to the whole trade, we dislike him just as much as any of you gentlemen do, and if we could find any way of shutting him out absolutely we would be glad to do it. Maybe you can help us on some of these problems.

F. M. Crosby, of the Washburn-Crosby Flour Mills, said:

We are heartily in sympathy with the elimination of manipulation. A man should not be permitted to deal in these large volumes. If by supervision of the Secretary the penalty should fall on that man, I do not think you would have manipulation, at least then.

These quotations are made by the leaders of the opposition to this measure, and they speak for themselves.

Frederick B. Wells, of the Minneapolis Board of Trade, and one of the men in charge of the opposition to this measure, in testifying before the House committee in April of this year, said:

No; I wanted to eliminate manipulation, and I still want to do that. I do not call it gambling. I call it speculation. I still want to eliminate manipulative speculation; that is, where large money interests can go into a market and temporarily affect the trend of values one way or the other, up or down.

Mr. Griffin, the president of the Chicago Board of Trade, testifying before the House committee, said, in a formal report to his board of directors, which is published on page 157 of the hearings before the House committee, as follows:

That manipulation of the grain markets has occurred in the past is an admitted fact. Such manipulation, however, has usually been attempted for the purpose of forcing prices upward. Manipulators have been inspired by the belief that it would be possible for them to buy a greater quantity of contract grades of grain than could be delivered at the time and place of delivery for which the contract called. At times such manipulation has been successful; more often it has failed.

It was said a great many years ago that "facts are stubborn things." However persuasive the argument may be that manipulation is possible, and however persuasive the admissions by the members of the boards of trade themselves that manipulation does exist, the most persuasive proof of it is in the actual facts.

VIOLENT FLUCTUATIONS IN THE MARKET.

Mr. President, the system of exchange now conducted by the Chicago Board of Trade is an economic monstrosity. In the business of separating men from their money without proper return of goods or service, its market manipulators and gamblers are doing that for which hold-up men are sent to prison. No American industry other than agriculture would tolerate such a juggling of markets for a single minute. No other commodity seesaws up or down every day and every hour, month after month, as does the price of wheat on the Chicago Board of Trade. It is a great injustice to the producers of this country and a great injury to the country's welfare, progress, and stability.

I propose to cite to you a few instances of fluctuations in the market which, in my judgment, can not be explained by any of the natural and legitimate forces of supply and demand. I cite these instances for two purposes: First, as showing that other forces are at work than the laws of supply and demand, which forces are and must be manipulative in character; and, second, to show that under our system as it now exists the market is unstable. Every witness who appeared at the hearings, on every side of this matter, agreed that a stable market was desirable not only for the producer but for the consumer and for every intermediate handler. The instances which I am about to show are but few of many, and I think it safe to challenge anyone to explain them by any normal play of the forces of supply and demand.

The first of these instances concerns itself with the two weeks commencing July 15, 1920. This was the first two weeks of future trading, or pit transactions, after they were abolished at the commencement of the war. All future transactions in wheat were abolished for three years—from July, 1917, to July 15, 1920. During a part of that time there was governmental control of prices. Governmental control of prices ended on May 31, 1920. During the six weeks between June 1 and July 15, 1920, there was neither governmental control nor future trading. The extreme fluctuation in prices in that six weeks was 28 cents on any grade and 7 cents on Nos. 1 and 2 grades. This was on the Kansas City market. It was a fairly stable market. Future trading was resumed on July 15, 1920. During the next two weeks the price dropped from $2.75 to $2.10, a break of 65 cents, and worked back to $2.45. In other words, a fluctuation in two weeks of nearly three times the extreme fluctuations of the preceding six weeks.

The exact figures for the Kansas City market for wheat during the six weeks between June 1, 1920, and July 15, 1920, when there was neither a Government price nor a future market, as found in the January and February, 1921, hearings before the Senate committee are as follows:

(Page 181.)

June 1, following the Grain Corporation's control of the grain business of the country, No. 2 hard wheat sold on the floor of the exchange in Kansas City at $2.89 to $2.90 per bushel. The following Monday, June 7, No. 2 hard wheat sold at Kansas City at $2.88 per bushel. Monday, June 14, No. 2 hard wheat sold at $2.85 per bushel; Monday, June 21, No. 2 hard wheat sold at $2.83 per bushel; Monday, June 28, No. 2 hard wheat sold at $2.78 per bushel; Monday, July 6, No. 2 hard wheat sold at $2.81 per bushel; Monday, July 12, No. 2 hard wheat sold at $2.88 per bushel; and on Thursday, July 15, the day future trading was reinstated, No. 2 hard wheat sold on the cash market at $2.88 per bushel and the December option opened in Chicago at $2.75 to $2.72 and closed at $2.70½ or 15½ cents per bushel below the cash.

From these figures it will be observed that from June 1 to July 15 the range in prices on No. 2 hard wheat was only 7 cents per bushel.

Now, if you will turn to the market after July 15, 1920, you will find the following to be the facts, still on the Kansas City market:

(Page 182.)

Monday, July 19, No. 2 hard wheat sold in Kansas City at $2.87 per bushel, and the December option in Chicago closed at $2.51, or 36 cents below the cash. Monday, July 26, No. 2 hard wheat sold in Kansas City at $2.80, and the Chicago December option closed at $2.47½. On Monday, August 2, No. 2 hard wheat sold in Kansas City at $2.28 a bushel, or a decline of 53 cents a bushel in one week, and the December option closed at $2.13½, or 34 cents per bushel lower than the week previous.

Mr. President, it is difficult to see in the face of these figures, realizing that the wild fluctuation of the two weeks commencing July 15 was immediately after the stable market ending on the same day, how the facilities for hedging assist in stabilizing the market. Numerous explanations have been made by the representatives of the exchanges to account for this situation. It is probable that the facility of hedging would tend to stabilize the market if there were no outside forces at work, but the fact remains that because of the abuses at which this bill is directed hedging is becoming of little value and the market is not stable.

In part, it was the wild fluctuations following the opening of the future market, compared with the stable condition, when there was no future trading, that was the immediate cause for the great wave of discontent that prompted this legislation. On the 1st day of December, 1920, in a single day wheat went down 12 cents and up 10 cents, a fluctuation of 22 cents. On December 2 it went up 17 cents and down 11 cents, and on the 3d it went down 12 cents and up 8 cents. It is impossible to ascribe to any normal and proper force a break in the market of 11 cents and a recovery of 17 cents in three or four hours. The newspapers carried the report that during these three days a half dozen speculators on the Chicago Board of Trade had profits of more than $3,000,000, all of which was at the expense of producer and consumer. If this bill becomes a law, this manipulation of the market will not be possible.

The day the committee reported this bill out of the House the market broke 11 cents. I do not mean to say that this was a punishment visited upon the constituents of the Congress for their effrontery in undertaking to legislate; I do say that the 11-cent break can not be attributed to supply and demand.

While the committee hearings were in progress the following market situation occurred, as shown by the testimony of Rollin E. Smith, of the Bureau of Markets:

May wheat, as the result of short selling running into stop orders and causing a loss of confidence as prices declined, was forced down 35 cents in a few weeks. The decline terminated on April 14. Then under the influence of speculative buying an advance started and continued until May 25—a bull market; a wild bull market part of the time. The advance from April 14 to May 25 was 67 cents. Then the price broke 20 cents in two days and advanced 22 cents in two days more, 19½ cents of which was on May 31.

The net advance of the May future from April 14 to May 31 was 69½ cents. At the same time July wheat advanced only 35 cents. May wheat was cornered, but let us see what cash wheat did.

On May 31 Nos. 1 and 2 red and hard winter wheat, the contract grades, sold in the Chicago market at 2 cents under May, or 57 cents over July. No. 3 sold at the fixed discount of 7 cents under Nos. 1 and 2. This was 50 cents over July. No. 4, which is not deliverable on contracts at any price difference, sold at 5 cents under to 5 cents over July.

On the next day, June 1, after the May future had expired, cash wheat sold as follows: No. 1 red and hard, 20 to 23 cents over July. This was as compared with 57 cents only the day before. No. 2 red and hard, 19 to 21 cents over July; No. 3 red and hard, 15 to 18 cents over July; No. 4 red and hard, 10 to 15 cents over July. This was a drop over night of from 34 to 37 cents for No. 1, 36 to 38 cents for No. 2; 32 to 35 cents for No. 3, but an advance of 10 to 15 cents for No. 4.

In the face of the market in May of this year it can not seriously be said that trading in futures has stabilized the market.

Mr. KING. Mr. President, May I interrupt the Senator?

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Kansas yield to the Senator from Utah?

Mr. CAPPER. Certainly.

Mr. KING. Were the fluctuations in wheat as detailed by the Senator greater than the fluctuations in the prices of other commodities and were they greater than the recorded changes, as shown upon the stock exchanges of various stocks, industrial, railroad, and so forth?

Mr. CAPPER. I have made no inquiry as to that phase of the situation, but I think they were. It was very generally stated at the time of the great bear drive on the wheat market that speculators paid attention especially to wheat.

Mr. KING. There is no doubt but what there have been abuses in the grain exchanges which have injuriously affected the agricultural producers of the United States. Any sane and constitutional measure that will prevent a continuation of practices which are evil I shall gladly support. The bill before us may possess some healing virtues; at least it is to be hoped that it may bring some relief. Referring to the violent fluctuations in the prices of stocks, the Senator knows that on the New York Stock Exchange and the various stock exchanges throughout the United States this condition is almost chronic. The rise and fall has been more than 10 points within 24 hours. The rapid advances and recessions in prices have been incredible. Millions have been lost and won within a few hours.

However, in many instances, let me say, the persons who suffered were the gamblers themselves and it did not affect the intrinsic value of the stocks nor were the railroads or the industrial concerns, whose stocks were being gambled with upon the market, affected. I am inclined to think that the $3,000,000 which the Senator said was made by a number of individuals during one day did not come from the farmers but from the "lambs" who were fleeced by the wheat brokers and gamblers. I am inclined to think the little gamblers were swallowed up by the big gamblers, and they were the ones who were compelled to add to the accretions of speculators and gamblers, whose operations were very extensive.

I have been wondering if the evil upon the grain exchanges is greater than on other exchanges, and if the Government may regulate grain exchanges ought it not regulate all exchanges in the United States, in order that there shall be no stock gambling and no dealing in futures and no dealing in stocks except under the immediate surveillance of the United States Government? Does the Senator think that would be a good thing? I am expressing no opinion one way or the other and am only seeking the view of the Senator.

Mr. CAPPER. I think the Government might very well have supervision over stock markets and exchanges generally to some extent, but first I think we had better start with the grain exchanges because we have the proof there of the harm that is done and the injury that is being worked.

The fluctuations affect the farmer in this way: Every day while that bear raid was on and the market was fluctuating up and down millions of bushels of wheat were going to market. We can not stop, on an hour's notice, or a day's notice, the flow of wheat. The man who reached the market on the day that wheat was down, of course, was the loser. Then the grain dealer or the elevator man or the buyer at the country markets must take into account the possibility of a great fluctuation in the market price, and consequently the price he offers the producer necessarily must be less than he would offer on a stable market. For that reason we are urging conditions that will help to stabilize all the markets.

Mr. WILLIS. Mr. President, while the Senator is yielding, may I say that at some place during or after the Senator's speech I desire to get his opinion touching certain telegrams that have come to me in criticism of the pending measure. I do not desire to inject unfavorable matter into the Senator's speech at this point if he would prefer to yield at some other point, but I do desire his opinion upon the criticisms that are embodied in two or three of the telegrams which I have received, because I have great confidence in his judgment and the judgment of the Committee on Agriculture and Forestry. Would he prefer that I interrupt at another point?

Mr. CAPPER. Will the Senator wait until I shall have concluded? I shall be through in just a few moments.

Mr. WILLIS. Certainly.

Mr. CAPPER. The plain truth, Mr. President, is that through manipulation of the market the big speculators on the Chicago Board of Trade are undoubtedly a powerful factor in fixing the price of the farmer's wheat. They sell large volumes of wheat futures short during a period before harvest when there is no great volume of buying, and the weight of their selling forces the price down. Then, by continually hammering, they hold the price there until the crop movement begins, when hedging sales place sufficient pressure upon the market to enable the speculators to buy back what they sold without advancing the price.

By this process the farmer loses and the speculator wins nine times out of ten. I fear this country will not long continue to produce the finest wheat in the world if we continue to let the wheat gambler fix the price.

VICIOUS PRACTICES OF COMMISSION MEN.

Mr. President, a particularly vicious form which manipulation takes is that indulged in by commission men. By commission men I refer now to those men who place orders for future delivery for their customers. As agents for their principals they, of course, must know and do know what trades their customers are making. Every principle of common honesty should prevent these commission men from utilizing this knowledge for their own benefit. What they do is even worse than that; they utilize this knowledge not only to benefit themselves, but to benefit themselves at the expense of their customers. They sit by and watch their customers buy and, perhaps, encourage them to buy and by the force of the buying force the market up; then these commission men, when the price is too high, jump in and break the market, ruin their customers, and make themselves rich. I quote from an article appearing in Wallace's Farmer, under date of February 11, 1921, the article being written by Rollin E. Smith, of the United States Bureau of Markets:

Speculative commission houses, or commission houses whose members *speculate*, are one of the big handicaps under which the market is weighted down. It is just as unfair to the public, or outside speculators, for commission houses to speculate as it is for a poker player to look at the hands of his opponents, for such a commission house knows at all times just how its customers stand on the market. The public has just as much chance of winning as a poker player would if he laid his cards on the table, face up. The reason is this: This professional speculator knows from long observation that 95 per cent of the outsiders lose their money. Therefore the professional—in which class are the speculative commission houses, their employees, and the brokers and scalpers in the pit—takes the other side of the market from the outsiders; not in every instance, of course, but in a large general way.

If, for example, as often happens in a bull market, the public gets the speculative fever and buys heavily, this is of course known to the professionals. As the public becomes more and more excited and continues to buy, the professionals gradually sell out their own holdings and then closely watch for the time when the public buying exhausts itself. That will mean the end of the advance. The public is always craziest right at the top, just when they should be selling and taking their profits.

When the force in public buying has exhausted itself, the professionals begin to sell short. If the advance is checked, they sell more. Soon the market begins to break, and then the professionals "jump on it"—sell millions of bushels; and a great slump follows. Out of the wreck a few stragglers from the public pull out with a little money left, but 95 per cent of them have left their balances with the speculative commission houses, the brokers, and the scalpers.

These are the manipulations that the bill seeks to prevent.

THE "HEDGE" MUST BE PRESERVED.

By the elimination of these abuses, it is also believed that the hedge will not only be preserved, but will be infinitely better. The foundation of all of the arguments of the grain exchanges is that the hedge must be preserved. They argue that a legitimate hedge is insurance and keeps down the margin between the producer and consumer. It is just as true that a hedge that will not work increases that margin. Where the future market on which the hedge is placed goes down while the cash goes up, the hedge is ruinous. It has been said on good authority, and after an examination of the trend of the future and cash markets for several years, that 40 per cent of the time the hedge does not work because the cash and future do not run together. I do not vouch for that figure, but it is a statement found in Wallace's Farmer under date of March 18, 1921, the author being Mr. Rollin E. Smith. Take the market in March and April of this year. The cash advanced 65 cents and the future 35 cents during the same period. You can not use the hedge on that kind of a market. In February the cash was 35 cents over the future and in March only 8 cents over the future and in May the future and cash came together. You can not hedge on that kind of a market. An elevator man or a grain dealer may have contracts to buy wheat in May and on account of the lack of cars or other reasons he is forced to extend the time to his customer so that the wheat is in June. If his hedge has been placed on the May option, it must then be transferred to the July option. On May 31 May wheat closed at Chicago at $1.37½ and July wheat closed at $1.28½.

On May 31 cash wheat sold in Chicago at 57 cents over July wheat. The next day the same wheat sold 20 to 23 cents over July, a break of 34 cents. This is attributed to the fact that there was a corner on May wheat. But you can not hedge on that kind of a market.

This has become of so frequent occurrence that hedging is becoming a dangerous instrument to play with. If the normal forces are left alone, future and cash should go hand in hand. The wild fluctuations of May of this year were because of manipulation by the great operators on the Chicago Board of Trade. It can be stopped and should be stopped.

That it can be stopped, Mr. President, and can be stopped by the boards themselves is proven by this fact: In 1911 the Chicago Board of Trade put in a rule that has practically stopped manipulation of prices upward, sometimes called "corners." This rule is a simple one; roughly, it vests the power in a committee of the board of trade to determine, in case of a corner, what the fair market value of the wheat would have been if there had been no corner. Manipulation of the price upward, or corners, is ruinous to the short sellers upon the boards of trade. The operators upon the boards of trade are victims of corners, and they temporarily help the producer. Since the losses by such manipulation fall upon the members of the boards of trade themselves, more than 10 years ago they put in a rule that has stopped such manipulation. Manipulation downward only hurts the producer, the grower of the grain. The boards of trade could prevent such manipulation, as 10 years ago they prevented manipulation upward. One of the purposes of this law is to compel them to do that.

WHAT THE TESTIMONY SHOWS.

Mr. President, if the Members of this body have the opportunity to read the entire record of the hearings before the House committee in January and the same committee in April, and the hearings before the Committee on Agriculture of this body held in May, June, and July of this year, I believe that exactly this will be found to be the situation:

First. The market which governs the price paid to the farmers for their wheat and correspondingly the price paid for foodstuffs by our people in general, while controlled largely and necessarily by the law of supply and demand, is, nevertheless, seriously and occasionally affected by the manipulation of prices and by promiscuous and unlimited gambling.

Second. These abuses are admitted by everyone, and it is likewise admitted that they should be corrected.

Third. The bodies best able to correct these evils are the exchanges themselves.

Fourth. The most enlightened and the most successful members of those exchanges admit that it would help them to correct the evils if the Government stood behind them.

Fifth. The great body of business men engaged in this business do not object to supervision, nor to punishment if they do not play the game fairly. They do object to governmental regulation.

Sixth. An analysis of the bill will demonstrate that it simply says to the boards of trade, "These are evils; you can correct them; do so; and, if you do not, you can not deal in futures."

The provisions of the bill if enacted into law will deflate gambling and speculation on the exchanges of the land. They will release the law of demand and supply and make these market places subservient to that great law of trade. They will drive out of business thousands of gamblers in puts and calls. They will turn such funds to legitimate uses and the support of industry. They will destroy the infamous influences that, attaching themselves like barnacles to the exchanges of the country, retard legitimate industry and promote vice and too often suicide and crime. And they will protect the producer, whose toil and sacrifice enable all of us to live, from the theft of his well-earned reward by the machinations of professional gamblers, forestallers, and market riggers.

This country exported 365,000,000 bushels of wheat, in the form of wheat and flour, during the 12 months ending June 30 this year. The money value of these exports of wheat was $840,000,000, or $2.30 a bushel. The American wheat raiser averaged something less than $1.30 a bushel, a difference of $365,000,000. This dollar a bushel difference, in the face of such figures, is convincing indication of a prolonged and serious interference with the operation of the great fundamental economic law of supply and demand.

We can not expect to gather grapes from thistles. So long as this juggling of the markets is permitted, and so long as this cancer of gambling in one of the necessities of life is permitted, we can not expect to have permanent prosperity in the United States. For years previous to the present crisis in the agricultural industry the men frequently referred to by orators as the "backbone of the Nation" have averaged barely more than a decent living by working their wives and children as well as themselves, and have realized no return from their capital. The real job we have on our hands is to find out how farming can be made as safely profitable as any other American occupation. Unless that can be done it is simply a question of time when our farmers will be forced to abandon a too hazardous means of livelihood. The one vital industry on which the Nation's welfare and prosperity depend, must have its chance to live and prosper if the rest of us expect to, and if it is to have this chance, the grain gambler must go.

In conclusion, Mr. President, I submit this one thought for the serious consideration of this body. There can be no more solemn duty resting upon the Congress of the United States than to preserve to the farmer and the consumer the free play of economic laws upon the prices which they get for their product and upon the price which the consumer pays for his bread. There is not that free play now. The abuses are certain, definite, and admitted. They can be corrected and will be corrected, if this bill is passed, without Government regulation, but if any situation is serious enough to justify even governmental regulation, the measure now before the Senate meets that situation. As now conducted, the Chicago Board of Trade is the most wanton and the most destructive game of chance in the world. The bill now before you is a legislative mandate to these great exchanges, that if they wish to continue to deal in futures without restriction or regulation, they must eliminate from their midst the man who thrives upon the losses of the gamblers in foodstuffs; they must suppress the man who profits by the circulation of falsehoods affecting the price of wheat and bread; and they must drive from their midst the man who is prostituting the machinery of the grain market for his own selfish purpose by manipulating the price to his own advantage. The bill, in my judgment, is constructive legislation, legislation that has been sorely needed for more than a quarter of a century. If I read the public mind aright, the American people have determined to do away with every serious mischief-making evil that affects the general welfare. They have known about market gambling for a long time, thousands have been "stung" by it. They have their minds about made up that the Chicago Board of Trade's poker playing with the food supply is the most wanton, most wicked, and most destructive game of chance in the world and they are going to stop it.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Washington?

Mr. CAPPER. I yield.

Mr. JONES of Washington. I have a telegram here that is a sample of quite a number of telegrams I am receiving with reference to certain provisions of the bill. I have examined hurriedly the substitute that is proposed by the committee, and as I read it several of the criticisms, if not all of them, have been taken care of. However, I wish to call the attention of the Senator to them and ask his judgment as to whether or not they are met by the substitute.

First, I have a telegram which reads as follows:

As to Tincher-Capper bill in its present form this bill if passed will make it impossible for grain houses operating on the board of trade to exist and the grain trade can not furnish satisfactory markets unless the bill is amended in certain particulars. We want to amend section 5, paragraph D, so that exchanges will not be compelled to place definite limits on amount of grain single individuals may trade in.

I take it that is taken care of by the substitute?

Mr. KENYON. It is.

Mr. JONES of Washington. The telegram continues:

Amend section 5, paragraph (e), so that no applicants for membership will have advantage or preference over any other applicant.

I take it that also is taken care of?

Mr. CAPPER. I think it is taken care of, I will say to the Senator from Washington.

Mr. JONES of Washington. The telegram continues:

Amend section 5, paragraph (g), by striking out the paragraph intention of which is to limit private wire service between large terminal markets and prevent such service to anyone outside said markets. The tendency of such clause and the unfairness of it is only too apparent. The bill obligates exchanges to prevent manipulation, but should leave them free to adopt whatever measures to this end may seem to them wise.

That has been omitted, as I understand, from the proposed substitute, although it was included in an original committee amendment.

Mr. CAPPER. That has been omitted from the proposed substitute.

Mr. JONES of Washington. The telegram continues:

It also provides that representatives of farmers' associations must be admitted on a preferential basis. This would amount to practical—

And so forth. I take it that that is not the effect of the substitute?

Mr. CAPPER. That has been modified. I think the senders of the telegram were unnecessarily alarmed as to the effect of that provision.

Mr. WILLIS. Will the Senator again read his telegram? I am anxious to see whether these telegrams from various sections of the country are duplicates.

Mr. JONES of Washington. I think they are duplicates to a great extent.

Mr. KENYON. Over three thousand of them have been sent.

Mr. WILLIS. I have received a number of such telegrams and I wish to see if their language is identical with that of the telegram which has been read by the Senator from Washington.

Mr. JONES of Washington. The concluding portion of the telegram, from which I have been quoting, reads:

The unfairness of it is only too apparent. The bill obligates exchanges to prevent manipulation, but should leave them free to adopt whatever measures to this end may seem to them wise. It also provides that representatives of farmers' associations must be admitted on a preferential basis. This would amount to practical rebating of commission. We bespeak your opposition to this bill, which would be destructive to our business as well as all other grain firms conducting a similar business.

I have several other telegrams. They do not go into the matter so much at length as does this one, but they are substantially the same and point out the same objections.

Mr. CAPPER. The telegrams in reference to this matter have come here from all over the country. They have been inspired by the National Grain Dealers' Association, I think. Possibly there is some basis for some of the objections which they make.

Mr. JONES of Washington. I take it the Senator has tried to obviate all the objections in the substitute as now proposed?

Mr. CAPPER. I think the proposed substitute meets all those objections.

Mr. WILLIS. Will the Senator yield to me?

Mr. CAPPER. I yield.

Mr. WILLIS. I think, perhaps, that the response which the Senator from Kansas has made to the inquiry of the Senator from Washington [Mr. JONES] covers the question I am about to ask, but I am not sure. I desire to obtain the opinion of the Senator from Kansas, because he is thoroughly informed about these matters. I have not very carefully read the telegrams which I hold in my hand. The one from which I shall now quote is from the City Bank of Lima, Ohio. I think it is substantially the same as the telegram which the Senator from Washington has read. This telegram reads:

LIMA, OHIO, *August 3, 1921.*

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

In reference to the future trading bill, known as House bill 5676, being in touch with grain men, farmers, elevator men, and also mills in this district, they, as well as ourselves, wish to enter protest against this class of legislation unless amended in certain particulars. First, we want to amend section 5, paragraph d, so that the exchange will not be compelled to place definite limits on the amounts an individual can buy.

That is taken care of, I understand.

Mr. CAPPER. It is.

Mr. WILLIS. The telegram continues:

The bill obligates the exchange to prevent manipulation, and should be left free to adopt whatever measure to this end may seem to them wise.

That is already safeguarded in the amended bill, is it not?

Mr. CAPPER. Yes.

Mr. WILLIS. The telegram continues:

Second, amend section 5, paragraph e, so that no applicant for membership will have an advantage or preference over any other applicant.

Is that covered by the bill as the Senator has proposed to amend it?

Mr. CAPPER. I think that is taken care of. Really, the section referred to did not give any one applicant an advantage over another, but we have modified the section referred to so that I do not believe any fair-minded person could object to it.

Mr. WILLIS. There is another suggestion contained in this telegram which I will read:

The bill at present provides that representatives of farmers' associations must be admitted on a preferential basis, which would be the destruction of commission rules, for it would amount to practically rebating of commissions. Third: Amend section 5, paragraph G, by striking out the paragraph, the intention of which is to limit private-wire service on grain to wires between the large terminal markets and to prevent service to anyone outside of the large terminal markets. The tendency of such a clause and the unfairness of it are only too apparent.

Is that objection covered?

Mr. CAPPER. That has been covered.

Mr. POMERENE. Mr. President——

Mr. WILLIS. Just a moment. I will inquire if my colleague has a duplicate of the telegrams from which I have been reading?

Mr. POMERENE. Yes; I have received substantially the same telegrams, and also a number of letters.

Mr. KENYON. There were several thousands of those telegrams sent.

Mr. WILLIS. I also desire to read the following telegram from Toledo, Ohio:

TOLEDO, OHIO, *August 2, 1921.*

Hon. F. B. WILLIS,
The Senate, Washington, D. C.:

Referring to Tincher-Capper bill, H. R. 5676, we wish to protest against bill as now written. Paragraph (e), section 5, should be changed. Without any question, cooperative associations should not be

allowed memberships except on same basis of other members, and not through act of Congress. Country has had enough of class legislation. Bill should also be amended in section 5, paragraph (d), so that no limitation be placed on amount of trade by any one party. Paragraph (g), section 5, should be eliminated. Let Washington be constructive, and not destructive.

THE C. A. KING & Co.

I have received about 80 telegrams on the subject of the pending bill, the phraseology being exactly the same in each instance. Here is a somewhat different telegram, which I have received from J. M. Smith, of Mansfield, Ohio. It reads:

MANSFIELD, OHIO, *August 3, 1921.*

Hon. FRANK B. WILLIS,
George Washington Inn, Washington, D. C.:

Regarding bill H. R. 5676, dealing with grain trade and methods of control, the writer objects seriously to this bill being passed in its present form. Refer to paragraphs (d), (e), and (g) of section 5. This bill should be amended without a doubt, as it is absolutely class legislation. We hope that you will give this matter your careful and personal attention, and not allow the farmer to be hoodwinked into the belief that the new bill as proposed is a protection to him. It is positively just the opposite.

J. M. SMITH, *30 Douglas Avenue.*

Mr. KENYON. The similarity in the telegrams shows how spontaneous they all were.

Mr. WILLIS. Here is another to the same effect. It is from the Lantz Bros. Milling Co., of Mansfield, Ohio, and reads:

MANSFIELD, OHIO, *August 3, 1921.*

Hon. FRANK B. WILLIS,
George Washington Inn, Washington, D. C.:

Regarding House bill 5676, dealing with grain trade and methods of control, the writer objects seriously to this bill being passed in its present form; refer to paragraphs d, e, and g of section 5. This bill should be amended without a doubt as it is absolutely class legislation. We hope that you will give this matter your careful and personal attention and not allow the farmer to be hoodwinked into the belief that the new bill as proposed is a protection to him; it is positively just the opposite.

LANTZ BROS. MILLING Co.

The Senator from Kansas [Mr. CAPPER] has already discussed the objections raised in the telegram.

Mr. CAPPER. I think that everything that really has any basis for any objection in the legislation has been taken care of.

Mr. WILLIS. The Senator from Kansas making that response, I shall desist and not request to put further telegrams and letters into the Senator's speech.

Mr. POMERENE. Mr. President, I desire to ask the Senator from Kansas a question. I regret that a committee engagement prevented my being in the Chamber while he was speaking, so I have not had the advantage of the Senator's argument. I understand, of course, that the pending bill does not forbid future sales?

Mr. CAPPER. Not at all.

Mr. POMERENE. Will the Senator, in brief, state just what the evils are which he is proposing to correct by this legislation? I ask that question for this reason: I had very carefully this morning gone over the bill as reported by the Agricultural Committee about a month ago, and I learned only within a half hour that on yesterday a new bill had been introduced which contains many of the modifications which have been referred to by the Senator from Washington [Mr. JONES].

Mr. CAPPER. I will briefly summarize just what we have in this legislation attempted to correct:

(a) Market manipulation by large operators.
(b) Promiscuous and unrestricted speculation in foodstuffs.
(c) Dissemination of false crop information.
(d) Gambling in indemnities or "puts" and "calls."
(e) Arbitrary interference with law of supply and demand.

The purpose of the bill is to correct those evils which are admitted by practically everybody.

Mr. POMERENE. In other words, the Senator is trying to prevent in part what are commonly known as "bucket-shop" operations?

Mr. CAPPER. Yes; that is the purpose, in part.

Mr. KENYON. Such operations may still be carried on under private wire.

Mr. POMERENE. The statement is made that the proposed legislation simply corrects "in part" the "bucket-shop" evil. What part of it is left in the bill now?

Mr. CAPPER. If we could get rid of the private wires, we probably could go a little further in the way of eliminating what the Senator calls "bucket shops"; but that is a pretty big problem, and the committee after considering it very carefully thought it best not to undertake that task at this time.

We shall make a start when we put the grain exchanges under the supervision of the Government and say to them that they have got to lay their cards on the table and play the game on the square.

Mr. WILLIS. Did I understand the Senator to say there was no restriction in his bill now relative to private wires?

Mr. CAPPER. No; there is not, except as to the dissemination of false crop reports. Of course, the private wires have been used very extensively for the carrying of all sorts of fake reports intended to influence the market. Under this bill the Secretary of Agriculture will have supervision over the reports that are carried over private wires.

Mr. HARRELD. Suppose we do not get results from this measure, what will be the next move—Government regulation?

Mr. CAPPER. I think we will get some results. This bill has the hearty approval of the Secretary of Agriculture, who has gone into it very carefully and who thinks it is workable. He is hopeful that it will correct the evils about which so much complaint has been made.

Mr. DIAL. Mr. President, some time ago I submitted an amendment to the cotton futures contracts act. The amendment was referred to the Committee on Agriculture and Forestry. On the 24th day of May I went before that committee in behalf of the amendment, and the committee appointed a subcommittee to consider the subject, but the subcommittee has not reported. The matter is one of great importance to the section of the country which I in part represent, and I am very anxious to have some legislation adopted at the earliest possible moment.

Some days ago, after a conference with a number of Senators from the cotton-growing States, it was decided that the amendment which I proposed, and which was referred to the Agricultural Committee, was perhaps a little too liberal. I was of that opinion when I proposed the amendment, but I was afraid I could not get any better provision adopted at the time. After a conference, however, with a number of Senators our opinion was that we ought to amend the present cotton futures contract law by requiring the seller of the contract to specify the grade to be delivered at the time the contract was entered into.

Generally, under the present law there are two sections that are considered in this connection; one is section 10, which embodies the idea referred to, and the other is section 5, which is more liberal, and which authorizes the seller of the contract to deliver all the contract in any one or all of 10 grades. That is commonly known, as I have said, as section 5, and that is the section that we thought ought to be repealed. I, therefore, proposed an amendment reading, "That section 5 be, and the same is hereby, repealed"; but upon a more thorough investigation and examination into the present law the conclusion was reached that a wording to that effect would have mutilated the act. Consequently, I submitted the matter to the drafting bureau, and they very kindly consented to put that idea into proper form. Hence I had printed the other day and placed on the desks of Senators an amendment to House bill 5676.

The whole purpose of this amendment is simply to make the seller of the contract specify the grades which he is going to deliver; in other words, it conforms the law to common sense. I know of no other business in the world outside of cotton, and particularly when the commodity is going to be used in manufacturing, where the seller has the right to select the grade and the quality of the article to be delivered. To my mind, by that section of the law great injustice is done our section of the country.

I reluctantly had the amendment printed as an amendment to the pending grain act. I would much have preferred it to be an amendment to the cotton-futures act, because that is where it belongs. I did intend to offer it and press it at this time, but after conference with Senators from the cotton-growing States we have decided to postpone the matter for the present, in the hope that by conference and through the committee we may agree either upon this amendment, the one that is already pending, or some better amendment.

I am not extreme about the matter; I have no particular personal pride as to how the purpose shall be accomplished, but I am trying to get beneficial results. I think the last amendment provides what the law ought to be. By way of compromise, I would have accepted the one that was before the committee, but I have the highest confidence in the ability of the southern Senators on this point, and I have the strongest hope that we will agree upon something that is just and proper, and I believe that our friends on the other side will join with us as soon as we can decide upon the best course to pursue.

I know of no opposition to correcting this law except from one Senator, perhaps, who thinks that by passing it we will destroy the exchanges. As I said the other day, I am not trying to destroy the exchanges. It is a matter of no importance to me whether the exchanges exist or not. I have different views on the exchanges at different times. Sometimes I think

they are beneficial, and sometimes I think they are injurious; but the party who needs honest laws is the farmer, the man who produces the commodity. Under the present system I am confident that the producers do not get nearly what they ought to get for what they raise.

Some idea may have sprung up that we southern Senators differ about this matter, but I know of no difference whatever, except upon the part of one Senator, who wants the exchanges retained. My colleague [Mr. SMITH] has taken a great interest in this proposition for many years, and has taken a leading part in the legislation, and he and I are thoroughly in accord as to the necessity of some legislation being passed.

While we are speaking of the exchanges, in order that Senators may have the views of one who is well posted on the subject, I ask the privilege of having printed as a part of my remarks a letter which I received from a member of the New York Cotton Exchange, or at least a man who was recently a member of it. I am not positive whether he is a member now or not, but he was for over 40 years a member of the New York Cotton Exchange. This letter is dated "New York City, N. Y., June 6, 1921." I withhold the name of the writer, but I shall be glad to give it to any Senator upon inquiry. The letter gives his views of the exchange; and I will ask Senators at their convenience to read the letter after it is published as a part of my remarks.

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

The letter is as follows:

NEW YORK CITY, N. Y., *June 6, 1921.*

Hon. N. B. DIAL,
United States Senate, Washington, D. C.

DEAR SIR: Your favor of the 3d instant at hand, with copy of my letter addressed to Mr. Wanamaker, dated August, 1920. As the conditions then existing are entirely reversed from those at present prevailing, I can not permit the use of that letter as expressive of my views at the present time.

The bill you have introduced is a just one, giving an equal basis to both buyer and seller in all contracts made on the exchanges, and will prevent such extreme wild fluctuations as frequently occur under the present laws and rules of what has become "a corporation for speculative purpose," and which admits of manipulations that are calculated to injure legitimate dealings between producer and consumer and unsettle sound, stable values.

The present method of trading on the exchanges is, to say the least, inadequate to conduct its dealings with just and equal regard toward all interests involved. Speculative interests have only in view their profits. They are neither the producer nor consumer—nor the source of real wealth—hence the exchanges are simply methods of clearance for financial security during the transfer of the actual commodity from the producer to the consumer. That being the case, the first requirement is a safe and sound security that can be cleared financially at any and all points of the world, where the financier has the finances and is ready to make the clearance.

Our exchanges, in so far as cotton is concerned, limit their clearance in the actual cotton to that stored at the point of their trade. New York has an actual clearing association, which undertakes to clear all contracts between its members for 12 months, and while it clears thousands of contracts every day only clears actual cotton—or warehouse receipts—that is in its local stores, and then only for the present month. Our New York Exchange is often thousands of bales long or short on margins, while its available stock is much less, and at its best has only a limited storage capacity. As it is mostly speculative in its character of dealings, pools can be formed that take advantage of its condition and make artificial values at their pleasure.

The New York Exchange has made and will make rules that seem to draw speculation—molasses draws flies the same. For the safety and equitable dealings of all interests concerned—viz, producer, consumer, and speculator—the Government at Washington should enact laws that will give equal opportunities to producer, consumer, and the mongrel speculator.

The consumer—manufacturer—long since learned that exchanges were only temporary expedients and does very little trading in its contract. The producers—the South—are now getting their education at considerable expense, and recently the small speculator finds it rather difficult to play the game successfully unless the outsider puts up his margins and gives business orders.

Mr. DIAL. As I stated before, I do not wish to mutilate the grain bill, as it were, by adding this particular section to it; and I am taking the course that I have announced in the hope and the belief that the Agricultural Committee will soon work out this matter on an equitable and just basis, which I feel they are disposed to do on all matters. I must congratulate the Senate, and particularly the Agricultural Committee, on their desire and their effort to help the farmers of this country. I feel that there is a genuine desire to accomplish that purpose, and I am satisfied that great good will result from the laws which we have recently passed. I am happy to note that "behind the clouds the sun still shineth," and I believe we will have a brighter day.

Entertaining these views as I do, I shall not now press the amendment to which I have referred at the present time. I hope Congress will soon take a recess and let us go home and breathe good air and get in a good humor; and as soon as we get back here I hope we will have worked out something that we will all agree upon—at least, practically all, if we can not all agree upon it—anyway, something for the good of the producing interests of this country, and that we will pass it at an early date. I would thank the Senators to do me the favor to read my speech on this subject in Friday's RECORD.

Mr. SHEPPARD. Mr. President, I am in favor of the pending measure. I desire, however, at this time briefly to discuss another bill, which I believe will do much——

Mr. KENYON. Mr. President, we are up to a vote on this bill. Will not the Senator let us pass this bill and then discuss the other bill?

Mr. SHEPPARD. I will.

Mr. OVERMAN. Mr. President, I should like to ask the Senator from Iowa if he intended to make an appropriation by this language:

> There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for such purposes.

Mr. KENYON. No; that is simply an authorization which passes the matter over to the Committee on Appropriations.

Mr. OVERMAN. There is no intention to make an appropriation?

Mr. KENYON. No.

Mr. OVERMAN. It is too indefinite; it would not amount to anything.

Mr. KING. Mr. President, let me inquire of the Senator from Iowa, apropos of what has just been suggested by the Senator from North Carolina, what the anticipated cost will be. There seems to be an authorization here for the Appropriations Committee to make an appropriation. I should like to have some idea of how much the blank check is that we are writing.

Mr. KENYON. The Secretary of Agriculture has estimated that it will be under $200,000.

Mr. KING. Has he not machinery enough now to carry out the provisions of the bill?

Mr. KENYON. That is the nearest information I can give the Senator. I hope the amount may be less. Certainly the work will be carried on as economically as possible, but it will save many times that amount to the farmers of the country every week.

Mr. KING. I can not conceive of its costing such a large amount. As to the benefits of the act, I make no prediction. I sincerely hope that benefits will be derived from it.

Mr. KENYON. Of course the expenses of running it will be entirely for the Appropriations Committee to pass upon.

Mr. KING. Except that where you authorize a department to go ahead and engage in certain undertakings with no limitation they may project a very large organization, much larger than is necessary, whereas if they knew the limitations that would be placed upon them and the maximum appropriations that would be made they would formulate different plans, and perhaps utilize organizations that now exist.

Mr. KENYON. No appropriation is carried by the bill.

Mr. KING. However, if the committee has no concrete suggestions to make, I will make none.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The question is on agreeing to the substitute reported by the committee.

The amendment, in the nature of a substitute, was agreed to.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. CAPPER. Mr. President, I move that the Senate request a conference with the House on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. CAPPER, Mr. KENYON, and Mr. SMITH conferees on the part of the Senate.

EXTENSION OF RENTS ACT.

Mr. BALL obtained the floor.

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

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

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

Ball	Gerry	Ladd	Ransdell
Broussard	Gooding	Lenroot	Sheppard
Bursum	Harreld	McCormick	Shortridge
Cameron	Heflin	McKellar	Smith
Capper	Jones, Wash.	McNary	Warren
Caraway	Kellogg	Nelson	Watson, Ga.
Dial	Kenyon	Overman	
Edge	Keyes	Phipps	
Fletcher	King	Pomerene	

The PRESIDING OFFICER. Thirty-three Senators have responded to their names—not a quorum. The Secretary will call the names of the absentees.

The reading clerk called the names of the absent Senators, and Mr. ERNST, Mr. POINDEXTER, Mr. SMOOT, Mr. SPENCER, Mr. TRAMMELL, Mr. WADSWORTH, Mr. HALE, Mr. NEW, Mr. ODDIE, Mr. ASHURST, Mr. STERLING, Mr. WILLIS, Mr. SWANSON, Mr. BRANDEGEE, Mr. STANLEY, Mr. STANFIELD, Mr. LODGE, Mr. GLASS, and Mr. CURTIS entered the Chamber and answered to their names.

Mr. SMOOT. Mr. President, I desire to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Connecticut [Mr. MCLEAN], the Senator from West Virginia [Mr. SUTHERLAND], the Senator from Vermont [Mr. DILLINGHAM], and the Senator from New York [Mr. CALDER], are in attendance at a meeting of the Committee on Finance.

Mr. GERRY. I desire to announce the absence of the Senator from Mississippi [Mr. HARRISON] and the Senator from Nevada [Mr. PITTMAN] on official business.

The PRESIDING OFFICER. Fifty-two Senators having responded to their names, a quorum is present.

Mr. BALL. I move that the Senate proceed to the consideration of Senate bill 2131, the District of Columbia rents bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Delaware.

Mr. POINDEXTER. Mr. President, it seems to me to be rather undue zeal at this late hour of the day, Senators having taken up business in committees and in their offices, for the Senator from Delaware to insist again upon the consideration of this measure.

Mr. BALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Delaware?

Mr. POINDEXTER. I yield.

Mr. BALL. If we vote to take up the bill and make it the unfinished business, I am perfectly willing to have it laid aside until to-morrow morning to accommodate the Senator from Washington.

Mr. POINDEXTER. I understood that the Senator moved to take it up, and did not ask unanimous consent?

Mr. BALL. I moved to take it up.

The PRESIDING OFFICER. If that motion is agreed to, it would make the bill the unfinished business.

Mr. BALL. If the bill is made the unfinished business of the Senate, I am perfectly willing to lay it aside until to-morrow morning for the accommodation of the Senator from Washington.

Mr. POINDEXTER. I would not like to see it made the unfinished business. It is not important that the bill should pass; I think it is a vicious bill myself, and I hope the Senate will not make it the unfinished business. I hope the Senator from Delaware will not insist upon his motion this afternoon.

Mr. BALL. Mr. President, it is for Senators to decide whether they are willing to make it the unfinished business.

Mr. POINDEXTER. I want to discuss it somewhat. The measure which the Senator is seeking to bring up, reduced to its simplest form, provides that if one individual wants a house which belongs to another he can take it because it suits his convenience. There is no doubt that there are a great many people in the District who would like to occupy houses which belong to other citizens, and I do not hesitate to say that in time of some great national emergency, when the life of the Nation is at stake, when the convenience and even the rights of individuals are as nothing compared with the national welfare, Congress would be justified in seizing the property of individual citizens and turning it over to other private citizens if the interests of the community and of the Nation as a whole were promoted by that policy.

This is not a bill to take private property for public use, and I think I can demonstrate the soundness of that statement. If a man leases his house for a certain term, that term has expired, and he desires to recover his property for the purpose of selling it, it may be under this bill a tribunal, which is established for the purpose of protecting lessees, may deny him the right to recover possession of his property for the purpose of disposing of it by sale.

I think the legislation is unprecedented in the history of the United States, certainly of the District of Columbia, in time of peace. It is true that the State of New York passed a law of this character during the war as a war-emergency measure, and that law was sustained by the Supreme Court of the United States by a divided opinion of five to four. But no State, nor the Congress legislating for the District of Columbia, has ever in the history of the country undertaken to enact such legislation in time of peace until the Senator from Delaware proposes this measure now.

Mr. BALL. Mr. President, I wish to ask the Senator if that law is not still in effect in New York?

Mr. POINDEXTER. I am not advised whether it is in effect or not.

Mr. BALL. This bill only proposes to extend the law until next April. I think it is very unwise that the law should cease to function on October 22, the beginning of winter, when the demand for rental places in Washington is much greater than in the spring. It only continues the operation of the law until next April, giving all the summer months, when the demand is not so great, for the rentals in Washington to adjust themselves.

The constitutionality of the law has been passed upon by the Supreme Court, so I think it is useless for us to discuss that phase of it here. The question to be discussed is as to whether there is any real demand for this extension.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Ohio?

Mr. POINDEXTER. I yield to the Senator from Ohio.

Mr. WILLIS. Will the Senator from Delaware state to the Senate that if this bill is passed there will be no purpose on the part of his committee when the seven months have rolled around to provide for another extension of the law?

Mr. BALL. So far as the chairman of the committee is concerned, unless there is some unreasonable condition existing, I will state frankly that no further extension will be asked for.

Mr. WILLIS. Is there any reason, in the Senator's opinion, why there should be legislation of this character for this city which would not also apply to Boston or Wilmington or Cincinnati or Seattle of New Orleans?

Mr. BALL. I certainly think that there is, Mr. President.

Mr. WILLIS. I should like to know what it is.

Mr. BALL. Washington is the seat of the government, and the city was founded exclusively for that purpose. Seventy-five per cent of the people living in Washington are dependent upon the Government, directly or indirectly. The Government, to get efficient service from its employees, must properly house and care for those employees. Congress has exclusive jurisdiction over the District of Columbia, and Washington is the only city in the world under such a government as we have here. Therefore the conditions, so far as the housing conditions are concerned, differ from those of any other city of the world. The Federal Government, in my judgment, is responsible for the proper care of its employees.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Ohio?

Mr. POINDEXTER. I yield to the Senator from Ohio.

Mr. WILLIS. I desire to ask a further question of the Senator from Delaware. The argument the Senator is now making simply goes to the constitutional authority and obligation of the Congress of the United States to legislate for the District of Columbia. I will put my question in just a little different form, then. Is there any reason why legislation of this character should be enacted by the Congress to apply to the city of Washington that would not apply also to the proper law-making body, the common council, the board of aldermen, or whatever it may be, in the city of Wilmington, the city of Boston, the city of Cincinnati, or the city of Seattle?

Mr. BALL. Mr. President, I can conceive of conditions existing, and I understand that they do exist in New York, similar to those in Washington, and I understand that a similar law has been passed in New York, and is in force and is functioning now in that city; and that the Supreme Court has declared that law to be constitutional, the same as it has declared the law relating to the District of Columbia to be constitutional. Therefore, probably the same conditions which exist here do exist in certain other cities; but Congress has no right to legislate for those cities, while it is responsible for Washington. Therefore legislation for this city is the only legislation that would come under our jurisdiction.

Mr. WILLIS. Can the Senator state what the population of the city of Washington was at the time the legislation was enacted? He was here at the time and is the author of the original bill. Approximately what was the population of the city then and what is it now?

Mr. BALL. The greatest population in Washington at any time, I understand, was 600,000, and probably now it is about 500,000.

Mr. WILLIS. Does the Senator think it is as great as 500,000? It is my opinion that it is not so great as that, but even if it is as much as 500,000, what I am seeking to get at

is whether there is now a shortage of houses? I am seeking to get at the facts.

Mr. BALL. We held hearings off and on for probably two weeks to definitely ascertain whether there was any necessity for an extension of the provisions of the law. It was the unanimous opinion of the committee, I think, with the exception of the Senator from Utah [Mr. KING], that there was a demand for its extension; that conditions were decidedly better than they were two years before when, for instance, they were housing from six to eight girls in one room. Now we find that there are not more than two or three in one room. However, the demand for houses is such that the rentals have advanced within 18 months and have not been reduced.

We found that now a number of notices have been given, which were submitted to the committee, and almost each day I have similar notices submitted to me, coming from landlords stating to tenants that after October 21 their rents will be advanced.

I should like to state that to-day the manager of a business house came to me with a notice, representing a business house which is relieved under the proposed extension. His notice was that after October 22 his rent will be increased from $150 to $400 per month, more than 100 per cent increase.

Mr. WILLIS. I have been told by a Member of the Senate within an hour that when the decision was made by the local court—and as I recall that decision in the local court it was against the constitutionality of the so-called Ball Rent Act—indicating that probably the act would be held unconstitutional ultimately, that rents immediately were increased. Is that the fact?

Mr. BALL. That is true. Mr. President, I ask for a vote on the motion.

The PRESIDING OFFICER. The Senator from Washington [Mr. POINDEXTER] has the floor.

Mr. POINDEXTER. Mr. President, I have seen a great many emergencies arise in various cities of the country creating a shortage in houses. I remember that in 1898 the greatest gold stampede that the world has ever seen precipitated itself upon the city of Seattle. People gathered there from all parts of the world, having heard of the strike in the Klondike the preceding year. It was practically impossible for anyone to get a room to stay overnight. People considered themselves fortunate if they secured the privilege of sleeping on a cot in a whitewashed cellar in a hotel. There were a great many houses in Seattle at that time that had vacant rooms and a great many dwellings that were not fully occupied, but it never occurred to the municipal authorities of Seattle or the State authorities of the State of Washington that because there were some people there who were not fully accommodated with dwelling space, that they should go out with the strong arm of the Government and take away the private property of one citizen and turn it over to others. That is what the bill proposes to do.

Mr. FLETCHER. Mr. President——

Mr. POINDEXTER. I yield to the Senator from Florida.

Mr. FLETCHER. I wish to ask the Senator a question which came to my mind during the colloquy between the Senator from Ohio [Mr. WILLIS] and the Senator from Delaware [Mr. BALL].

Mr. BALL. Mr. President, will the Senator yield to me for a moment?

Mr. POINDEXTER. I have just yielded to the Senator from Florida, who has not completed his inquiry.

Mr. BALL. I hope the Senator from Washington will yield to me when the Senator from Florida shall have concluded.

Mr. FLETCHER. It is quite a serious question, it seems to me, that goes to the root of the whole matter, so far as those of us are concerned who object to it on the ground of its being unconstitutional in our judgment, as to whether there is any difference in passing a bill like this which extends the operations of a statute and, on the other hand, passing an original bill creating the commission and doing the same thing as the original act. In other words, the Supreme Court held that the act was constitutional because of the existence of an emergency at that time under war conditions. Now, we have passed through that emergency undoubtedly. If the proposition came up now as a new and original proposition to pass the original Ball Act with the amendment on it that is carried in the pending bill, would it not be the same thing that is now proposed to amend that act by extending the time for its operations? Is there a difference?

Mr. POINDEXTER. The point which the Senator from Florida makes is exceedingly important and does credit to his acumen as a lawyer. The original act was sustained by the Supreme Court on the ground of the existence, as found by the Congress, of an emergency. That emergency, of course, was the war. I do not claim that the court laid down the general rule that no such legislation could be enacted in any emergency except the emergency of war, but the fact was that in that case the emergency that existed was the war.

Furthermore, in rendering their decision the Supreme Court laid great emphasis upon the fact that by its own terms the act was to come to an end in two years after its enactment unless it was sooner repealed. That was one of the important elements which entered into its decision. Now, the Senator from Delaware proposes to extend that period of two years, and I do not think it follows at all because the original act was held by the narrow margin of one in a division of the Supreme Court to be within the power of Congress, that Congress should be held to be within its powers in making a further extension of it under the present circumstances.

I now yield to the Senator from Delaware.

EXECUTIVE SESSION.

Mr. BALL. Mr. President, I move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Delaware for that purpose?

Mr. POINDEXTER. I yield for that purpose.

The PRESIDING OFFICER. The question is on the motion now made by the Senator from Delaware.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 35 minutes spent in executive session the doors were reopened.

PROPOSED RECESS.

Mr. LODGE. Mr. President, I move that the Senate take a recess until to-morrow at 12 o'clock.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Gerry	Nelson	Smith
Ball	Heflin	Nicholson	Spencer
Brandegee	Jones, Wash.	Oddie	Stanley
Broussard	Kenyon	Overman	Townsend
Caraway	King	Phipps	Wadsworth
Curtis	Lenroot	Poindexter	Warren
Edge	Lodge	Pomerene	Watson, Ga.
Ernst	McKellar	Sheppard	Willis
Fletcher	McNary	Shortridge	

The PRESIDING OFFICER. Thirty-five Senators having answered to their names, there is not a quorum present. The Secretary will call the roll of the absentees.

The Assistant Secretary called the names of the absent Senators, and Mr. CAMERON, Mr. CAPPER, Mr. KEYES, Mr. NEW, Mr. RANSDELL, Mr. STANFIELD, and Mr. TRAMMELL answered to their names when called.

Mr. LODGE. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. BURSUM, Mr. CALDER, Mr. STERLING, and Mr. SUTHERLAND entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-six Senators having answered to their names, a quorum is not present.

ADJOURNMENT.

Mr. LODGE. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 10, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 9, 1921.

VETERANS' BUREAU.

Charles R. Forbes, of Washington, to be Director of the Veterans' Bureau. (New office, act of Aug. 9, 1921.)

TREASURY DEPARTMENT.

ASSISTANT APPRAISERS OF MERCHANDISE.

Louis Pfeiffer, of Bedford, Mass., to be assistant appraiser of merchandise in customs collection district No. 4, with headquarters at Boston, Mass., in place of Frederick J. Sullivan.

Thomas P. Harrison, of Allston, Mass., to be assistant appraiser of merchandise in customs collection district No. 4, with headquarters at Boston, Mass., in place of Redmond S. Fitzgerald.

ASSAYERS IN CHARGE.

William L. Hill, of Helena, Mont., to be assayer in charge of the United States assay office at Helena, Mont., in place of Herbert Goodall.

Thomas G. Hatheway, of Seattle, Wash., to be assayer in charge of the United States assay office at Seattle, Wash., in place of John W. Phillips.

PUBLIC HEALTH SERVICE.

PASSED ASSISTANT SURGEONS TO BE SURGEONS.

Francis A. Carmelia, May 19, 1921.
Lionel E. Hooper, May 14, 1921.
Ernest W. Scott, May 15, 1921.
Joseph Bolton, July 26, 1921.
Tully J. Liddell, July 28, 1921.
Walter L. Treadway, July 28, 1921.

ASSISTANT SURGEONS TO BE PASSED ASSISTANT SURGEONS.

Harry E. Trimble, July 16, 1921.
Anthony A. S. Giordana, July 31, 1921.
Mary V. Ziegler, August 2, 1921.
James E. Faris, August 1, 1921.

DEPARTMENT OF THE INTERIOR.

REGISTERS OF THE LAND OFFICE.

John Towles, of Miami, Ariz., to be register of the United States Land Office at Phoenix, Ariz., vice Charles E. Marshall, resigned.

Joshua B. Campbell, of Waukomis, Okla., to be register of the land office at Guthrie, Okla., vice James Y. Callahan, resigned.

Ivan G. Bishop, of Vancouver, Wash., to be register of the United States Land Office at Vancouver, Wash., vice Henry Alexander Porter.

Elgie K. Fritts, of Waterville, Wash., to be register of the land office at Waterville, Wash., vice Benjamin Spear, term expired.

RECORDER OF THE LAND OFFICE.

Mrs. Mabel P. LeRoy, of Michigan, to be recorder of the general land office, vice Lucius Q. C. Lamar.

RECEIVERS OF PUBLIC MONEYS.

Mrs. Hattie Jewell Anderson, of Oakland, Calif., to be receiver of public moneys at San Francisco, Calif., vice Mrs. Genevieve D. Reid, failed of confirmation.

Harry K. Lewis, of Hailey, Idaho, to be receiver of public moneys at Hailey, Idaho, vice William U. Hews, resigned.

PROMOTIONS IN THE REGULAR ARMY.

COAST ARTILLERY CORPS.

To be colonel.

Lieut. Col. Henry Benjamin Clark, Coast Artillery Corps, from July 18, 1921.

INFANTRY.

To be colonel.

Lieut. Col. George Sherwin Simonds, Infantry, from July 23, 1921.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ORDNANCE DEPARTMENT.

Capt. Arthur Burnola Custis, Cavalry, with rank from October 19, 1921.

CAVALRY.

First Lieut. Claude Weaver Feagin, Quartermaster Corps, with rank from July 1, 1920.

FIELD ARTILLERY.

Maj. Harry Lumsden Hodges, Cavalry, with rank from July 1, 1920.

INFANTRY.

Capt. Allan Johnson, Coast Artillery Corps, with rank from July 1, 1920.

REAPPOINTMENTS IN THE REGULAR ARMY.

INFANTRY.

To be first lieutenant with rank from August 1, 1921.

Everett Samuel Prouty, late first lieutenant, Infantry, Regular Army.

COAST ARTILLERY CORPS.

To be first lieutenant with rank from July 29, 1921.

Wilber Russell Ellis, late second lieutenant, Coast Artillery Corps, Regular Army.

APPOINTMENTS OF ENLISTED MEN IN THE REGULAR ARMY OR IN THE PHILIPPINE SCOUTS.

To be second lieutenants with rank from August 3, 1921.

James Raymond Goodall, Coast Artillery Corps.
John Kenneth Sells, Cavalry.
Douglas Cameron, Cavalry.
Hobert Hayden James, Field Artillery.
Eleutrio Susi Yanga, Philippine Scouts.
Donald Raymond West, Quartermaster Corps.
Edward Lowry Traylor, Infantry.
Robert Thomas Randel, Infantry.
John Barry Peirce, Infantry.
Arthur Jennings Crimes, Infantry.
Walter Duval Webb, jr., Field Artillery.
Ernest Starkey Moon, Air Service.

APPOINTMENTS IN THE REGULAR ARMY OR IN THE PHILLIPPINE SCOUTS.

To be second lieutenants with rank from August 4, 1921.

Charles Emmett Cheever, Quartermaster Corps.
Paul Gustav Wehle, Air Service.
Vesper Anderson Schlenker, Field Artillery.
Harry Meyer, Corps of Engineers.
Peter Anthony Feringa, Corps of Engineers.
John Russell Perkins, jr., Field Artillery.
Warren Catlin Hamill, Infantry.
Frederick Hewitt Fox, Corps of Engineers.
Edward Barber, Coast Artillery Corps.
Edward Hall Walter, Corps of Engineers.
David Albert Morris, Corps of Engineers.
Percy Earle Le Stourgeon, Infantry.
Juan Segundo Moran, Philippine Scouts.
Paul Cone Parshley, Corps of Engineers.
Lewis Wellington Call, jr., Coast Artillery Corps.
Richardson Selee, Corps of Engineers.
James Benjamin Ford, Infantry.
Luis Mobo Alba, Philippine Scouts.
Don Waters Mayhue, Field Artillery.
James Wilbur Robinson, Signal Corps.
Carter Jenkins, Corps of Engineers.
Charles Harold Crim, Coast Artillery Corps.
John Harry, Field Artillery.
Harold Oakes Bixby, Coast Artillery Corps.
John Bruce Medaris, Infantry.
Ambrose Lawrence Kerrigan, Coast Artillery Corps.
Charles Ernest McKelvey, Chemical Warfare Service.
Irvin Albert Robinson, Infantry.
George Randall Scithers, Field Artillery.
John Henry Featherston, Coast Artillery Corps.
Paul Massillion McConihe, Infantry.
Ralph Roth Wentz, Ordnance Department.
Daniel Webster Kent, Infantry.
Michael Henry Zwicker, Coast Artillery Corps.
Maurice Gordon Jewett, Field Artillery.
Frederic deLannoy Comfort, Cavalry.
Charles Andrews Jones, jr., Chemical Warfare Service.
Cecil Austin Bryan, Infantry.
William Conrad Jones, Infantry.
George Marion Davis, Infantry.
Hubert Stauffer Miller, Infantry.
Edward Harold Coe, Infantry.
Allan Eugene Smith, Field Artillery.
Robert Dunning Chellis, Infantry.
Daniel Burnett Knight, Infantry.
Paul MacKeen Martin, Cavalry.
Creswell Garrettson Blakeney, Field Artillery.
Alfred Griffin Ashcroft, Ordnance Department.
Louis Jeter Tatom, Signal Corps.
Marshall Keith Berry, Cavalry.
George Wythe Bott, jr., Ordnance Department.
Louis Watkins Prentiss, Field Artillery.
William Edmund Waters, Field Artillery.
Joseph Kennard Bush, Infantry.
Orlando Clarendon Hood, Infantry.
John Oliver Kelly, Coast Artillery Corps.
Bert Nathan Bryan, Infantry.
Harvie Rogers Matthews, Infantry.
Louis Beman Rapp, Cavalry.
Hayward Kendall Kelley, Field Artillery.
Caryl Rawson Hazeltine, Infantry.
James Thorburn Cumberpatch, Air Service.
Edwards Matthews Quigley, Field Artillery.
Kent Roberts Mullikin, Chemical Warfare Service.

James Breakenridge Clearwater, Field Artillery.
Noble Crawford Shilt, Infantry.
Henry Laurance Ingham, Field Artillery.
Joseph Warren Huntress, Quartermaster Corps.
Luther Daniel Wallis, Infantry.
William Daniel Bradshaw, Field Artillery.
John Tipton Lonsdale, Coast Artillery Corps.
Wesley Tate Guest, Signal Corps.
Edward Charles Engelhardt, Field Artillery.
Edgar Daye Upstill, Field Artillery.
Duncan Philip Frissell, Infantry.
James Baker Dickson, Air Service.
Henry Hammond Duval, Coast Artillery Corps.
Charles Edward Neagle, Coast Artillery Corps.
Leon Valentine Chaplin, Field Artillery.
John William Dwyer, Coast Artillery Corps.
Alwin Frederick Pitzner, Ordnance Department.
Alfred Vepsala, Field Artillery.
Robert John Zaumeyer, Ordnance Department.
Samuel Howard Davis, Air Service.
Joseph Myles Williams, Cavalry.
Verne Leon Harris, Coast Artillery Corps.
Edmund C. Langmead, Air Service.
Carroll Heiney Deitrick, Ordnance Department.
Leon Marcellus Grant, Field Artillery.
Burton Larrabee Pearce, Field Artillery.
Alan Dean Whittaker, jr., Coast Artillery Corps.
Lee W. Haney, Infantry.
Leon Crescencio Reyna, Ordnance Department.
David William Goodrich, Air Service.
Franklin Mitchell, Infantry.
George William White, Infantry.
Arnold Hoyer Rich, Infantry.
Philip Fisher Robb, Field Artillery.
William Hypes Obenour, Field Artillery.
Henry Burt Bosworth, Infantry.
Wallace Ellsworth Niles, Infantry.
Harvey Thomas Kennedy, Field Artillery.
Lewis Edward Weston Lepper, Field Artillery.
Ralph Henry Price, Field Artillery.
Edward Harris Barr, Field Artillery.
Melecio Manuel Santos, Philippine Scouts.
James Augustus Whelen, jr., Cavalry.
James Roscoe Hamilton, Infantry.
Joe Robert Sherr, Signal Corps.
Simon Meyer, Infantry.
Harold Goodspeede Laub, Coast Artillery Corps.
William Uren Gallaher, Field Artillery.
Charles Dawson McAllister, Field Artillery.
Henry Chester Jones, Infantry.
Louis Simelson, Infantry.
Frank Weddall Simpson, Coast Artillery Corps.
Ernest Vivian McCain, Field Artillery.
Christopher William Duffy, Infantry.
Charles Irish Preston, Field Artillery.
Walter Vinal Reed, Coast Artillery.
Edward Albert Banning, Infantry.
Richard Franklin Rey, Field Artillery.
John Robsin Skeen, Field Artillery.
Arthur Benton Campbell, Field Artillery.
Keff Dobbs Barnett, Coast Artillery Corps.
Albert John Lent, Coast Artillery Corps.
Louis Leopold Lesser, Field Artillery.
Walter Francis Jennings, Cavalry.
Edward Cuyler Applegate, Infantry.
Henry Louis Love, Field Artillery.
Fay Warren Lee, Field Artillery.
Stanley Lane Engle, Infantry.
Asa Vern Wilder, Coast Artillery Corps.
Clinton Velony Stevens, Field Artillery.
Lewis Eugene Snell, Field Artillery.
Harold Arthur Doherty, Infantry.
Cranford Coleman Bryan Warden, Infantry.
Harry Robert Swanson, Infantry.
William Dawes Williams, Field Artillery.
William Thomas Semmes Roberts, Infantry.
McDonald Donegan Weinert, Infantry.
Frederick Lake Thomas, Field Artillery.
John Walker Childs, Signal Corps.
Harold Stevenson, Infantry.
Vincent Joseph Tanzalo, Infantry.
Carl Emil Hansen, Coast Artillery Corps.
Charles Donald Clay, Infantry.
Arthur Lee Forbes, jr., Infantry.
Russell Shannon Lieurance, Field Artillery.
Wilmar Weston Dewitt, Infantry.
Carl Philip Dowell, Field Artillery.
Hermas Victor Main, Field Artillery.
Gerald Handley Fitzpatrick, Air Service.
James Milliken Bevans, Field Artillery.
Floyd Raymond Brisack, Field Artillery.
Clarence Everett Jackson, Infantry.
Edward Joseph Walsh, Infantry.
Chester Arthur Carlsten, Infantry.
James Thomas Dismuke, Infantry.
Karl Vernon Palmer, Infantry.
Russell Harold Swartzwelder, Infantry.
Hayden Purcell Roberts, Field Artillery.
Aaron Grayson Dawson, Infantry.
Alan Sydney Rush, Infantry.
Thomas Brown Manuel, Infantry.
Dayton Talmage Brown, Infantry.
Clifford Cleophas Duell, Field Artillery.
Harry Lynch, Signal Corps.
Thomas Whitfield Ross, Infantry.
Lauren Blakely Hitchcock, Field Artillery.
Thomas Archer Bottomley, Infantry.
Paul Groover, Field Artillery.
Henry William Erickson, Infantry.
Thomas William Williamson, Infantry.
William Orville Collins, Infantry.
Frank Thomas Honsinger, Air Service.
Harry Craven Dayton, Field Artillery.
William Larwill Carr, Field Artillery.
Frank Vern Silver, Field Artillery.
Russell George Duff, Field Artillery.
Raphael Fred Rabold, Air Service.
Ross Clyde Brackney, Infantry.
Alfred Clement, jr., Air Service.
Glenn Ingersoll Molyneaux, Infantry.
John Randolph Reilly, Infantry.
Roy Prewett Huff, Field Artillery.
Harold Robertson Davenport, Infantry.
Herbert John Affleck, Infantry.
Nicolas Boadilla Dalao, Philippine Scouts.
Ray Kerr Easley, Field Artillery.
Lawrence August Dietz, Infantry.
David Martin Bowes, Infantry.
Narcise Lopez Manzano, Philippine Scouts.
Rex Lenoi Brown, Infantry.
Paul Hanes Kemmer, Air Service.
Elmo Shingle, Infantry.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Passed Asst. Surg. Aclpfar A. Marsteller, for temporary service, to be a passed assistant surgeon in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Passed Asst. Surg. Thomas L. Carter, of the United States Naval Reserve Force, to be a passed assistant surgeon in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Loyd Lewis Edmisten, a citizen of Indiana, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade), to rank from July 13, 1921.

Passed Asst. Dental Surg. Ronnie A. Berry, of the United States Naval Reserve Force, to be an assistant dental surgeon in the Navy with the rank of lieutenant (junior grade), to rank from March 1, 1920.

Robert R. Crees, a citizen of California, to be an assistant dental surgeon in the Navy with the rank of lieutenant (junior grade), to rank from July 7, 1921.

Passed Asst. Paymaster Palmer J. McCloskey, for temporary service, to be a passed assistant paymaster in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Asst. Paymaster Frank P. Delahanty, of the United States Naval Reserve Force, to be an assistant paymaster in the Navy with the rank of lieutenant (junior grade) to rank from July 1, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Passed Asst. Paymaster John Atwell Fields, of the United States Naval Reserve Force, to be a passed assistant paymaster in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named assistant paymasters, for temporary service, to be assistant paymasters in the Navy with the rank

of lieutenant (junior grade), to rank from July 1, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Chester B. Peake.
Clarence E. Kastenbein.
Ervine R. Brown.

The following-named assistant paymasters of the United States to be assistant paymasters in the Navy with the rank of lieutenant (junior grade), to rank from July 1, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

William R. Calvert.	Charles M. Garrison.
Harry R. Hubbard.	Hunter J. Norton.

Assistant Paymaster John Ball, for temporary service, to be an assistant paymaster in the Navy, with the rank of ensign, to rank from June 6, 1919, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named ensigns of the United States Naval Reserve Force to be assistant paymasters in the Navy with the rank of ensign, to rank from June 4, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Errett R. Feeney.	Melbourne N. Gilbert.
Philip A. Haas.	Nicholas J. Halpine.
John N. Silke.	Edmund T. Stewart.
Richard L. Whittington.	Leslie A. Williams.

Assistant Civil Engineer Edmund B. Keating, of the United States Naval Reserve Force, to be an assistant civil engineer in the Navy, with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Assistant Civil Engineer Robert E. Hancock, for temporary service, to be an assistant civil engineer in the Navy, with the rank of lieutenant (junior grade), to rank from July 1, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Raymond D. Reid, a citizen of Nebraska, to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), to rank from July 7, 1921.

The following-named passed assistant paymasters, for temporary service, to be chief pay clerks in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Rufus B. Hurst.
Ransom C. Wall.

The following-named assistant paymasters, for temporary service, to be chief pay clerks in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Jesse A. Scott.	Clifford W. Waters.
Howard F. Bowker.	Jacob K. Ziesel.

Assistant Paymaster Carl R. Fatzer, for temporary service, to be a chief pay clerk in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

Passed Assistant Paymaster Frank E. Herbert, United States Naval Reserve Force, to be a chief pay clerk in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named chief pay clerks, for temporary service, to be chief pay clerks in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Lewis R. Benson.	Theodore P. Witsil.
John A. Zinsitz.	William G. Nicol.

POSTMASTERS.

INDIANA.

Harold D. Johnson to be postmaster at Milroy, Ind., in place of J. H. Spilman, resigned.

IOWA.

Donald G. Gearhart to be postmaster at Washta, Iowa, in place of Ray Hamilton, resigned.

MICHIGAN.

Hardie L. Reynolds to be postmaster at Fennville, Mich., in place of G. H. Roblyer, resigned.

Maude G. Cook to be postmaster at Grand Blanc, Mich., in place of J. R. Burrington, resigned. Office became third class January 1, 1921.

Rollo G. Mosher to be postmaster at Wayland, Mich., in place of J. C. Yeakey, resigned.

MINNESOTA.

Margaret A. McGinn to be postmaster at Minnesota, Minn., in place of James McGinn, deceased.

MONTANA.

George S. Haynes to be postmaster at Judith Gap, Mont., in place of C. L. Beers, deceased.

NEW JERSEY.

Charles B. Ogden to be postmaster at Butler, N. J., in place of Jesse Ward. Incumbent's commission expired September 7, 1920.

NEW YORK.

Joseph W. Mullins to be postmaster at Fallsburg, N. Y., in place of M. G. Dolan, resigned. Office became third class January 1, 1921.

Joseph P. Fallon to be postmaster at Irvington, N. Y., in place of M. J. Murtha. Incumbent's commission expired February 15, 1920.

NORTH CAROLINA.

Felix M. McKay to be postmaster at Duke, N. C., in place of E. S. Yarbrough, resigned.

William M. Liles to be postmaster at Lilesville, N. C., in place of J. D. Kirby, resigned. Office became third class April 1, 1921.

OHIO.

John M. Washington to be postmaster at Sabina, Ohio, in place of P. J. Curren, resigned.

SOUTH CAROLINA.

Robert L. Plexico to be postmaster at Sharon, S. C., in place of W. B. Caldwell, resigned. Office became third class October 1, 1920.

VIRGINIA.

Daisy D. Slaven to be postmaster at Monterey, Va., in place of J. A. Whitelaw. Incumbent's commission expired January 8, 1921.

WASHINGTON.

Kathryn Reichert to be postmaster at Orting, Wash., in place of Kathryn Fenton; name changed by marriage.

Howard J. Lonctot to be postmaster at Yacolt, Wash., in place of S. S. Campbell, resigned. Office became third class July 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 9, 1921.

VETERANS' BUREAU.

Charles R. Forbes to be Director of the Veterans' Bureau.

POSTMASTERS.

KENTUCKY.

Arthur G. Powell, Irvine.
James M. Wolfinbarger, Ravenna.

RHODE ISLAND.

Ralph H. Chapman, Esmond.

MICHIGAN.

Sumner Blanchard, Perry.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 9, 1921.*

The House met at 12 o'clock noon.

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

Our Heavenly Father, from whom all blessings flow, again we are persuaded that nothing can separate the love of God from us. Breathe upon our spirits and quicken them in righteousness and in charity. Bless us with that freedom that enables us to do our work without strain. Bestow upon us that peace that is independent of earthly conditions and usually follows in the wake of a good conscience. Grant that our lives may blend in accord with those manly virtues that stimulate the pure and the upright in heart. In the name of the Man of Galilee. Amen.

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

APPROPRIATIONS AND EXPENDITURES, INDIAN SERVICE.

The SPEAKER. The unfinished business is the bill (H. R. 7848) authorizing appropriations for the administration of Indian affairs, on which the previous question was ordered, and the question is pending on the passage of the bill. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7848) authorizing appropriations and expenditures for the administration of Indian affairs, and for other purposes.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. BLANTON. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 41, noes 3.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas [Mr. BLANTON] makes the point of order that there is no quorum present. It is clear there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 227, nays 25, answered "present" 3, not voting 175, as follows:

YEAS—227.

Ackerman	Echols	Kraus	Rhodes
Almon	Elliott	Lanham	Ricketts
Andrews	Evans	Lankford	Riddick
Anthony	Fairchild	Lawrence	Roach
Appleby	Fairfield	Layton	Robertson
Arentz	Faust	Lazaro	Robsion
Aswell	Fenn	Lea, Calif.	Rogers
Atkeson	Fish	Leatherwood	Rose
Bacharach	Fisher	Lineberger	Rosenbloom
Beck	Flood	Little	Sanders, Ind.
Begg	Foster	London	Sandlin
Benham	French	Luhring	Schall
Bird	Frothingham	McArthur	Scott, Tenn.
Bixler	Fulmer	McClintic	Sears
Blakeney	Garner	McCormick	Shaw
Bland, Ind.	Garrett, Tenn.	McDuffie	Shreve
Bland, Va.	Garrett, Tex.	McFadden	Sinclair
Bowers	Gensman	McKenzie	Sinnott
Box	Gernerd	McLaughlin, Mich.	Smith, Idaho
Brand	Goodykoontz	McLaughlin, Nebr.	Smith, Mich.
Briggs	Gorman	McPherson	Smithwick
Brooks, Pa.	Graham, Ill.	McSwain	Speaks
Browne, Wis.	Greene, Mass.	MacGregor	Sproul
Buchanan	Greene, Vt.	Magee	Stedman
Bulwinkle	Hadley	Mann	Steenerson
Burtness	Hammer	Mapes	Stephens
Burton	Hardy, Colo.	Martin	Strong, Kans.
Butler	Harrison	Michener	Summers, Wash.
Byrnes, S. C.	Haugen	Miller	Swank
Byrns, Tenn.	Hayden	Mills	Sweet
Cable	Herrick	Millspaugh	Swing
Campbell, Kans.	Hersey	Mondell	Ten Eyck
Campbell, Pa.	Hickey	Moore, Ohio	Tillman
Carter	Hill	Morgan	Timberlake
Chalmers	Himes	Mott	Tincher
Chindblom	Hoch	Nelson, A. P.	Towner
Clague	Hukriede	Newton, Minn.	Treadway
Clouse	Hull	Newton, Mo.	Vare
Cole, Iowa	Hutchinson	Nolan	Vestal
Collier	Ireland	Norton	Vinson
Collins	Jacoway	O'Connor	Voigt
Colton	Jefferis, Nebr.	Padgett	Volk
Connell	Jeffers, Ala.	Park, Ga.	Volstead
Connolly, Pa.	Johnson, Ky.	Patterson, Mo.	Ward, N. C.
Copley	Kahn	Patterson, N. J.	Webster
Coughlin	Keller	Perkins	White, Kans.
Curry	Kelley, Mich.	Petersen	White, Me.
Dale	Kelly, Pa.	Pringey	Wilson
Darrow	Kendall	Purnell	Wingo
Davis, Minn.	Kiess	Quin	Wise
Denison	Kincheloe	Rainey, Ala.	Wood, Ind.
Dowell	King	Raker	Woodruff
Drewry	Kincaid	Ramseyer	Woodyard
Driver	Kissel	Ransley	Wurzbach
Dunbar	Kline, N. Y.	Rayburn	Wyant
Dupré	Kline, Pa.	Reavis	Yates
Dyer	Kopp	Reece	

NAYS—25.

Beedy	Davis, Tenn.	Moore, Va.	Steagall
Black	Hardy, Tex.	Oliver	Tyson
Blanton	Huddleston	Parks, Ark.	Walsh
Bowling	Jones, Tex.	Parrish	Williams
Cannon	Logan	Rankin	
Connally, Tex.	Lowrey	Sanders, Tex.	
Cooper, Wis.	Mansfield	Sisson	

ANSWERED "PRESENT"—3.

Griffin	Johnson, Miss.	Montoya

NOT VOTING—175.

Anderson	Burroughs	Crowther	Fields
Ansorge	Cantrill	Cullen	Fitzgerald
Bankhead	Carew	Dallinger	Focht
Barbour	Chandler, N. Y.	Deal	Fordney
Barkley	Chandler, Okla.	Dempsey	Frear
Bell	Christopherson	Dickinson	Free
Boies	Clark, Fla.	Dominick	Freeman
Bond	Clarke, N. Y.	Doughton	Fuller
Brennan	Classon	Drane	Funk
Brinson	Cockran	Dunn	Gahn
Britten	Codd	Edmonds	Gallivan
Brooks, Ill.	Cole, Ohio	Ellis	Gilbert
Brown, Tenn.	Cooper, Ohio	Elston	Glynn
Burdick	Cramton	Favrot	Goldsborough
Burke	Crisp	Fess	Gould
Graham, Pa.	Larsen, Ga.	Parker, N. J.	Strong, Pa.
Green, Iowa	Larson, Minn.	Parker, N. Y.	Sullivan
Griest	Lee, Ga.	Perlman	Sumners, Tex.
Hawes	Lee, N. Y.	Peters	Tague
Hawley	Lehlbach	Porter	Taylor, Ark.
Hays	Linthicum	Pou	Taylor, Colo.
Hicks	Longworth	Radcliffe	Taylor, N. J.
Hogan	Luce	Rainey, Ill.	Taylor, Tenn.
Houghton	Lyon	Reber	Temple
Hudspeth	McLaughlin, Pa.	Reed, N. Y.	Thomas
Humphreys	Madden	Reed, W. Va.	Thompson
Husted	Maloney	Riordan	Tilson
James	Mead	Rodenberg	Tinkham
Johnson, S. Dak.	Merritt	Rossdale	Underhill
Johnson, Wash.	Michaelson	Rouse	Upshaw
Jones, Pa.	Montague	Rucker	Vaile
Kearns	Moore, Ill.	Ryan	Walters
Kennedy	Moores, Ind.	Sabath	Ward, N. Y.
Ketcham	Morin	Sanders, N. Y.	Wason
Kindred	Mudd	Scott, Mich.	Watson
Kirkpatrick	Murphy	Shelton	Weaver
Kitchin	Nelson, J. M.	Siegel	Wheeler
Kleczka	O'Brien	Slemp	Williamson
Knight	Ogden	Snell	Winslow
Knutson	Oldfield	Snyder	Woods, Va.
Kreider	Olpp	Stafford	Wright
Kunz	Osborne	Stevenson	Young
Lampert	Overstreet	Stiness	Zihlman
Langley	Paige	Stoll	

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. PORTER with Mr. RIORDAN.

Mr. FULLER with Mr. KUNZ.

Mr. ELSTON with Mr. DRANE.

Mr. GRAHAM of Pennsylvania with Mr. RUCKER.

Mr. VAILE with Mr. DOMINICK.

Mr. BROOKS of Illinois with Mr. MONTAGUE.

Mr. FREE with Mr. OLDFIELD.

Mr. CHANDLER of Oklahoma with Mr. POU.

Mr. WINSLOW with Mr. RAINEY of Illinois.

Mr. SHELTON with Mr. BELL.

Mr. HAYS with Mr. CAREW.

Mr. MALONEY with Mr. GALLIVAN.

Mr. GRIEST with Mr. HAWES.

Mr. LUCE with Mr. TAGUE.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. REBER with Mr. WOODS of Virginia.

Mr. HOGAN with Mr. TAYLOR of Arkansas.

Mr. PAIGE with Mr. WEAVER.

Mr. OLPP with Mr. DOUGHTON.

Mr. BRENNAN with Mr. SULLIVAN.

Mr. ANDERSON with Mr. OVERSTREET.

Mr. ELLIS with Mr. CRISP.

Mr. HICKS with Mr. BANKHEAD.

Mr. CROWTHER with Mr. FAVROT.

Mr. STINESS with Mr. HUMPHREYS.

Mr. JOHNSON of Washington with Mr. LARSEN of Georgia.

Mr. RADCLIFFE with Mr. MEAD.

Mr. WALTERS with Mr. COCKRAN.

Mr. UNDERHILL with Mr. FIELDS.

Mr. KNUTSON with Mr. KINDRED.

Mr. BURROUGHS with Mr. STEVENSON.

Mr. DUNN with Mr. THOMAS.

Mr. KNIGHT with Mr. SUMNERS of Texas.

Mr. EDMONDS with Mr. DEAL.

Mr. PERLMAN with Mr. O'BRIEN.

Mr. OSBORNE with Mr. CULLEN.

Mr. SIEGEL with Mr. LINTHICUM.

Mr. STRONG of Pennsylvania with Mr. SABATH.

Mr. WASON with Mr. WRIGHT.

Mr. KREIDER with Mr. GOLDSBOROUGH.

Mr. LEHLBACH with Mr. BARKLEY.

Mr. WILLIAMSON with Mr. LYON.

Mr. REED of West Virginia with Mr. HUDSPETH.

Mr. TAYLOR of New Jersey with Mr. TAYLOR of Colorado.

Mr. CHRISTOPHERSON with Mr. STOLL.

Mr. BOIES with Mr. UPSHAW.

Mr. KIRKPATRICK with Mr. BRINSON.

Mr. WHEELER with Mr. CANTRILL.

Mr. FOCHT with Mr. LEE of Georgia.

Mr. FORDNEY with Mr. GILBERT.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 1811) increasing the rate of interest on farm loan bonds from 5 to 5½ per cent.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 916. An act limiting the creation or extension of forest reserves in New Mexico and Arizona;

S. 1894. An act to amend section 26 of an act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs," etc.;

S. 1168. An act to authorize the payment of certain taxes to Stevens and Ferry Counties in the State of Washington, and for other purposes;

S. 154. An act to extend the benefits of the employers' liability act of September 7, 1916, to Arthur E. Rump;

S. 1951. An act for the relief of John Hickson, jr.;

S. J. Res. 88. Joint resolution granting consent of Congress to an agreement or compact entered into between the State of New York and the State of New Jersey for the creation of the port of New York district and the establishment of the port of New York authority for the comprehensive development of the port of New York;

S. 1066. An act to authorize the Commissioners of the District of Columbia to close Piney Branch Road between Seventeenth and Taylor Streets and Sixteenth and Allison Streets NW., rendered useless or unnecessary by reason of the opening and extension of streets called for in the permanent highway plan of the District of Columbia;

S. 255. An act for the consolidation of forest lands within the Gallatin National Forest, and for other purposes; and

S. 1915. An act to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The message also announced that the Senate had agreed to amendments of the House of Representatives to the joint resolution (S. J. Res. 36) authorizing the appointment of a commission to confer with the Dominion Government or the provincial governments thereof as to certain restrictive orders in council of the said Provinces relative to the exportation of pulp wood and paper therefrom to the United States.

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

Senate resolution 128.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ROBER A. JAMES, late a Representative from the State of Virginia.

Resolved, That a committee of six Senators be appointed by the Presiding Officer, to join the committee appointed by the House of Representatives, to attend the funeral.

Resolved, That the Secretary communicate these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

The message also announced that the Senate had passed with amendments the bill (H. R. 7294) supplemental to the national prohibition act, had requested a conference with the House of Representatives, and had appointed Mr. STERLING, Mr. NELSON, and Mr. OVERMAN as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6320) to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry products, and eggs, and for other purposes.

The message also announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 26.

Resolved by the House of Representatives (the Senate concurring), That the time for the completion of the investigation by the Joint Commission of Agricultural Inquiry, created by Senate concurrent resolution No. 4, of the present session, and the filing of the report to Congress therein directed to be made, be, and the same is hereby, extended to a date not later than the first Monday in January, 1922.

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

H. R. 7328. An act to authorize the construction of a bridge across the Pend d'Oreille River, Bonner County, Idaho, at the Newport-Priest River Road crossing, Idaho;

H. R. 7208. An act to extend the time for the construction of a bridge across the Roanoke River in Halifax County, N. C.;

H. R. 6877. An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes; and

H. J. Res. 112. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to employees of the United States Department of Agriculture who died in the war with Germany.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1915. An act to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes; to the Committee on Banking and Currency.

S. 154. An act to extend the benefits of the employers' liability act of September 7, 1916, to Arthur E. Rump; to the Committee on Claims.

S. 1066. An act to authorize the Commissioners of the District of Columbia to close Piney Branch Road between Seventeenth and Taylor Streets and Sixteenth and Allison Streets NW., rendered useless or unnecessary by reason of the opening and extension of streets called for in the permanent highway plan of the District of Columbia; to the Committee on the District of Columbia.

S. 916. An act limiting the creation or extension of forest reserves in New Mexico; to the Committee on the Public Lands.

S. 255. An act for the consolidation of forest lands within the Gallatin National Forest, and for other purposes; to the Committee on the Public Lands.

S. 1951. An act for the relief of John Hickson, jr.; to the Committee on Claims.

S. 1894. An act to amend section 26 of an act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs," etc.; to the Committee on Indian Affairs.

S. 1168. An act to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that August 6 they had presented to the President of the United States, for his approval, the following bill:

H. R. 6611. An act to establish a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act.

MEAT-PACKING INDUSTRY—CONFERENCE REPORT.

Mr. HAUGEN. Mr. Speaker, I call up the conference report on the bill H. R. 6320.

The SPEAKER. The gentleman from Iowa calls up a conference report on a bill, which the Clerk will report.

The conference report was 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. 6320) to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry, poultry products, and eggs, 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, 2, 3, 4, 5, 7, 8, 12, 13, 14, 18, 19, and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 15, 16, and 17, and 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 proposed to be inserted by the Senate amendment insert "buying or selling on a commission basis or otherwise" and a comma; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "90 days"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "buying or selling on a commission basis or otherwise" and a comma; 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 proposed to be inserted by the Senate amendment insert "buying or selling on a commission basis or otherwise" and a comma; and the Senate agree to the same.

G. N. HAUGEN,
J. C. MCLAUGHLIN,
C. B. WARD,
H. M. JACOWAY,
J. W. RAINEY,
Managers on the part of the House.
WM. S. KENYON,
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6320) to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry, poultry products, and eggs, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendments Nos. 1 and 2: These amendments exclude horses, mules, and goats from the provisions of the bill; and the Senate recedes.

On amendment No. 3: This amendment strikes out of the bill a definition of "commerce" intended to make it clear that Congress is looking at the meat-packing and live-stock industries as a whole, that the evils sought to be remedied are country-wide in their scope, and that Congress intends to exercise, in the bill, the fullest control of packers and stockyards which the Constitution permits; and the Senate recedes.

On amendment No. 4: This amendment strikes out of the bill a provision making it unlawful for a packer to engage in or use any unjustly discriminatory practice or device in interstate or foreign commerce; and the Senate recedes.

On amendment No. 5: This amendment strikes out of the bill a provision making it unlawful for a packer to make or give, in interstate or foreign commerce, any undue or unreasonable preference or advantage to any person or locality; and the Senate recedes.

On amendment No. 6: The House bill defined "stockyard services" so as to include, among other things, services and facilities furnished at a stockyard in connection with the "marketing" in interstate or foreign commerce of live stock. The Senate amendment, while not striking out the word "marketing," added the phrase "buying or selling on a commission basis." The House recedes with an amendment, adding the words "or otherwise" at the end of the Senate amendment, thus making the bill cover all buying and selling, whether or not on a commission basis, as provided in the House bill.

On amendment No. 7: The House bill defined "dealer" to mean any person "engaged in the business of buying or selling in interstate or foreign commerce live stock at a stockyard, either on his own account or as the employee or agent of the vendor or purchaser." The Senate amendment adds at the end of this definition words which merely repeat what was in the House bill; and the Senate recedes.

On amendment No. 8: This amendment adds to the bill a provision that after two years from the passage of the act no packer engaged in interstate or foreign commerce shall own or control or have any interest in any stockyard unless the Secretary of Agriculture determines that such ownership or control of interest "is not in violation of the purposes of this act," or that the packer has been unable, "despite due diligence," to dispose thereof, in which case the Secretary may by order extend the period during which such ownership, control, or interest may continue. The matter is now dealt with more effectively in the consent decree as it relates to the large packing concerns; and the Senate recedes.

On amendment No. 9: The House bill limited the time for filing complaints with the Secretary of Agriculture for alleged grievances suffered at a stockyard to one year after the accrual of the cause of action. The Senate amendment made the time 60 days, and the House recedes with an amendment making it 90 days.

On amendment No. 10: The House bill provided that whenever the Secretary of Agriculture finds that any rate, charge, regulation, or practice of any stockyard owner or market agency, for or in connection with, among other things, the "marketing" in intrastate commerce of live stock, causes any undue or unreasonable advantage, prejudice, or preference, as between persons or localities in intrastate commerce in live stock on the one hand and interstate or foreign commerce in live stock on the other hand, the Secretary of Agriculture shall prescribe the rate, charge, regulation, or practice to be observed. The Senate amendment, while not striking out the word "marketing," added the words "buying or selling on a commission basis." The House recedes with an amendment adding the words "or otherwise" at the end of the Senate amendment, thus making the bill cover all buying and selling whether or not on a commission basis, as provided in the House bill.

On amendment No. 11: The House bill made it unlawful for any stockyard owner, commission man, or dealer to engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in connection with, among other things, the "marketing" in interstate or foreign commerce at a stockyard of live stock. The Senate amendment, while not striking out the word "marketing" added the words "buying or selling on a commission basis." The House recedes with an amendment adding the words "or otherwise" at the end of the Senate amendment, thus making the bill cover all buying and selling whether or not on a commission basis, as provided in the House bill.

On amendment No. 12: The House bill made applicable to the jurisdiction and powers of the Secretary of Agriculture in enforcing the provisions of the stockyards title of the bill the provisions of the laws relating to the suspending or restraining the enforcement, operation, or execution of or the setting aside of the orders of the Interstate Commerce Commission. The Senate amendment strikes out this provision and in lieu thereof inserts a provision making sections 203 and 204 of this act applicable in enforcing the provisions of the stockyards title; and the Senate recedes.

On amendments Nos. 13 and 14: The House bill in section 401 required every packer, stockyard owner, commission man, and dealer to keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business. The House bill further provided that whenever the Secretary of Agriculture finds that all such transactions are not fully and correctly disclosed, he may prescribe the manner and form in which such accounts, records, and memoranda shall be kept, and that failure to keep such accounts, record, and memoranda in the manner and form prescribed or approved by the Secretary, may be punished by a fine of not more than $5,000 or imprisonment for not more than three years, or both. The House bill also made applicable to the powers of the Secretary of Agriculture in enforcing this act the powers of the Federal Trade Commission relating to the compelling of reports in writing under oath as to all accounts and other transactions of packers, stockyard owners, commission men, and dealers. The House bill also gave to the Secretary of Agriculture the powers of the Federal Trade Commission relating to the right of examination and copying of the books and records of such persons. Senate amendment No. 13 strikes out provisions of the House bill relating to accounting, and Senate amendment No. 14 inserts a provision which is intended to take the place of the provisions of the House bill relating to accounts, and which provides that every "operator" and packer shall keep such records and statements of account, and make such reports, under oath or otherwise, as the Secretary of Agriculture may require. The amendment further authorizes the Secretary in his discretion to prescribe "uniform systems of accounts and records and require the installation and use thereof by packers and operators." It also authorizes any officer or agent of the Government designated by the Secretary of Agriculture to enter and inspect any place used by any packer or operator in its business and examine any books, papers, records, or correspondence relating to such business. Violations of these provisions is punishable under the Senate amendment by fine of not more than $5,000 or by imprisonment for not more than three years, or both. The effect of this amendment would have been to relieve from the accounting and penalty provisions of the bill all stockyard owners, market agencies, and dealers, for the term "operator" as used in the Senate amendment is nowhere defined. The amendment also made it difficult to secure conviction of a packer, for the minimum imprisonment was fixed at three years.

Senate amendment No. 13 inserts a provision empowering the Secretary of Agriculture to investigate and ascertain the facts relating to the ownership, production, transportation, manufacture, storage, handling, and distribution of live stock and all products and by-products—other than meat and meat food products—of the slaughtering and meat-packing industry, and made it his duty to compile and furnish to producers, consumers, and distributors information respecting the condition of the live-stock markets and the supply, demand, prices, and other condi-

tions affecting the market. The matter can now be dealt with more effectively under existing laws. The Senate recedes on amendments 13 and 14.

On amendment No. 15: The House bill contained a section providing that "for the purpose of securing effective enforcement of the provisions of this act," the provisions of certain sections of the Federal Trade Commission act should be made applicable to the jurisdiction and powers of the Secretary in enforcing this act. The Senate amendment in lieu of the words above quoted inserts the words "for the effective execution of the provisions of this act, and in order to provide information for the use of Congress"; and the House recedes.

On amendment No. 16: The House bill took away from the Federal Trade Commission its power and jurisdiction in regard to any matter which by the act is made subject to the jurisdiction of the Secretary of Agriculture, except where complaint has been served before the passage of the act. The Senate amendment, while retaining the provisions of the House bill, continues in force the powers of the commission, but only so far as relating to making investigations and reports, and permits these powers to be exercised only on request of the Secretary of Agriculture; and the House recedes.

On amendment No. 17: This amendment adds to the House bill a provision empowering the Secretary of Agriculture to "make such rules, regulations, and orders as may be necessary to carry out the provisions of this act." The House bill did not contain this specific provision, but did make applicable to the jurisdiction and powers of the Secretary of Agriculture in enforcing the act the powers given the Federal Trade Commission by section 6 of the Federal Trade Commission act, one of the provisions of which authorized that commission to make rules and regulations for the enforcement of the act, the two being substantially the same; and the House recedes.

On amendment No. 18: The House bill in section 405 provided "nothing contained in this act, except as otherwise provided herein, shall be construed" to alter, modify, or repeal any of the antitrust laws. The only provision of the House bill to which the clause "except as otherwise provided herein" relates is subdivision (b) of section 406, which takes away from the Federal Trade Commission, among other powers, its powers and jurisdiction given under section 11 of the Clayton Act. The Senate amendment added a provision to the effect that nothing contained in the act shall be construed to repeal any provision of the Sherman Act, "or any act amendatory thereof," thus leaving the bill open to the construction that some portion of it might be construed to repeal such of the antitrust laws as are not "amendatory" of the Sherman Act, and, however construed, adds nothing to what was already in the House bill; and the Senate recedes.

On amendment No. 19: The Senate amendment adds to the bill a provision that if any commission man aids in the enforcement of any rule of a live-stock exchange of which he is a member, which rule is intended to or does prohibit membership in such exchange to a cooperative association of producers acting as a commission firm because of the method of distributing surplus earnings of such association among its members, such action by the commission man shall be deemed an unjust, unreasonable, and discriminating practice. The House bill already made it unlawful for any commission man to engage in or use any unfair, unjustly discriminatory, or deceptive practice or device in connection with the buying or selling in interstate or foreign commerce at a stockyard of live stock, and empowered the Secretary of Agriculture to make an order to cease from violating this provision. The bill further provided in subdivision (f) of section 306 that the provision prohibiting a commission man from refunding or remitting any of his rates or charges should not prevent a cooperative asssociation of producers from bona fide returning to its members on a patronage basis its excess earnings on their live stock, subject to regulations prescribed by the Secretary of Agriculture; and the Senate recedes.

On amendment No. 20: This amendment provides that none of the provisions of the act shall be construed to include or be binding upon a person whose chief business is the raising of live stock or agricultural products, thus apparently excluding the farmer from the benefits afforded him by the act; and the Senate recedes.

G. N. HAUGEN,
J. C. MCLAUGHLIN,
C. B. WARD,
H. M. JACOWAY,
J. W. RAINEY,
Managers on the part of the House.

The SPEAKER pro tempore (Mr. WALSH). The question is on agreeing to the conference report.

Mr. HAUGEN. Mr. Speaker, the results of the conference on the packer-control legislation is set forth in the printed report and statement. I did not intend to comment on it, but with the wholesale misrepresentation that has been scattered broadcast, while I am aware that little, if any, attention is given to unfounded and uncalled-for statements such as have been made in reference to the bill now before the House, notwithstanding, in view of the misinformation that has gone into the RECORD, a brief statement of facts seems timely and proper. The subject of packer-control legislation has been under consideration for more than a third of a century, one which has been more vigorously contested than any. It has been bitterly opposed naturally by those affected by the legislation, and its progress has been substantially hindered and obstructed by "supposed" friends. In securing the passage of this bill, as of most other measures, the difficulty has not been so much in overcoming the frank, open, out-and-out opposition which it has encountered as the opposition from the professed friends of effective legislation, as, for instance, that constant plea for delay, for the adoption of amendments designed to weaken, to destroy the bill, and the numerous devices resorted to in delaying and defeating the passage of effective legislation.

H. R. 6320, introduced and reported by me, passed the House by practically a unanimous vote on June 2 and passed the Senate on June 17, but it was not until 40 days later, on July 28, that an agreement was reached in conference. The conferees' report was agreed to by the Senate August 4 by a vote of 48 ayes and 10 noes.

In another body this bill has been characterized as a packer bill and it has been alleged to contain seven amendments written by an attorney for the meat packers and accepted by the House Committee on Agriculture. A careful reading of the RECORD discloses no evidence beyond the bare statement of an alleged champion of the people's rights making the charge that seven amendments were written into the bill by an attorney for the meat packers. The professed friend of effective packer-control legislation did not even give any intimation as to what were the amendments to which he referred. He specified only one, which had to do with taking away the jurisdiction of the Federal Trade Commission.

The champion of the people's rights was mistaken about that. Why he did not specify what were the other six amendments I know not. Probably they were not of enough importance. But, inasmuch as no amendments have been written into the bill by any packer or any other interest, it matters not. He was mistaken as to the one specified and it goes without saying that he was mistaken as to all of them. Hence the House bill did not, as stated on page 2680 of the CONGRESSIONAL RECORD of June 16, carry seven amendments which the packers' attorney wrote in the original Haugen bill. If he had taken the pains to inform himself of the facts he would not have made the statement. He would have found that the suggestion giving the jurisdiction to the Secretary of Agriculture was made by many excellent persons and which seemed to be the consensus of opinion of all. If he had turned to Secretary Wallace's statement before the committee, page 234 of the House hearings of May, 1921, he would have found, in response to a request for his opinion as to the question of jurisdiction over the packers, as follows:

> Secretary WALLACE. I think the interests of the public will be served if you put all of this thing and all of this control and regulation in the hands of one supervisory body and not distribute it among several. * * *
>
> We have a large number of people who are very well informed, certainly, on agriculture. So that from that standpoint I think it would be wiser to put this matter in the department rather than in the hands of some commission which was not so closely related to agriculture.

Certainly the champion of effective legislation would not contend that Secretary Wallace acted as an attorney for the packers.

On page 77 he would have found a statement of Mr. Atkeson, representing the National Grange, regarding the matter, as follows:

> I would call your attention to the fact that my first choice would be a separate commission and my second choice would be the Secretary of Agriculture. Assuming that the Senate passes a bill providing for a special commission, as they did before, and that the House is likely to pass a bill providing for its administration by the Secretary of Agriculture, then, taking that viewpoint, I want to call your attention to one feature of what is commonly known as the Haugen bill: Beginning in section 302, on page 12, as I have studied this bill, I fail to see any reason for introducing two administrative factors or authorities. Maybe I am entirely at sea in regard to the matter, but if I were writing this bill I would substitute for "Interstate Commerce Commission" "Secretary of Agriculture" clear through.

On page 78 Mr. Atkeson says:

If I were suggesting any changes in this bill (Haugen bill) it would simply be that change that the "Secretary of Agriculture" be substituted for the "Interstate Commerce Commission" throughout the bill, beginning with section 302. That is a mere suggestion.

Certainly he would not charge Mr. Atkeson, representing the National Grange, with acting as an attorney for the packers.

If he had turned to the hearings of Monday, January 3, 1921, page 26, he would have found Secretary Meredith's suggestions given in response to a request for his views on the subject of jurisdiction, as follows:

It would be difficult, if not almost impossible, for such a separate agency to utilize to advantage the existing facilities of the Bureau of Markets. In the circumstances it seems to me that it would be in the interest of efficiency and economy to place the activities proposed by the measure within the jurisdiction of this department, to be coordinated with its other activities and to be carried on under the direction of the Secretary of Agriculture. * * *

Thus, I might continue to quote from various others, but I take it that this is sufficient to convince even the biased mind. While the other amendments alleged to have been written in the bill by an attorney for the packers were not specified, I assume that they were amendments enumerated by Mr. Lightfoot, attorney for Wilson & Co., which appear on page 2705 of the CONGRESSIONAL RECORD of June 17. If so, they were amendments suggested by the American Farm Bureau Federation. I refer you to pages 2705–2706 of the CONGRESSIONAL RECORD of June 17, in which Mr. Lightfoot states that the suggestions made by him were in response to Mr. Atkeson's request for the packers' views. The first amendment referred to is the one conferring jurisdiction upon the Secretary of Agriculture instead of the Interstate Commerce Commission over the stockyards, commission men, and traders. This amendment, as I have stated, was suggested to the committee by the present Secretary of Agriculture and his predecessor, by Mr. Atkeson, and also by various other representatives of farm organizations, and was in accord with the Senate bill, which created a live-stock commissioner in the Department of Agriculture and gave him complete authority over the stockyards, commission men, and traders.

Mr. KINCHELOE. Will the gentleman yield?

Mr. HAUGEN. I will.

Mr. KINCHELOE. Is it not a fact that the only amendment of any consequence that the Senate passed, as shown in the conference report, is that, whereas under the original bill as it passed the House in the investigation against packers the power to investigate was lodged simply with the Secretary of Agriculture, the Senate amendment gives the Secretary of Agriculture power in his discretion to call on the Federal Trade Commission every time he desires to do so?

Mr. HAUGEN. That was Senate amendment No. 16, which was adopted. I shall refer to it later.

The next amendment referred to was to amend the definition of the term "live-stock products," so as to remove the objection that the bill subjected to regulation many industries never engaged in the slaughtering of animals, such as tanneries, fertilizer plants, woolen mills, automobile manufactories, and many others using by-products of the packing industry. Mr. Lightfoot's statement does not indicate the nature of the amendment which he proposed to Mr. Atkeson. The only suggestion of which the committee had any knowledge was one proposed by the American Farm Bureau Federation (see p. 481 of the hearings), which proposed to strike out from the bill the definition of "live-stock products" and substitute a definition of the term "meat-food products," which was to be defined to mean "all edible products and by-products of the slaughtering and meat-packing industry." At the same time the farm bureau suggested that the definition of the term "packer" be so amended as to confine packers to those manufacturing or preparing meats or meat-food products for sale or shipment in commerce. While recognizing the justice of the complaint that the definition in the original Haugen bill might be construed to include independent tanneries, fertilizer plants, and other industries using by-products of the packing industry, the committee at once perceived that the adoption of the suggestions of the American Farm Bureau Federation would be to leave outside of all regulation such industries when conducted as subsidiaries of the packing industry. It therefore amended the Haugen bill in such manner as to relieve from regulation these outside industries only when having no affiliation with a packer, but subjecting the packer to complete regulation, no matter what line of business he goes into.

The next amendment which Mr. Lightfoot states was suggested to Mr. Atkeson was to section 207 of the original Haugen bill relating to the accounts of the packers. Section 207 provided that any packer who kept any other or different accounts than those prescribed by the Secretary should be guilty of a criminal offense. Here again the committee had no knowledge of any amendment suggested by the packers' attorney either to the committee or to Mr. Atkeson, but the committee did receive from the American Farm Bureau Federation (see p. 481 of the hearings) a suggestion to strike out these words and to insert a provision that any packer who fails to keep his accounts "in the manner and form prescribed or approved by the Secretary" shall be guilty of a criminal offense. This suggestion was adopted by the committee and appears as section 401 of the House bill.

The next amendment which Mr. Lightfoot states was suggested by him to Mr. Atkeson was to section 205 (f) of the original Haugen bill, which provided that the findings of the Secretary as to the facts, if supported by evidence, should be conclusive. The suggestion was to insert after the words "supported by" the words "the weight of the."

This suggestion was not made by the packers' attorney to the committee, but the same suggestion was made by the American Farm Bureau Federation (see p. 481 of the hearings), but was not adopted by the committee. It adopted an amendment striking out of the bill all reference to the conclusiveness of findings of fact of the Secretary. In this connection it should be noted that the amendment suggested by the American Farm Bureau Federation appeared in the Senate bill, both as reported to the Senate at this session and as passed by the Senate in the last Congress. (See 66th Cong., S. 3944.) The amendments, in connection with the one referred to relating to the jurisdiction of the Federal Trade Commission, amount to only five in number. What the other two amendments referred to may be I have no knowledge of or means of surmising, but whatever they may be they were not put there as a result of any request made to the committee by any packer or his attorney or any other outside interest.

Another insinuation made was that the subcommittee was carefully selected. The subcommittee consisted of the three authors of the bills then before the committee and were appointed on a motion unanimously adopted by the committee. It is difficult to see what better method of harmonizing the conflicting views of the membership of the committee as to the form this legislation should take than to create a subcommittee composed of the individuals who had already put forward in bill form these views. The statement that the bill framed by the subcommittee was reported by the full committee without change and passed the House without amendment would seem to be the best possible proof that the bill, as passed by the House, was a meritorious measure. The foregoing considerations should convince any fair-minded person that the charges alleged that the committee was very "carefully" selected, that it wrote into the bill seven important suggestions made by an attorney for the packers—radical suggestions—suggestions that completely change the character of the bill as it was first introduced, are absolutely without foundation.

As stated on page 2713 of the CONGRESSIONAL RECORD, after the adoption of certain amendments, the Member preferring the charges voted for the bill. Amendments referred to were as follows: First, No. 13, the adoption of the publicity section of the Senate bill, a provision practically the same as one carried in the Agricultural appropriation bills for a number of years, giving the Secretary ample authority to gather and publish any related information pertaining to marketing and distributing of live stock, meats, fish, animal by-products, and so forth. As the publicity had already been provided for, it did not seem necessary to incorporate it in the bill, certainly not as proposed in this Senate amendment, which, according to the definition of live-stock products as given in the bill, excludes from the investigation and report the meats and meat-food products. (See p. 2, line 5, H. R. 6320.)

The other amendment referred to was the adoption of the provision of the Senate bill for uniform accounting. The amendment No. 13, page 25, strikes out section 401 of the House bill, that whenever the Secretary finds that the accounts, records, and memoranda of any packer, stockyard owner, market agency, or dealer do not fully and correctly disclose all such transactions involved in such business, the Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept. The amendment No. 14 provides that the Secretary may in his discretion prescribe a uniform system of accounts and records and require the installation and use thereof by packers or operators, thus eliminating from the section the stockyard owner, market agency, and dealer, as defined in the bill. While there may be no serious objection to the uniform system of accounts, it seems of much importance that accounts, records, and memoranda of packers, market agencies, stockyard owners, and dealers should fully and correctly disclose all transactions involved in their business. If it is proper and necessary to apply it to one,

I can see no objection to applying it to all; besides, it would be necessary in order to check up the books of the packers. The penalties that may be imposed under the House bill for failure to keep such accounts, records, and memoranda are, upon conviction, not more than $5,000 or imprisonment not more than three years, or both. In the amendment penalties are, upon conviction, not more than $5,000 or imprisonment for more than three years, or both. Past experience has proven that excess penalties, such as are provided in the proposed amendment, a minimum fixed at more than three years imprisonment, has made it impossible to convict and has thus rendered the laws ineffective. It goes without saying, if the minimum fines and penalties are made so high that no conviction can be had, the whole structure falls and would fail in its purpose.

The next amendment referred to "the adoption of the provision which makes the Sherman antitrust law applicable to the packers, of which it is claimed that it radically improves the bill." Inasmuch as the provision was already contained in section 405 of the House bill, I am at a loss to know why it is necessary to insert the provision twice and in what respect it radically improves the bill. (See Senate amendment No. 18.)

It would seem that if the bill was worthy of support after the Senate had added 20 amendments, three-fourths of which materially weakened the bill and the remainder of which were immaterial or merely restated what was in the bill before, this would simply indicate the bill as passed by the House was an effective piece of legislation.

In reference to charges made I can only say that it has not been my habit to pay any attention to charges on their face so ridiculous and unfounded, but as the charges made involve the integrity and motives of not only myself as author of the bill but it includes the subcommittee; the membership of the committee and the House; yes, members of a committee in another body, the Secretary and former Secretary of Agriculture, Mr. Wallace and Mr. Meredith, the representatives of farm organizations, such as the American Farm Bureau Federation, the National Grange, and other worthy organizations who have earnestly and persistently labored for the enactment of effective packer control legislation, a brief statement seems timely and proper.

As before stated, the amendments referred to, and which were in part adopted, good or bad, came to the committee from the American Farm Bureau Federation and others. Whether or not they were the product of the farm bureau or the attorney for the packers it matters not, just so the amendments are proper. My knowledge of the representatives of the farm bureau's skill and deep interest in the welfare of all concerned warrants the belief that they drew their own amendments, and had nothing but the best interest of all concerned in view. The bill and modified amendments have been tested. They have been approved by a vote of 48 to 10, or better than 4 to 1, in the Senate and previously by practically a unanimous vote in the House.

As to the Senate amendments, I desire to say the Senate recedes from 13 of its 20 amendments and agrees to modifications of 4 of the amendments, which substantially restore the provisions of the House bill. The House recedes from its disagreement and agrees to three immaterial amendments, practically restating what was already in the bill. The amendments agreed to are Nos. 15, 16, and 17.

Amendment No. 15, section 402, page 27, lines 15 and 16, strikes out the words "for the purpose of securing effective enforcement of the provisions of this act" and inserts in lieu thereof "for the effective execution of the provisions of this act and in order to provide information for the use of Congress." The amendment is harmless, and the House recedes.

Amendment No. 16, section 405, took away from the Federal Trade Commission its power and jurisdiction over the packer and stockyards and gave the Secretary of Agriculture exclusive jurisdiction. The Senate amendment retains the provisions of the House bill and adds a clause to continue in force the power of the commission to make investigations and report, to be exercised only on request of the Secretary of Agriculture. Section 407 of the bill already provides that the Secretary may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, which deals with the matter more effectively, hence the Senate amendment is unnecessary; it neither adds nor detracts. As it is harmless, the House recedes.

Next, amendment No. 17, page 30. The section 407 "empowers the Secretary to make such rules and regulations and orders as is given the Federal Trade Commission by section 6 of the Federal Trade Commission act." The Senate amendment adds, on line 11, "make such rules, regulations, and orders as may be necessary to carry out the provisions of this act, and may"; hence it is substantially the same as the House bill, and the House recedes.

The three amendments, Nos. 15, 16, and 17, unlike the other 17 amendments, though they add nothing nor do they strengthen the bill in any particular, are harmless and will do no injury to the bill, so the House recedes on these three.

Amendments Nos. 6, 10, and 11: These amendments insert the words "buying or selling on a commission basis." The effect of these amendments was to take away from the Secretary of Agriculture all power to regulate the practices in relation to buying or selling at the stockyards unless such buying or selling was done on a commission basis. The packers and traders do not buy or sell on a commission basis, therefore the effect of the Senate amendment would have been to leave them entirely outside of all regulation, in so far as related to their buying or selling at a stockyard, thus cutting out one of the most important portions of the bill. The House insisted on and the Senate agreed to an amendment to its amendment making it clear that the Secretary's power relates to all buying or selling, whether on a commission basis or not. This was the effect of the House bill before the insertion of the Senate amendment, for the word "marketing" used in the House bill clearly included all buying or selling, whether or not on a commission basis.

Amendments 1 and 2, page 2, lines 1 and 2, excludes horses, mules, and goats from the bill. Horses, mules, and goats are sold in the stockyards and slaughtered by the packers and are under the meat inspection act. There seems to be no good reason why they should be excluded from the act. The Senate recedes.

Amendment No. 3, page 2, lines 14 and so forth, strikes out the definition of "commerce" intended to make it clear that Congress intended to exercise in the bill the fullest control of packers and stockyards which the Constitution permits. Recent decisions in the Supreme Court show the wisdom of making clear the intention of Congress. The Senate recedes.

Amendment No. 4, page 4, line 20, strikes out of the bill a provision making it unlawful for a packer to engage in or use any unjustly discriminatory practice or device in commerce. The Senate recedes.

Amendment No. 5, page 4, line 22, strikes out a provision making it unlawful for a packer to make or give in commerce any undue or unreasonable preference or advantage to any particular person or locality. It seems proper to make unjustly discriminatory practices unlawful and that for any packer to give in commerce undue or unreasonable practices or advantages should be prohibited. The Senate recedes.

Amendment No. 7, page 14, line 19, subdivision (b): The House bill defines dealers to mean any person engaged in the business of buying or selling in commerce live stock at the stockyard, either on his own account or as the employee or agent of the vendor or purchaser. The Senate amendment adds "and including any packer in his capacity as a buyer or seller of live stock in commerce and any employee or agent of any packer in such capacity"—words which merely repeat what was in the House bill. The Senate recedes.

Amendment No. 8, page 12, line 22: The Senate amendment adds a provision requiring the packers to dispose of their holdings in stockyards. The Senate amendment was totally ineffective to produce any useful results, inasmuch as it placed the prohibition only on the packer, the effect of which would have been to make it possible for the packers to indirectly retain their interest in stockyards by selling their stock to individual stockholders and members of their families. This matter is now dealt with more effectively in the consent decree as it relates to the Big Five. The Senate recedes.

Amendment No. 9 reduces from 1 year to 60 days the period for filing complaints with the Secretary against stockyard owners, commission men, and traders. Inasmuch as the complainant may not know that his cause of action had accrued until after 60 days, and inasmuch as he has, in most States, six years to file a claim under the State law, it would seem that the period fixed by this amendment is too short. The Senate agrees to an amendment to its amendment which gives 90 days for filing complaints with the Secretary.

Amendment No. 12, page 25: The House bill makes applicable to the jurisdiction and powers of the Secretary the provisions of the laws relating to the suspending or restraining the enforcement, operation, or execution or the setting aside of the orders of the Interstate Commerce Commission. The Senate amendment strikes out that provision and in lieu thereof inserts a provision making sections 203 and 204 of this act applicable in

enforcing the provisions of the stockyard title. This amendment of the Senate was entirely inconsistent with all of the rest of the stockyard title and its adoption would have necessitated an entire rewriting of the title, which was beyond the power of the conferees. Furthermore, the adoption of the amendment would have materially weakened the bill. Amendments 13, 14, 15, 16, 17, and 18 I have already discussed. The Senate recedes.

Amendment No. 19, page 31, deals with the live-stock exchanges, which is taken care of on lines 3, 4, 5, 6, 7, and 8, page 17. The Senate recedes.

Amendment No. 20, page 31, excludes all persons whose chief business is the raising of live-stock or agricultural products, which would deprive farmers shipping live stock from all the benefits of the bill, including the right to petition the Secretary on having his damages assessed, which assessment becomes prima facie evidence in an action in the courts and entitles the petitioner to attorney's fees and relieves him from the payment of the cost. The adoption of this amendment would be to deprive the farmers of the greatest advantages given by the bill, and the Senate recedes.

Thus I have made it clear that three of the amendments agreed to, while adding nothing materially to the bill, did it no harm, but that every one of the other 17 amendments materially weakened the bill. In view of this fact, the House will agree with me that the managers on the part of the House acted wisely in insisting upon the Senate receding from its amendments. It is indeed pleasing and gratifying, especially to the members of the Agricultural Committee, who worked arduously, night and day, to promote just, fair, and effective legislation, to know that the bill, if the conference report is agreed to, is substantially the same as reported out of the committee and that it has successfully withstood all efforts in and out of Congress to weaken it.

In conclusion I desire to say the Senate added 20 amendments to the bill. Anybody who has studied the amendments must admit that three-fourths of them, or 15 out of the 20, are unjust, discriminatory, and destructive to the bill; as, for instance, amendments Nos. 1 and 2, which eliminated horses, mules, and goats from the bill. Horses, mules, and goats are bought and sold in the stockyards. They are slaughtered by the packers under the meat inspection acts. Why not make unfair and discriminatory practices in commerce in connection with the marketing and slaughtering of horses, mules, and goats unlawful? Why not give the shipper of horses, mules, and goats the same protection and benefit given the shipper of cattle?

Amendment No. 4: Why not make unjust, discriminatory practices or devices in commerce unlawful as provided in the House bill?

Amendment No. 5: Why not make it unlawful to give in commerce undue, unreasonable preference or advantage to any particular person or locality as provided in the House bill?

Amendments 6, 10, and 11: Why limit the Secretary's jurisdiction over marketing of live stock to that only on a commission basis and thus practically exempt the packers, dealers, and stockyard owners from the provisions of the bill as provided in the Senate amendment?

Amendment No. 9: Why limit the time for filing claims to 60 days, when in many States the statutes of limitation run for six years, as was done in the Senate amendment?

Amendment No. 13: Why exempt commission men, stockyard owners, and traders from requirements to keep such accounts, records, and memoranda as correctly disclose all transactions involved in their business as provided in the Senate amendment? The Secretary will get nowhere by checking up the books of the packer without authority to check up the books of the commission men and traders.

Amendment No. 14: Why apply minimum prison penalty to three years, under which no conviction can be had? Why not apply penalties to the commission men and traders as was done in the House bill?

Amendment No. 20: Why amendment No. 20, which reads, "None of the provisions of this act shall be construed to include or be binding upon a person whose chief business is the raising of live-stock or agricultural products"? I know of no reason why the farmer who ships and sells his live stock at the stockyards, who is discriminated against, who suffers a loss through unjust and discriminatory practices or devices, should not be entitled to the same protection and benefit extended to other shippers. Why should he be thus discriminated against?

What unpardonable sin has the farmer committed that should deprive him of the right to petition the Secretary and have his damages assessed, which assessment becomes prima facie evidence in an action in a court and entitles the petitioner to an attorney fee and relieves him from the payment of costs?

The bill agreed to in conference is, as before stated, substantially the same as it was passed by the House. It was drafted with a view not to destroy but to build up, to promote worthy and legitimate enterprises and activities in connection with the great packing industry. It gives the Secretary of Agriculture complete visitorial, inquisitorial, supervisory, and regulatory power over the packers and stockyards. It extends over every ramification of the packers and stockyard transactions in connection with the packing business. It provides for ample court review. The bill is designed to supervise and regulate and thus safeguard the public and all elements of the packing industry, from the producer to the consumer, without injury or to destroy any unit in it. It is the most far-reaching measure and extends further than any previous law into the regulation of private business—with few exceptions, the war emergency measure and possibly the interstate commerce act.

The friends of this bill, who had to do with the drafting of the bill, believe in just laws and in the honest administration of such laws. In my opinion, we can not afford to be contented with anything else. This legislation is not intended to meet the views of the demagogue or those howling in season and out of season for anything and everything, regardless of justice and property rights, but it is intended to meet the views of those who would proceed in an honorable and dignified manner, in a spirit of fairness and justice to all concerned. It is not legislation to injure or deprive an individual, corporation, or interest of a single dollar or single penny, but legislation that will grant to all an equal right and protection. Oh, that all might take a just pride in our national growth and greatness, in the fact that we are living in an age of marvelous expansion and are moving forward at a mighty pace. We are proud of the fact that industry is moving forward to its normal prosperity and happiness, and that we rank among the most successful and practical people on earth; that all, no matter what their political affiliation, creed, or occupation may be, may, under our laws, receive a common benefit under laws designed to protect the weak, to relieve the distressed, and to uplift humanity. The aim of all should be to give honest and thoughtful consideration to the securing of full benefit of our national resources, the development of mechanical appliances, the skill and genius of American labor, and to see to it that all are given adequate protection against the invasion of unscrupulous and dishonest interests, in order that we may have the full development of all worthy and legitimate enterprises. My friends, that can not be done by demagogy. It takes wise constructive legislation to accomplish that, legislation in harmony with the views of those who have at heart the best interests of the country. Gentlemen, I thank you. [Applause.]

Mr. Speaker, I yield 10 minutes to the gentleman from Nebraska [Mr. REAVIS]. How much time have I remaining?

The SPEAKER. The gentleman has 20 minutes remaining. The gentleman from Nebraska is recognized for 10 minutes.

Mr. REAVIS. Mr. Speaker, I am not a member of the Committee on Agriculture, and for that reason I think I can speak more becomingly regarding the matter I have in mind than I could otherwise. I think that everyone at all familiar with the legislation of this session must have become more or less impressed with the dominance of the House. The military bill, the naval bill, the peace resolution, the packers' bill, and other legislation indicate very clearly that at this session the House in large measure has had its way. I do not take pride in the abstract proposition of the House having its way unless the way of the House is the right way. We have a rule in the House—and a very proper rule it is—that prohibits discussion of the other body in the Capitol.

I could wish that the other body had a similar rule, or if it has it, that the Members would observe it. All the way through the discussion of this packer bill, whether as a result of the heat or of peevishness I do not know, but constant unpleasant and ugly insinuations have been made with reference to the action of the Agricultural Committee and the action of the House on this measure. It has been openly charged in the other body during the debate on this conference report that this is a packers' bill passed by the House under dictation of the packers. No proof has been offered to substantiate any such charge. One Senator made the statement that seven amendments on the House bill were written by the attorneys for the packers. The only amendment of the seven to which he called attention was an amendment suggested by the Secretary of Agriculture himself. What the other six amendments are nobody knows. There is no suggestion that the amendments were

not proper legislation. There was no complaint or criticism regarding any of these amendments excepting the apparently reckless charge as to their source. Gentlemen, in my opinion anyone who would wrongly leave the people of this Nation under the impression that either one of its legislative bodies would willfully subject itself to the dictation of the packers or of any other special influence is doing not only a positive disservice to the Congress but a positive disservice to the people of the Nation as well. [Applause.] I have taken the floor this morning for the sole purpose of voicing my resentment against such an attitude. The spirit of cooperation must exist between the two legislative bodies if we are to function efficiently, and we can never have the spirit of cooperation when one body without cause, without justification, impugns the motives and reflects upon the integrity of the other. [Applause.]

Mr. HAUGEN. I yield to the gentleman from Minnesota [Mr. SCHALL].

Mr. SCHALL. Mr. Speaker, the stage is set. The scene is laid. The curtain has risen. The first act is about to come off. Many of the Congressmen are home. What is to be done? A little job of murder. Who is to be killed? The Federal Trade Commission. Why? Because they have done their duty honestly and faithfully. Sentence has been passed. It has been O. K.'d by the Senate, and it is back here to be O. K.'d by the House. No chance to amend it. Our only hope is in the future. In order to be sure that the bill passed it is plastered around with regulations that should go into effect, that should have gone into effect long ago, but that would never have been brought to light had it not been for the courage and industry and integrity of the investigations of this very Federal Trade Commission which certain clauses of this bill now seek to quietly assassinate. Every good provision in the bill has been inspired by the work of the Federal Trade Commission, yet buried deep in this law is the death sentence of that commission, the only legal machinery which has been constructed that has proven itself equipped to meet the industrial problems of to-day in the interest of the public.

This is the first act of a long and ill-conceived tragedy. Next will come the clause in the futures trading bill which will attempt to take from the Federal Trade Commission their jurisdiction over the grain trade. Then the clause in the misbranding bill taking their power away over misbranding, and the clause in the coal bill taking away their power over the coal operators. Then any other criminal industrial combination who feel they need protection from exposure of the truth will bring forth a measure purporting to control and regulate them, while in reality they are trying to avoid a just and well-merited punishment as criminals under the law of the land. The Federal Trade Commission was the first institution ever formed to really accomplish anything along this line, the first obstacle that ever raised itself in the path of the packers. Constituents write, "Get after the packers. Get after the coal combine." But there was no way to get after them without evidence of overt acts, and the socialists have seized upon this apparent governmental impotence as an objective with which they are converting thousands to the idea that the Government should take over and own these immense private combinations. If we do not do something soon to get visible results and show that we are the Government, that creed will continue to grow.

We have the Clayton Act, the Sherman Act, and others, but while there have been suspicions and rumors never before had the facts been made certain and usable. Never before had there been competent evidence legal to go before a court. The Federal Trade Commission was organized September 26, 1914, with power by one means or another under the law to go into records, to get evidence, wherever that evidence could be found, to prove the things the country knew were going on. The men appointed went fearlessly ahead and did their duty and secured evidence sufficient to convict criminally of violation of law.

Everybody knew there was collusion and combination in restraint of trade, but heretofore there was no machinery to collect competent evidence. The commission found out and told the truth not only about the packers but about coal and oil and shoe and wool and other illegal combinations. They found that the packers controlled 762 individual and separate corporations, engaged in different industries, to say nothing of lesser interests in hundreds of others.

The Attorney General admitted that the Federal Trade Commission had collected evidence sufficient to convict the packers, but instead of starting proceedings he eased matters for the packers by stipulating a compromise, entitled a consent decree. The packers admitted suppliantly and unctuously that they were caught with the goods. They were only too glad to come in under this consent decree, whereby, with great newspaper flourish of magnanimity they voluntarily gave up a few of their iniquities in lieu of being prosecuted, and the public was hoodwinked through newspaper reference to their rights being protected in the decree. In reality their magnanimity consisted in pretending to forsake 10 classifications, still leaving them 752 over which they have complete control as yet. In these 10 they can still own 49 per cent of stock, and if they do not like to abide by 49 per cent they can organize another similar corporation over which there would be no restraint.

Their control of banking facilities is not mentioned, and through banks they can still hold absolute control by having some director of the bank sit with directors of the corporation, ostensibly to protect their financial interests, and thus continue the monopoly and hold in the palm of their hand the consumer and producer.

Now comes the word that they are modifying the consent decree. If the truth were known this agreement has already been completed whereby the consent decree will be modified to suit the packers. It is not desirable that the public shall know anything about this until after this measure becomes a law. Again and again, when amendments were suggested, we were informed that the point was taken care of by the consent decree. The very basis and framework of the bill was built on the existence of this consent decree, which, even at this moment I believe, arrangements are being made to set aside, in part. What part I do not know, but it is safe to predict that it is the part that is pricking them hardest on which they are at work. I have wondered at the apathy, all during the history of this bill, among the champions of the packers. They were not fighting it. When all is over and the truth is known I surmise it will be seen that the bill is satisfactory to the packers. It ought to be. One of their own attorneys wrote in the bill in his own handwriting amendments, seven of which have been adopted, among them the one dealing death to the Federal Trade Commission. This bill is a great coup for the packers. They hate the Federal Trade Commission, as any criminal hates his accuser.

To get rid of its power over them they will agree to anything; make any concession. They can attend to future involvements later. Not being able to buy off or stop it, since the men on the commission "neither beg nor fear your favors nor your hate," they undertake to destroy the power given them by law. Here we had the law, the machinery, and men with the courage to use them. Now the chief interest of the men implicated is to nullify the law so that no one will take action, to emasculate the commission so that it will rust out, fall into disuse, because they secured the evidence they were created to secure, because they have been efficient and done what they were organized to do. They are dangerous to crooked big business. They will educate the people if they are allowed to go free and untrammeled, these courageous men, who did their duty regardless of the power and pressure brought to bear upon them.

The Federal Trade Commission has proved its right to our confidence, in spite of the attacks upon it by its enemies, in their efforts to abolish, or at least curtail, its powers. Its members are able and fearless and honest, and if left undisturbed in their function will prove an effective check to the all-absorbing power of the great financial trusts, who do not like the light which the Federal Trade Commission causes to shine into their darkmost corners. This commission unearthed the facts about the food profiteers and, in consequence, drew down upon themselves the deadly hatred of those powerful concerns, who will not rest till they have taken away every bit of effective power the commission has, and will use every resource at their command, every avenue of publicity open to them to discredit in the minds of the American people, this our one hope of handling these all-powerful institutions. They dare not come out openly and advocate the repeal of the Federal Trade Commission act on account that public opinion might ask why, and that might involve technical explanation. Public opinion, notoriety, publicity, is the one thing these profiteers fear, because this opinion directly reacts upon their public men.

The Federal Trade Commission furnished this publicity, therefore it must go. Upon it they vomit forth calumny and infamy to destroy the influence of these brave men fighting for the people and keep the truth they have gathered from reaching the ears of the public. They will not give up until they have robbed of power or had time to change the complexion of the commission. They view with horror the prospect of their real actions being disclosed, laid before a court.

When election time comes you will see men out talking apparently in the interests of the plain people, but the packers will be furnishing the money. They will call attention to the

men who have dared vote against the "packer control bill," and they will point out all the splendid talking points of it, but they will never mention that deep down in this bill is the clause of murder of the very commission that made these splendid provisions a possibility. Men are intimidated from doing their duty lest they be covered with obloquy by unscrupulous hirelings of press and platform. The acutest intellects of the land and all the money that is needed are subsidized to put honest men in the hole. They do not want men around that believe in telling the people. Many and many an honest man, and many and many a timid man will vote for this bill because on its face it is what it should be. If the bill were honestly meant, would not it be fair, and good sense and justice to leave back of the Secretary of Agriculture the power of the Federal Trade Commission, which has been the packers' downfall?

Of course, if it is the packers that are to be considered, that is the thing to do. Kill the Federal Trade Commission. They want to be rid of the men who have exposed them. They want to leave to the Secretary of Agriculture the power to do, but no evidence to do with. They have to make a showing of playing square, which irks them, unless they can get rid of the Federal Trade Commission and its evidence. This body's only business is to investigate these crooked concerns and show up to the people what they have been doing and give to the court evidence on which to convict.

It seems to me utter folly for Congress to give up this faithful agent for the investigation of these crooked concerns. Any Member of the House can now introduce resolutions for investigation, and if he secures a majority of this body, can order the Federal Trade Commission to make such investigation and furnish its report to the House. This investigation is evidence in court. Any Member of the Senate can do likewise. The President, upon his own initiative can so order them. Why so anxious to get rid of the means of securing the facts against these monsters who are crushing the lifeblood out of the Nation? We should keep every arm of investigation we have as a safety measure and not delegate our power out of the immediate reach of the people. But what has this bill done with that power? Transferred it to a new man, the Secretary of Agriculture, already loaded down with the other duties of his department. Why turn it over to a new man, whose tenure of office is so short; he will be out before anything is accomplished. Whatever he may be, he is better for the packers than what is, which means criminal conviction. He has to start in all over and form anew the machine that is already in such efficient running order in the hands of the Federal Trade Commission. Why not keep a thing that is doing business?

We will be in fine shape to go before the country and have our opponents point out that the Republican Party killed the one thing that efficiently and truthfully worked for the interests of the people. Talk about bolshevists; that is the way to make them. Perhaps the packers think that they can get rid of the past. Once bitten, they may learn how to successfully hide secret files. In their long years of immunity they grew so bold that they kept their files, with all their damning evidence, right out in their offices, feeling sure that, as in the past, they could control, intimidate, and dominate anyone whose duty it might be to look them over.

It took the Federal Trade Commission six years to accomplish its work on the packers. Even should the Secretary of Agriculture bring to the attack the vim of the commission, the packers need not worry for six years more. Why take away the power from the Federal Trade Commission? Why not add to what we have, but keep what we know? On the face of it, the Secretary of Agriculture is given certain powers he can use. The bill may do good, but it is trading off something we have and allowing a proven guilty corporation to get away under the law from the competent evidence of the hearings. They do not care what law is passed for the future. They will try to take care there will be no tangible and accessible evidence.

A new law can not be retroactive, and you knock out all the work the Federal Trade Commission has done. No wonder that there is some color to the claim that is voiced that the packers are the Government. They are certainly mighty well taken care of in this bill.

But, in my opinion, it is not the packers we want represented so faithfully. It is the duty we, as public officers, owe the people that is paramount to all others. The people want justice, they want what is theirs, and they want others to have what is theirs; but they as American citizens do not believe that their property and their lives should be confiscated by these great combinations of money power, these trusts, these monopolies, who control mines, mills, forests, fisheries, food products of the world and the highways of traffic over which they are carried. There is little wonder at the accusation that Representatives, interstate commissioners, have been too often in the past their blinded dupes, helpless foes, or salaried, subservient tools. Their contempt for the law was as open as it was cynical. Judges too often have been their pawns, the executive powers of the mighty commonwealth their vassals, and governors of States their servants in livery.

On the wings of steam and with the voice of electricity they rallied their discipled forces for aggression or defense as speedily as the devil in the ancient legend showed to Jesus all the kingdoms of the earth in a moment of time. But the evidence adduced by the Federal Trade Commission has bowed their crest, and they began to see their days of arrogance were numbered unless they can circumvent the commission. Though the packers are sinners above all Israel, the incorporated street car lines, transfer companies, water, gas and electric light combinations, land, cattle, and coal, lumber, telegraph and telephone companies, match and oil trusts, are equally ready for an act of injustice which may advance their interests or increase their dividends.

The commission has proven a pretty faithful watchdog to keep them from trespassing, for the ban of the law only serves to render them reticent as to their whereabouts and purposes, but affects their power for evil about as much as a leaden bullet does the vitality of a ghost, unless we produce evidence, and the Federal Trade Commission did produce that evidence.

The extent to which not only the political but the individual life is sequestered by the influence of combination power is but faintly appreciated.

For a bribe of a penny less upon a bunch of matches or a gallon of gasoline or a cigar or a pound of beefsteak, the short-sighted, unthinking public can be purchased to assist the old foe as against any new friend until from lack of support on the part of those to whom it has a natural right to turn and expect aid, the crippled and unfriended enterprise must sell out, join the opposition, or go down in ruin. It is only by fair and open competition that the equal, inalienable rights of the producer and consumer can be maintained.

Such combination power by the number and intricacy of its combination has strangled in America everything worthy the name of competition. By its immense resources and capital, great cold-storage plants, complete monopoly of refrigerator cars, and unfair rebates it has destroyed the law of supply and demand. To-day there is, from the Mississippi to the seaboard, practically but one freight line. Substantially there is but one telephone company, one oil, one match, one coal company, one telegraph company. Five packing companies, which are one great combination, not only fix the price of every ox and every pound of steak in the United States but have treated with a contempt that goes unpunished the gravest lawmaking power of the land, jeered at the helpless rage of Congressmen whose authority they flouted and whose loyal attempt at their legal restraint they despised. Why now rob ourselves of the agency that can supply the evidence which under the laws already passed will convict and thereby furnish the long-sought control? As a result of their machinations we have the wonderful spectacle of cattle raised and sold at an actual loss by the farmer and ranchmen, while beef in our great cities is as dear as when a greenback dollar was worth 20 cents. The Federal Trade Commission has shown them up for what they are, how rules are adopted for the government of employees, schemes are developed for the forcing up of prices and the forcing down of wages, the crushing of competitors, the manipulation of legislatures, and the evasion or defiance of statutes, which no person, individually responsible to the State or to the public reprehension would ever dream of attempting. No matter how vigorous the action, how unjust the demand, how oppressive or dangerous to the community, nobody is personally responsible. Each actor in the enforcement of the relentless, conscienceless order, from the president down to the office boy, is only a servant of the combination, whose duty it is to see that the behest of this invisible, unconvictable, irresistible tyrant is obeyed.

What matter if rest and food and proper shelter be denied the weary laborer? He enters into their computation exactly on a level with so many tons of iron, thousands of feet of lumber, cords of stone, cubic yards of earth, or bales of cotton. When he is worn out there is the poor farm, the potters' field, the pickling vat at the medical school. He is used up. He is so much human junk. Sympathy, interest, brotherly love, men may have to or for one another, but combinations of this sort

have nothing to do with these things. In fact, one of the advantages of a combination existence along all lines of business is that it can be run without sentiment.

What matter if women do starve and freeze and helpless babes moan out their lives in misery? Let the law still continue to give to the poor wretch who filches a pound of beefsteak or an apronful of coal 90 days in the workhouse. Food and fuel must not be stolen, even at the relentless behest of motherhood, from the respectable citizen who by his interest in a great beef trust or coal combination takes illegally money, comfort, health, and life from the weak and defenseless, that he may add to his millions and increase the inventory of his luxuries.

What matter if you and I and all of us put on the garments that clothe us, eat the food that sustains us, do the work that comes to us, and if demand be made, lie down and be crushed into nothingness at the command of these grasping, gory juggernauts, so that their garments be of purple and fine linen, their food sumptuous and well flavored, their homes rich with uncounted spoil, and the wheels of their imperial cars be kept from contact with this too, too common earth? Nothing? Let the czar do what he will with his own. Is there no law for the emperor?

But we have laws, passed by Republican Congresses, the Sherman antitrust law, the Clayton Act, and others, to prohibit and punish just such acts as enumerated above—to send to prison just such commercial tyrants. But we have lacked evidence competent in court to convict. We have the Federal Trade Commission erected by Congress for the very purpose of securing evidence as above enumerated to convict them under the law as criminals for such practices, which evidence under the law is made competent in any court. The Federal Trade Commission has done its duty faithfully and loyally and has produced such evidence, and we now have such evidence, and by using it can set these people behind the bars where they belong; and these very control acts that are now before this body of the different unfair trade industries have been forced by public opinion through the evidence that the Federal Trade Commission produced. And now into these very controlling acts are being injected, as has already been done in the packer bill, the insidious drops of poison that are to eat out the life of the instrumentality that has brought them to taw. Section 405 and Article B of section 406 in this bill is the decree of death. What the numbers will be in the other bills remain to be seen. If the Members of this House knew and understood the significance of these envenomed sections, they would not have stood for them. And I believe that when they come to understand they will rise up in their might against such pandering to great criminals. It must not be, it can not be, that the people's representatives will allow it to go unchallenged. If such things can be, then we are adding fuel to the anarchistic fire, already glaring too balefully in this country.

I do not know whether there is any way to get at sections 405 and 406, but some one here with parliamentary experience enough ought to do it. I do not believe the Members of this House know what is in those sections. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. SCHALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. SCHALL. Under leave granted me to extend my remarks, I wish to insert in the RECORD the following letter from Sam Gompers, a clipping from the Washington Herald, and a circular letter from farm, labor, and women's organizations.

Sam Gompers, president of the American Federation of Labor, wrote the following to the members of the conference committee:

Permit me, in the name of 4,500,000 members of the American Federation of Labor, to protest against the passage of H. R. 6320, now in conference, "An act to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry, poultry products, and eggs, and for other purposes."

A most serious objection to the bill is the provision that the Federal Trade Commission shall have no power or jurisdiction whatever over the packing industry. Its jurisdiction, powers, and duties are delegated to the Secretary of Agriculture. The proposed law is not only unwarranted and unjust but unfair to the people of our country. The organic act creating the Federal Trade Commission defines its powers and duties as follows:

"That unfair methods of competition in commerce is hereby declared unlawful. The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce."

Prohibiting the Federal Trade Commission from investigating the unfair methods of competition in commerce of the meat packers could only mean that the bill is intended to permit the meat packers to use such unfair methods. It is past understanding that the Congress of the United States would go so far as to make the meat-packing industry immune from such investigation. No other construction can be placed upon H. R. 6320.

The Federal Trade Commission has proved its value in the many investigations that it has made. It has been found that its findings can not be influenced and that its work is in the interest of all the people instead of a few. Why should Congress pick out the meat-packing industry for immunity from a fair and impartial investigation of its methods? When the Federal Trade Commission makes an investigation of an industry, its report is given to Congress. The Secretary of Agriculture under H. R. 6320 is given autocratic power. He is answerable to no authority other than to the courts when the packers appeal from his decisions.

While not at this time giving approval to other parts of the bill, I make most earnest protest to the conferees having in charge H. R. 6320 and urge that the sections of the bill which give to the Secretary of Agriculture all the powers, jurisdiction, and duties of the Federal Trade Commission be retained.

Very truly, yours, SAM GOMPERS.

The Washington Herald, August 5, says, in part:

FEDERAL TRADE BODY'S END SEEN IN SENATE MOVE—APPROVAL OF PACKER BILL HELD FIRST STEP IN ITS ABOLITION.

What is regarded as the first successful blow in an alleged campaign to abolish the Federal Trade Commission has been struck by the Senate in adopting the conference report on the packer control bill. The measure now awaits final approval by the House before it goes to President Harding for his signature and becomes law.

The measure, as approved by the Senate yesterday, would give to the Secretary of Agriculture the power to establish machinery in his department similar to that already established by the Federal Trade Commission act for regulation of packing practices.

PACKERS OLD ENEMIES.

It is believed here that under the new law, after it is finally passed, the packers, in case of adverse decisions by the Federal Trade Commission, will seek to reopen those cases before the Secretary of Agriculture, and in pending cases will seek to have the hearings transferred from the commission to the body that will be established in the Department of Agriculture to carry on similar work. The fight of the packers against the Federal Trade Commission is an old and bitter one. Just what effect final enactment of the packer control bill into law will have on the whole packer fight is being watched with great interest by both private individuals and those elements of the public who have been involved in past struggles over this problem.

JOINT LETTER FROM FARM, LABOR, AND WOMEN'S ORGANIZATIONS CONCERNING PACKER-CONTROL LEGISLATION.

WASHINGTON, D. C., *July 8, 1921.*

To the Members of the House and Senate:

The organization we represent have been trying earnestly for nearly three years to secure packer-control legislation. The object of this letter is to protest against the kind of legislation that Congress appears to be about to enact. The bill, both as it passed the House and as it was amended by the Senate, is unsatisfactory.

We wish to advise the Members of both Houses that we are unalterably opposed to any legislation that curtails or interferes with the powers of the Federal Trade Commission. Particularly we oppose any legislation taking the packers out from under the jurisdiction of the Federal Trade Commission, as this bill does.

When the packers found that their long fight to prevent legislation could not succeed, they sought to control the form the legislation should take. Though beaten, they yielded in such a way as to secure important compromises from the House committee, especially in releasing them from the Federal Trade Commission act. Our organizations are not disposed to compromise, certainly not on such a vital issue as the Federal Trade Commission.

It seems clear that the packers want to abolish the commission so far as its jurisdiction over any of their companies is concerned. The organizations which we represent are firm, on the contrary, in the conviction that the commission's jurisdiction over the packers should not be impaired. If the commission is not made the agent to administer the act, it ought at least to be left with unimpaired powers. This would enable it to continue many of its proper functions without conflicting in any way with the activities of the Secretary of Agriculture under this act.

A few instances of the work of the Federal Trade Commission are found in its investigations and reports on the coal industry, the petroleum industry, the leather and shoes industries. We also cite its investigations of the causes of the high price of farm implements, showing restraints of trade in that industry; its investigations of lumber, showing combinations there to fix prices and curtail production in order to maintain prices; its investigations of the wholesale marketing of foods, showing the waste in our systems of distribution of perishable food; its report on wheat-flour milling; and its exhaustive report on the grain trade.

The commission's investigation of the packers was one of the most thoroughgoing and fearless investigations ever carried through by the Federal Government. That is why we are for the commission and why the packers and the large monopolistic interests of this country are against it.

This is not an eleventh-hour presentation of the matter. Again and again our respective organizations have made clear to the committees of Congress our position on these bills, and particularly our attitude toward the Federal Trade Commission.

The packers and other interests are trying to get rid of the commission and destroy it piecemeal. We call upon every Member of Congress, who has the interest of the public at heart, to support the commission in this crisis, to refuse his vote to any such project of its enemies, and to insist on effective packer control.

We therefore most earnestly request that a concurrent resolution be passed by both Houses instructing the conferees to restore to the Federal Trade Commission its jurisdiction over the meat-packing industry.

To accomplish the above it appears necessary to strike out of the bill (H. R. 6320), as amended, all of section 405, paragraph (b) of section 406, and Senate amendment 18 in section 408, and to insert

at the end of the bill in lieu of the above provisions a section preserving unqualifiedly the Federal Trade Commission act. (See draft attached.)

Respectfully submitted.

Mrs. Edward P. Costigan, National League of Women Voters; Mrs. Dorothy Kirchwey Brown, National Consumers' League; T. C. Atkeson, representative of National Grange; Herbert F. Baker, the Farmers' National Council; Benjamin C. Marsh, executive secretary, the Peoples' Reconstruction League; Noyes Matteson, president, American Society of Equity; C. S. Barrett, chairman National Board of Farm Organizations and president National Farmers' Union; Maurice McAuliffe, president, Kansas Farmers' Union; John A. McSparran, master, Pennsylvania State Grange; Charles W. Holman, acting secretary, the National Milk Producers' Federation; J. H. Kimble, legislative agent, Farmers' National Congress; Charles A. Lyman, secretary, National Board of Farm Organizations; E. C. Pommerening, president, Wisconsin Society of Equity; H. E. Wills, A. C. C. E. and national legislative representative, Brotherhood of Locomotive Engineers; C. J. McNamara, vice president and national legislative representative, Brotherhood of Locomotive Firemen and Engineers; W. M. Clark, vice president and national legislative representative, Order of Railroad Conductors; W. M. Doak, vice president and national legislative representative, Brotherhood of Railroad Trainmen.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, the adoption of this conference report will mark a triumph for sound, sane, sensible, constructive legislation. The gentleman from Kansas [Mr. TINCHER] just called attention to the fact that for 30 years there has been agitation for public regulation of the packing industry. He reminded us of the fact that during that period legislation has been rendered impossible by the extreme attitude of two groups—those who opposed any regulation whatever and those who insisted upon legislation so radical that it did not command the support of sane, sensible, reasonable legislators. The House of Representatives has performed a great service in fixing and determining the character of this legislation. The Committee on Agriculture in the House has in reporting this bill and piloting it to enactment proven to the House and to the country that it is composed of sound, sane, sensible men, who understand the problems before them and have the courage to meet them—to meet them fairly, equitably, and to solve them wisely. This legislation will not put the packers out of business, for, notwithstanding the sins they have been guilty of, they have performed and they must continue to perform a highly important public service. On the other hand the bill does place in the hands of the Secretary of Agriculture sufficient authority to so regulate the packing industry as to prevent abuses from which the people have suffered in the past without injury to legitimate business. This bill provides a sane, sensible regulation of a great industry. We are fortunate that after all of these years of agitation, after all of the efforts that have been made by those who have taken an extreme and radical position in the matter, the Congress is finally about to place upon the statute books a piece of legislation which can be defended as sane and reasonable. The measure, while establishing that control and supervision which are essential to the public interest, does not vest power to injure the legitimate pursuit of a great industry and through that injury to bring harm to the live-stock industry and the public at large. [Applause.]

The gentleman from Nebraska [Mr. REAVIS] has called attention to the controlling influence the House has had in determining the character of this legislation. The view of the House has prevailed because it is the reasonable view, fair alike to the live-stock industry, the packing industry, and the general public. Such a view and position, steadily and resolutely adhered to, is bound to win in the long run because it commands confidence and support.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. HAUGEN. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

IMPORTATION OF DYES.

Mr. LONGWORTH. Mr. Speaker, by direction of the Committee on Ways and Means, I submit herewith a privileged report to accompany the bill (H. R. 8107) to control the importation of dyes and chemicals.

The SPEAKER. The gentleman from Ohio presents a privileged report, to accompany the bill H. R. 8107, which will be referred to the Union Calendar.

Mr. MANN. Mr. Speaker, I reserve all points of order.

The SPEAKER. The gentleman from Illinois reserves all points of order.

CORPS OF CADETS, UNITED STATES MILITARY ACADEMY.

Mr. KAHN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of taking up the bill (S. 1358) to provide for maintaining a Corps of Cadets at the United States Military Academy, and so forth.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Under what rule does the gentleman from California offer this motion?

Mr. KAHN. Under a rule which was passed by the House some weeks ago making four bills, including this one from the Committee on Military Affairs, in order.

Mr. WALSH. Mr. Speaker, a further inquiry. Does that rule permit the taking up of one measure before the consideration of the other measures taken up under the rule has been completed?

Mr. KAHN. Well, the three bills referred to in the rule have already been considered by the House, and this is the only one that is left out of the four mentioned in the rule.

Mr. WALSH. And consideration has been completed on all the others?

Mr. KAHN. Yes, sir.

The SPEAKER. The gentleman from California moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1358.

Mr. KAHN. And, pending that, I ask unanimous consent that general debate on the bill be limited to two hours, one hour to be controlled by the gentleman from Texas [Mr. GARRETT] and one hour by myself.

The SPEAKER. The gentleman from California asks unanimous consent that general debate be limited to two hours, one hour to be controlled by himself and one hour by the gentleman from Texas [Mr. GARRETT]. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from California, what about those who are against this bill? I understand both gentlemen are for it.

Mr. KAHN. No; the gentleman from Texas [Mr. GARRETT] stated to the House a week ago that he was opposed to it.

Mr. BLANTON. This is an important measure. Is the gentleman willing to give more general debate?

Mr. KAHN. I think general debate can be finished within that time.

Mr. BLANTON. There is a good deal of opposition to the bill.

Mr. KAHN. I understand.

Mr. BLANTON. Will not the gentleman give us an hour and a half to a side?

Mr. KAHN. Well, I think an hour of general debate on a side can bring out all the opposition that there may be against it.

Mr. BLANTON. This is a very important measure, Mr. Speaker——

Mr. KAHN. I think so.

Mr. GARRETT of Texas. I shall be forced to object to the two hours. If the gentleman will ask a little more time——

Mr. KAHN. Mr. Speaker, I ask the Chair to put the question and I will see whether I can arrange for the closing of general debate later on.

Mr. BLANTON. Mr. Speaker, I object.

The SPEAKER. The Chair understands the gentleman from California to withdraw his request?

Mr. KAHN. Yes.

The SPEAKER. The question is on the motion of the gentleman that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1358.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 96, noes 4.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. It is clear there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 182, nays 70, answered "present" 1, not voting 177, as follows:

YEAS—182.

Ackerman	French	Little	Robsion
Anderson	Frothingham	Logan	Rogers
Appleby	Gernerd	Longworth	Rose
Arentz	Goodykoontz	Lowrey	Rosenbloom
Beck	Gorman	Luhring	Sanders, Ind.
Beedy	Graham, Ill.	McArthur	Sandlin
Begg	Green, Iowa	McCormick	Scott, Tenn.
Bell	Greene, Mass.	McFadden	Shaw
Bird	Greene, Vt.	McKenzie	Shelton
Bixler	Griest	McLaughlin, Nebr.	Shreve
Bowers	Griffin	McPherson	Sinclair
Brooks, Pa.	Hadley	MacGregor	Sinnott
Browne, Wis.	Hardy, Colo.	Madden	Smith, Mich.
Bulwinkle	Hayden	Magee	Speaks
Burtness	Herrick	Mann	Sproul
Burton	Hersey	Mapes	Stephens
Butler	Hickey	Martin	Strong, Kans.
Cable	Hill	Michener	Summers, Wash.
Campbell, Kans.	Himes	Miller	Swing
Chalmers	Hoch	Mills	Thompson
Chandler, N. Y.	Houghton	Millspaugh	Tillman
Chindblom	Hukriede	Mondell	Tilson
Clouse	Hull	Montoya	Timberlake
Cole, Iowa	Hutchinson	Moore, Ohio	Tincher
Colton	Ireland	Moore, Va.	Towner
Connell	Jacoway	Mott	Treadway
Connolly, Pa.	Johnson, Ky.	Nelson, A. P.	Vare
Coughlin	Kahn	Newton, Minn.	Vestal
Crowther	Kellar	Newton, Mo.	Voigt
Curry	Kelly, Pa.	Norton	Volk
Dale	Kendall	Patterson, Mo.	Walsh
Darrow	Kiess	Patterson, N. J.	Watson
Dowell	King	Perkins	Webster
Dunbar	Kinkaid	Petersen	White, Kans.
Dupré	Kissel	Pringey	White, Me.
Dyer	Kline, N. Y.	Purnell	Wilson
Echols	Kline, Pa.	Quin	Wingo
Elliott	Kopp	Raker	Wise
Evans	Kraus	Ramseyer	Woodruff
Fairchild	Lankford	Ransley	Woodyard
Fairfield	Larson, Minn.	Rayburn	Wurzbach
Fenn	Lawrence	Reavis	Wyant
Fish	Layton	Reece	Yates
Fisher	Lazaro	Rhodes	Young
Foster	Lea, Calif.	Roach	
Free	Lineberger	Robertson	

NAYS—70.

Almon	Cooper, Wis.	Lanham	Sanders, Tex.
Andrews	Davis, Tenn.	Leatherwood	Schall
Aswell	Deal	London	Sears
Black	Drewry	McClintic	Sisson
Bland, Ind.	Driver	McDuffie	Smith, Idaho
Bland, Va.	Faust	McSwain	Smithwick
Blanton	Flood	Mansfield	Steagall
Bowling	Fulmer	Morgan	Stedman
Box	Garner	Murphy	Swank
Brand	Garrett, Tex.	Nelson, J. M.	Sweet
Briggs	Hammer	Oliver	Ten Eyck
Byrnes, S. C.	Hardy, Tex.	Padgett	Thomas
Byrns, Tenn.	Hays	Park, Ga.	Tyson
Cannon	Huddleston	Parks, Ark.	Vinson
Carter	Jeffers, Ala.	Parrish	Ward, N. C.
Collier	Johnson, Miss.	Rainey, Ala.	Wood, Ind.
Collins	Jones, Tex.	Rankin	
Connally, Tex.	Kinchelce	Ricketts	

ANSWERED "PRESENT"—1.

Bacharach

NOT VOTING—177.

Ansorge	Denison	Johnson, S. Dak.	Oldfield
Anthony	Dickinson	Johnson, Wash.	Olpp
Atkeson	Dominick	Jones, Pa.	Osborne
Bankhead	Doughton	Kearns	Overstreet
Barbour	Drane	Kelley, Mich.	Paige
Barkley	Dunn	Kennedy	Parker, N. J.
Benham	Edmonds	Ketcham	Parker, N. Y.
Blakeney	Ellis	Kindred	Perlman
Boles	Elston	Kirkpatrick	Peters
Bond	Favrot	Kitchin	Porter
Brennan	Fess	Kleczka	Pou
Brinson	Fields	Knight	Radcliffe
Britten	Fitzgerald	Knutson	Rainey, Ill.
Brooks, Ill.	Focht	Kreider	Reber
Brown, Tenn.	Fordney	Kunz	Reed, N. Y.
Buchanan	Frear	Lampert	Reed, W. Va.
Burdick	Freeman	Langley	Riddick
Burke	Fuller	Larsen, Ga.	Riordan
Burroughs	Funk	Lee, Ga.	Rodenberg
Campbell, Pa.	Gahn	Lee, N. Y.	Rossdale
Cantrill	Gallivan	Lehlbach	Rouse
Carew	Garrett, Tenn.	Linthicum	Rucker
Chandler, Okla.	Gensman	Luce	Ryan
Christopherson	Gilbert	Lyon	Sabath
Clague	Glynn	McLaughlin, Mich.	Sanders, N. Y.
Clark, Fla.	Goldsborough	McLaughlin, Pa.	Scott, Mich.
Clarke, N. Y.	Gould	Maloney	Siegel
Classon	Graham, Pa.	Mead	Slemp
Cockran	Harrison	Merritt	Snell
Codd	Haugen	Michaelson	Snyder
Cole, Ohio	Hawes	Montague	Stafford
Cooper, Ohio	Hawley	Moore, Ill.	Steenerson
Copley	Hicks	Moores, Ind.	Stevenson
Cramton	Hogan	Morin	Stiness
Crisp	Hudspeth	Mudd	Stoll
Cullen	Humphreys	Nolan	Strong, Pa.
Dallinger	Husted	O'Brien	Sullivan
Davis, Minn.	James	O'Connor	Sumners, Tex.
Dempsey	Jefferis, Nebr.	Ogden	Tague
Taylor, Ark.	Underhill	Wason	Woods, Va.
Taylor, Colo.	Upshaw	Weaver	Wright
Taylor, N. J.	Vaile	Wheeler	Zihlman
Taylor, Tenn.	Volstead	Williams	
Temple	Walters	Williamson	
Tinkham	Ward, N. Y.	Winslow	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. ATKESON with Mr. OVERSTREET.

Mr. BLAKENEY with Mr. FAVROT.

Mr. DAVIS of Minnesota with Mr. O'CONNOR.

Mr. DUNN with Mr. GARRETT of Tennessee.

Mr. EDMONDS with Mr. BUCHANAN.

Mr. KENNEDY with Mr. CAMPBELL of Pennsylvania.

Mr. MCLAUGHLIN of Michigan with Mr. CAREW.

Mr. RODENBERG with Mr. HARRISON.

Mr. WILLIAMS with Mr. HAWES.

Mr. MORIN with Mr. OLDFIELD.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1358, with Mr. DOWELL 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 S. 1358, which the Clerk will report.

The Clerk read as follows:

An act (S. 1358) to provide for maintaining the Corps of Cadets at the United States Military Academy at its maximum authorized strength, and for other purposes.

Be it enacted, etc., That whenever, following any regular entrance examination, the number of candidates authorized under existing law to report for admission to the United States Military Academy from any State is not sufficient to fill the quota of cadets authorized from that State, a sufficient number of qualified alternates therefrom, not otherwise authorized to report for admission as such, selected in their order of merit established at such examination, to fill said quota shall be admitted and charged to that State as additional cadets: *Provided*, That the admission of alternates as authorized herein shall not interfere with or affect in any manner whatsoever any appointment otherwise authorized by law, and that if by the operation of this or any other provision of law the Corps of Cadets shall exceed its maximum authorized strength the admission of alternates as herein prescribed shall cease until such time as said corps may be reduced below its authorized strength.

Also the following committee amendment was read:

Strike out all after the enacting clause and insert:

"That whenever following any regular entrance examination the number of candidates authorized under existing law to report for admission to the United States Military Academy from any State is not sufficient to fill the quota of cadets authorized from that State, a sufficient number of qualified alternates therefrom not otherwise authorized to report for admission as such selected in their order of merit established at such examination to fill said quota, shall be admitted and charged to that State as additional cadets. If such admissions do not bring the Corps of Cadets to its maximum authorized strength, a sufficient number of the remaining qualified alternates not otherwise authorized to report for admission as such selected from the whole list in their order of merit established at such examination, sufficient to bring said corps to its maximum authorized strength, shall be admitted and charged to the United States at large as additional cadets: *Provided*, That the admission of alternates as authorized herein shall not interfere with or affect in any manner whatsoever any appointment otherwise authorized by law, and that if by the operation of this or any other provision of law the Corps of Cadets shall exceed its maximum authorized strength, the admission of alternates as herein prescribed shall cease until such time as said corps may be reduced below its authorized strength."

Mr. KAHN. Mr. Chairman, there is a good deal of feeling about this bill with regard to affecting the right of any Member to fill vacancies in his district as they come by reason of the graduation of a cadet who has been appointed by him. There are 1,338 cadets at the Military Academy. Each Member of the House has two appointments. That makes a total of 870. From each Territory there are also four cadets; Porto Rico has two. From the District of Columbia there are four. From the States at large—that is, appointed by the Senators—there are 192, each Senator having 2 appointments just as the Members of the House. From the United States at large there are 82, of which 2 are appointed by the Vice President and 80 by the President. It is only fair to say that the President's appointments are generally limited to the sons of Army or Navy officers. Those officers are moved about from place to place during their term of active service in the Government and have no fixed habitation. It is usually believed that any Member of the House appointing his cadets will appoint young men from his own district. In fact, his certificate of appointment announces that the men he names have been residents of his district for the two years next preceding the date of the appointment.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. KAHN. I will yield.

Mr. CHINDBLOM. Is not that a requirement of law?

Mr. KAHN. It is a regulation, I think. But I want to say frankly to the House that the War Department has never questioned the appointment of a cadet by a Member of the House—that is, if the Member of the House certifies that his appointee resides in the district which he represents, the War Department will take his statement to that effect.

Mr. BLANTON. Will the gentleman yield?

Mr. KAHN. Yes.

Mr. BLANTON. I have heard it rumored here that at the Army and Navy Club not long ago in discussing this bill certain Army officers stated that the main reason it was necessary to pass this bill was that the young men at West Point, from various districts in our States, were not of that high class of individuals that they wanted, and that they were hoping to have a kind of military succession of Army officers' sons. Is there anything in that statement?

Mr. KAHN. I do not believe there is anything in it, because a Member of the House will appoint from civilians in his district to this place, and therefore the only alternates that can be appointed under this proposed bill are civilians. The President alone appoints the sons of Army and Navy officers.

Mr. BLANTON. Yes; but the 82 appointments made by the President and the Vice President are made from Army officers' sons, and out of the three alternates to each of these appointments, aggregating 246 alternates, the Army could thus appoint 246 cadets extra from Army officers' sons.

Mr. KAHN. But the President can only appoint two alternates for each place.

Mr. BLANTON. But I want to ask the gentleman about another matter, which, I presume, is a reason for this bill. I understand that these young men when graduated are given commissions as second lieutenants?

Mr. KAHN. Yes.

Mr. BLANTON. We have 13,000 officers now with commissions and not a single second lieutenant in the bunch. They have been all automatically promoted to first lieutenants, and to mostly captains and majors. I presume this bill is to give us a few second lieutenants in the Army?

Mr. KAHN. This bill is to give the Army young men who have had a thorough course of training at West Point. The war developed the fact that what we need more than anything else is well-trained, seasoned officers in our Army. And I must say frankly that the criticism that was made of our forces during the war by the officers of the Allies was that the lives of our men were needlessly sacrificed because we did not have that character of officers in command.

Mr. BLAND of Indiana. As I understand it, the Army would have the right to select cadets in event there were no alternates?

Mr. KAHN. No.

Mr. BLAND of Indiana. Under this bill?

Mr. KAHN. No.

Mr. BLAND of Indiana. They would have the right to fill vacancies?

Mr. KAHN. From the alternates.

Mr. BLAND of Indiana. In the event there are no alternates that qualify——

Mr. KAHN. Then they can not be appointed. Let us be fair, gentlemen. A great many of the cadets now go to the academy with certificates granted by various universities throughout the country. These men do not have to go through any examinations, because that certificate takes them into the academy by reason of the standing of the educational institution.

Mr. DAVIS of Tennessee. Now, if the purpose is to procure men well trained in military tactics for these officer positions, as the gentleman from California says, why is it that the War Department is now carrying on an intensive campaign trying to induce civilians to stand the examinations in order that they may be appointed second lieutenants?

Mr. KAHN. Because the total number of cadets at West Point is only 1,338, and there are about 2,000 vacancies in the lowest grades of officers in the Army.

Mr. DAVIS of Tennessee. Why is it necessary to fill up a quota of officers for 280,000 of an Army?

Mr. KAHN. The gentleman knows that is an authorization, and that the Army will have only 150,000 men.

Mr. DAVIS of Tennessee. If we are to have only 150,000 of an Army, why are we to have officers for 200,000 men?

Mr. KAHN. You have not that, and you have not near that.

Mr. ANDREWS. I understand that this bill will increase the expenses for the next year a little over $137,000. What necessity is there for that?

Mr. KAHN. The money for the academy has already been appropriated.

Now I yield to the gentleman from Indiana.

Mr. WOOD of Indiana. Will the gentleman tell us why it is that we have no second lieutenants in the Army to-day?

Mr. BLANTON. They are automatically promoted.

Mr. KAHN. I am satisfied that the War Department, in acting upon the Army reorganization bill, promoted those in the lower ranks to vacancies in the higher ranks.

Mr. WOOD of Indiana. I am told that every member of the class graduated in 1919 is now a captain. Is that so?

Mr. GREENE of Vermont. It is not so.

Mr. KAHN. I have heard a great many statements that are not borne out by the facts, and if the gentleman will investigate that matter I am quite sure he will find out what the situation is.

Mr. ANDREWS. Mr. Chairman, will the gentleman answer?

Mr. KAHN. I gave the gentleman an answer, but he was paying attention to somebody else.

Mr. ANDREWS. What was the answer?

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes; I yield to the gentleman from Vermont; I yield to my colleague on the committee.

Mr. ANDREWS. I want an answer to my question.

Mr. KAHN. I decline to yield further to the gentleman. I answered his question.

Mr. GREENE of Vermont. I thought the cover was shut down on that.

Mr. KAHN. I yield to my colleague on the committee. What is the gentleman's question? My time is running.

Mr. GREENE of Vermont. The gentleman made an answer to the inquiry as to promotion of members of the class of 1919 at West Point, the suggestion being that they had all been made captains, and the implication or inference being that the War Department had worked it out in some devious or subterranean way and probably had acted in a manner contrary to law. As a matter of fact, within the last few days at least, not all of the men who were proper to be ranked from August 15, 1917, and who were in line as senior first lieutenants have yet been made captains, because the law provides that they shall be promoted according to seniority of service in the files, as has been done, and there are still several hundreds, perhaps a thousand, before these 1919 men will be promoted.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. ROSE. I would like the gentleman to explain the actual workings of this bill as it becomes a law. On page 3 it is provided—

> That the admission of alternates as authorized herein shall not interfere with or affect in any manner whatsoever any appointments otherwise authorized by law.

I would like to have this explained to me. I am asking this question for my own benefit as well as that of other gentlemen who have heard the gentleman talk. Allow me to ask this: Supposing I appoint a principal and an alternate and my principal fails and the alternate fails. What powers have I left?

Mr. KAHN. For the class going in this year you would have no appointment. You then would be absolutely unrepresented at the academy for a year.

Mr. ROSE. For a year?

Mr. KAHN. Yes.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. KAHN. No; I can not yield now.

Mr. ROSE. That involves the principal and the alternate?

Mr. KAHN. Yes. Now, under this bill the purpose is to prevent that condition from arising. They have overhead charges that are not increased by reason of the filling up of the classes. In a case such as the gentleman from Pennsylvania cites he would have another appointment next year; so that he would still continue to have two cadets at the academy from his district.

Mr. BLAND of Indiana. Is not the gentleman in error right there? That is the purpose of the bill—to permit the filling of the vacancies, so that you will have a man at the academy. Now, if you do fill it, how can you have a vacancy?

Mr. KAHN. They simply fill it for that class.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield now?

Mr. KAHN. Not now. Let me explain this. Under this bill they would first have to go to the successful alternates from your State to fill the vacancy in that case, and the cadet would not be charged to your district but to your State. If you get no cadet by reason of there not being sufficient to fill the vacan-

cies from the alternates from your State, then the War Department would be allowed to go to some other State and fill that vacancy, and the appointee would be considered as a cadet at large.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. KAHN. No; I want to explain this.

Mr. OLIVER. I want to ask just a question.

Mr. KAHN. I am always glad to answer questions, but I think I have the right to make a statement.

Mr. ANDREWS. Will the gentleman answer my question?

Mr. KAHN. Yes; I did answer it, but the gentleman was not paying attention.

Mr. ANDREWS. The gentleman did not answer it.

Mr. KAHN. I did, and it is in the record. My answer is in the record all right. I try to answer questions, but when gentlemen do me the honor to ask a question I do not think it is courteous to me to talk to somebody else while I am answering.

Mr. ANDREWS. The gentleman is in error.

Mr. KAHN. I saw the gentleman talking to some one else.

Mr. VESTAL. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. VESTAL. I want to see if I understand the situation correctly. Suppose I have a vacancy now for West Point for this year.

Mr. KAHN. Yes.

Mr. VESTAL. If this bill were to pass and I have no alternate or no principal that took the examination and qualified, do I understand, then, that I have an appointment next year?

Mr. KAHN. You will, positively.

Mr. VESTAL. That is the point I want to get at. If this vacancy is filled, do I still have my appointment for next year?

Mr. KAHN. You have it next year; absolutely.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. KAHN. No. I want to tell the gentleman just how that is.

Mr. VESTAL. Very well. I shall be glad to hear and understand.

Mr. KAHN. Every year the classes that enter West Point lose about 25 per cent of their number before the beginning of January of the following year; men who can not live up to the requirements of the academy; men who can not keep up in the academic courses; men who get demerits for misconduct; and men who drop out by reason of sickness; so that the class that is going in this year, which numbers a little over 400 men, will in all probability lose probably 125 men on account of their being dropped before the beginning of next year, when you can name your man.

Mr. VESTAL. I think I understand. I have an appointment for next year now.

Mr. KAHN. Yes.

Mr. VESTAL. I make that appointment. I appoint a principal and an alternate.

Mr. KAHN. Yes,

Mr. VESTAL. Next year both the principal and the alternate fail.

Mr. KAHN. Yes.

Mr. VESTAL. Under this bill, then, that vacancy is filled?

Mr. KAHN. Yes.

Mr. VESTAL. Then the next year I do not have any appointment, do I?

Mr. KAHN. But you would have the vacancy——

Mr. VESTAL. That is what I want to get at.

Mr. KAHN. You would have the vacancy that you could have filled this year if your man had qualified. That is exactly the situation.

Mr. McKENZIE. Will the gentleman yield?

Mr. KINCHELOE. Will the gentleman yield?

Mr. KAHN. I yield to my colleague on the committee [Mr. McKENZIE].

Mr. KINCHELOE. I have been trying to get the gentleman's attention for some time.

Mr. KAHN. I know; but I will yield first to the members of my committee.

Mr. McKENZIE. I should like to ask the chairman of the committee if it is not true that so far as Members of Congress are concerned they may win under this bill by getting in one of their alternates, but they can not lose by it?

Mr. KAHN. That is exactly the situation.

Mr. McKENZIE. They can not lose an appointment?

Mr. KAHN. They can not lose a single cadet, but they may gain an additional cadet who has passed the examination successfully, who is classed as an alternate, and who could not possibly get into the academy without the passage of this bill.

Mr. KINCHELOE. Will the gentleman yield?

Mr. KAHN. I yield to the gentleman from Kentucky.

Mr. KINCHELOE. As the gentleman well knows, there is a maximum number of students at West Point, and there is a maximum quota to each State.

Mr. KAHN. Yes.

Mr. KINCHELOE. Now, suppose I have a vacancy at West Point and another congressional district in my State has a vacancy. I appoint a principal and two alternates and the Congressman from that other district in my State appoints a principal and two alternates. They go to examination, and my principal and two alternates fail while his principal and two alternates pass. Then under this bill they could take one of his alternates to fill that vacancy? Is not that correct?

Mr. KAHN. They could take one of the alternates to fill that vacancy.

Mr. KINCHELOE. The gentleman says I will have that vacancy to my credit next year.

Mr. KAHN. Yes.

Mr. KINCHELOE. How can I have it unless we figure on the probability of some of the cadets already in the institution failing?

Mr. KAHN. We know from experience that some of them will.

Mr. KINCHELOE. Where will the vacancy come from?

Mr. KAHN. If the gentleman will allow me, I will answer him as best I can. After 15 years' experience at the academy they know that 25 per cent of the cadets fall out every year for the reasons I have stated, failure to meet the requirements of the academy; and that furnishes sufficient vacancies every year to enable the Members of the House to make up their appointments.

Mr. KINCHELOE. If the gentleman will yield further, if less than 25 per cent should fail then there would be no vacancy next year, because there would be no place for the vacancy to come from.

Mr. KAHN. There are always enough vacancies to allow the appointments in cases like those we are considering at this time.

Mr. KINCHELOE. But that is contingent upon the failure of somebody else.

Mr. KAHN. That is contingent on failures.

Mr. OLIVER. Will the gentleman from California yield?

Mr. KAHN. I yield to the gentleman from Alabama.

Mr. OLIVER. Is the gentleman aware that the report from the Military Academy, like the report from the Naval Academy, shows that since they have adopted the policy of admitting on certificates, the percentage of failures has grown less?

Mr. KAHN. Yes.

Mr. OLIVER. And there may soon come a time when the percentages of failures will be few. If that happens, then the condition which the gentleman states will protect appointments by Members of Congress will not exist.

Mr. KAHN. I doubt that, but I am willing to give this plan a thorough trial. I would be willing to limit the time that this law should remain in effect, say to three years, so as to give it an opportunity to work out.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. KAHN. I yield to the gentleman from Vermont.

Mr. GREENE of Vermont. I wish to suggest to the gentleman from Alabama that the law is elastic enough so that there may be a temporary overplus, just a little one.

Mr. KAHN. Yes; in the proviso.

Mr. GREENE of Vermont. In the proviso, at the end of the bill.

Mr. KAHN. I would be willing to limit the effectiveness of this bill to three years, so as to give it a chance to work out.

Mr. BLAND of Indiana. The gentleman made the statement that the appropriation had already been made for the provisions of this bill.

Mr. KAHN. Yes.

Mr. BLAND of Indiana. How much additional money will this bill cost?

Mr. KAHN. Not a dollar. The money for the pay of the cadets has already been appropriated, and the money for the subsistence of the cadets has already been appropriated. The testimony before the Committee on Military Affairs was to the effect that there would be no increase in the overhead cost.

Mr. ANDREWS. Will the gentleman yield for a question?

Mr. KAHN. I yield to the gentleman from Nebraska.

Mr. ANDREWS. Would the money be paid out if the additional 121 were not sent there?

Mr. KAHN. Oh, well, the gentleman does not need an answer to a question like that, because he knows——

Mr. ANDREWS. I did not get an answer a while ago——
Mr. KAHN. He did get an answer, but the gentleman was not paying attention.
Mr. ANDREWS. You did not answer it.
Mr. KAHN. I did answer. The gentleman was not listening.
Mr. LAYTON. In view of the reduction of the Army and the Navy, and in view of the contemplated conference that is to be held for the purpose of the world peace and disarmament, why did not the gentleman bring in a bill to cut down the expenses of the Military Academy 50 per cent? [Applause.]
Mr. KAHN. The gentleman from Delaware knows that the conference for disarmament has not yet met, and it would be criminal to put this country in a condition at any time where it could be successfully attacked by her enemies.
Mr. CHANDLER of New York. Will the gentleman yield?
Mr. KAHN. Yes.
Mr. CHANDLER of New York. The gentleman spoke of giving the plan of the bill a trial. I confess that the purpose of the bill is not quite clear in my mind. I want to know if it is the intention to remedy a defective system of appointment so as to enable the representation at West Point under the present law to be completely filled, or is it intended to increase the representation to a larger number?
Mr. KAHN. Neither proposition is correct.
Mr. CHANDLER of New York. I would be glad to have it explained.
Mr. KAHN. There are 1,338 cadets at West Point under the law, and there is no desire to increase the number. But it happens every year that when a new class comes in, by reason of the failure of boys to pass the examination, by reason of sickness, by reason of failure of Members of Congress to make appointments, there are fully 100 fewer cadets in the class than the total number allowed.
Mr. CHANDLER of New York. Then it is to remedy a defective system of appointment.
Mr. KAHN. Yes.
Mr. GREENE of Vermont. Not a defective system of appointment; the appointment is all right.
Mr. FAIRFIELD. Will the gentleman yield?
Mr. KAHN. Yes.
Mr. FAIRFIELD. In order to clarify the situation, will the gentleman tell us the rights of each district under the law?
Mr. KAHN. Each district has two cadets. When I first came to Congress each district had one appointment. Subsequently we amended the law to provide for two. In the apportionment of the new cadets it was tried to apportion them so that each Member of the House would have one appointment every two years. But by reason of the working out of the law and new conditions which we are trying to remedy to-day, by reason of the failure of cadets to enter with their proper classes, the various districts have changed with respect to appointments, so that in some districts you will find that both appointments are in one year, while in other districts one appointment is in one year and the other in the next year, so that it is very rare when the appointments in any district are two years apart.
Mr. FAIRFIELD. If I understand it, each district has the right to have two men in West Point all the time.
Mr. KAHN. Quite right.
Mr. FAIRFIELD. Now, if this bill passes with this proviso, that right will still obtain, will it not?
Mr. KAHN. It will obtain absolutely, but some districts, however, may have three because the alternate from that district may have been appointed to some other district.
Mr. FAIRFIELD. But each district will still have the right to have two men at West Point under the law.
Mr. KAHN. Quite right.
Mr. FAIRFIELD. Suppose, however, that the complement has been more than filled and there is no vacancy, then in that event the district will not only have lost when it should have been filled but will lose in the additional year.
Mr. KAHN. That assumes that every man in the following year will qualify, and that all the men who went in this year will continue to the very end of the year, a condition that has never yet existed in the West Point Academy.
Mr. FAIRFIELD. That is true. I think it is very improbable, and yet the condition may arise, although it is improbable and has not occurred in the past.
Mr. KAHN. It is only fair to say that such a condition may arise; but, of course, it is improbable, and, therefore, so far as I am concerned I am willing to have the bill amended so that it shall take effect for three years only in order to try out this system.
Mr. CHALMERS. Will the gentleman yield?
Mr. KAHN. I will.
Mr. CHALMERS. I want to ask the chairman if the same system is now in force at the academy which has been in force for many years?
Mr. KAHN. Yes.
Mr. CHALMERS. Just at this time, when the world seems to be in favor of disarmament, why does the committee think it necessary to change the system just now. [Applause.]
Mr. KAHN. I want to say frankly to the gentleman that the War Department has repeatedly in the past come to the committee and asked for this kind of legislation; because, after all, at the academy there are quarters for 1,338 men. Now, if we only have 900 men in there, and you have the same number of professors that you would have for a full complement, and you have the same overhead charges, would it not be better to fill up the number of classes, so that if we ever happen to get into trouble again we will have thoroughly trained officers?
Mr. CHALMERS. I want to say that the gentleman's recommendation and the recommendation of the committee means more to me than the recommendation of the General Staff or of Army officers. It seems to me, and I have had experience enough to know, that the boys are failing to enter now and are failing in a greater percentage than they were 5, 10, or 15 years ago.
Mr. KAHN. My opinion is that they invariably failed and have failed to the extent of 25 per cent, and that has been the ratio right along.
Mr. CHALMERS. Mr. Speaker, I understand that, but just now, why do we wish to appoint more men, when I understand that we have practically 14,000 officers who are ready and equipped to do this service?
Mr. KAHN. As I stated before, the World War showed that we were exceedingly deficient in our thoroughly trained officers. It is only at the Military Academy where the men can get the thorough training that is required for an officer in case we get into war.
Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?
Mr. KAHN. Yes.
Mr. GREENE of Vermont. The normal graduating output of West Point each year is not ordinarily sufficient to fill the usual vacancies in the commissioned personnel of the Army. It is not a question of adding strength to the Army, it is not a question of exceeding the present total commissioned force. The Army even now is not up to its ordinary normal proper commissioned personnel in number, under the terms of the law, and the average deficiency in that total from year to year is about 10 per cent. Ordinarily in recent years the graduations from West Point do not supply the annual wastage, so to speak, in the commissioned personnel of the Army.
Mr. KAHN. And it might be well to explain to the House that only about one-fourth, or 25 per cent, of our officers to-day are West Point graduates. Three-fourths of the officers come from the civilian forces of the country.
Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?
Mr. KAHN. Yes.
Mr. JONES of Texas. In view of the great efforts that are being made toward disarmament, why make such desperate efforts to fill these vacancies now? Would it not be better to wait until after the disposition of the disarmament program, and then we can formulate a program to cover the real situation.
Mr. KAHN. As I told the gentleman, I am one of those who believe that it is a wise policy in this country to have the country ready for any possible emergency. We failed to do that in the past, and the consequence was that the 19 months of war cost us $24,000,000,000.
Mr. JONES of Texas. Is that the gentleman's idea of showing our good faith in calling the conference—to immediately strengthen the military arm of the Government?
Mr. KAHN. Oh, no; that is not my idea at all. I want to say frankly to the House that there is a great deal of pacifism going on throughout the country——
Mr. JONES of Texas. Oh, some one is always making the cry of pacifism, but I want to get some facts.
Mr. KAHN. And I want to state some facts. There is a propaganda going on in this country to-day that 92 per cent of all the money collected from taxes in this country go for war——
Mr. JONES of Texas. That is the statement of the Bureau of Standards.

Mr. KAHN. Go for wars past or for preparation of war in the future. Undoubtedly over 50 per cent of that 92 per cent was due to the absolute unpreparedness of this country when we got into the war. [Applause.]

Mr. JONES of Texas. What about the preparedness of Germany? It did not happen in Germany in that way.

Mr. KAHN. Germany, after all, at the end of the war retired to her own borders and her cities were not destroyed, as were the cities of France and Belgium.

Mr. JONES of Texas. Then, the gentleman justifies Germany's course of procedure in all her war preparation, does he?

Mr. KAHN. The gentleman does not, but I have had letters recently from Germany, from Germans, who denounce Germany's policy.

Mr. JONES of Texas. That is what got her into trouble. It was her military policy, and the gentleman seems to want to adopt that now.

Mr. KAHN. Oh, the gentleman knows——

Mr. JONES of Texas. The gentleman brought in the German question.

Mr. KAHN. No; the gentleman from Texas lugged it in. The gentleman knows that the gentleman from California has never at any time stood for the German policy in military matters—far from it. [Applause.] I have always stood for an American policy, but I am a thoroughgoing American and I never want my country to be attacked when the country is unprepared to defend itself. [Applause.]

Mr. JONES of Texas. Does the gentleman think that waiting six months would make such a vast difference? We would only have to wait six months in order to determine the outcome of the conference, and the gentleman surely does not think that would keep us from preparedness.

Mr. KAHN. I do not know anything about it. I do know a good many things that I can not talk about on this floor, because as chairman of the Committee on Military Affairs I have deemed it always a part of my duty to read every intelligence report from the Army officers and the Navy officers of my country, so that I may be ready when the emergency comes to take action. I try to keep myself informed.

Mr. FROTHINGHAM. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr FROTHINGHAM I should like to ask the gentleman if, under the Borah resolution, this conference was not called not to deal with West Point or with military affairs but with naval affairs?

Mr. KAHN. It was.

Mr. JONES of Texas. Does not the call cover matters beyond naval affairs?

Mr. FROTHINGHAM It was called principally because of the Borah resolution. Further, I should like to say that while I was not a Member of the House at the time yet I followed the newspapers and followed what was done in this House when we entered the war, and it is my belief that if the House had not taken the advice of the gentleman from California then and if he had not been a leader of a great sentiment in this country we would not have won that war. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. NEWTON of Minnesota. In the colloquy 15 or 20 minutes ago the statement was made that there were captains in the Army who were in the class of 1919 at West Point. The gentleman from Vermont [Mr. GREENE] took the floor and made the statement that that was not the case, because there were men in the class of 1917 who were not captains.

I got The Adjutant General's office over the telephone, and I know of one particular instance of an appointee from the fifth district of Minnesota who was in the class of 1919, and who graduated early on account of the war in 1918. His name is Alexander Murray Nielsen, Corps of Engineers, United States Army.

Mr. GREENE of Vermont. If the gentleman from California will permit, the gentleman contradicts his contradiction of my statement in his own statement. Instead of being turned out in the class of 1919 he was really graduated with the class of 1918.

Mr. NEWTON of Minnesota. But the gentleman used the term 1917.

Mr. GREENE of Vermont. I did not refer to the West Point class of 1917; I referred to those candidates of August 15, 1917, and said so in so many words.

Mr. KAHN. Mr. Chairman, I reserve the balance of my time. [Applause.]

Mr. GARRETT of Texas. Mr. Chairman——

The CHAIRMAN. The gentleman from Texas is recognized for one hour.

Mr. GARRETT of Texas. Mr. Chairman and gentlemen of the House, in my opinion we are not at this time justified in making this departure from the long-established custom concerning appointments of cadets to West Point. I will say for the Committee on Military Affairs that during the two Congresses before this that I had the honor to serve on this committee, and up until now in this Congress, that if there is a committee of this House that has been nonpartisan in its deliberations and nonpartisan in the consideration of bills which it has reported to the House, it is the Committee on Military Affairs. We have never known politics in that committee; we do not know it now; and in dealing with the Military Establishment of the country each Member of that committee, regardless of his political convictions, is guided solely and alone in his course by what he believes to be for the best interest of our common country. [Applause.] At this time the whole country—not only our country but I might say the world—is not looking any more toward military establishments and great armies, fleets, and navies, but they are looking rather to a time of peace, when people will no longer be taxed to death to maintain a great Army and an unusually great Navy. I might remind my Republican friends of this House that, when the President of this Nation the other day, at New York, made an address at the ceremonies over the dead bodies of our brave soldiers who had fallen in the Great War, if one part of his speech received more applause than the other, if the newspaper reports are true, it was that part of the speech when he feelingly said, referring to the World War, "That we must see to it that this thing never happens again." That sentiment met with a response that came from the hearts of the people who listened to those words and showed beyond question that they are tired of militarism, that they are tired of hearing talk of great wars and the stupendous cost to sustain wars. Now, at this time it does seem to me that we should adhere to our former course and not, in the face of the world's demand for consultations and conferences concerning disarmament and world peace—it does seem to me, I say, we could at least go along as we have been going for the last many, many years, and not, in the face of this sentiment of the country, set ourselves to the task of turning out more military officers next year than we have ever turned out from the Military Academy before. [Applause.] It is argued here that this bill will not interfere with the vacancies of Congressmen. It is really not the intention of the bill, I take it, that that should be the case, but there is one thing that is absolutely certain. It will either interfere with the vacancies of the Congressmen or it will put more than 1,338 men in the academy after next year unless in the succeeding year enough men shall graduate, or fail, to take care of all the vacancies that the Congressmen might have left over. But, gentlemen, what is the primary purpose of this bill? The real purpose of it is to fill up the academy. The real purpose of this bill is that next year the class in the military school at West Point shall have a class of 1,338 men, and if we do not pass this bill, they would have perhaps 120 or 130 less.

Mr. MOORE of Virginia. Will the gentleman yield for a question?

Mr. GARRETT of Texas. I will.

Mr. MOORE of Virginia. Can the gentleman tell us what was the maximum number of cadets at West Point prior to the war? I understand this bill if it is passed will increase very largely the yearly output from the academy as compared with prewar conditions, and I would like for the gentleman to tell us what the facts are.

Mr. GARRETT of Texas. As I understand the situation, it will increase the output of the school and that for many years the school has run anywhere from 10 to 15 per cent short of the required strength of the school. Some years it has been more and some years it has been less. The purpose of this bill is to fill up the school.

Mr. DAVIS of Tennessee. If the gentleman will permit, I wish to ask the gentleman from Texas if it is not a fact that prior to the World War the average total strength at the academy did not exceed 700, whereas they now annually exceed 1,100 without the passage of this bill?

Mr. GARRETT of Texas. Well, I am frank to say that I do not have those figures at hand, but I think the figures quoted by the gentleman from Tennessee are correct, as I recall them from memory.

Mr. KINCHELOE. Will the gentleman yield?

Mr. GARRETT of Texas. I will.

Mr. KINCHELOE. The gentleman from Virginia [Mr. MOORE] asked the gentleman how much the increase was com-

pared with the prewar period; the truth was that during the war we passed a law doubling the attendance at West Point, whereby each Member of Congress now has two cadets whereas before the war he had but one.

Mr. GREENE of Vermont. Not only has the West Point maximum of cadets been increased by law but the commissioned personnel of the Army was increased. There was a demand for more. Even at that, the normal graduation from West Point does not fill the normal vacancies in the Army.

Mr. CHALMERS. Can the gentleman tell the House the total number of commissioned officers now in the United States Army?

Mr. GARRETT of Texas. The number of officers now in the Army is 12,859. The authorized strength of Army officers is 16,799.

Mr. CHALMERS. A statement has been made that the officers are undernumbered now. As I understand it, the strength of the enlisted men four months ago was approximately 234,000. And, as I understand, the number now is approximately 150,000. I do not understand why the Army is not properly officered, if that is the fact. Will the gentleman explain it?

Mr. GARRETT of Texas. I can not explain that except as the figures explain themselves.

Mr. GREENE of Vermont. Will the gentleman permit me to make a suggestion and explanation?

Mr. GARRETT of Texas. I will.

Mr. GREENE of Vermont. I dare say the gentleman [Mr. CHALMERS] may not have heard it, but it was shown at the time of the adoption of the Army reorganization act that the number of commissioned officers in the Army bears no ratio whatever, and by design, to the number of enlisted men. The number of commissioned personnel has no relation to the number of enlisted men, and designedly so, because it is the policy of the military law to maintain and train a larger body of commissioned personnel than might be necessary for the number of enlisted men kept on hand, but ready for any emergency and for any emergency army that would have to be raised, and, meanwhile, away from the troops, training men in the colleges, the civilian population, the National Guard—a general policy of military education.

Mr. MOORE of Virginia. Will the gentleman from Texas permit me to make one observation to my friend from Vermont [Mr. GREENE]?

Mr. GARRETT of Texas. If the gentleman will make it as brief as he can.

Mr. MOORE of Virginia. I want to oppose to the statement of my friend from Vermont the statement made by Senator BORAH a few days ago, when he was advocating the reduction of the Army to 150,000 men. He said this:

> The 14,000 commissioned officers were provided upon the theory of maintaining an Army of from 280,000 to 300,000 men.

He argued from that premise that, inasmuch as we now have to reduce the Army to 150,000 men, with a prospective reduction to 100,000—which a great many of us would welcome—there ought to be a reduction of the number of officers.

Mr. GREENE of Vermont. I do not know what the rules of the House would provide for this hypothetical case, but if Senator BORAH were not in another Chamber I should say he was mistaken. It was well known and understood that the commissioned personnel did not have any relation to the number of enlisted men.

Mr. GARRETT of Texas. Now, Mr. Chairman, there is another thing I want to call to the attention of the House. You will remember that at the signing of the armistice there were in the United States Army 187,652 officers. There are to-day in the United States, except those that have fallen by the wayside, from second lieutenants to the highest rank, the difference between 187,652 men and 12,859 now actually in the service.

And it does occur to me that at this time, with more trained officers now out of the service than we have men in the authorized strength of our whole Army—the Army of the United States to-day is 150,000 men and we have, in round numbers, 180,000 trained officers in private life who served our country in the World War and who can now be relied upon in any emergency—and it does occur to me that the country would applaud the action of the House in refusing to pass this extraordinary legislation in order to fill up the academy to overflowing and to grind out new Army officers at the rate of 400, 600, or 700 a year, or whatever may be the number that will graduate, while we have this great reserve of officers in civilian life.

Now, the gentleman from California [Mr. KAHN]—and he is usually pretty accurate in his statements—says that there will not be any additional cost if this bill should pass. But this will happen, gentlemen: If you will read the committee hearings on this bill, you will find that if all the vacancies be filled as provided in this bill the school will be crowded in the dormitories and some of the rooms will have four men in them and the men will be sitting back to back in the mess hall.

Mr. KAHN. Will the gentleman yield?

Mr. GARRETT of Texas. Yes.

Mr. KAHN. The testimony before the committee is that not all of the rooms have three cadets and that a great many of the rooms have only two, and by adding these additional it will give them three men in each room.

Mr. DAVIS of Tennessee. Will the gentleman from Texas yield?

Mr. GARRETT of Texas. I yield.

Mr. DAVIS of Tennessee. I want to say in reply to the gentleman from California that, as a matter of fact, during the past year there were four men in a large number of the rooms.

Mr. GARRETT of Texas. Mr. Chairman, I want to reserve the remainder of my time in order to yield to some gentlemen who wish to discuss this matter. But I think we should discuss this measure in a cool and deliberate way and not get excited about it. The only question to be settled in our mind to-day is whether or not in the face of the conditions that are now confronting our people, we, as Members of Congress, are willing to make this departure from long-established custom in order to fill the military school up, or whether or not we will permit the vacancies to lapse, as they have lapsed heretofore, and let the school go on with 700 or 800 men instead of 1,300 or 1,400.

The question of transferring this additional power to have cadets appointed from Members of Congress to the country at large I do not think is a good policy. I believe we should adhere to our present policy—that each Member of Congress and the Senators, the Army and National Guard, and the President should appoint the cadets to the Military Academy as heretofore. I believe we should stick to that policy. If we have vacancies, let them remain there. According to the argument of the gentleman from California, it will not cost any more; but really, gentlemen, it is bound to cost more. I do not see how the Government can take care of 1,338 men as cheaply as it can take care of 1,100.

I yield to the gentleman from Mississippi [Mr. COLLINS] five minutes. [Applause.]

Mr. COLLINS. Mr. Chairman, this bill is by no means innocent. Those who drew it, or caused it to be drawn, knew only too well its meaning. Its purpose is evident to all those capable of seeing things as they are. It was conceived, of course, by officers of the Army and these gentlemen desire to accomplish two things by it—first, to increase the number of cadets at the Military Academy, which, in the end, means an increase in the officers of the Army; second, to have themselves a hand in the final appointment of a large number of cadets, for this bill creates a new class or category of cadets and adds this new class to those already authorized by law, and the final power to select this added class is lodged in the officers of the Army.

From March 1, 1843, down to May 4, 1916, the law provided that each congressional district, each Territory, and the District of Columbia were each entitled to one cadet at the Military Academy at West Point. By a bill passed June 6, 1900, the States at large were allowed two each. The United States at large on March 1, 1843, was allowed 10, and this number was increased to 20 on March 2, 1899, and again increased on June 6, 1900, to 30, and on June 28, 1902, to 40. On May 4, 1916, the law was changed so as to provide 2 cadets for each congressional district, 2 from each Territory, 4 from each State at large, 4 from the District of Columbia, and 80 from the United States at large. The act of May 4, 1916, however, did not at once double the number of cadets upon its passage, but provided rather that the increase must be divided into four annual increments, which should be as nearly equal as practicable and should be equally distributed among the sources from which the appointments were authorized.

The only change since May 4, 1916, was made in July, 1918, when the Vice President was authorized to name two cadets. Considering the act passed in 1916, it will be seen that the number of cadets authorized by it is about double the number previously authorized. In other words, about 675 new cadets were added and since this number was to be equally divided into four annual increments, it means that an increase of about 165 cadets was authorized for 1917, a still further increase of about 165 was added for 1918, a still further increase of about the same number for 1919, and a still further increase of the same number for 1920. In other words, there has been a gradual increase during the past four years and since this year will show no increase, this bill takes care of this and provides that the number shall be still further increased, but the proponents of the bill, not being willing to make known their wishes in

plain words, knowing that the American people are opposed to militarism, by this indirect method endeavor to slip over this additional increase and have adopted the crafty provisions of this bill to carry out their purpose. Of course, if it is passed, it will be necessary for the Government to add a still larger number of buildings and increased facilities and at an added expense, and it will then only be a matter of a short time before another effort will be made to add another increase, and so on. This, in effect, is admitted in the 1920 report of The Adjutant General to the Secretary of War, for this significant statement is made by him: "The Military Academy with an authorized strength of only 1,334 can hope to supply but a small proportion of the officers required for the Regular Army as at present constituted. An increase in the authorized strength of the Corps of Cadets to at least 3,000 is recommended in order to aid, as far as possible, in supplying the Army with properly trained officers."

This statement by The Adjutant General shows conclusively the purposes actuating the Army officers. They know that every cadet graduated from the academy becomes an officer in the Army immediately, and an increase of the officers in the Army will necessarily mean an increase in the Army itself. This attitude, however, is characteristic of the saber-rattling and sword-buckling militarism the world over, for militarism in a republic is no different from the militarism of the Kaiser or the Czar. Is this Congress shortsighted enough to permit them to carry out their purposes? Personally I am opposed to a large military establishment in times of peace. The American people from the foundation of the Government down to date are opposed to one, and the American people are now very anxious for a decrease in the size of the Army and Navy. They hold militarism in abhorence and demand disarmament as necessary if we are to save what is worth while in our civilization. They are tired of the stupendous economic loss which is entailed. The World War to end militarism was won. Mothers and fathers in all nations are organized to insure the fulfillment of this blessed victory. They are making known their wishes, too, and it will not be long before this Congress will be forced to further reduce the size of the Army to 50,000, so what is the sense now of grinding out an increased number of officers? We have at the present time an officer for every eight men, and I can see no necessity for making the proportion more ridiculous. The commissioned personnel of the Army is now 17,726, and this number should be materially decreased. Such a reduction would be a fine oppportunity to begin to bring about actual economy in the running of the Government, for each one of these officers stands for an average expense of $10,000 per annum. We all know that there are more majors than there are first lieutenants, and majors come high. There is not now in the Army a single second lieutenant. Many of the class of 1919 and 1920 at West Point are captains now.

The bill also adds another class or category of candidates, and this new class is selected by the Army officers themselves. Nothing is said about which of them will select the new class of candidates, but I presume this will be left up to the General Staff. I am sure they wish this power and I am satisfied they will exercise it, as the bill gives them the widest of latitude.

Now, these are not the only defects that I find in the bill. It vests in the officers of the Army the right to appoint ultimately every cadet at West Point. For instance, I appoint my principal and my alternates, but these officers can determine whether or not they can go into the institution. If they want to they can go to the other districts in my State, and they can say that none of them are qualified; that none of the principals and alternates from the State can qualify; and then they can go to the other States, or to the President's appointments, or anywhere they please, and qualify such alternates as they want to put into this institution.

Now, gentlemen, are you ready and willing to surrender to the officers of the Army this power? I for one am not. [Applause.]

Mr. GREENE of Vermont. They have that power now. Every one of the cadets is examined up there now. They can do it the first time as well as the second.

Mr. COLLINS. There is no reason now why they should try to make a candidate fail, but there will be a reason if this law is enacted, and you may reckon that they will exercise it.

Mr. GREENE of Vermont. Does the gentleman indict the officers of the Army, then, as men of that deceptive and dishonorable character?

Mr. COLLINS. I will tell you what the hearings before this committee show. The hearings before this committee show that they appointed cadets at West Point during the war without any authority whatever of law, and if they will violate the law in one instance I do not know but what they will do it in another. [Applause.]

Mr. GREENE of Vermont. The gentleman goes into his interpretation of an obscure thing which he has not explained to us. I do not know what that particular element may be. I would be just as much justified in suspecting him, although I am free to say I do not. You could stand here by the same arraignment and indict the whole United States Army and say they are likely to swindle us out of our rights.

Mr. COLLINS. I do not know what they will do in the future. I know from the hearings what they did in the past. We have one officer now for every eight men in the Army, and this bill undertakes to make the difference still more ridiculous. We are groaning under a heavy expense now. We have an international conference called for November to reduce armaments, and I do not believe in saddling on the American people this additional expense. It costs about $10,000 a year to educate one of these cadets.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLANTON. The 82 appointments coming from the President and Vice President are taken from the Army now, and their three alternates each with the principals would make 320 available men, who would, I think, come through these appointments.

Mr. COLLINS. I think they have that power.

If this has been done in the past, it is reasonable to assume that with the passage of this bill, with its vague and ambiguous provisions, this power could easily be claimed and exercised. Of course, the maximum number of cadets authorized under the law is not in attendance at West Point, and it was never intended that they all should be there, for this would crowd the school to overflowing. On May 26 of this year the testimony shows that the academy was not at its maximum capacity. It lacked 121 of being at its maximum. If this bill becomes a law, these 121 new cadets will be appointed by the General Staff or some other branch of the Army. This, in my judgment, will mean that a large share of the officers of the Army will be the sons or the kin of officers now in the Army, and will be the beginning of a military dynasty such as the American people do not want and will not tolerate. The present, as I have already said, is no time to pass any law enlarging any branch of the Army. We have more than 4,000,000 trained soldiers in the United States now, nearly 200,000 of whom are officers; and if there ever was a time when this country could safely do without additional officers it is now. There is no need of them, and there is no use in adding this further unnecessary expense to the cost of government. Taxes are already breeding discontent at home, and our naval program is causing uneasiness abroad. Taxes are destroying the people's confidence in the Government, and our naval program and our military preparation is destroying the confidence that other nations have in us. If we keep up the pace we are going it means bankruptcy and ruin for all the nations of the earth. In the year 1920, $16,442,251,101 was expended by the United States, Great Britain, Japan, France, and Italy for naval and military purposes.

This amount is more than $2,000,000,000 larger than the total amount expended for all military purposes from 1900 to 1914, and a halt is imperative. We are staggering under a load of debt and taxation and now is the right time for actual retrenchment and economy, and the only place where this retrenchment can be brought about is in our Military Establishment, for more than 90 cents out of every dollar spent by the Government is consumed by militarism. Realizing this awful cost not only to us but to the other nations of the world and that the world faces bankruptcy and anarchy if something is not done to relieve the peoples of this earth from the load, the President has called a conference of the different nations of the world to meet in Washington on November 11, 1921, with a view of reducing armaments. If we in the United States can not afford to maintain the immense Naval and Military Establishments it is obvious that other nations are far less able than ourselves to meet the cost of military competition. In view of the present conditions of debts, credits, and international commerce it is an obvious fact that while we are paying our own armament bills we are also indirectly paying a great part of the military bills of our competitors. We must also remember that we are spending more, and a very great deal more than any of the other nations, and that a large part of it is being spent unnecessarily and foolishly.

It already is freely admitted that our 1916 naval program is a mistake, and that the battleships now under construction will

be out of date before they are finished. But if they were not out of date, the airplane has rendered them helpless and made cemeteries out of them. The recent bombing experiments have shown this to the complete satisfaction of every unbiased observer. If this Congress, responsible for calling this international conference, by hook or crook increases the size of our Military Establishment, then we will be justly looked upon with suspicion by other nations. If we are really sincere in the desire to stop the waste of energy and money caused by the military system, we ought now to refuse to pass bills of this kind. All of the participants in the coming conference must give proof in word and deed of a genuine desire to disarm; otherwise the beneficent results most of us actually hope for will not follow. Certainly the sincerity of the Nation calling the conference should not be questioned. If the conference actually fails and this Nation has acted honorably and sincerely and has shown an actual desire to disarm, then we will not be looked upon with suspicion, and failure will not be laid at our door. The man who sits up every night, gun in hand, watching for burglars can not work and earn a living during the day, and so it is with nations. The nation that refuses to reduce its military expenditures is economically dead, and the nation that is economically dead is a military failure.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. The gentleman from Texas [Mr. GARRETT] is recognized.

Mr. GARRETT of Texas. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. ANDREWS] five minutes.

The CHAIRMAN. The gentleman from Nebraska is recognized for five minutes.

Mr. ANDREWS. Mr. Chairman and gentlemen of the committee, it has been stated, I think, quite clearly and correctly in this debate that the primary purpose of this bill is to maintain the number of cadets at West Point at the legal maximum. That maximum is now short. Note, if you please, page 2 of the committee report, third paragraph. It states that the vacancies to be filled by examinations last spring were 436. Out of those examinations 315 applicants qualified, leaving 121 vacancies. Now, this bill would authorize the military authorities—whether of the War Department or of the academy we need not debate—to appoint 121 qualified alternates from the districts throughout the country wherever they find them. In other words, the military authorities would select one of these qualified alternates to fill a vacancy in your district or mine or any other. Now, I am told by two members of the Committee on Appropriations—I take the figures to be correct, and perhaps the chairman of the committee [Mr. KAHN] has had time in the last few minutes to find out something about expenses so that he can make a correction if these figures are not correct—I am told that the amount allowed to each cadet is $1,138 per year. Now, 121 cadets at $1,138 per year mean an added expense for next year of $137,698, saying nothing about overhead expense, saying nothing about anything aside from the allowances made to the 121 men.

Mr. McKENZIE. Will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. McKENZIE. I just want to call the gentleman's attention to the fact that there are only 45 alternates in the United States who are eligible.

Mr. ANDREWS. Then these fellows are to go out and appoint them whether they are qualified or not, are they? That is about what they would do. Now, my friends, there is another principle involved in this. By the way, the chairman of the committee, Mr. KAHN, a while ago thought he answered my question. He did not. I asked what the increase of expenses would be from the appointment of 121 additional cadets. He answered by saying the appropriation has already been made and therefore there will be no increase of expense. My goodness, gentlemen, is that wisdom on the question of the expenditure of public money? I did not ask whether the appropriations would have to be increased. I asked whether the expense would be increased or not. If you put 121 men there in addition to the number already qualified and pay each man $1,138, you increase the expense by $137,698. Now, where is the necessity for that? I will give the chairman of the committee a portion of my time to answer if he will. Where is the public necessity to increase the expenses for the next fiscal year to that extent? He does not care to answer. He knows there is no necessity for it.

Mr. KAHN. Mr. Chairman——

Mr. ANDREWS. He knows that there is no justification for this added expense now. He knows that in the light of the public expenditures to-day he can not justify the terms of this bill. [Applause.]

Mr. KAHN. Mr. Chairman, I shall answer the gentleman in my own time.

Mr. ANDREWS. Good. I shall be glad to hear from the gentleman, and then I will come again. I will then ask him what provision will be made in the course of a few years for the large increase of graduates from West Point. We have been told in this debate that the legal maximum is 1,338. If that maximum is maintained from year to year, in 10 years we would have 13,380 new officers and at the end of 20 years we would have 26,760 new officers, a number far exceeding the total number of officers in the Army to-day.

Would he then retire the officers that graduated last June and others we have at 40 or 50 years of age? Would he perpetuate that kind of a program, thereby levying tremendous expenses upon the people of the country to pay the salaries of retired Army officers alone? Will the chairman of the committee answer these questions to the burdened taxpayers of the country to-day? And when he answers these suggestions and questions in his own time I urge him to tell the people of the country why he would call upon them for this unnecessary expense. I am unalterably opposed to this bill and earnestly hope it will be defeated.

Mr. GARRETT of Texas. I yield five minutes to the gentleman from Ohio [Mr. CABLE].

Mr. CABLE. Mr. Chairman, if there ever was a time in the history of our country when we should start to save, not to spend money, it is now. If it costs $137,000 to take care of these additional men, we either must raise that amount if they enter the Academy under this bill, or the War Department will use that sum from a present appropriation. I want to call your attention to the fact that we now in peace time are operating the United States Military and Naval Academies under war time legislation and laws. Both parties went out and promised the people that they would repeal such laws that had been placed on the statute books; that we would return to them an administration functioning upon laws that we had before we entered the war. Before the war, under the then existing law, there was allowed in the Naval Academy 1 cadet midshipman for every Member or Delegate in the House of Representatives; 1 for the District of Columbia; 1 for each Senator and 10 at large. As a war time provision this number was properly increased, so that now the law provides that there shall be allowed 5 midshipmen for each Senator, Representative, and Delegate in Congress, 1 for Porto Rico, 2 from the District of Columbia, 15 appointed each year at large, and 100 appointed annually from the enlisted men of the Navy. In addition, the President is allowed 15 appointments annually, the Secretary of the Navy 100 appointments annually.

Mr. McKENZIE. Will the gentleman tell us how many that makes at Annapolis?

Mr. CABLE. I can not yield. I have not the time. Before the war, under the peace-time regulation, the Corps of Cadets at the United States Military Academy at West Point consisted of 1 from each congressional district, 1 from each Territory, 1 from the District of Columbia, 2 from each State at large, and 30 from the United States. But, as a war-time measure to facilitate winning the war, the law in 1916 was amended so that the Corps of Cadets there now consists of 2 from each congressional district, 2 from each Territory, 4 from the District of Columbia, 2 from Porto Rico, 4 from each State at large, 82 from the United States at large; also the President may appoint not to exceed at any one time 180 from the Regular Army and the National Guard. In 1912 there were 768 men in the Naval Academy. In 1916 the number had increased to 1,231. For 1922 it has increased to 2,355. In 1916 Congress was compelled to raise $498,650 for this purpose. For 1922, because of the added number in the Naval Academy, the expenses of that institution will be $2,273,845.43. The same increase applies to West Point. In 1912 we had in the Military Academy 558 men. In 1916 the number had increased to 630, and the chairman of the committee has made the statement here to-day that there are now 1,338, or almost two and a half times as many in the Military Academy to-day as were needed before the war and in peace times. The expenses of the academy have increased from $1,069,813.37 in 1916 to $2,357,259.80. Instead of still further increasing the number in West Point by 121; instead of using at least $137,000 to pay, feed, and educate these additional men, let us be reminded that ours is the duty of saving not spending money. Not more than a month ago in this very room, by a vote of 332 to 4, the Borah resolution was adopted. The Navy bill was cut ninety million. The number of men in the Army was reduced to 150,000. Certainly, after this reduction there remains a sufficient number of Army officers. On November 11 in this city there will be assembled a convention

called by the President for disarmament. Each Member of Congress has an interest in that meeting and its result. We now have an opportunity to show that we are sincere in our desire for disarmament and to save the people's money. [Applause.]

Mr. KAHN. I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and gentlemen of the House, I hope the House will not let itself get into that temper which emanates from the dog days and from the doldrums, so that it will refuse to listen to meritorious legislation. This bill does not interfere with a single right of a single Member of the House. Furthermore it does not increase by a single commissioned officer the number of officers in our Army. Now, let us be reasonable and try to understand this bill. I submit that if you understand the bill you will have no objection to it, because we know that trained officers are necessary in our Army. I do not believe that there is a Member of this House that *wants to do* away entirely with the trained officers. I wish I had more time to take up that phase and answer the argument advanced by the gentleman from California, which I do not agree with; that is, that it is necessary to have a vast number of professional officers in the lower ranks to win a war. That is not the case, but we have got to have them in the higher ranks. This bill has nothing whatsoever to do with the size of the officer personnel in the Regular Establishment.

At the present time the output of West Point only supplies 30 per cent of the commissioned personnel, when prior to the war the West Point graduates supplied 50 per cent of the total number of commissioned officers. Let me try to explain, if I can, just how this works. You Members of Congress have the right to nominate a principal and three alternates. If your principal and three alternates do not qualify, the highest alternate in your State is chosen to fill that place and you are given next year another nomination. If one of your candidates should graduate that same year, you are then credited with two nominations. Under no circumstances can a Member of this House lose a candidate to West Point, no matter what has been said here in the House to the contrary notwithstanding.

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. FISH. No; I have not the time. That is the situation, and we desire to increase the number at West Point to the maximum to supply trained officers at a minimum expense. By adding 140 more cadets to West Point you give these men training at the very minimum of expense, because in running the Military Academy at the present time with only 80 per cent of its quota the Government expends practically the same amount of money as if it was operating at the maximum capacity. Those are the salient points.

Since I have been in this House I have never seen any legislation that had so much mystery and so much suspicion cast upon it when, as a matter of fact, it is practical legislation advocated by a brilliant officer, Gen. Douglas MacArthur, who, as superintendent at West Point, has accomplished splendid results in liberalizing and humanizing the curriculum for the good of the service.

The enactment of this bill into law can in no way advance the interest of militarism. It is simply designed to furnish additional trained officers for the Army instead of taking them from civilian life. [Applause.]

The cry of economy has been raised against this bill, as it was against Senate amendment No. 56 of the Sweet bill, which increased the compensation from $20 to $50 for attendants or nurses for the blinded, legless, armless, and totally disabled former service men. There are two kinds of economy—the real and the false. Economy is like religion and has many crimes committed in its name. The most flagrant example of this particular brand of false economy was that of the adoption of the conference report on the Sweet bill, which suppressed the Senate amendment to which I have referred. Therefore, in order to illustrate exactly what I mean by false economy I avail myself of the privilege to revise and extend my remarks by including in the RECORD an article which appeared in the Washington Herald August 2, 1921, under my signature, so that he who runs may read and may decide for himself not only the merit and justice of this amendment but bear witness how insinuating and dangerous the plea of false economy may become.

The conference committee will report the Sweet bill, coordinating the former service men's agencies, back to the House Tuesday morning for final passage. It is obvious that the Senate is far more liberal in its attitude toward the disabled former service men than the Members of the House on the conference committee, because some of the most meritorious amendments passed by the Senate were stricken out by the conference committee.

I refer in particular to the amendment reported favorably by the Finance Committee of the Senate and passed by the Senate unanimously, increasing the compensation from $20 to $50 for attendants or nurses for the blinded, legless, and armless, and totally disabled former service men.

RAISE IS NECESSARY.

It is self-evident that no attendant or nurse can be hired at $20 and that the increase is not only reasonable, but necessary, if these totally incapacitated men are to be properly taken care of. I venture to state that practically every Member of the House promised his constituents that he would do everything in his power to help the disabled service men, and it was particularly so of those candidates who did not favor adjusted compensation.

Before election nothing was too good for our disabled heroes, but after the vote had been counted these promises were quickly forgotten by certain Members of the House. It is beyond my comprehension how any Member of the House can deny this increased compensation to the blinded, legless, armless, and totally helpless men, to be given only in the discretion of the Director of War Risk Insurance.

The blinded men are entitled to live at home and to be furnished an attendant to care for them and act as their eyes which they lost in the service of the country. The same logic applies to the attendant for the man without legs or without arms.

SHOULD LIVE AT HOME.

All these men are entitled to live at home and enjoy not only the necessities of life but all the comforts that a grateful country can afford. If a blinded man wants to go to a musicale he should have an attendant to take him and if a legless man cares to go to a ball game, he, too, should have a paid attendant.

The American public is not in sympathy with any attempt to economize with the lifeblood of the very men who deserve most from their country, regardless of the penuriousness of certain Representatives.

It is the paramount duty of every Member of Congress to fulfill to the last degree the Nation's obligations to the blinded and totally incapacitated. It is a reflection on the membership of the House that its conference committee should defeat the Senate amendments to increase from $20 to $50 the pay for an attendant for these men for whom the war will never end.

MUST ENTER POLITICS.

The conference committee which threw out this amendment does not contain a single former service man and demonstrates the fact that if the disabled service men are to get fair play and justice they and their comrades will have to nominate candidates in all congressional districts where the incumbents have been markedly unfriendly. The sooner this policy is adopted the better for all former service men.

Mr. KAHN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 15 minutes.

Mr. KAHN. Mr. Chairman, there is much demand on the floor of the House for additional time, and I ask unanimous consent that my time be extended an additional hour, 30 minutes of which I will yield to the gentleman from Texas.

The CHAIRMAN. The gentleman from California asks unanimous consent that his time be extended an additional hour. Is there objection?

Mr. BLAND of Indiana. I object.

Mr. GARRETT of Texas. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I have listened to the gentleman who just preceded me on this proposition with a great deal of interest, as I have listened to a number of other speeches in favor of the increase in the number of cadets, and there have been some startling statements made. I understood—and if I misquote the gentleman from California I am perfectly willing to stand for the correction—I understood him to say that if this bill is passed it will not cost the Government of the United States any more money. I want the gentleman, or somebody on that side, not in my time but in their time, to tell me where the money for 700 or 800 more pupils is to come from if it is not to come from the taxpayers. I want you to tell the American people where they are going to get the food; I want you to tell the American people where they are going to get the textbooks and teachers, and after you have it all out of the pockets of the taxpayers tell the people what in the name of God you are going to do with the boys. [Applause.]

I can tell you what you are going to do. You will put them into the standing Army so you can retire young officers, permitting them to draw three-quarters pay. I tell you, gentlemen, I am getting tired of Army and Navy officers drawing down more salary than my father makes or ever did make, and he is helping to pay these officers to lie around. A good many of them have never smelled gunpowder on a battle field. I am getting tired of voting more money for the Army and the Navy, and I am tired of having our leaders come in and ask me to vote for it every day when the Secretary of the Treasury comes down before the Ways and Means Committee and says put a sales tax on every mouthful that the common people eat, put a tax on every automobile, raise the postage rates so that every boy and girl in the United States who sends a letter has got to pay an extra cent for it; raise the tax on your checks; raise the taxes so that we can spend it on the Army and Navy, so that we can have some more men retired at the age of 40 and draw down more money than I ever made in my life in one year.

Mr. GREENE of Vermont. The gentleman got all that he was worth, did he not?

Mr. BEGG. I got all I was worth but these men are getting more than they are worth. I want to say to the gentleman from Vermont that the American people are tired of this kind of bills, adding to the appropriations every year, and it is high time to cut down. [Applause.] I want to ask the gentleman from California and the whole Military Committee what your 36 major generals are doing? There are only three major general jobs all told—the Coast Guard, the Marine Corps, and the General Staff—and what are the rest of them doing? You have 117 colonels of Cavalry and there are only 14 Cavalry regiments for them to command. That shows what a top-heavy organization you have in the Army. Nearly nine colonels to a regiment when there should be one.

They are drawing down big salaries, doing nothing but playing polo, and incidentally that is one argument that has not been brought out in this bill. If we do not keep this academy up it is entirely possible that our polo team will not be full in 5 or 10 years, and I am strongly in favor of it for that reason. Nobody else has offered that argument.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. BEGG. I yield for a moment.

Mr. GREENE of Vermont. The gentleman has included the Coast Guard and the Marine Corps in his assignment to the Army. If the rest of his facts are founded on that kind of information it is no wonder that he argues against the bill.

Mr. BEGG. My facts are founded on the hearings held before the gentleman's committee.

Mr. GREENE of Vermont. The Coast Guard and the Marine Corps do not belong to the Army, son.

Mr. BEGG. I am not the gentleman's son, though I am sure that I am a son; but I would say to the gentleman that we have had too much wise guidance from military men who know everything about it, and now we need a little bit of advice from the people who are going to pay the bills. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GREENE of Vermont. Mr. Chairman, I ask for recognition in my own right.

The CHAIRMAN. The gentleman from Vermont is recognized.

Mr. OLIVER. Does he not have to have time yielded to him?

Mr. GREENE of Vermont. There has been no allotment of time.

Mr. KINCHELOE. Has not the gentleman from Texas the floor?

The CHAIRMAN. As the Chair understood, the gentleman from Texas and the gentleman from California reserved the remainder of their time. The gentleman from Vermont is recognized as a member of the committee.

Mr. BLANTON. I presume if the Chair recognizes the gentleman from Vermont he will recognize some one who is opposed to the bill who asked for recognition, as, for instance, the gentleman from Indiana [Mr. BLAND].

Mr. GARRETT of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARRETT of Texas. I understood that I have been recognized for one hour. Of that time I have yielded five minutes to the gentleman from Ohio [Mr. BEGG]. I have not yielded the floor. I make the inquiry now, if the gentleman from Vermont, in the face of the fact that I still have the floor, has the right to recognition for one hour in his own right?

The CHAIRMAN. The Chair is of opinion that if the gentleman from Texas demands the use of his time he is entitled to the hour. Is the gentleman now demanding his time?

Mr. GARRETT of Texas. I am.

The CHAIRMAN. Then the gentleman will be recognized in lieu of the gentleman from Vermont.

Mr. GREENE of Vermont. That is, he will be recognized before I am?

The CHAIRMAN. The gentleman from Texas demands the right to continue the use of his hour.

Mr. GREENE of Vermont. Oh, very well. I did not expect to consume the hour, but I expected to divide it among others present, as the other gentlemen are doing.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. GARRETT of Texas. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. PARRISH].

Mr. PARRISH. Mr. Chairman, I am not so much opposed to the details of this bill as I am opposed to the tendency that is manifest from its provisions. It is leading in the direction of a larger number of officers and consequently in the direction of a larger Army. When we realize the great burdens under which the people of the country are laboring because of excessive taxation, and when we take into consideration the fact that the Secretary of the Treasury has told the Ways and Means Committee that we must raise $4,550,000,000 to meet the current expenses of the Government next year, I think it is time for Congress to stop every single item of expense that it is possible for us to eliminate. Unless we do that, we are going to bring down upon ourselves the just wrath of the indignant taxpayers. This bill is inopportune at this time, because the President of the United States has recently called a conference of the leading nations of the world to meet in Washington for the purpose of discussing the question of universal disarmament. Why not withhold action upon this bill until we can see what will be done by that meeting of the world powers? Why not defer action on the bill until we can see what recommendations they make about world disarmament. Now is the time to withhold all further great expenditures of public funds. I am in accord with the Senator who has introduced a bill at the other end of the Capitol, that we could well reduce the Army to 100,000 men at this time and save the Government $80,000,000 of expense. If we reduce the officers to a corresponding number, we can save additional expense. Men who are in the position to know tell us that 92.2 per cent of all the money that is paid by the taxpayers goes to keep up the expense of the Army and the Navy, past, present, and future. That leaves only 7.8 per cent to be devoted to the civil expenditures of the Government. When we stop seriously to consider this appalling situation, as representatives of the people we should ponder long before we add another dime of expense to that side of the budget

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. PARRISH. I can not at this time; I am very sorry. Let us reduce public expenses now, we must stop somewhere. Unless we do we will find ourselves running continually in that ever vicious circle that has no end. I believe we are not authorized in bringing up for consideration a single bill that adds additional expense unless it is absolutely necessary. Unless we follow that policy, more money will have to be appropriated and we will find ourselves face to face with the difficulty of raising the necessary revenue. Who is there among us now who can tell how we can meet the $4,550,000,000 necessary for the next fiscal year and at the same time lower the taxes? Where is the man who can suggest a way? You can not do it because you do not know how. I hope and pray that our leaders may be able to devise some means of lowering taxes, because business is now stagnant and is awaiting relief from excessive tax burdens.

But you can not give relief as long as you must add to the enormous sum of money to be raised, and so this bill is only a step toward increasing the public expenditures. And, Mr. Chairman, I believe this bill ought to be defeated—that we ought to abide our time until the conference meets and then, when the war clouds have blown away, see what steps we ought to take for the common good of all. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. KAHN. Mr. Chairman, I renew the request I made a moment ago, that general debate be allowed to continue for one hour longer, one-half of that time to be controlled by the gentleman from Texas [Mr. GARRETT] and one-half to be controlled by myself.

The CHAIRMAN. And that general debate close at that time?

Mr. KAHN. Yes.

The CHAIRMAN. The gentleman from California makes the unanimous-consent request that general debate close at the end of one hour after the expiration of the hour of the gentleman from California and the gentleman from Texas, one-half of that time to be controlled by each. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, that takes in the understanding I had with the gentleman in regard to Mr. BLAND of Indiana and myself?

Mr. SANDERS of Indiana. Mr. Chairman, reserving the right to object, has there been any agreement as to the allotment of this time?

Mr. KAHN. The request for time has been very great.

Mr. SANDERS of Indiana. Has the gentleman's half hour been allotted——

Mr. RANKIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. KAHN. Will the gentleman from Texas use some of his time?

Mr. GARRETT of Texas. Mr. Chairman——

Mr. BLAND of Indiana. Mr. Chairman——

The CHAIRMAN. The gentleman from Texas.

Mr. GARRETT of Texas. I yield three minutes to the gentleman from Delaware [Mr. LAYTON].

Mr. LAYTON. Mr. Chairman and gentlemen of the committee, I regret very much that I can not follow the committee in this matter. It seems to me that leaving out of consideration everything connected with the bill itself except one fact, that it ought to be defeated by the House. We are now living in an hour when the whole world is hoping and praying for disarmament, and yet we are asked to assume in this body the preposterous position of turning West Point into a state of higher efficiency than we have ever had in the history of the country. What effect do you believe, gentlemen of the House, this will have upon the people of England, of France, or Japan when we are professing and preaching peace, preaching disarmament, throwing out to the world an invitation to come to this country and consult about means of disarmament, and then blazoning it abroad throughout the whole world that we are raising up our Military Establishment at West Point to turn out more officers, to raise it to the maximum capacity, as the gentleman from New York said, for the first time in the history of our country? Now, my friends, I want to say that to my mind it is grossly inconsistent. It does not agree with our profession. It is bad international politics. If there were any bill to be introduced at this time in this House bearing upon this subject, the gentleman should have introduced a bill for the purpose temporarily of suspending the operations of West Point and of Annapolis, because we can get along without more officers either in the Army or the Navy. It is an hour when we ought to save every dollar we possibly can, in view of the fact that there is no demand for this measure on account of any threat of war——

Mr. DENISON. Will the gentleman yield? The papers just carried a report yesterday or the day before that England had made an appropriation for three more battleships——

The CHAIRMAN. The time of the gentleman has expired.

Mr. KAHN. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. HULL].

Mr. GARRETT of Texas. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Texas has 12 minutes and the gentleman from California 15.

Mr. HULL. Mr. Chairman and gentlemen of the committee, an army consists of three things: First, trained officers; next, supplies; and, third, enlisted personnel; and if I gave you my judgment as to their importance the first would be 50 per cent, the second 45 per cent, and the last 5 per cent. The trouble with this country is that we pay all of our attention to the last, and the last cost us $100 where the first only costs you $1. If you had in your Reserve Officers' Corps 100,000 officers, you would not have one man too many. Then you can reduce your Regular Army to the very minimum. Now, this bill will not cure the trouble, but it is a small step in the right direction, and it does not cost you anything to enact this bill. The money is already appropriated for 1,338 cadets at West Point, and you have only about 900 up there.

Mr. OLIVER. If the gentleman will yield, what is the source of supply for your Army Reserve Corps, the officers which the gentleman thinks are so important?

Mr. HULL. I would like to talk to the gentleman for hours on this subject, but I can not go into that in five minutes, when I am trying to explain a bill that the House does not seem to understand. This has nothing to do with reserve officers.

Mr. OLIVER. The trouble about that is the gentleman states we could dispense with all, if we had 100,000 reserve officers. Now, where are those 100,000 reserve officers to come from? They would not come from the academy; retired officers may come from the academy, but not reserve officers.

Mr. HULL. I admit that. Your reserve officers come from either the National Guard schools or those trained by war. You could have in this country 100,000 to-day. You have only 60,000 in the Reserve Corps, and what I want to do is to appeal to the House to pass this bill. It will not cost this Government anything; it simply stabilizes the attendance at West Point, and it does not take away from a Member any right which he has. You will have the same right that you have to-day to keep your men at West Point, and whenever you can send them there you will send them there. You should understand that. If you defeat this bill, you simply may take away the right of a boy in your district at the present time to go to West Point. I think the gentleman from Texas [Mr. GARRETT] admits that fact. If you have, as I say, the 100,000 men in the Reserve Corps of regular Reserve Corps officers, you will not have to have as large an Army as you would have otherwise, and you would save hundreds of thousands of dollars by passing a bill that will give you well-trained officers. That is all this bill does. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. GARRETT of Texas. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. JOHNSON].

Mr. JOHNSON of Mississippi. Mr. Chairman and gentlemen of the House, I am opposed to the bill now before the House, because I believe that if this bill should be enacted into a law it will show bad faith on the part of the American Congress and the President of the United States who is now negotiating with four important nations of the world to bring about disarmament. I understand that Italy, England, France, and Japan have accepted the invitation of the President of the United States to come to Washington on November 11 and negotiate with this Government concerning disarmament.

Mr. BLANTON. Mr. Chairman, I think we ought to have a quorum here. The gentleman from Mississippi is making an interesting speech.

The CHAIRMAN. The gentleman from Texas makes the point of order that a quorum is not present. The Chair will count. [After counting.] A quorum is present.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. JOHNSON of Mississippi. Certainly; with pleasure.

Mr. CHINDBLOM. Did I understand the gentleman correctly when I understood him to say that it is a breach of faith on the part of this country now to fill up the quota at West Point in view of the proposed disarmament conference?

Mr. JOHNSON of Mississippi. I believe since we have passed the bill to reduce the Army from 232,000 to 150,000 and have passed the Borah resolution which asks the President to call the disarmament conference, that for us to enact a law here to-day which increases our armament is a breach of good faith.

I feel confident this bill is going to be defeated and in the time allotted me I want to discuss another matter of vital importance to my people and the people of the United States. I believe we all agree that the most important question before the American people to-day is transportation facilities furnished at reasonable rates.

Every mail that comes to my office brings letters from farmers, merchants, and manufacturers urging that something be done to relieve the transportation conditions, and, having this in mind, I have introduced House bill 8103, an act to repeal section 15A of the interstate commerce act as amended by section 422 of the transportation act of 1920, which, if enacted into a law, will put the rates at what they were before the increase by the Interstate Commerce Commission. It will then leave to the Interstate Commerce Commission the power to determine what is a reasonable rate.

Under the law as it is written to-day reasonableness or unreasonableness do not enter into consideration of rate making, but the question is to make the rates sufficient to enable the railroad companies to earn a dividend on their investment, regardless of waste, extravagance, or mismanagement on the part of the companies.

RAILROADS GIVEN AID.

When the railroads were returned to their owners the Government of the United States loaned them $300,000,000 and guaranteed to them for six months a dividend of 6 per cent on their investment. The railroads have been paid by the Government on this guaranty $631,000,000, and more than half this amount was paid without proper accounting by the railroad companies to the Interstate Commerce Commission. It was done by virtue of the so-called Winslow Act, which enabled the comptroller to pay the railroads without the necessary accounting.

It was argued then by the proponents of the bill that if the money was paid to the railroad companies it would enable them to purchase supplies, rebuild cars, repair tracks, and so forth, and would stimulate business in the country. It was hoped and expected by the proponents of the bill that the money paid them would so stimulate business and increase the revenues of the railroads that the companies would voluntarily reduce the rates, but not so. The railroad companies are to-day operating under the highest freight rates ever heard of in the history of this country.

HIGH RATES HINDER BUSINESS.

The exorbitant freight rates have brought about a stagnation of business in the country. There are to-day 600,000 idle freight cars. The country is short several million homes. In the cities the people are living in congested tenements. Many of them are anxious to build homes, but they can not afford to purchase the lumber on account of the unreasonable freight rates. The lumbermen suffer on account of the unreasonable freight rates because they can not sell their lumber.

Millions of bushels of wheat and corn can not be shipped because the prices of these products will hardly bring the cost of transportation. Under the old freight rate, pig iron could be shipped from Birmingham to the Pacific coast at $12.32 per ton; to-day it costs $22.40 per ton. Iron is being shipped from Belgium to the Pacific coast because it is cheaper than transporting it across continental United States. Coke is being shipped from Germany to the Pacific coast at a cheaper rate than it can be shipped across the United States. The old freight rate on iron from Birmingham to St. Louis was $2.75 per ton; to-day it is $5.25. The South has just about gone out of the pig-iron business because the freight rates are prohibitive.

The unreasonable and outrageous freight rates were made when corn was selling at $2 a bushel, when cotton was worth 30 cents to 40 cents a pound, and when iron was bringing two and a half times what it is worth to-day. Since the establishment of these freight rates wages have been reduced, farm products have been reduced in price, and practically everything else has been reduced except freight rates, and they are the same. We can not expect the railroads to voluntarily reduce the rates. They are not going to do it.

The freight rates in the Mississippi Valley are the most unreasonable in the history of railroading. Unless something is done to correct this evil there will continue a stagnation in business.

TIME TO CALL A HALT.

The railroad companies complain that they are unable to pay expenses. This was always their cry. That will always be their cry so long as we listen to these false claims of the railroad companies and allow them to raid the Treasury of the United States.

It is time to call a halt. It is time for the representatives of the people in this country to put a stop to such robbery. Henry Ford bought the Toledo, Detroit & Ironton Railroad, and has already asked for permission to reduce rates 20 per cent on his railroad. He says:

I am not trying to burglarize my railroad. I am making it serve the public.

If the other railroads would emulate the example of Henry Ford, business would be stimulated, and it would do much toward establishing a normal condition of affairs.

But, Mr. Chairman, the railroads have no idea of reducing freight rates until they are compelled to do so. They have procured a bill to be introduced in this Congress which will take away from the Treasury of the United States another half billion dollars. From a statement issued by the President it seems to have the approval of the administration.

When will these raids upon the Treasury of the United States cease? Just at this time the people are coming to Washington by the hundreds protesting against unreasonable taxes. Thousands of letters are coming each day urging the reduction of taxes, and yet instead of reducing the taxes they are to be increased.

BUSINESS MEN AFRAID.

Business men are afraid to invest their money. They do not know what to depend upon. They do not know what their taxes will be. Each day shows an increase in the number of idle men in this country. The reason for it is the lack of markets and the high freight charges. If these rates are reduced it will encourage commerce between the States and open the avenues for business of all kinds.

Of course, I realize that my party is in the minority and we can not pass this bill without Republican help, but if some of you Republicans who have the welfare of the people at heart will assist the Democrats we will pass the bill, and without unnecessary delay.

Mr. Chairman, it has been thoroughly demonstrated throughout this Congress that the burden is not going to be lifted from the shoulders of the masses. Every effort on the part of this Congress tends toward increasing the burdens of the masses and relieving the rich of their just share of the taxes. The longer this Congress is in session the worse it will be for the people. Let us revise the tax laws equitably, reduce the freight rates, adjourn this Congress, and go home and stay there for a while. If we do this it will redound to the welfare of the people of the country.

Mr. GARRETT of Texas. Mr. Chairman, I yield the remainder of my time to the gentleman from Indiana [Mr. BLAND].

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. BLAND of Indiana. Mr. Chairman, I have not heard any argument to justify support of this bill. On the contrary, its advocates, or some of those who have been advocating the passage of the bill, are supporting it for the reason that it increases the number of Army officers. That is one reason why I would be against it. You can not eat the apple and keep it. You are either going to fill vacancies to the places that Congressmen now have the right to fill or you are going to leave those vacancies unfilled and make other appointments which will increase the number of cadets. Under this bill you are going to have more men as cadets at the academy, and in that case it will cost more money; it is admitted that it will cost more money; and this is no time to spend more money. [Applause.]

Now, Mr. Chairman, if it is in order, I would like to move that the committee rise.

The CHAIRMAN. The Chair would ask the gentleman from Indiana if the gentleman from Texas [Mr. GARRETT] yielded the floor to him for the purpose of making that motion? Unless the gentleman secured the floor for that purpose, he has not that right.

Mr. BLAND of Indiana. I have the floor now, and I think I have the right to make the motion. If I have not, who has the right?

The CHAIRMAN. Did the gentleman from Texas yield the floor for that purpose?

Mr. GARRETT of Texas. I yielded my time to him.

Mr. BLAND of Indiana. The gentleman from Texas has not the right to control my purpose in making a motion.

The CHAIRMAN. The gentleman from Texas has the hour, and can control it.

Mr. GARRETT of Texas. I have no objection.

Mr. BLAND of Indiana. The gentleman from Texas says he has no objection to my making the motion, and the time has been yielded to me.

Mr. BLANTON. Regular order, Mr. Chairman.

Mr. KAHN. Under the rules of the House since I have been a Member of the House, when we are proceeding in general debate and a Member is recognized for a certain number of minutes, it is for the purpose of indulging in general debate.

The CHAIRMAN. That is true.

Mr. KAHN. And ever since I have been a Member of this House the chairman of the committee having the bill in charge has been recognized to make the motion to rise.

The CHAIRMAN. That is the rule. The Chair thinks there is no question about the rule, and unless the gentleman is recognized for the specific purpose of making this motion, it would not be in order at this time.

Mr. KAHN. I understood the gentleman from Texas [Mr. GARRETT] has recognized the gentleman from Indiana for two minutes to address the House.

Mr. BLAND of Indiana. The gentleman is mistaken in that. The gentleman from Texas said he yielded to me two minutes, and later he said he had no objection to my making the motion that the committee rise.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BLAND of Indiana. I trust the Chair has not taken this out of my time. I understood that I had the floor.

Mr. GARRETT of Tennessee. I make the point of order that the motion to rise is a privileged motion.

The CHAIRMAN. It is a privileged motion.

Mr. GARRETT of Tennessee. And the gentleman has the right to make it at the conclusion of his time.

Mr. GREENE of Vermont. The gentleman did not have the floor for that purpose.

Mr. GARRETT of Tennessee. He had the right to take the floor for that purpose.

Mr. GREENE of Vermont. The gentleman from Texas [Mr. GARRETT] yielded two minutes of his time, but he did not yield for that purpose.

Mr. GARRETT of Tennessee. I should prefer that the gentleman from California should make the motion.

Mr. BLAND of Indiana. I will be glad to yield to the gentleman from California if he will move that the committee rise.

Mr. KAHN. I have only one more speech of five minutes, and then I intended to make the motion to rise.

The CHAIRMAN. The time of the gentleman from Indiana has expired. The gentleman from California is recognized.

Mr. KAHN. That is the usual custom of this House. I yield five minutes to the gentleman from Indiana [Mr. SANDERS].

The CHAIRMAN. The gentleman from Indiana [Mr. SANDERS] is recognized for five minutes.

Mr. SANDERS of Indiana. Mr. Chairman, I think this measure ought to be passed. I realize that the President has called a conference with reference to the limitation of armament. I have always contended that there is quite a difference, however, between national disarmament and international disarmament. I have always favored international disarmament

or limitation of armament, but have always been opposed to national disarmament. In other words, I believe in peace, but I believe that so long as there is no agreement amongst the nations for a limitation of armament the best means by which peace can be secured for our people is to see to it that they are able to defend this country of ours. [Applause.] I do not think there is anything in this call issued by the President that obviates the necessity for this Nation training the requisite number of officers for a skeleton army from which a combat army could be formed in time of war. If an international agreement is reached, we can then, of course, carry out such agreement.

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. SANDERS of Indiana. I yield to my colleague.

Mr. BLAND of Indiana. Then the gentleman is for a big Navy and a big Army and to be prepared to defend. Is that the gentleman's position?

Mr. SANDERS of Indiana. That is the gentleman's position. I am in favor of a Navy that is sufficiently big to defend this country. I am not in favor of a big combat Army, because we have never followed that practice, but I am in favor of a sufficiently large Army to form a skeleton and to furnish the necessary officers to assemble a combat Army when it is necessary to call this country to arms to defend it. That is exactly what I stand for. [Applause.]

Of course, when you say you are for a "big" Army or a "big" Navy you are using a relative term. I am for a sufficiently big Navy to defend America. I am for a sufficiently big Army to be ready to form a necessary combat army to defend this country; and standing upon that ground I am highly in favor of a conference which will lead to an understanding amongst all the nations of the world to limit armament, so that the taxpayers of this country and of other countries may be relieved of the burden of armament. [Applause.]

Now, getting down to this specific bill, it is simply a bill to provide that there shall be a way to fill the vacancies at West Point that we contemplated when the act was passed in 1916. For some reason or other they have not been filled. I do not know whether it is because the boys of the country have lost interest, but for some reason or other the plan that we formulated has not filled the academy at West Point, and there are many vacancies. This will arrange to fill the vacancies, and, despite a misunderstanding to the contrary, this will not deprive any Member of Congress or any Member of the United States Senate of the right to fill vacancies as they have always been filled heretofore.

Mr. LAYTON. Will the gentleman yield?

Mr. SANDERS of Indiana. I yield to the gentleman from Delaware.

Mr. LAYTON. The bill, however, increases the burden upon the taxpayers by about $140,000.

Mr. SANDERS of Indiana. The gentleman is entirely in error about that. Of course, it will cause an added expense, but the overhead and a great deal of the other expense will be the same if the quota is not filled as it will be if the quota is filled. However, there will be some additional expense.

Mr. LAYTON. How much?

Mr. SANDERS of Indiana. It will be impossible to say accurately how much, because we do not know just how many cadets there will be, but the expense will be increased some. The number of cadets will be increased and the amount of expense will be increased to correspond to the number of the increase in the cadets. But the increase will be so slight and the advantage in training the necessary officers so great that in the end it will mean economy. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired. The Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That whenever, following any regular entrance examination, the number of candidates authorized under existing law to report for admission to the United States Military Academy from any State is not sufficient to fill the quota of cadets authorized from that State, a sufficient number of qualified alternates therefrom, not otherwise authorized to report for admission as such, selected in their order of merit established at such examination, to fill said quota shall be admitted and charged to that State as additional cadets: *Provided*, That the admission of alternates as authorized herein shall not interfere with or affect in any manner whatsoever any appointment otherwise authorized by law, and that if by the operation of this or any other provision of law the Corps of Cadets shall exceed its maximum authorized strength the admission of alternates as herein prescribed shall cease until such time as said corps may be reduced below its authorized strength.

During the reading of the bill the following occurred:

Mr. BLAND of Indiana. Mr. Chairman, a parliamentary inquiry. Is the Clerk reading the bill for the purpose of amendment?

Mr. MAPES. Mr. Chairman, I raise the point of order that the gentleman has no right to interrupt the reading of the section by a parliamentary inquiry.

The CHAIRMAN. The gentleman is correct. The Clerk will continue the reading.

Mr. BLAND of Indiana. I desire to make a preferential motion.

The CHAIRMAN. The Clerk will complete the reading of the section.

The Clerk completed the reading of the bill.

The CHAIRMAN. The Clerk will read the committee amendment.

Mr. BLAND of Indiana. Mr. Chairman, I have a preferential motion.

The CHAIRMAN. The Clerk will read the committee amendment and then the gentleman will be recognized.

Mr. BLAND of Indiana. Mr. Chairman, is not a motion to strike out the enacting clause a preferential motion?

The CHAIRMAN. The committee amendment will be read and then the gentleman will be recognized. The committee amendment will not be acted upon but will simply be read.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"That whenever following any regular entrance examination the number of candidates authorized under existing law to report for admission to the United States Military Academy from any State is not sufficient to fill the quota of cadets authorized from that State, a sufficient number of qualified alternates therefrom not otherwise authorized to report for admission as such, selected in their order of merit established at such examination to fill said quota, shall be admitted and charged to that State as additional cadets. If such admissions do not bring the Corps of Cadets to its maximum authorized strength, a sufficient number of the remaining qualified alternates not otherwise authorized to report for admission as such, selected from the whole list in their order of merit established at such examination, sufficient to bring said corps to its maximum authorized strength, shall be admitted and charged to the United States at large as additional cadets: *Provided*, That the admission of alternates as authorized herein shall not interfere with or affect in any manner whatsoever any appointment otherwise authorized by law, and that if by the operation of this or any other provision of law the Corps of Cadets shall exceed its maximum authorized strength, the admission of alternates as herein prescribed shall cease until such time as said corps may be reduced below its authorized strength."

Mr. BLAND of Indiana. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The gentleman from Indiana moves to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. KAHN) there were—ayes 67, noes 36.

Mr. KAHN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. KAHN and Mr. BLAND of Indiana.

The committee again divided; and the tellers reported that there were 74 ayes and 37 noes.

Mr. BLAND of Indiana. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 1358) to provide for maintaining the Corps of Cadets at the United States Military Academy at its maximum authorized strength, and for other purposes, and had directed him to report the same back with the recommendation that the enacting clause be stricken out.

Mr. BLAND of Indiana. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House agree to the recommendation of the committee in striking out the enacting clause?

Mr. KAHN. On that, Mr. Speaker, I demand the yeas and nays, and I make the point that there is no quorum present.

The SPEAKER. The gentleman from California makes the point that no quorum is present, and the Chair will count.

Mr. BLANTON. I raise the point that that will not get the gentleman a roll call.

Mr. KAHN. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. The gentleman from California demands a division.

The House divided; and there were 86 yeas and 41 noes.

Mr. KAHN. Mr. Speaker, it is shown that there is no quorum here, and I object to the vote and make the point that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 139, nays 92, answered "present" 1, not voting 198, as follows:

YEAS—139.

Ackerman	Dowell	Lazaro	Schall
Almon	Drewry	Leatherwood	Scott, Tenn.
Andrews	Driver	Logan	Sears
Aswell	Dunbar	London	Shelton
Bacharach	Echols	Lowrey	Sinclair
Beck	Elliott	McClintic	Smith, Idaho
Bird	Evans	McDuffie	Smithwick
Black	Fairfield	Mansfield	Speaks
Bland, Ind.	Fenn	Martin	Sproul
Bland, Va.	Foster	Moore, Ohio	Steagall
Blanton	Fulmer	Moore, Va.	Steenerson
Bowling	Garner	Murphy	Stephens
Box	Garrett, Tenn.	Nelson, A. P.	Strong, Kans.
Brand	Garrett, Tex.	Nelson, J. M.	Summers, Wash.
Briggs	Gensman	O'Connor	Sumners, Tex.
Bulwinkle	Gorman	Oliver	Swank
Burtness	Greene, Mass.	Padgett	Sweet
Byrnes, S. C.	Hammer	Park, Ga.	Ten Eyck
Byrns, Tenn.	Hardy, Tex.	Parks, Ark.	Thompson
Cable	Hoch	Parrish	Tillman
Campbell, Kans.	Huddleston	Patterson, Mo.	Tincher
Chalmers	Jacoway	Petersen	Tyson
Clague	Jefferis, Nebr.	Pringey	Vinson
Cole, Ohio	Jeffers, Ala.	Rainey, Ala.	Voigt
Collier	Johnson, Miss.	Raker	Volstead
Collins	Jones, Tex.	Rankin	Ward, N. C.
Colton	Keller	Rayburn	Webster
Connally, Tex.	Kelly, Pa.	Reavis	White, Kans.
Connell	Kendall	Ricketts	Williams
Connolly, Pa.	Kincheloe	Riddick	Wilson
Cooper, Wis.	Kopp	Roach	Wingo
Coughlin	Lanham	Robsion	Wood, Ind.
Davis, Minn.	Lankford	Rose	Woodruff
Davis, Tenn.	Lawrence	Sanders, Tex.	Wyant
Deal	Layton	Sandlin	

NAYS—92.

Appleby	Gernerd	Larson, Minn.	Quin
Beedy	Graham, Ill.	Lea, Calif.	Ramseyer
Benham	Green, Iowa	Lineberger	Ransley
Bixler	Griest	Little	Reece
Brooks, Pa.	Griffin	McCormick	Robertson
Browne, Wis.	Hardy, Colo.	McFadden	Rogers
Burton	Harrison	McLaughlin, Nebr.	Sanders, Ind.
Cannon	Hayden	McPherson	Shaw
Chandler, N. Y.	Hays	MacGregor	Shreve
Chindblom	Herrick	Madden	Sinnott
Cole, Iowa	Hersey	Magee	Smith, Mich.
Copley	Hickey	Mapes	Swing
Crowther	Hill	Michener	Tilson
Curry	Hogan	Miller	Towner
Dale	Houghton	Mills	Treadway
Darrow	Hull	Millspaugh	Vestal
Denison	Hutchinson	Mott	Watson
Dupré	Ireland	Newton, Minn.	White, Me.
Fairchild	Kahn	Newton, Mo.	Wise
Fish	King	Norton	Wurzbach
Fisher	Kissel	Patterson, N. J.	Yates
French	Kline, Pa.	Perkins	Young
Frothingham	Kraus	Purnell	Zihlman

ANSWERED "PRESENT"—1.

Greene, Vt.

NOT VOTING—198.

Anderson	Dempsey	James	Mondell
Ansorge	Dickinson	Johnson, Ky.	Montague
Anthony	Dominick	Johnson, S. Dak.	Montoya
Arentz	Doughton	Johnson, Wash.	Moore, Ill.
Atkeson	Drane	Jones, Pa.	Moores, Ind.
Bankhead	Dunn	Kearns	Morgan
Barbour	Dyer	Kelley, Mich.	Morin
Barkley	Edmonds	Kennedy	Mudd
Begg	Ellis	Ketcham	Nolan
Bell	Elston	Kiess	O'Brien
Blakeney	Faust	Kindred	Ogden
Boies	Favrot	Kinkaid	Oldfield
Bond	Fess	Kirkpatrick	Olpp
Bowers	Fields	Kitchin	Osborne
Brennan	Fitzgerald	Kleczka	Overstreet
Brinson	Flood	Kline, N. Y.	Paige
Britten	Focht	Knight	Parker, N. J.
Brooks, Ill.	Fordney	Knutson	Parker, N. Y.
Brown, Tenn.	Frear	Kreider	Perlman
Buchanan	Free	Kunz	Peters
Burdick	Freeman	Lampert	Porter
Burke	Fuller	Langley	Pou
Burroughs	Funk	Larsen, Ga.	Radcliffe
Butler	Gahn	Lee, Ga.	Rainey, Ill.
Campbell, Pa.	Gallivan	Lee, N. Y.	Reber
Cantrill	Gilbert	Lehlbach	Reed, N. Y.
Carew	Glynn	Linthicum	Reed, W. Va.
Carter	Goldsborough	Longworth	Rhodes
Chandler, Okla.	Goodykoontz	Luce	Riordan
Christopherson	Gould	Luhring	Rodenberg
Clark, Fla.	Graham, Pa.	Lyon	Rosenbloom
Clarke, N. Y.	Hadley	McArthur	Rossdale
Classon	Haugen	McKenzie	Rouse
Clouse	Hawes	McLaughlin, Mich.	Rucker
Cockran	Hawley	McLaughlin, Pa.	Ryan
Codd	Hicks	McSwain	Sabath
Cooper, Ohio	Himes	Maloney	Sanders, N. Y.
Cramton	Hudspeth	Mann	Scott, Mich.
Crisp	Hukriede	Mead	Siegel
Cullen	Humphreys	Merritt	Sisson
Dallinger	Husted	Michaelson	Slemp
Snell	Tague	Underhill	Weaver
Snyder	Taylor, Ark.	Upshaw	Wheeler
Stafford	Taylor, Colo.	Vaile	Williamson
Stedman	Taylor, N. J.	Vare	Winslow
Stevenson	Taylor, Tenn.	Volk	Woods, Va.
Stiness	Temple	Walsh	Woodyard
Stoll	Thomas	Walters	Wright
Strong, Pa.	Timberlake	Ward, N. Y.	
Sullivan	Tinkham	Wason	

So the enacting clause was stricken out.

The Clerk announced the following additional pairs:

On the vote:

Mr. RHODES (for) with Mr. VOLK (against).

Mr. SISSON (for) with Mr. GREENE of Vermont (against).

Mr. BEGG (for) with Mr. MORIN (against).

Mr. ARENTZ (for) with Mr. PARKER of New Jersey (against).

Until further notice:

Mr. BUTLER with Mr. STEDMAN.

Mr. FAUST with Mr. JOHNSON of Kentucky.

Mr. WALSH with Mr. BELL.

Mr. MORGAN with Mr. WEAVER.

Mr. HUKRIEDE with Mr. THOMAS.

Mr. LUHRING with Mr. FLOOD.

Mr. MONTOYA with Mr. McSWAIN.

Mr. DYER with Mr. WOODS of Virginia.

Mr. GREENE of Vermont. Mr. Speaker, I voted "no." I find that I am paired with the gentleman from Mississippi, Mr. SISSON. I desire to withdraw my vote of "no" and be recorded "present."

The name of Mr. GREENE of Vermont was called and he answered "Present."

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

On motion of Mr. BLAND of Indiana, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

URGENT DEFICIENCY BILL.

Mr. MADDEN, chairman of the Committee on Appropriations, reported the bill (H. R. 8117) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1922, and for other purposes, which was read a first and second time, and with the accompanying report referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BYRNS of Tennessee. Mr. Speaker, I reserve all points of order.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. MCSWAIN, for 10 days, on account of important personal business.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1811. An act to amend the Federal farm loan act, as amended.

CONTESTED-ELECTION CASE, PAUL V. HARRISON.

The SPEAKER announced that he had received a communication from the Clerk transmitting the original papers, testimony, and documents in the contested-election case of John Paul against Thomas W. Harrison, which were referred to the Committee on Elections No. 1.

LEAVE TO EXTEND REMARKS.

Mr. JOHNSON of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?

There was no objection.

Mr. KAHN. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may be allowed five legislative days in which to extend their remarks in the RECORD on the bill.

The SPEAKER. The gentleman from California asks unanimous consent that all gentlemen who have spoken on the bill be allowed five legislative days in which to extend their remarks in the RECORD. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. KAHN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Wednesday, August 10, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

202. A letter from the President of the United States, transmitting emergency estimate of appropriations in the sum of $389,076.11 required by the Department of Justice for expenses of that department and the United States courts for the fiscal year 1921 and for prior fiscal years (H. Doc. No. 104); to the Committee on Appropriations and ordered to be printed.

203. A letter from the President of the United States, transmitting emergency estimates of appropriations in the sum of $173,200 required by the Department of Justice for construction work and equipment at United States penitentiaries during the fiscal year 1922 (H. Doc. 105); to the Committee on Appropriations and ordered to be printed.

204. A letter from the Clerk of the House of Representatives, transmitting contested-election case of John Paul against Thomas W. Harrison, seventh congressional district of Virginia (H. Doc. No. 106); to the Committee on Elections No. 1 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:

Mr. LONGWORTH, from the Committee on Ways and Means, to which was referred the bill (H. R. 8107) to control importations of dyes and chemicals, reported the same with an amendment, accompanied by a report (No. 330), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LANGLEY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 5700) authorizing the Secretary of the Treasury to sell the old subtreasury property at San Francisco, Calif., reported the same without amendment, accompanied by a report (No. 331), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HILL, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 184) authorizing the Secretary of War to loan tents, cots, and blankets for the use of Buddie Week Reunion of the Twenty-ninth and Seventy-ninth Divisions at the encampment to be held from August 31 to September 6, 1921, at Baltimore, Md., reported the same without amendment, accompanied by a report (No. 333), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 7255) authorizing bestowal upon the unknown unidentified American to be buried in the Memorial Amphitheater of the National Cemetery at Arlington, Va., the congressional medal of honor, and the distinguished service cross, reported the same without amendment, accompanied by a report (No. 334), which said bill and report were referred to the House Calendar.

Mr. SNYDER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7108) authorizing a per capita payment to the Chippewa Indians of Minnesota from their tribal funds held in trust by the United States, reported the same without amendment, accompanied by a report (No. 335), which said bill and report were referred to the House Calendar.

Mr. MADDEN, from the Committee on Appropriations, to which was referred the bill (H. R. 8117) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1922, and for other purposes, reported the same without amendment, accompanied by a report (No. 336), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WURZBACH, from the Committee on Military Affairs, to which was referred the bill (H. R. 5125) for the relief of Oliver A. Campbell, reported the same with an amendment, accompanied by a report (No. 332), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on War Claims was discharged from the consideration of the bill (H. R. 8053) for the relief of John E. Russell, and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 8117) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1922, and for other purposes; to the Committee on Appropriations.

By Mr. ARENTZ: A bill (H. R. 8118) to extend the time for payment of grazing fees for the use of national forests during the calendar year 1921; to the Committee on Agriculture.

By Mr. SINNOTT: A bill (H. R. 8119) for the relief of certain persons, their heirs or assigns, who heretofore relinquished lands inside national forests to the United States; to the Committee on the Public Lands.

By Mr. ARENTZ: A bill (H. R. 8120) to provide for additions and extensions to the United States post office at Reno, Nev.; to the Committee on Public Buildings and Grounds.

By Mr. McCLINTIC: A bill (H. R. 8121) to amend an act entitled "An act to amend section 101 of the Judicial Code"; to the Committee on the Judiciary.

By Mr. TAYLOR of Colorado: A bill (H. R. 8122) to extend time for payment of grazing fees for the use of the national forests during the calendar year 1921; to the Committee on Agriculture.

By Mr. KAHN: A bill (H. R. 8123) to further amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916; to the Committee on Military Affairs.

By Mr. NEWTON of Minnesota: A bill (H. R. 8124) to amend an act entitled "An act to provide revenue, and for other purposes," approved February 24, 1919; to the Committee on Ways and Means.

By Mr. BUCHANAN: A bill (H. R. 8125) to provide foreign credits for the purchase of products of essential industries of the United States and to promote the foreign commerce thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. RHODES: A bill (H. R. 8126) to provide for investigational work on nonmetallic minerals and chemical products from mineral sources; to the Committee on Mines and Mining.

By Mr. MILLSPAUGH: A bill (H. R. 8127) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia"; to the Committee on the District of Columbia.

Also, a bill (H. R. 8128) to amend an act entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or of his or her minor children in destitute or necessitous circumstances"; to the Committee on the District of Columbia.

Also, a bill (H. R. 8129) to amend an act entitled "An act to provide for the support and maintenance of bastards in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. FAIRCHILD: A bill (H. R. 8130) to incorporate the Hudson River Pontoon Bridge Co., and to authorize the construction of a pontoon bridge and approaches at or near the city of Yonkers, Westchester County, N. Y., across the Hudson River to the State of New Jersey, to regulate commerce in and over such bridge between the States of New York and New Jersey, and to establish such bridge a military and post road; to the Committee on the Judiciary.

By Mr. HOCH: A bill (H. R. 8131) to amend the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIHLMAN: A bill (H. R. 8132) to reconstruct the Dunker Church, located on the Antietam Battle Field, and preserve it as a part of the Antietam National Cemetery; to the Committee on the Library.

By Mr. HILL: Joint resolution (H. J. Res. 184) authorizing the Secretary of War to loan tents, cots, and blankets for the use of Buddie Week Reunion of the Twenty-ninth and Seventy-ninth Divisions, etc.; to the Committee on Military Affairs.

By Mr. WOOD of Indiana: Joint resolution (H. J. Res. 185) authorizing the appointment of a commissioner to serve on the

Interstate Harbor Commission of Illinois and Indiana; to the Committee on Rivers and Harbors.

By Mr. MANSFIELD: Memorial of the Legislature of the State of Texas, expressing faith in the Government of Mexico, as administered by President Obregon, and urging the official recognition of said Government by the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DENISON: A bill (H. R. 8133) granting a pension to Felix Hughes; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 8134) granting a pension to Christina B. Graeser; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 8135) granting a pension to Esther J. Hamilton; to the Committee on Pensions.

By Mr. FOSTER: A bill (H. R. 8136) granting a pension to Jeptha Massie, jr.; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8137) granting a pension to Martha Spain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8138) granting a pension to Mary Peters; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8139) for the relief of Franklin Luckadoo; to the Committee on Military Affairs.

By Mr. GOULD: A bill (H. R. 8140) granting a pension to Hattie Nolan; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 8141) granting an increase of pension to Mary A. Guthrie; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 8142) for the relief of J. P. D. Shiebler; to the Committee on Military Affairs.

By Mr. HUTCHINSON: A bill (H. R. 8143) for the relief of Fitzcharles Dry Goods Co.; to the Committee on Claims.

By Mr. JACOWAY: A bill (H. R. 8144) granting a pension to Malinda C. Reynolds; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 8145) for the relief of J. D. Saylor; to the Committee on Claims.

By Mr. KINKAID: A bill (H. R. 8146) granting a pension to Henry Fleming; to the Committee on Pensions.

Also, a bill (H. R. 8147) granting a pension to Margaret C. Fish; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8148) to amend the first proviso of the act entitled "An act to grant a certain parcel of land, part of the Fort Robinson Military Reservation, Nebr., to the village of Crawford, Nebr., for park purposes; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 8149) granting a pension to Mary E. Wannall; to the Committee on Pensions.

By Mr. KRAUS: A bill (H. R. 8150) granting a pension to John W. Graybill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8151) granting a pension to Emma F. Bartholomew; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 8152) granting a pension to Samuel Mount; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8153) granting an increase of pension to Samuel Wagoner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8154) granting an increase of pension to Mary E. Frederick; to the Committee on Pensions.

By Mr. OGDEN: A bill (H. R. 8155) granting a pension to Leona J. Johnson; to the Committee on Pensions.

Also, a bill (H. R. 8156) granting a pension to Eugene Hightower; to the Committee on Invalid Pensions.

By Mr. RAINEY of Alabama: A bill (H. R. 8157) granting an increase of pension to James H. E. Guest; to the Committee on Pensions.

By Mr. RICKETTS: A bill (H. R. 8158) granting a pension to William S. Dilger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8159) granting a pension to Thomas H. Dilger; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 8160) for the relief of George C. Hussey; to the Committee on Military Affairs.

By Mr. VINSON: A bill (H. R. 8161) for the relief of Bernice Hutcheson; to the Committee on Claims.

By Mr. WOODYARD: A bill (H. R. 8162) granting a pension to Sybil R. Sine; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

2310. By Mr. ARENTZ: Resolution adopted by unanimous vote at the Second Annual Convention of the National Park-to-Park Highway Association, held in Salt Lake City, Utah, June 16 and 17, 1921; to the Committee on Roads.

2311. By Mr. CRAMTON: Petition of Mrs. Maud L. Krohn and other residents of Elkton, Mich., protesting against the passage of Senate bill 1948, the compulsory Sunday observance bill; to the Committee on the District of Columbia.

2312. Also, telegram from Walter J. Judd, of the Miller-Judd Co., Detroit, Mich., protesting against the proposed automobile tax; to the Committee on Ways and Means.

2313. Also, petition of Mr. W. J. Webber and other residents of Reese, Mich., protesting against the passage of House bill 4388, which aims to regulate Sunday observance by civil force under penalty for the District of Columbia; to the Committee on the District of Columbia.

2314. By Mr. CULLEN: Resolutions of the American Federation of Labor favoring an import duty on the importation of crude oil; to the Committee on Ways and Means.

2315. Also, resolutions adopted by the American Federation of Labor relative to the postal system; to the Committee on the Post Office and Post Roads.

2316. Also, resolution of the National Retail Dry Goods Association strongly urging Congress to make such additional provision for the care and rehabilitation of all disabled soldiers as may be necessary to complete this most commendable work; to the Committee on Interstate and Foreign Commerce.

2317. By Mr. DENISON: Petition of various citizens of Duquoin, Ill., protesting against the passage of compulsory Sunday observance bill (H. R. 4388) for the District of Columbia; to the Committee on the District of Columbia.

2318. By Mr. DOWELL: Resolution of the American Association for the Relief of the Irish Republic protesting against the passage of Senate bill 2135 authorizing the Secretary of the Treasury to refund indebtedness to foreign countries; to the Committee on Ways and Means.

2319. By Mr. DRIVER: Petition of Arkansas candy manufacturers for repeal of luxury tax on candy and confections; to the Committee on Ways and Means.

2320. Also, petition of C. C. Agee, of Helena, opposing tax on bank checks; to the Committee on Ways and Means.

2321. Also, petition of Albert Horner, of Earle, Ark., opposing tax on bank checks; to the Committee on Ways and Means.

2322. Also, petition of S. P. Lindsey, cashier of the First National Bank of Corning, Ark., protesting against proposed tax on bank checks; to the Committee on Ways and Means.

2323. Also, petition of D. R. Stanley, of St. Francis, protesting against proposed stamp tax on bank checks; to the Committee on Ways and Means.

2324. Also, petition of Louis Barton, president of the Crittenden County Bank & Trust Co., Marion, Ark., protesting against proposed stamp tax on bank checks; to the Committee on Ways and Means.

2325. Also, petition of the George E. Shelton Produce Co., of Little Rock, Ark., favoring the enactment of House bill 2894, to reduce railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2326. Also, petition of W. A. Isgrig, Little Rock, Ark., favoring the enactment of House bill 2894, to give traveling representatives a special passenger rate on railroads; to the Committee on Interstate and Foreign Commerce.

2327. Also, petition of West-Nelson Manufacturing Co., of Little Rock, Ark., favoring legislation to reduce railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2328. Also, petition of Parkin Printing & Stationery Co., of Little Rock, Ark., indorsing legislation for reduction of railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2329. Also, petition of Ellis-Gemmill-Love Co., of Helena, Ark., favoring legislation to reduce railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2330. Also, petition of Mitchell & Mitchell Manufacturing Co., of Fort Smith, Ark., favoring the enactment of Senate bill 848 for reduction of railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2331. Also, petition of McRae Wholesale Hardware Co., of Helena, Ark., favoring legislation to reduce railroad passenger rates; to the Committee on Interstate and Foreign Commerce.

2332. By Mr. KISSEL: Petition of James P. Conway, Charles Fay, and Andrew McQueen, all of Brooklyn, N. Y., urging larger appropriations to be used in the building of ships at the New York Navy Yard; to the Committee on Appropriations.

2333. By Mr. KLINE of New York: Memorial of the Eighteenth Annual Convention of the Department of Washington and Alaska, United Spanish War Veterans, held at Everett, Wash., July 21, 22, and 23, 1921, remonstrating against all further Japanese immigration, etc.; to the Committee on Immigration and Naturalization.

2334. By Mr. LINEBERGER: Memorial of the City Council of Long Beach, Calif., approving the plan of the city of Los Angeles to undertake the development of power on the Colorado River under conditions prescribed by the Government and condemning the efforts of the Southern California Edison Co. to gain control of electric power opportunities on said stream; to the Committee on Water Power.

2335. By Mr. LINTHICUM: Petition of Firestone Tire & Rubber Co., of Baltimore, Md., favoring increase in interest rate on loans by Federal farm banks; also, petition of Heineman Bros., of Baltimore, Md., protesting against tax on tobacco; to the Committee on Ways and Means.

2336. Also, petition of Bernard Moses, of Baltimore, Md., favoring House bill 2894, the Kahn bill; to the Committee on Interstate and Foreign Commerce.

2337. Also, petition of a large faction of Baltimoreans, favoring the Towner and Sterling bills (H. R. 1252 and S. 7); to the Committee on Education.

2338. By Mr. RAKER: Telegram from the Automobile Club of Southern California, Los Angeles, Calif., strenuously protesting against a Federal tax on privately owned automobiles; also telegram from the California State Automobile Association, San Francisco, Calif., urging defeat of proposed Federal tax of $10 on automobiles; also, telegram from Western Confectioners' Association, San Francisco, urging repeal of the excise tax on confectionery; to the Committee on Ways and Means.

2339. Also, resolution adopted by the second annual convention of the National Park-to-Park Highway Association, Salt Lake City, Utah, relative to public lands in the Western States and their relation to Federal-aid road funds; to the Committee on Roads.

2340. Also, petition of One Hundred Per Cent Club of Oakland, Oakland, Calif., relative to Senate bill 597, providing for the establishment of foreign industrial zones; to the Committee on Interstate and Foreign Commerce.

2341. By Mr. ROGERS: Petition of Harry M. Gumb and others, of Massachusetts, protesting against the passage of Senate bill 1948, the Sunday observance bill; to the Committee on the District of Columbia.

2342. By Mr. SCHALL: Memorandum of Polish atrocities and persecutions in East Galicia; to the Committee on Foreign Affairs.

2343. By Mr. TAYLOR of Colorado: Resolution passed by Department of Colorado and Wyoming, Grand Army of the Republic, at Golden, Colo., June 22, 1921, protesting against order of Postmaster General fixing age limit for applicants for appointment as postmasters at 65 years; to the Committee on the Post Office and Post Roads.

2344. Also, petition of the Department of Colorado and Wyoming, Grand Army of the Republic, urging monthly instead of quarterly payment of pensions; to the Committee on Invalid Pensions.

2345. Also, petition of the Department of Colorado and Wyoming, Grand Army of the Republic, in annual meeting held at Golden, Colo., June 22, 1921, urging elimination of June 27, 1905, as marriage limit of widows of soldiers of Civil War in widows' pension act; to the Committee on Invalid Pensions.

2346. By Mr. TILLMAN: Petition of W. H. Ogden and others, of Pettigrew, Ark., wool and sheep growers, protesting against lines 22 and 23 in paragraph 1102 of the Fordney tariff bill; to the Committee on Ways and Means.

2347. By Mr. WOOD of Indiana: Resolutions adopted by the members of the Methodist Episcopal Church of Monticello, Ind.; the First Baptist Church of La Fayette; and the men's Bible class of the First Baptist Church of La Fayette, Ind., all in favor of the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159); to the Committee on the Judiciary.

SENATE.

WEDNESDAY, *August 10, 1921.*

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

Our Father, Thou hast given to us the light of another day and the privileges of service for our fellow creatures and to Thy glory. We ask from Thee wisdom and that necessary guidance in all deliberations that we shall fulfill Thy good pleasure. Through Jesus Christ our Lord. Amen.

NAMING A PRESIDING OFFICER.

The Secretary, George A. Sanderson, read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., August 10, 1921.

TO THE SENATE:

Being temporarily absent from the Senate, I appoint Hon. JAMES W. WADSWORTH, Jr., a Senator from the State of New York, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro Tempore.

Mr. WADSWORTH thereupon took the chair as Presiding Officer.

The reading clerk, John C. Crockett, proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS.

Mr. CURTIS presented the petition of Miss Lida I. Eckdoll, of Emporia, Kans., praying for the enactment of tariff legislation to protect the American motion-picture industry, which was referred to the Committee on Finance.

He also presented a memorial of sundry members of Abilene Chapter, National Society Daughters of the American Revolution, of Abilene, Kans., remonstrating against the enactment of Senate bill 274 for the erection and maintenance of a dam across the Yellowstone River in the State of Montana, which was referred to the Committee on Irrigation and Reclamation.

Mr. JONES of Washington presented a memorial of sundry citizens of Nordland, Wash., remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of the city council of Seattle, Wash., and the Washington State Convention of the American Legion, held at Hoquiam, Wash., July 14–16, 1921, protesting against Japanese immigration, etc., which were referred to the Committee on Immigration.

Mr. LADD presented a resolution of Women's Nonpartisan Club, No. 372, of Williston, N. Dak., protesting against further increase in military and naval appropriations and favoring the calling of an international disarmament conference, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted at meetings of the Farmers' Unions of Orangeburg and Lexington Counties, S. C., favoring the enactment of Senate bill 2342, to establish an honest money system, where the medium of exchange will give equal benefits to every American citizen and wherein the credit of the Government shall be used for the benefit of all the people instead of banking corporations, to reduce the rate of interest on loans, encourage agriculture, the ownership of homes, and for other purposes, which were referred to the Committee on Banking and Currency.

Mr. WILLIS presented the memorial of Jim Armitage and sundry other citizens of Elyria, Ohio, remonstrating against the enactment of legislation to refund the war obligations of Great Britain and other foreign countries indebted to the United States, which was referred to the Committee on Finance.

Mr. WATSON of Georgia presented a concurrent resolution of the Legislature of Georgia, which was referred to the Committee on Interstate Commerce, as follows:

A resolution.

Whereas in recent decisions of the Interstate Commerce Commission interpretations have been given the transportation act of 1920 such as gives to the Interstate Commerce Commission complete authority over the entire subject of transportation, and including the right to prescribe intrastate rates; and

Whereas it means, in effect, the abrogation of all authority of State regulation to make and prescribe rates for intrastate movement of freight; and

Whereas the freight rates are in some instances so burdensome and excessive at this time as to prohibit the movement of various commodities, and the passenger rates are so excessive as to deter travel, to the end that the railroads are receiving less in passenger revenues than they would receive if a lesser rate were in effect: Therefore be it

Resolved by the House of Representatives of the State of Georgia (the Senate of Georgia concurring), That we call upon the Congress of the United States to so amend the transportation act of 1920, and in such plain language that the authority of the States over intrastate traffic in their respective States will be fixed and certain in language plainly declaring the right of States to prescribe intrastate rates; be it further

Resolved, That a copy of this resolution be sent to each United States Senator and Congressman from the State of Georgia.

REPORTS OF COMMITTEES.

Mr. LODGE, *from* the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 85) to provide for the remission of further payments of the annual installments of the Chinese indemnity, reported it without amendment and submitted a report (No. 250) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2330) to extend the